

## TERMS AND CONDITIONS OF PURCHASE

The terms and conditions of purchase below apply without exception to the purchase of the Vendor's product(s) and supersede all other terms and conditions (which shall be of no force or effect) including without limitation, the Vendor's standard terms and conditions associated with the Vendor's order forms, invoice or other documentation, any additional terms not set out below, any conflicting terms or otherwise unless specifically agreed to in writing by Algoma specifying the new terms applicable and acknowledging that such terms will supersede those below. Unless written notice to the contrary is received by Algoma from the Vendor within ten(10) days of the sending of the attached purchase order, the Vendor will be deemed to have accepted, acknowledged and agreed to be contractually and legally bound by the within terms and conditions of purchase

### 1.0 AGREEMENT

These Appendix 1 General Terms and Conditions ("**GT&Cs**") are incorporated by reference and are deemed a part of: the Purchase Order; and/or Work Order; and/or Agreement; and represent the entire agreement (together the "PO") by and between Algoma Steel Inc. ("**Algoma**") and the vendor, ("**Vendor**") for the supply of goods and/or services to Algoma. In this document, each of Algoma and Vendor can be referred to as "**Party**" or together as "**Parties**".

**1.1** It is acknowledged and agreed by the Parties that the GT&C's of purchase stated herein apply without exception to the purchase of the Vendor's product(s) and/or for providing services, as applicable, and that any terms and/ or conditions that attempt to vary or add to the GT&C's of Appendix 1 and/ or the PO have no force or effect unless specifically agreed to in writing by the Parties. No other terms and conditions, including without limitation, the Vendor's standard printed terms and conditions on the Vendor's order form, quotation, invoice or otherwise, will have any relevance to any purchase between Algoma and the Vendor, unless specifically agreed in writing by Algoma.

**1.2** Non-acceptance of this PO shall be conveyed to Algoma in writing within ten (10) days of its receipt by the Vendor, failing which the PO will be deemed to have been accepted unconditionally.

**1.3** In the event of any inconsistency between the GT&Cs of this **Appendix 1** and the terms and conditions set forth in the related Purchase Order or Work Order, the provisions of the Purchase Order and/or Work Order shall prevail. In the event of any inconsistency between the GT&C's, and, if applicable, a related Purchase Order or Work Order and the terms and conditions set forth and agreed in an agreement executed between Algoma and Vendor (Agreement), the provisions of the executed Agreement shall prevail. Except for such inconsistencies, all other GT&C's are valid and enforceable.

### 2.0 SHIPMENT:

**2.1** For supply of materials, time is of the essence and Vendor agrees to (a) properly pack, mark and timely ship goods in accordance with the requirements of Algoma and involved carriers in a manner to secure lowest transportation costs and if Vendor becomes aware or anticipates shipments will be delivered late or the goods or service is in non-compliance, Vendor has the obligation to inform Algoma immediately; (b) make no charge for handling, packaging, storage or transportation of goods unless

otherwise stated in this PO; (c) provide with each shipment packing slips with this PO number and Algoma's material master numbers and quantities marked thereon and properly mark each package with such numbers; and (d) ensure that the original Bill Of Lading ("BOL") for each shipment contains this PO number and is promptly forwarded in accordance with Algoma's instructions. Vendor will ensure that the marks on each package and identification of the goods on packing slips, bills of lading and invoices shall be sufficient to enable Algoma to easily identify the goods.

**2.2** For shipments originating outside of Canada: Vendor shall send one commercial invoice and two Canada Customs Invoices, one packing list, insurance certificate and one Certificate of Origin along with the shipment. All railway freight, express and parcel post shipments and Canada Customs Invoices shall be mailed directly to Algoma's Corporate Taxes Department (Customs.Orders@algoma.com). Goods shipped by motor transport shall have Canada Customs Invoices attached to the BOL, which shall accompany shipment, with a Canada Customs Invoice also being mailed directly to Algoma. Any demurrage charge accruing on shipments held for Customs invoices shall be charged back to the Vendor or deducted from Algoma's pending payments to Vendor. All goods shipped in less than carload or truckload shipment shall be numbered and the number shown on the certified invoices.

**2.3** For shipments originating in the United States of America: a fully completed Certificate of Origin must accompany the Canada Customs Invoice to Algoma.

**2.4** Title to the goods ordered hereunder shall pass to Algoma as per INCOTERMS 2010 as set forth in this PO. If no INCOTERM is set forth and agreed, then title transfer and risk of loss will remain with Vendor until transfer upon receipt by Algoma. Delivery of goods shall not be deemed in itself as constituting receipt or acceptance of the goods by Algoma. In the event of a rejection of goods, then such goods shall be deemed to have been the property and risk of Vendor at all times.

**2.5** Vendor shall be solely responsible for making all transportation arrangements, payment of freight, applicable duties and insurance costs for the shipment and delivery of goods as per the terms of the PO. All applicable Shipping Documents shall be provided timely for payment.

**2.6** Algoma reserves the right to postpone the delivery of goods from Vendor and the Vendor shall hold the goods in good condition until the date so required. Any costs associated with this delay will be discussed with Algoma at the time of hold notification and will

be charged to Algoma. Any applicable charges will be covered by a formal charge order.

### **3.0 INVOICING AND PAYMENT:**

**3.1** Unless Vendor and Algoma have expressly agreed otherwise, each invoice shall (a) have a separate PO and be submitted to [algoma.invoices@algoma.com](mailto:algoma.invoices@algoma.com); (b) bear the PO number, state the name, email address, mobile or telephone number of the Vendor's representative; (c) be accompanied with supporting evidence and itemized in accordance with the Algoma's PO requirements; (d) provide proof of delivery of goods and/ or services as required by the PO; (e) include copy of relevant insurance obtained under the provision of this PO; (f) if tax, i.e. HST/GST, is applicable, tax must be shown as a separate amount and line item on all invoices and include the Vendor registration number; and (g) include any other document as may be required by the applicable law.

**3.2** Vendor shall provide additional details that might be requested by Algoma to verify the quality and quantity of goods and/ or services as required by the PO. If the invoice(s) does not comply with the provisions of this PO, the Vendor will be asked to submit a rectified invoice.

**3.3** Algoma is entitled to set off/adjust/deduct from any invoice under this PO or any other PO, for which any payment is due from the Vendor to Algoma (or to any of its subsidiaries or affiliates).

**3.4** Payment against Vendor's valid invoice(s) is due net 30 days of receipt of invoice(s) or as specified in this PO.

**3.5** Vendor indemnifies Algoma, its employees and agents against any claim of any nature that may be brought against any of them by any person or entity alleging non-payment of any invoice that is due to the Vendor.

### **4.0 PRICES, TAXES AND DUTIES:**

Prices for the goods and/or services ordered hereunder will be as shown in this PO. Algoma reserves the right to claim refund on any refundable amounts of duty or taxes for Algoma's account. Vendor shall make available to Algoma such of its records and documentation as are necessary to enable such recovery.

**4.1** If Vendor is a company not resident in Canada, this order may be subject to withholding tax if (i) the non-resident company performs services in Canada; or (ii) the non-resident company provides rental equipment in Canada. Rates may vary depending on country of origin and if a tax treaty exists between the country of origin and Canada.

**4.2** Vendor shall ensure that hours billed for travel time to Canada, and services performed in Canada are invoiced separately from hours billed for services performed outside of Canada.

For further information regarding tax obligations and responsibilities, Vendor should consult with a tax advisor;

**4.3** If Vendor assumes the obligation to deliver goods to Algoma on site, then Vendor shall be responsible for and pay all applicable duties and tariffs on the import of goods into Canada.

### **5.0 AMENDMENTS:**

**5.1** Algoma may at any time by written amendments to this PO; make changes in (a) drawings, designs and/or services ordered hereunder; (b) the schedule of shipment and/or packaging; and (c) the place of delivery.

**5.2** If any of the above changes affect the time for performance or the cost of manufacturing for supplying such goods and/ or services, Algoma and Vendor shall make an equitable adjustment in the purchase price or the delivery schedule, or both.

**5.3** Vendor shall not make any changes in the design or composition or make any substitution of any goods ordered hereunder or in the nature of any services ordered hereunder without the prior written approval of Algoma.

### **6.0 WARRANTY:**

**6.1** Vendor represents and expressly warrants that Vendor has: (a) The skill, experience, knowledge, personnel and facilities necessary to fulfill its obligations under this PO. (b) It possesses and/ or is in compliance with all applicable laws, statutes, regulations, directives, administrative orders and policies, including without limitation those relating to labor, origin and procurement of material, national security, fixation of price, profit limitations, price re-negotiation and price re-determination, issued by or of any government agency and all necessary licenses, intellectual property rights, permits and approvals required to fully execute, deliver and perform its obligations under this PO; (c) good, clean title to the goods and is legally qualified to sell, lease, finance or license such goods. Vendor expressly warrants that title to all goods furnished hereunder shall be transferred free and clear of all liens, claims, security interests or other encumbrances when title is passed to Algoma and that the goods and/ or services comply with all applicable laws and / or professional standards in force.

**6.2** Vendor represents and expressly warrants that the goods and service(s) delivered or performed under this PO shall be: (a) new and merchantable (goods only); (b) of good quality and free from defects in material and workmanship; (c) fit and sufficient for the purposes intended; and (d) in strict conformance with the applicable specifications, drawings, approved submittals or other description furnished by Algoma.

**6.3** Claims under this Warranty with respect to the supply of goods must be made by Algoma within twelve (12) months from the date of first use by Algoma. Claims under this Warranty with respect to services provided hereunder (including all materials, components, consumables, etc. that are used to carry out such services or are incorporated in the services) must be made by Algoma within twelve (12) months after the date of delivery of such services to Algoma.

**6.4** Vendor shall replace as soon as reasonably practicable at the specified delivery point, any goods ordered hereunder that are found to be defective or fail to conform to said specifications. If Vendor is unable to replace the goods (or correct the defect) promptly after notice thereof, Algoma reserves the right to obtain the goods from other sources without liability and Vendor is liable to pay all costs and expenses incurred in sourcing the goods from such alternate sources. In such a situation, Vendor shall promptly refund to Algoma the invoice price paid by Algoma and shall also pay for expenses incurred by Algoma for repair and/or replacement of such goods including but not limited to the handling, storage and transportation charges.

**6.5** Vendor warrants that all services provided hereunder shall be in accordance with the expectations as specified in the PO and there shall be no issues with the quality of workmanship. During the Warranty Period the Vendor shall be obligated, at its own cost including but not limited to freight and transportation costs, to promptly correct any fault in the service including all materials, components, parts, items, consumables, etc. used to deliver such services (or are incorporated in the services). If Vendor is unable to correct the deficiency (or provide replacement services that meet PO requirements) promptly after notice thereof, Algoma reserves the right to make alternate arrangements for fulfillment of such services. In such a situation Vendor shall promptly refund to Algoma the invoice price paid by Algoma and shall pay for all costs and expenses incurred by Algoma for arranging such services from alternate sources.

**7.0 INSPECTION AND REJECTION:**

**7.1** Algoma reserves the right, at its option, to inspect any goods ordered hereunder prior to shipment, wherever such goods are being manufactured. Algoma reserves the right, at its option, to inspect or depute a third party to inspect the quality and delivery of services that are ordered hereunder wherever such services are being performed. Inspection shall not unreasonably interfere with work being performed by Vendor.

**7.2** All reasonable facilities and assistance, including, but not limited to, access to drawings and production data, shall be furnished by Vendor to Algoma or Algoma's designated inspection agent(s) at no charge thereof.

**7.3** No inspection whether prior to or following the delivery of goods or performance of services, shall constitute acceptance of such goods or service. Any failure to undertake such inspections shall not be considered a waiver or relieve the Vendor of any obligation to Algoma under the PO.

**7.4** Under no circumstances shall Algoma be required to accept: Any goods and/ or services that do not conform to the specifications or requirements as set forth in the PO; the goods and/ or services if not provided in full within the agreed time; and may be subject, at Algoma's sole discretion, to rejection of the non-conforming or late goods or services. The right of rejection is without prejudice to and in addition to any other rights of Algoma under the PO or under law. Based on an inspection of a valid sample, Algoma may reject the material in whole or in part. If the goods delivered or service(s) performed are found to be defective, Vendor shall be obliged to timely rectify the defect at no additional cost to Algoma. Algoma reserves the right to charge the Vendor for the cost of inspecting and re-inspecting rejected goods and/or service(s). Vendor shall take back goods that are rejected and Vendor shall pay all costs including but not limited to handling, packaging and transportation of rejected goods. If Algoma is required to store or dispose of the goods, Vendor shall make payment to Algoma for the cost. Vendor shall make a full refund based on the quantity rejected and/or replace the goods with that of equal or better quality within seven (7) days or at such time as mutually agreed between Vendor and Algoma.

**8.0 INDEMNIFICATION:**

Vendor agrees to indemnify and hold harmless Algoma, its officers, directors, employees and agents from and against all claims, suits,

damages and losses, including reasonable attorneys' fees and expenses arising from (a) bodily injury, sickness or death or real or tangible property damage or destruction resulting from the negligent or wrongful acts or omissions in the performance of services by Vendor, subcontractors, anyone employed directly or indirectly by any of them, or anyone for whose acts any of them may be liable in connection with the provision of the services; (b) violation of any intellectual property rights of third parties or of Algoma, including without limitation rights relating to patents, trademarks, copyrights, know-how or trade secrets, by Vendor, subcontractors, anyone employed directly or indirectly by any of them, or anyone for whose acts any of them may be liable; (c) compensation claims covered by Contractor's Workers' Compensation insurance; and (d) any claim, demand or action made by any third party (including, but not limited to any claim made by any government or statutory authority) against Algoma arising out of or in connection with the performance by the Vendor of its obligation under this PO. The provisions of this section 8 shall survive termination or the completion of the PO.

**9.0 PATENTS:**

Except in the case of goods and/or services the detailed design of which has been specified by Algoma, Vendor agrees to defend, indemnify and hold harmless Algoma from and against any and all liability, costs and expenses, including royalty payments and legal fees, suffered or incurred by Algoma in respect of any infringement or alleged infringement or breach of any patent, trademark or other proprietary right by the goods and/or services ordered hereunder, or by the performance of the work by Vendor of its obligations hereunder. Vendor agrees that it will at its expense, assume the defense of any claim, suit or any other proceeding in respect of any such infringement or breach; provided that Algoma may at its option, be represented by its own counsel in any claim, suit or proceeding.

**10.0 PATTERNS AND EQUIPMENT:**

All supplies, materials, facilities, tools, jigs, dies, fixtures, patterns, and equipment furnished to Vendor by Algoma to perform this order or for which Vendor has been reimbursed by Algoma, shall be and remain the property of Algoma, and Vendor shall bear the risk of loss of any damage to such property, except for normal wear and tear.

**11.0 INSURANCE AND INDEMNITY:**

**11.1** If Vendor enters Algoma's property in the performance of any work related to this order or utilizes the property of Algoma, whether on or off Algoma's premises, Vendor agrees to defend, indemnify and hold harmless Algoma from and against any liability, claim, demand or expense (including legal fees) for loss or damage to the property of or injuries (including death) to Algoma, its employees or any other person arising from or in connection with Vendor's performance of such work or use of such property, to the extent such liability, claim, demand or expense is arising out of the negligence of Vendor;

**11.2** Vendor shall maintain at its expense during the progress of the work adequate (a) Workers' Compensation Insurance, (b) Automobile Insurance and (c) Public Liability and Property Damage Insurance subject to limits of not less than \$3 million for each occurrence of bodily injury, death or damage to property, including

loss of use thereof. Umbrella or Excess Liability insurance may be used in combination with primary policies to satisfy the limit requirements set forth herein. In addition Vendor shall on request, furnish Algoma with evidence of insurance coverage.

**11.3** While on Algoma's property Vendor warrants and undertakes it shall (a) comply with all fire, safety and other applicable rules and regulations prescribed by any government agency and/or by Algoma, and be responsible for the observance thereof by all subcontractors, employees and agents of Vendor and its subcontractors; (b) to the extent it has been paid by Algoma as required by this PO, keep the property and work free and clear of all liens of any kind whether mechanical and/ or construction liens and from any claims demands or actions arising from or related to Vendor and its subcontractors and/ or agents or anyone employed directly or indirectly by any of them, or anyone for whose acts any of them may be liable in connection with the provision of the services performance or non-performance and promptly pay for all labor and material (and Algoma may withhold any payment to Vendor until receiving such affidavits, waivers and releases with respect to claims for labor and material as Algoma may reasonably require); (c) replace at its own expense all work damaged or destroyed by any cause whatsoever other than a cause attributable to Algoma or anyone for whom Algoma is responsible prior to the earlier of: (i) written acceptance of the work by Algoma or (ii) Algoma's physical custody and control of the work; (d) perform its work in accordance with schedules and programs described in this PO so as not to interfere with the operations of Algoma; and (e) perform its work so that the property shall at all times be clean, orderly and free from debris and upon completion shall remove all equipment and unused materials from the property, clean up all refuse and debris, and leave the site of the work clean, orderly and in good condition; (f) comply with all Workplace Safety and Insurance Board (WSIB) requirements, including but not limited to registration, payment of premiums and shall provide to Algoma proof of WSIB coverage in the form of a Clearance certificate and shall maintain coverage and provide any updated Clearance certificate subject to WSIB requirement throughout the time it performs services on Algoma's property.

**11.4** Vendor shall pay promptly for all loss, destruction, or damage to the property of Algoma caused by the Vendor or by any of its subcontractors or anyone else directly or indirectly employed by Vendor or by its subcontractor.

**11.5** Vendor shall include Algoma as an additional named insured on its insurance policies, as its interest may appear with respect to this PO.

## **12.0 FORCE MAJEURE:**

Each Party shall perform its obligations as specified herein, provided that, if circumstances or events in the nature of Force Majeure (i.e. beyond the reasonable control of a Party) shall delay performance by such Party of its obligations herein, the date of such Party's performance may be extended for a period of time equal to the length of the delay so caused. Such extension shall be conditional upon such Party giving prompt written notice to the other Party of the occurrence of the event causing the delay and its expected duration. The failure of a Party to fulfill any of its performance obligations hereunder shall not be considered to be a breach of, or default under, this PO insofar as such failure arises from a Force Majeure event, and provided that the Party

affected by such an event has taken all reasonable precautions, due care and reasonable alternative measures with the objective of carrying out the Services in accordance with the terms and conditions of this PO. For purposes of this article, the term "Force Majeure" means an event which is beyond the reasonable control of a Party, and which makes a Party's performance of its obligations hereunder impossible or so impractical as reasonably to be considered impossible in the circumstances, and includes, but is not limited to, war, riots, civil disorder, earthquake, fire, explosion, storm, flood, extreme winter or other adverse weather conditions, strikes, lockouts or other industrial action (Settlement of a strike, lockout or other labor dispute shall be deemed beyond the reasonable control of the affected Party thereby regardless of the cause of, or the ability of such Party to settle, such dispute), confiscation or any other action by government agencies. Force Majeure shall not be deemed to include: (a) any event which is caused by the negligence or intentional action of a Party or such Party's consultants, agents, subcontractors or employees; (b) any event which a diligent Party could reasonably have been expected to both: (i) take into account at the time this PO was entered into; and (ii) avoid or overcome in the carrying out of its obligations hereunder; or (c) the insufficiency of funds, inability to make any payment required under this PO, or any economic conditions, including but not limited to inflation, price escalations, or labor availability.

## **13.0 TERMINATION:**

### **13.1 TERMINATION FOR CONVENIENCE:**

**13.1.1** Algoma at its sole and absolute discretion may terminate this PO without liability, penalty or further obligation, except as provided herein, in whole or in part without assigning any reason and by giving thirty (30) days' notice to Vendor, at any time before supply of all of the goods or delivery of all the services ordered hereunder. Algoma shall serve a notice of termination by written communication to Vendor. No termination charges will be payable by Algoma except as provided in Sections 13.1.2 and 13.1.3.

**13.1.2** Where the goods ordered hereby are to be produced specifically for this PO and cannot reasonably be otherwise sold or used by Vendor, or where, specifically in order to provide services ordered hereby, Vendor has employed personnel, incurred costs (as supported by appropriate and reasonable documentation presented to Algoma), or purchased goods which cannot reasonably be otherwise used or sold by Vendor, Vendor shall, after receipt of a notice of termination, unless otherwise directed by Algoma, immediately terminate all work in respect of the goods and/or services whose provision has been terminated and shall, unless otherwise directed by Algoma, (a) terminate all orders and related subcontracts relating to such goods and/or services; (b) settle all claims arising out of such termination of orders and subcontracts; (c) transfer title and deliver to Algoma (i) all completed goods which conform to the requirements of this PO and do not exceed, in quantity, the amount authorized for production by Algoma, and (ii) all reasonable quantities (but not in excess of amounts authorized by Algoma) of work in process and materials produced or acquired in respect of the performance of the work terminated which are of a type and quality suitable for producing goods which conform to the requirements of this PO and which cannot reasonably be otherwise sold or used by Vendor; (d) take all action necessary to protect property in Vendor's possession in which Algoma has or may acquire an interest; (e) submit to Algoma promptly, but not later than three months from

the effective date of termination, (one month in the case of partial termination), its termination claim (supported by appropriate and reasonable documentation); provided, however, that in the event of a failure of Vendor to submit its termination claim within such period, Algoma may determine on the basis of information available to it the amount, if any, due to the Vendor with respect to the termination, and such determination shall be final.

**13.1.3** Only in the circumstances described in Section 13.1.2, shall Algoma pay to Vendor, as termination charges for termination under Section 13.1, the following amounts without duplication: (a) the PO price for all goods and/or services which have been completed or provided in accordance with this PO and not previously paid for; (b) the actual costs incurred by Vendor in accordance with this PO to the extent such costs are reasonable in amount and are properly allocable or apportionable under generally accepted accounting practices to the terminated portion of this PO and the actual cost of work in process and materials delivered to Algoma in accordance with Section 13.2 and including the actual cost of discharging liabilities which are so allocable or apportionable; and (c) the reasonable costs incurred by Vendor in protecting property in its possession in which Algoma has or may acquire an interest. Payments made under this Section 13.3, exclusive of payments under subdivision (c) hereof, shall not exceed the aggregate price specified in this PO, less payments otherwise made or to be made.

**13.1.4** The provisions of Sections 13.2 and 13.3 shall not apply if this PO is terminated by Algoma for the default of the Vendor.

#### **13.2 TERMINATION FOR CAUSE:**

**13.2.1** Algoma may terminate the PO without liability, penalty or further obligation in the event of default by the Vendor. Default shall be deemed to be the occurrence of any one or more of the following and as set forth in other articles of this PO: (a) committing a material breach of the GT&Cs of this PO or failing to perform any material provision of this PO; or (b) being involved, or by its subcontractors or agents or others for whom it exercises control, in unethical, illegal actions or committing any crime whatsoever on or at Algoma's premises or for any such action related to the execution of this PO; or (c) contravening any laws, regulations or policies of Algoma including but not limited to code of conduct, security, safety and health.

**13.2.2** In the event of termination of this PO for cause, Algoma shall, without prejudice to any of Algoma's other rights under the PO or in law, be entitled to direct the Vendor to remove from Algoma's premises any or all of its employees, agents, distributors, subcontractors and representatives who, in the sole and exclusive discretion of Algoma, were involved in activities as mentioned in Section 13.2.1 above. Such person(s) may not be permitted to re-enter Algoma's premises without prior written consent of Algoma. In addition, Algoma may terminate the PO and call on any related Bank Guarantee, Letter of Credit or other such financial instrument against this PO.

**13.2.3** Algoma has the right to terminate the PO in the event of default (a) if Vendor materially fails to provide the goods and/or services in accordance with the timelines specified or in the manner required under the PO; or (b) if the goods and/or services do not conform to the requirements under the PO; or (c) if the Vendor becomes insolvent or is unable to meet its payment obligations when due, or (d) if the Vendor breaches any material

obligation under the PO; (e) or if there is deliberate or persistent non-compliance with achieving the specifications, timelines or any other material requirements as set forth in the PO. In these such situations Algoma shall give the Vendor a written notice describing the instances of default and giving the Vendor a reasonable opportunity to cure. If the Vendor does not cure the default within the period specified in the written notice, Algoma may, without prejudice to any other rights available to it by law, terminate the PO for default by written notice, specifying the reason for the default and the effective date of default.

#### **13.3 TERMINATION FOR FORCE MAJEURE:**

**13.3.1** Algoma may choose to terminate this PO for Force Majeure, by serving a written notice to the Vendor that shall be effective no less than ten (10) business days from the date of the notice if (a) as the result of a Force Majeure event, the Vendor is unable to perform a material portion of the services for a period of more than thirty (30) days; or (b) in the event Algoma is required to do so to comply with applicable laws, regulations or professional standards.

**13.3.2** In the event of termination of the PO, Vendor shall be entitled to be paid for goods and/or services delivered and accepted or properly performed prior to the effective date of termination, provided, however, that such payment shall not exceed the total PO price after adjustment to account for the price associated with work not performed. Vendor shall not be allowed, and expressly waives, payment for profit on goods and/or services which were not delivered or performed as of the termination date.

#### **14.0 APPLICABLE LAW & JURISDICTION:**

This PO shall be deemed to have been entered into in the province of Ontario, Canada and shall be governed by and construed in accordance with the laws in effect in the province of Ontario, Canada and is subject to the jurisdiction of the courts of Ontario, Canada without giving effect to its principles of conflicts of laws. The Parties expressly exclude the application of the United Nations Convention on Contracts for the International Sale of Goods. The parties have expressly required that this PO and all documents and notices relating hereto be drafted in English. *Les parties aux presents not expressement exige que la presente convention et tous les documents et avis qui y sont afferents soient rediges en anglais.*

#### **15.0 ASSIGNMENT:**

Vendor shall not assign or delegate the rights and obligations of this PO in any manner to any other person including the supply of any goods and/or services ordered hereunder without the written consent of Algoma, such consent shall not be unreasonably withheld.

#### **16.0 LIMITATION OF LIABILITY:**

The Parties confirm that the express remedies and measures for damages provided in this PO satisfy the essential purposes hereof. For breach of any provision for which an express remedy or measure of damages is herein provided, such express remedy or measure of damages shall be the sole and exclusive remedy, the liable Party's liability shall be limited as set forth in such provision, and all other remedies at law or in equity are waived unless otherwise provided in this PO. If no remedy or measure of

damages is expressly herein provided, Algoma's liability shall be limited to direct actual damages only.

Payment of liquidated damages by Vendor shall be Algoma's remedy with respect to delays or for performance requirements for which liquidated damages may be assessed and is without prejudice to and in addition to any other rights Algoma is entitled to under law. Notwithstanding the foregoing, should liquidated damages caps set forth in the PO be exhausted and thirty (30) days have passed without performance by Vendor, Algoma reserves the right to terminate the order without liability or penalty to Algoma and purchase the material from other source(s). Vendor shall be liable to pay to Algoma all costs and expenses incurred by Algoma in procuring from alternate source(s).

#### **17.0 CONSEQUENTIAL DAMAGES:**

Notwithstanding anything to the contrary herein, neither Party shall be liable for indirect, incidental, special, punitive or consequential damages including, but not limited to, loss of profits or revenue, loss of use of equipment, costs of replacement power or product, or additional expenses incurred in the use of equipment or facilities.

#### **18.0 PROPRIETARY MATERIALS:**

All drawings, patterns, specifications and information supplied by Vendor with respect to the goods or services provided are property of Algoma unless such are proprietary and confidential property of Vendor. No rights in any such information supplied by Vendor or any intellectual property or the confidential or proprietary information residing in the goods or any data supplied with the goods or services are granted hereunder. Algoma shall have no right to copy, reproduce in whole or in part any data contained within the goods or in any information furnished by Vendor without the prior written consent of Vendor, except solely to the extent required for the use, operation, maintenance and repair of the services or equipment provided and shall not be used by Algoma for any other purpose. This clause shall survive the termination of this PO and be in effect as long as Algoma has possession of any of Vendor's proprietary or confidential property.

#### **19.0 MISCELLANEOUS:**

##### **19.1 Vendor represents warrants and undertakes that:**

Vendor is aware of and familiar with the provisions of the Canadian Corruption of Foreign Public Officials Act (CFPOA) and the US Foreign Corrupt Practices Act (FCPA) and their purposes and any other anti-corruption law applicable in a jurisdiction in which Vendor may have conducted or will conduct business and that neither Vendor or its employees, intermediaries or agents engaged in connection with the PO have violated any such law and (a) to the best of its knowledge (reasonable enquiries having been conducted by the Vendor), at the date of entering into force of this PO, neither it, nor its directors, officers or employees, have directly or indirectly, paid, promised or offered to pay, authorized the payment of, or accepted any undue money or other advantage of any kind in any way connected with the Vendor's relationship with Algoma under this PO or otherwise; (b) neither it, nor its directors, officers or employees, will violate any applicable anti-bribery laws or standards. Specifically, Vendor agrees that it will not, directly or indirectly, pay, promise or offer to pay, accept or authorize the payment of any undue money or other advantage to a public

official or representative of a State-owned enterprise, or to any person or entity in connection with the improper performance of any public or business function or activity. In addition, no payment shall be made to anyone for any reason on behalf of or for the benefit of Algoma which is not properly and accurately recorded in the Vendor's books and records, including amount, purpose and recipient, all of which shall be maintained with supporting documentation; (c) it shall not and shall not authorize its subcontractors, agents, intermediaries or other third parties to request, agree to receive or accept a financial or other advantage where, in anticipation of or in consequence thereof, a relevant function or activity is or may be performed improperly; (d) it has taken and will continue to take reasonable measures to prevent its subcontractors, agents or any other third parties, subject to its control or determining influence, from engaging in any conduct that would contravene (a), (b) or (c) above.

Vendor acknowledges the importance that all entities of the Vendor group (including without limitation, employees or anyone employed directly or indirectly by any of them, or anyone for whose acts any of them may be liable in connection with the provision of the services, subcontractors, agents, intermediaries or others under its control) comply with the applicable laws and requirements and as set out in the RFP/RFQ. Further, Vendor undertakes to notify Algoma if it learns of or has reason to believe that any breach of any such obligation has occurred. Vendor undertakes to review and comply with the Algoma Code of Conduct (which is available on the Algoma portal (<https://www.algoma.com/governance/>)).

If any member of the Vendor Group fails to meet the relevant requirements in the applicable laws, the RFP/RFQ the Algoma Code of Conduct or any of the representations and/or warranties, then where, at Algoma's sole discretion, Algoma considers that such a breach can be remediated, Vendor shall take all further steps as reasonably stipulated by Algoma to remedy the breach, including the implementation of adequate procedures so that no such breach will arise again.

Where concerns arising out of the breach are material and/ or the breach cannot be or is not remedied in accordance with the requirements set out above, Algoma reserves the right to terminate this PO with immediate effect and declare all existing contractual obligations null and void, including without limitation existing offers. In the event that Algoma terminates this PO under this provision, without prejudice to any charges owing or any other pre-existing liabilities, no member of the Vendor Group shall be entitled to claim compensation or any further remuneration, regardless of any activities or agreements with additional third parties entered into before termination.

**19.2 Vendor represents and warrants, that with respect to its supply obligations under the PO, it is currently in compliance with, and shall remain in compliance with (i) Canadian economic sanctions and export controls laws and regulations, including those set out in or promulgated under the Special Economic Measures Act, the United Nations Act, the Freezing Assets of Corrupt Foreign Officials Act, the Criminal Code and the Export and Import Permits Act, and (ii) to the extent permitted under Canadian law, such applicable U.S. laws, regulations and Executive Orders administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of Commerce, both of which prohibit, among other things, engaging in transactions with, and providing services to, certain foreign countries, territories, entities and individuals. Vendor represents**

and warrants that neither Vendor nor any person having a beneficial interest in Vendor is (i) a Person whose name appears on any list established pursuant to the above laws (a "**Listed Person**") or (ii) a department, agency or instrumentality of, or otherwise directly or indirectly controlled by or acting on behalf of any Listed Person or the government of a country subject to comprehensive economic sanctions under the above laws, including, but not limited to, Iran, Sudan, Syria, and North Korea (each Listed Person and each other entity and country described in clause (ii), a "**Blocked Person**"). Vendor further represents and warrants that none of the goods and/ or services that Algoma is receiving from Vendor will involve, require interaction with, concern, or relate to, in whole or in part, any Blocked Person or their assets or products. Vendor hereby acknowledges and agrees that Vendor's breach of any of the terms of this article shall be a material breach of this PO.

**19.3** Algoma will disclose or make available to Vendor information that is confidential in nature ("Confidential Information"). The existence and content of these terms and the PO are also Confidential Information. Vendor undertakes (a) to keep all Confidential Information strictly confidential and (b) not to use any Confidential Information for any purpose other than in complying with its obligations under the PO and (c) not to disclose any Confidential Information to any person other than its officers and employees, except to the extent necessary for the purpose of performing its obligations under the PO. The undertaking shall not apply to the extent Confidential Information is information in the public domain through no fault of the Vendor or the Vendor is required to disclose it by law. Any breach of the Vendor's obligations under this clause by its officers, employees and / or representatives shall be deemed to be a breach by the Vendor. Except to the extent required under applicable laws or necessary for the performance of remaining obligations under the PO, all Confidential Information shall be returned to Algoma or, if requested, destroyed on termination or expiry of the PO.

**19.4** Any transaction made under the PO shall at all times be in strict conformity with all applicable export control laws and regulations and Vendor represents and warrants that it will comply at all times with all applicable export control regulations. Vendor will not make any disposition by way of trans-shipment, export, re-export, diversion or otherwise of any goods, except as such laws and regulations may expressly permit, with Vendor bearing full responsibility for obtaining any required export licenses or other permits, and that no such disposition or transfer will be made other than to the ultimate country of destination specified in the PO. Vendor will furnish to Algoma, upon request, proof that the goods have been entered into, and will remain in, the specified country.

**19.5** The Vendor is an independent contractor engaged by Algoma to supply the products and/ or services. Nothing in the PO shall make the Vendor the legal representative or agent of (or be in partnership with) Algoma nor shall any of them have the right or authority to assume, create or incur any liability or obligation of any kind, express or implied, against, in the name of or on behalf of, Algoma. The Vendor warrants it is and remains responsible for its employees, subcontractors, agents and representatives and Vendor warrants it is solely responsible for the paying of all compensation and all federal and/ or provincial health insurance, unemployment insurance, social security and / or other similar taxes incurred hereunder. The Vendor is not relieved of any liability for and no obligations of any kind in relation to these persons shall pass to Algoma as a result of the PO.

**19.6** No one other than a Party to the PO, their successors and permitted assignees upon whom the PO confers a benefit shall have any right to enforce any of the GT&C's of Appendix 1 or of the PO.

**19.7** If any provision or part of any provision of the PO is or becomes illegal, invalid or unenforceable in any respect under any applicable law, the remaining parts of that provision or of the PO shall not in any way be affected. The Parties agree to modify or attempt to substitute for any illegal, invalid or unenforceable provision a legal, valid or enforceable provision to achieve to the greatest extent possible the same effect.

**19.8** No delay or failure to exercise by any Party any of its rights, powers or remedies under or in connection with the PO shall operate as a waiver of that right, power or remedy.