



**CONFIDENTIAL**

# **BLANKET AGREEMENT**

**NO.**



**by and between**

**STELCO INC.**

**and**

**Supplier**

**Covering Supply of Goods**

**to**

**Stelco Inc.'s Hamilton Works**

**and**

**Stelco Inc.'s Lake Erie Works**

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**BLANKET AGREEMENT**  
**COVERING SUPPLY OF GOODS TO STELCO**

**THIS BLANKET AGREEMENT** (hereinafter called "Agreement"), entered into effective the **DAY** of **MONTH, YEAR** (Effective Date), by and between Stelco Inc., a Canadian corporation, having its principal office and place of business at 386 Wilcox Street, Hamilton, Ontario, L8L 8K5, Canada (hereinafter called STELCO), and **Supplier**, having its principal office and place of business at **«ADDRESS»** (hereinafter called Supplier).

**WHEREAS**, STELCO may, from time to time, require certain goods and/or equipment and their associated services where applicable, (hereinafter called "Goods"), and often necessitating immediate delivery by Supplier either upon STELCO's premises and/or at other locations; all in conjunction with STELCO's use of other suppliers, vendors and contractors for the performance of STELCO's overall requirements; and

**WHEREAS**, Supplier is familiar with the nature of STELCO's requirements (as aforesaid) and is willing to supply Goods when and as contracted for pursuant to such individual purchase order(s), release(s) or other document(s) as are issued by STELCO's Supply Chain authorized representative or its delegate(s) to Supplier; it being recognized and agreed by Supplier that no minimum quantity of Goods shall apply and none is guaranteed hereunder; and

**WHEREAS**, STELCO and Supplier, to avoid repetitive negotiations, and other considerations, mutually desire to have this Agreement (including the contract documents comprising a part hereof as hereinafter provided) govern and control (i) Supplier's performance and (ii) the legal relationship between the parties relative thereto.

**WITNESSETH:**

**NOW THEREFORE**, in consideration of the foregoing premises and mutual covenants herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, have agreed and do hereby agree as follows:

**Article 1      SCOPE OF SUPPLY**

- 1.1. STELCO agrees to purchase on a non-exclusive basis during the term of this Agreement Goods used for STELCO's operating and maintenance needs at the prices as specified in APPENDIX B: PRICES.
- 1.2. The Contract Documents applicable to such transactions are as follows:
  - The Blanket Supply Agreement (this document), with its Appendices
  - Purchase Order(s) issued by STELCO to Supplier
  - Trade Agreement(s) (Blanket Purchase Order(s))

In case of discrepancies between the above listed documents they shall take precedence in the order listed above.

1.3. Any purchases placed by STELCO with Supplier are based upon the needs of STELCO at the time as STELCO determines in its sole discretion, without regard to previous estimates, requests for quotes, or other communication. Supplier acknowledges that no agreement to purchase any minimum quantity of Goods is expressed or implied.

1.4. The terms “Purchaser”, “Buyer”, “STELCO” wherever used in this Agreement and or any document incorporated by reference or made a part hereof shall mean Stelco Inc., its operating divisions and domestic subsidiaries, unless specifically provided otherwise; provided, however, Stelco Inc. does not assume and shall not be directly or indirectly responsible for the liabilities or obligations of any of its subsidiaries or affiliated entities other than for its express obligations under this Agreement.

## **Article 2 TERM OF AGREEMENT**

2.1. This Agreement shall be effective commencing on the Effective Date and shall continue in full force and effect for 3 years, unless sooner extended or terminated in writing in accordance with the terms of this Agreement.

2.2. Termination or expiration of this Agreement shall in no manner affect any provision(s) hereof which, by their terms, are to survive termination or expiration of this Agreement.

## **Article 3 MOST FAVORED CUSTOMER**

3.1. Supplier represents that the terms and conditions hereof, including price or pricing practices, are no less favorable than the terms and conditions, including price, previously granted to any other customer for commodities of the same type, quantity, and service as that covered under this Agreement. In the event Supplier hereafter grants, more favorable terms and conditions, and/or price, to any other customer, or makes changes in the way it charges others for commodities of the same type and quantity, and for service as covered hereunder, the same more favorable terms and conditions, prices and/or way it charges, shall automatically be extended to STELCO.

3.2. It is Supplier’s obligation to inform STELCO as more favorable terms become available.

## **Article 4 LIENS**

4.1. If a lien arising from the supply of Goods is registered against title to STELCO’s real or personal property, Supplier shall, within ten (10) days of the date of such registration, and at Supplier’s sole expense, vacate or discharge any such lien. If Supplier fails to vacate or discharge the lien within such time period, STELCO, at its option and at the expense of Supplier, may vacate or discharge the lien and withhold amounts otherwise due to Supplier from STELCO for the purpose of so doing.

## Article 5 PRICES

5.1. The prices applied to the Goods supplied by Supplier are listed in APPENDIX B: PRICES. Subject to any favourable price adjustments pursuant to Article 3, these prices are fixed for the duration of the Agreement.

5.2. The listed prices are net of any taxes, and shall include as a minimum:

- DDP delivery (as per Incoterms 2010) to STELCO's receiving location
- All storage, freight, and insurance charges
- Warranties
- On-time deliveries
- Emergency deliveries
- The availability of new catalogs, training materials, etc.
- Complete compliance with applicable law and regulations
- Value-added services
- 24/7 single point of contact for the support (must be trained technical representative(s) familiar with the business)
- Training seminars as required
- Service requirements contained in the APPENDIX A: GENERAL SERVICE REQUIREMENTS

5.3. Items may be added to the list of Goods throughout the duration of the Agreement, with the mutual consent of both parties.

5.4. If, under some exceptional circumstances (other than favourable price adjustments pursuant to Article 3), both parties agree to change the prices for any Goods listed in APPENDIX B: PRICES, the existing prices will continue to apply up to a period of thirty (30) days following establishment of changed prices.

## Article 6 INVOICING, PAYMENTS, AND OTHER CONDITIONS

6.1. Supplier shall submit to STELCO the consolidated invoice for the Goods supplied during each full calendar month. Each invoice shall provide the detailed breakdown of the total invoice amount; as a minimum, the list of items being invoiced, with the quantities and price per unit to be clearly stipulated on the invoice. The invoice to be paid as Net 60 days after the receipt of the invoice by STELCO.

6.2. Final payment of any remaining sum(s) due Supplier, in case of termination or expiry of this Agreement, shall be made within sixty (60) days after the receiving of Goods by Stelco, or the receipt of the last invoice by STELCO, whichever comes last. Final payment shall not be construed as the waiver of any breach hereof by Supplier or as an acceptance of defective Goods not in conformance

with the terms and conditions of this Agreement or of any other Contract Documents applicable thereto.

6.3. In addition to its other remedies, STELCO may withhold and retain from time to time out of moneys due Supplier, amounts sufficient to fully reimburse and compensate STELCO for any loss or damage which STELCO sustains, or may sustain, as a result of any default or any breach by Supplier of any of the provisions of this Agreement, or the provisions of any Contract Documents or any other contract or agreement executed by the parties and/or purchase order(s), release(s), etc., issued by STELCO to Supplier hereunder during the term of this Agreement, or by reason of any other claims STELCO may have against Supplier.

## **Article 7 DELIVERY, RELEASES AND PACKAGING**

7.1. Supplier agrees to sell and deliver to the specific location, or locations specified by STELCO, STELCO's daily operating and maintenance needs of Goods, at all times in strict compliance with STELCO's specified delivery requirements. Unless otherwise agreed, one (1) delivery per receiving day will be made. Unless specifically requested, delivery under this program will not normally be made outside of standard receiving hours (business days, from 8:00 to 12:00 and from 12:30 to 16:00, EST).

7.2. When deemed necessary by STELCO, a mutually acceptable specific time schedule for releases and delivery of Goods can be jointly developed by STELCO and Supplier.

7.3. The releases of Goods shall be communicated to Supplier by STELCO via Purchase Order or Trade Agreement (Blanket Purchase Order) release or, for emergency releases, Purchase Order number; all such communication to be in writing.

7.4. Goods to be packaged as per instructions specified in the release, or, if no specific instructions were provided with the release, in accordance with the most applicable industry standards (including protective packaging, if required).

7.5. Supplier shall attach to each package two (2) copies of a shipping list, matching the release to the package. The Supplier will deliver the packages to the plant receiving stations specified in the release.

7.5.1. Each shipping list shall contain the name of the applicable plant receiving station, the release number (if applicable), a list of all Goods on the release with applicable STELCO item number and description, the quantity released and delivered, and the total package count. When a difference exists, the quantity actually delivered shall be marked.

7.5.2. Any discrepancies between actual package contents and the items and quantities shown on the shipping list will be the responsibility of Supplier. Supplier shall promptly advise STELCO of any discrepancies so that corrective action can be taken by STELCO or Supplier, as applicable.

## Article 8 OBLIGATIONS OF SUPPLIER

### 8.1. Inventory obligations of Supplier

Prior usage information may be provided to Supplier by STELCO, if requested, but only as a guide. Supplier will maintain adequate inventory of each item to assure delivery of all items listed in APPENDIX B: PRICES and/or released. A minimum performance of ninety-five percent (95%) of the fulfillment of all releases and orders on confirmed dates shall be required, computed on the basis that a partial delivery, unless explicitly allowed or requested, is a failure. The Supplier will investigate all failures to make complete delivery and advise STELCO promptly of corrective action taken. Should the Supplier fall below this performance level, and after written warning, fail to establish and maintain a minimum of required performance level, STELCO reserves the right to terminate this Agreement upon thirty (30) day prior written notice.

### 8.2. Warranty obligations of Supplier

8.2.1. Supplier represents and warrants that: (i) the Goods furnished herein shall be merchantable and be of good workmanship and quality, free of all defects and fit for the ordinary purposes for which they are used; (ii) the Goods shall meet any applicable specifications and comply with any and all applicable laws, codes, regulations and standards; (iii) any Goods 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 guarantee period provided hereunder, normal wear and tear excepted, shall be replaced by Supplier free of charge, including transportation.

8.2.2. Should Supplier fail to replace any defective or non-conforming Goods within 7 days from receipt of written notice from STELCO in regard thereto, STELCO shall have the right to replace such Commodity from other sources and all costs incurred in relation thereto shall be for Supplier's account. STELCO may withhold the costs thereof from moneys otherwise due from STELCO to Supplier under this Agreement and/or any other agreement between STELCO and Supplier.

8.2.3. The warranty as specified in Articles 8.2.1 and 8.2.2 shall expire at the expiry of the later of: (a) a period of one (1) year from the date that the Goods are delivered to STELCO, (b) at the end of the warranty period provided by the manufacturer thereof.

### 8.3. Substitution

The Supplier shall not substitute items and manufacturing sources identified on the APPENDIX B: PRICES without the written approval of STELCO.

### 8.4. Imported Commodities

8.4.1. Unless otherwise expressly stated on the purchase order form or release, or 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 Supplier acting as the importer of record.

8.4.2. If STELCO agrees by expressly stating to act as the importer of record in Canada for any Goods that originate from sources or suppliers based outside Canada, the Supplier 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.

8.4.3. Without limiting the foregoing, the Supplier shall provide to STELCO with respect to Goods that originate from a USMCA agreement country, true, accurate and valid Certificates of Origin and furthermore shall promptly and fully cooperate with the relevant government authorities and also with STELCO on any inquiries, audits or reviews concerning the validity and accuracy of the Certificates of Origin.

8.4.4. The Supplier 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 Supplier 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.

8.5. Defective and non-conforming items shall be held by STELCO for disposal by Supplier at Supplier's risk and expense.

8.6. Disposal of hazardous substances shall be undertaken by Supplier in strict compliance with all applicable laws.

8.7. Supplier performance review

8.7.1. Supplier and STELCO agree to review meetings with STELCO's Supply Chain on a regular basis, and in any event at least once per quarter, to discuss performance and metrics, such as following:

- Order fill rate
- Updated user and delivery location information
- On-time delivery to each ship-to-location
- On-time delivery for each emergency delivery
- Usage reports for each facility (by catalog ID and product part number)
- Contractual items as per APPENDIX B: PRICES supplied during the report period
- Non-contractual items (including firm pricing) supplied during the report period
- Recommended maximums (if changed from previous)
- Total Cost of Ownership (TCO) reduction commitment performance
- Training – completed and scheduled
- Vendor Managed Inventory (VMI) requirements (product and service expectations)
- Any other pertinent service level metrics



8.7.2. The Supplier shall report on the above-mentioned metrics and present these metrics to STELCO's Supply Chain at each review meeting. All meetings shall be documented by Supplier and copy of meeting minutes be sent to STELCO.

#### 8.8. E-Catalog requirement

8.8.1. The Supplier will work towards being able to provide an electronic catalogue for STELCO access for all items available containing the following information on an item-by-item basis:

- STELCO item number
- STELCO delivered price
- Manufacturer
- Manufacturer part number
- Stock availability
- Lead time
- Product photo

8.8.2. STELCO will require Supplier to provide the capability for on-line ordering with automatic file transfer capability for STELCO's ERP systems.

### **Article 9      ASSIGNMENT**

9.1. Supplier shall not assign in whole or in part any right, obligation, or duty under this Agreement without prior written consent of STELCO.

9.2. All notices of assignment and requests for consent, together with an executed and legally binding copy of the instrument of assignment, shall be in writing and submitted to STELCO not less than sixty (60) days in advance of the effective date of such assignment. Such notice and documents shall be submitted to STELCO in accordance with Article 20 of this Agreement.

9.3. In case consent to assignment is given, it shall not relieve Supplier from any of the obligations or duties under this Agreement. Any assignee shall be considered the agent of the Supplier and any payments forwarded to Supplier by STELCO subsequent to an assignment shall be conclusively presumed to be held in trust for assignee's account. It is expressly agreed that Supplier shall remain liable to any assignee for all payments by virtue of any such assignments under this Agreement and shall return to and/or reimburse STELCO for any payments, made in error or otherwise to Supplier subsequent to assignment, which such obligation shall survive the term of this Agreement.

9.4. Any purported assignment that is not made in accordance with the provisions of this Article 9 shall be considered to be void and of no effect.

### **Article 10      TITLE AND RISK OF LOSS**

10.1. Title to, and risk of loss, for all Goods sold to STELCO under this Agreement shall pass to STELCO upon delivery to STELCO's receiving location.

## **Article 11     TERMINATION**

11.1. STELCO may terminate, in whole or in part, Supplier's further performance and STELCO's obligations under this Agreement at any time by notice to Supplier confirmed in writing and specifying therein whether such termination is for Supplier's default or for STELCO's convenience and the effective date thereof.

11.2. If STELCO's termination hereunder is for Supplier's default, then to the extent of such termination, Supplier's right to recover any additional cost or profit hereunder shall end and STELCO shall have against Supplier all remedies provided in this Agreement and by law and equity.

11.3. Supplier agrees that STELCO reserves the right, exercisable at STELCO's sole option and with or without cause, to terminate this Agreement, in whole or in part, for its own convenience by furnishing thirty (30) days advance written notice of such termination to Supplier.

11.4. If STELCO's termination hereunder is for STELCO's convenience, Supplier shall be entitled only to an equitable amount to cover the cost of Goods supplied to STELCO prior to the receipt of the termination notice. Supplier agrees that the remedy provided under this Article 11.4 shall be the sole and exclusive remedy of Supplier for any termination by STELCO for its convenience hereunder, and Supplier waives any and all other claims, damages or remedies whatsoever relating thereto.

## **Article 12     TAXES**

12.1. 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 Supplier under any Contract Documents shall include, and the Supplier 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 Agreement. If applicable, Supplier is responsible for collecting and remitting PST and value-added taxes, including GST and HST, from STELCO. STELCO will provide Supplier with a valid purchase exemption certificate or provincial sales tax registration number, as applicable. Supplier will indemnify STELCO against any claims against STELCO resulting from Supplier's failure to properly and timely collect and remit GST, HST or PST.

12.2. STELCO shall be entitled to withhold from any payment to Supplier hereunder and remit to the authorities any withholding tax required by Canadian law without any obligation to "gross up" any such payment or otherwise compensate the Supplier therefor.

## **Article 13     EMPLOYMENT TAXES/CONTRIBUTIONS**

13.1. Supplier shall provide for and pay all taxes, contributions and/or payments for worker's compensation, unemployment insurance, federal income tax, employer health taxes and other

employment-related obligations applicable to employees of Supplier and its subcontractors as required by Federal, Provincial laws or municipal by-laws in connection with the Supplier's performance governed by this Agreement.

13.2. The above described taxes, contributions and/or payments to be provided and paid by Supplier hereunder will apply to all activities performed by Supplier at the request of or on behalf of STELCO as provided under Article 13.1 above.

13.3. STELCO reserves the right to require Supplier to furnish to STELCO satisfactory evidence that Supplier has complied fully with all of the requirements of such laws (as aforesaid) and Supplier shall defend, indemnify and hold harmless STELCO, its successors and assigns and/or STELCO's agents, servants, and employees from and against any and all actions, claims, damages and costs resulting from Supplier's failure to fully comply with all such laws. In addition to its other remedies, STELCO may, at its sole option and without liability to Supplier, suspend the Supplier (in whole or in part) and/or exclude Supplier from STELCO's premises until Supplier furnishes satisfactory evidence of its full compliance with the provisions of this Article 13.

#### **Article 14 INDEMNITY**

14.1. Supplier, for itself, its successors and assigns, agrees to defend, indemnify, release and hold harmless STELCO, its successors and assigns, and its agents, servants 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, (i) that are asserted by any entity, person or persons (including, without limitation, employees of Supplier or employees of Supplier's sub-suppliers) for bodily injuries, disease, death (including, without limitation, any workers' compensation claims) or property damage arising or in any manner growing out of the supply of the Goods governed or controlled by this Agreement or (ii) that relate to or arise out of (a) any claim, suit or action asserted by, through or under any sub-supplier, or any other person or entity providing labor or materials relating to the Supplier's activity under this Agreement (including, without limitation, claims for excluded costs or claims resulting in liens being asserted or filed against STELCO or any real or personal property in which STELCO has an interest) or (b) any breach by Supplier of any of its representations, warranties, covenants or agreements contained in this Agreement and STELCO's efforts to enforce Supplier's compliance with, or remedy Supplier's non-compliance with, this Agreement. Supplier agrees to fully perform and fulfill its obligations hereunder to defend, indemnify and hold harmless STELCO, its successors and assigns and its agents, servants and employees regardless of whether or not the alleged personal injury, bodily injury, disease, death or property damage is caused or is alleged to be caused in whole or in part by the conduct, fault or negligence of STELCO and/or STELCO's agents, servants or employees; activities or conditions upon STELCO's premises including, inter alia, those for which STELCO is, or is alleged to be, strictly and/or absolutely liable; errors or omissions in the design, implementation and/or enforcement of STELCO's safety requirements applicable to Supplier's performance of the supply of the Goods on STELCO's premises; and/or defects in, or the condition of STELCO's land, buildings, facilities, machinery, equipment or vehicles.

14.2. Supplier shall be solely responsible for the selection of methods and processes and the operation of equipment used, and Supplier agrees to defend, indemnify, and hold harmless STELCO, its successors and assigns, and its agents, servants 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 incident to any infringement or claimed infringement of any copyright(s), trade secret(s), patent(s) and/or license(s) arising from the equipment used and/or the processes and methods practiced by Supplier in its performance of contracts executed by the parties and/or purchase orders issued by STELCO during the term of this Agreement (as provided under Article 2) or in any way connected therewith.

14.3. In the event that during the fulfillment of Supplier's obligations under this Agreement, Supplier provides to STELCO any equipment or process to be utilized by STELCO, Supplier shall provide to STELCO a paid-up, royalty-free, non-exclusive license under all applicable copyright(s), trade secret(s), patent(s) and/or license(s) necessary to permit STELCO to make, have made and use equipment and/or processes provided under this Agreement. Said license shall be secured by Supplier at its sole expense. In the event that Supplier is unable to secure said paid-up, royalty-free, non-exclusive license, Supplier shall, at its sole expense, modify the equipment and/or processes so as to render them non-infringing or shall remove said equipment and/or processes and replace them with equipment and/or processes which shall not infringe upon any copyright(s), trade secret(s), patent(s) and/or license(s). Supplier, for itself, its successors and assigns, agrees to defend, indemnify and hold harmless STELCO, its successors and assigns and its agents, servants, 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 incident to any infringement or claimed infringement of any copyright(s), trade secret(s), patent(s) and/or license(s) arising out of STELCO's use of said equipment and/or processes.

14.4. In connection with any demands, claims or any other legal proceedings (whether at law or in equity) covered by Articles 14.1, 14.2, and 14.3 STELCO and/or its agents, servants and employees retain the right to be represented, at their sole option, by legal counsel of their own selection, at their own expense. The exercise of this right to select their own legal counsel will in no way detract from or release the Supplier from its obligation to indemnify and hold harmless STELCO and/or its agents, servants and employees. The extent of the Supplier's indemnity obligation shall not be limited to the amounts of the insurance coverage provided for in Article 15 of this Agreement.

14.5. In the event Supplier defaults on its obligations under this Article 14, Supplier agrees that it will be liable for all reasonable expenses and legal fees incurred by STELCO to enforce the provisions of this Article 14.

## **Article 15 INSURANCE; WSIB MATTERS**

15.1. Supplier shall comply with STELCO's insurance requirements as stipulated in Appendix 'I' at [www.StelcoCanada.com](http://www.StelcoCanada.com) – Doing Business - Insurance Requirements ([https://www.stelcocanada.com/sites/default/files/2017-06/Stelco\\_Insurance%20Req\\_June%202017.pdf](https://www.stelcocanada.com/sites/default/files/2017-06/Stelco_Insurance%20Req_June%202017.pdf))

15.2. Supplier shall be, and shall ensure that its sub-suppliers, at all times registered with the Ontario Workplace Safety and Insurance Board (“WSIB”) under the Ontario Workplace Safety and Insurance Act (“WSIA”) or substantially equivalent workers health and safety insurance requirements in the jurisdiction where the Supplier operates its business, and that it and they maintain workers’ compensation accounts in good standing, whether or not mandatory under the WSIA. The workers’ compensation accounts shall include personal coverage for all employees, partners, proprietors, directors and officers of the Supplier or its sub-suppliers, as the case may be, involved in any aspects of the supply of the Goods. Supplier or its sub-suppliers, as the case may be, shall pay when due all premiums, contributions or assessments in respect of any such workers’ compensation account. Supplier 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 sub-suppliers, a valid clearance certificate from the WSIB or other applicable regulator certifying that the workers’ compensation account is in good standing and that all premiums, contributions and assessments have been paid. If at any time for any reason Supplier or its sub-suppliers are not insured under the WSIA, the Supplier 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 supply of the Goods. Supplier 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. 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 Supplier for lawyers’ fees and disbursements as described in this paragraph.

#### **Article 16 WAIVER OF BREACH**

16.1. Any failure by STELCO at any time, or from time to time, to enforce or require the strict keeping and performance by Supplier of any of the terms or conditions of this Agreement, shall not constitute a waiver by STELCO of a breach of any such terms or conditions and shall not affect or impair such terms or conditions in any way, or the right of STELCO at any time to avail itself of such remedies as it may have for any such breach or breaches of such terms or conditions.

#### **Article 17 AUDIT**

17.1. Supplier shall maintain, in accurate and complete order, all books and records (whether in printed, electronic or other format) associated with the supplied Goods and charges invoiced to and paid by STELCO pursuant to this Agreement. Such books and records shall also include (without limitation) all records relating to any other allowable charges covered under this Agreement. Such books and records, and all other books and records of Supplier relating to this Agreement, shall be open to inspection and/or audit by representatives of STELCO during reasonable business hours during the life of this Agreement and for a period of three (3) years thereafter.

17.2. Supplier, through appropriate provision with its contracts and its purchase orders, shall require its sub-suppliers to (i) similarly maintain and preserve accurate and complete books and records (as described under Article 17.1) relating to each contract and/or purchase order awarded or issued by Supplier in connection with this Agreement, and (ii) permit the inspection and/or audit thereof by STELCO upon the conditions and time period as provided in Article 17.1.

17.3. Any failure by Supplier 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 this Agreement.

### **Article 18 FORCE MAJEURE**

18.1. Delay in or failure of performance by either party hereto shall not constitute default under this Agreement or give rise to any claims for damages if and to the extent such delay(s) or failure(s) of performance are caused by acts of war, acts of government, revolution, strikes, riots or civil commotion, lockout, slowdown of workers, blockage, embargo or sabotage, fire, floods, severe earthquakes, tornadoes, lightning, landslide, plague or epidemic, or other events, whether similar or dissimilar, which are not within the reasonable control of the party affected, and which by the exercise of reasonable diligence the party affected thereby is unable to prevent.

18.2. Any suspension of performance by reason of this Article 18 shall be limited to the period when performance is rendered impossible due to such event of force majeure, but shall not have the effect of extending the term of the Agreement.

### **Article 19 LIMITATION OF LIABILITY**

19.1. Except for a breach of Article 21 or Supplier's obligations under Article 14 or where Supplier has acted with recklessness, negligence, fraud or has willfully misconducted itself, each party's liability shall not exceed two times the estimated annual amount paid or payable to Supplier under this Agreement. This limitation of liability shall apply to the fullest extent allowed by applicable law and shall apply to any claim, liability or damages, including, claims, liabilities or damages based in negligence or other tort, contract, warranty, statute or common law.

### **Article 20 NOTICES**

20.1. All notices required by this Agreement 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, to the address of the party to whom such notice is directed (as set forth below), or sent by facsimile transmission or email or other means of written communication that effectively conveys the message to the party to whom such notice is directed, as follows:

If addressed to STELCO:

All correspondence to be delivered to both recipients: 386 Wilcox Street, Hamilton, Ontario, L8L 8K5, Canada
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<p>TBA</p> <p>Email: <a href="mailto:TBA@Stelco.com">TBA@Stelco.com</a></p> <p>Tel.: + 1 (905) 528-2511, ext. TBA office, +1 (905) TBA cell.</p>	<p>Paul A. Simon, General Counsel</p> <p>Email: <a href="mailto:Legal@Stelco.com">Legal@Stelco.com</a></p> <p>Tel.: +1 (905) 577-4434 office</p>
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If addressed to the Supplier:

<p>All correspondence to be delivered to: <b>SUPPLIER'S ADDRESS</b></p>	
<p><b>NAME</b></p> <p>Email: .....</p> <p>Tel.: .....</p>	<p><b>NAME</b></p> <p>Email: .....</p> <p>Tel.: .....</p>

Either Party may change its recipients by giving prior written notice to the other Party.

20.2. It is expressly understood by Supplier that all written notice requirements of this Agreement shall be strictly construed and that such requirements are a condition precedent to pursuing any rights or remedies by Supplier covered under this Agreement. Supplier agrees not to claim any waiver by STELCO of such notice requirements based upon STELCO having actual knowledge, implied, verbal or constructive notice, lack of prejudice or any other grounds as a substitute for any failure by Supplier to comply with an express written notice requirement as provided under this Agreement.

**Article 21 CONFIDENTIALITY AND RIGHTS OF USE**

21.1. If not otherwise stated in this Article 21, the terms of the Non-Disclosure Agreement dated **Month Day, Year** entered into between STELCO and Supplier apply, and such Non-Disclosure Agreement is hereby amended to continue for a term of two (2) years following the termination or expiry of this Agreement.

21.2. All materials, documents, drawings, specifications and all other information given to the Supplier, directly or indirectly, by STELCO in connection with this Agreement are the property of STELCO and shall be treated as confidential by the Supplier and shall not be used by the Supplier for any purpose other than the fulfillment of this Agreement and shall be immediately returned to STELCO upon request.

21.3. The Supplier shall grant to STELCO a non-exclusive, non-transferable and permanent license to use any part of the supplied Goods, including software (if applicable).

21.4. The obligations and restrictions stipulated in this Article 21 shall survive any termination or expiry of the Agreement.

## Article 22 RESPONSIBILITY FOR SAFETY OF PERSONS AND PROPERTY

22.1. The safety of all persons employed by Supplier while on STELCO's premises, and/or any other person who enters upon STELCO's premises for reasons relating to Supplier's performance of its obligations under the term of and governed by this Agreement shall, as between STELCO and Supplier, and to the maximum extent permitted by applicable law, be the sole responsibility of Supplier. Supplier 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 her/him.

22.2. Supplier 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 Supplier, its agents, or employees or by STELCO or other persons.

22.3. Supplier 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.

22.4. Supplier, in connection with supply of the Goods, 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 this Agreement, to Supplier's supply of the Goods on STELCO's premises (hereinafter called "Safety Requirements"). **SUPPLIER UNDERSTANDS THAT ANY SAID SAFETY REQUIREMENTS AS MAY BE PROVIDED BY STELCO TO SUPPLIER 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. SUPPLIER 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. SUPPLIER 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.**

22.5. Supplier, 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 Supplier and/or employees of Supplier, for disease, bodily injuries, death or property damage arising or in any manner growing out of the performance of Supplier's obligations governed by this Agreement to the extent such claims allege errors or omissions in the design, implementation or enforcement of Safety Requirements.

### **Article 23 ENVIRONMENTAL COMPLIANCE**

23.1. Supplier must comply with all applicable STELCO, federal, provincial and local environmental control rules and regulations.

23.2. The Supplier 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 this Agreement 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).

23.3. A Material Safety Data Sheet (MSDS) 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 this Agreement.

23.4. 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 Supplier.

### **Article 24 PUBLICITY**

24.1. Supplier shall not publicly disclose the award of or any other information respecting this Agreement without the prior written authorization of STELCO. Requests by Supplier 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.

### **Article 25 MISCELLANEOUS**

25.1. Benefit of Agreement

This Agreement shall be binding upon and ensure to the benefit of the parties hereto and their respective successors and permitted assigns, provided that STELCO may assign any of its rights, benefits or obligations under this Agreement without the prior written consent of the Supplier.

## 25.2. No consequential damages

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 of the Agreement

## 25.3. Severability

25.3.1. If any provision of this Agreement or any document delivered in connection with this Agreement is partially or completely invalid or unenforceable, the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement, all of which shall be construed and enforced as if that invalid or unenforceable provision were omitted.

25.3.2. The invalidity or unenforceability of any provision in one jurisdiction shall not affect such provision validity or enforceability in any other jurisdiction.

## 25.4. Liability for Supplier's stock

All Goods covered by this Agreement are normally sold by the Supplier. Supplier therefore acknowledges that STELCO assumes no obligation or liability for Supplier's stock remaining upon termination or expiration of this Agreement.

## 25.5. Third Party Beneficiaries

Each party hereto intends that this Agreement shall not benefit or create any right or cause of action in or on behalf of any person other than the parties hereto, their successors and permitted assigns and the indemnified parties, and no person, other than the parties hereto, their successors and their permitted assigns and the indemnified parties, shall be entitled to rely on the provisions hereof in any action, suit, proceeding, hearing or other forum.

## 25.6. Further Assurances

Each party hereto shall from time to time execute and deliver, or cause to be executed and delivered, all such documents and instruments and do, or cause to be done, all such acts and things as the other party may reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.

## 25.7. Amendments

This Agreement may not be changed, modified or amended orally, but only by an agreement in writing signed by both Parties hereto.

## 25.8. Succession

The rights and obligations of the Supplier or STELCO hereunder shall apply to the Supplier's or STELCO's legal successors respectively.

## 25.9. Captions

Captions used in this Agreement are inserted for convenience of reference only and shall not affect construction of the respective articles or subdivisions captioned.

## **Article 26 ENTIRE AGREEMENT**

26.1. This Agreement (including the other Contract Documents comprising a part hereof) contains the complete, final and exclusive statement of the terms of the agreement between STELCO and Supplier relating to the subject matter hereof, and supersedes any and all other prior or contemporaneous agreements or understandings, whether written or oral, express or implied between them; any and all past, current or possible future claims under which are hereby unconditionally and forever released and waived as between the parties by execution of this Agreement. No terms, conditions, prior course of dealings, course of performance, usage of trade, understandings, purchase orders or acknowledgements, letters or agreements purporting to modify, vary, supplement or explain any provision of this Agreement shall be effective unless hereafter made in a writing that specifically amends this Agreement and signed by representatives of both parties authorized to amend this Agreement. The parties declare that they have had recourse to legal counsel during the negotiation of this Agreement and have read, fully understood and agree to be bound by all terms contained herein.

26.2. In case any one or more of the provisions of this Agreement is/are adjudged to be invalid, illegal or unenforceable in any respect pursuant to a final determination of any court of competent jurisdiction or by future legislative action, the validity, legality and enforceability of any of the remaining provisions hereof shall not in any way be affected or impaired thereby.

## **Article 27 COMPLIANCE WITH LAWS**

27.1. The Supplier will comply with all applicable government requirements including those relating to the sale, transportation and delivery of Goods. 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 Supplier's activity related to this Agreement.

27.2. Without limiting the generality of any provision in this Agreement, the Supplier shall not, in connection with its obligations under this Agreement: (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.

27.3. The Supplier shall maintain and pay for all permits, licenses and other authorizations required for the performance of Supplier's obligations under this Agreement.

27.4. 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.

## **Article 28 GOVERNING LAWS AND REGULATIONS**

28.1. This Agreement shall be governed by the laws of the Province of Ontario, excluding Ontario conflict of laws rules.

28.2. 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.

28.3. The application of 1980 United Nations Convention on Contracts for the International Sale of Goods (CISG) is expressly excluded.

## **Article 29 ANTI-CORRUPTION AND ECONOMIC SANCTIONS COMPLIANCE**

29.1. Anti-Corruption Compliance:

29.1.1. Supplier hereby represents and warrants to STELCO that Supplier is aware of and familiar with the provisions of the Canadian Corruption of Foreign Public Officials Act, as amended, (the "CFPOA") the U.S. Foreign Corrupt Practices Act, as amended ("FCPA"), and their purposes and any other anti-corruption law applicable in a jurisdiction in which Supplier may have conducted or will conduct business and that neither Supplier nor any of its agents or intermediaries that will be utilized to deliver the Goods contemplated herein has violated any applicable anti-corruption law. In supplying the Goods herein, Supplier represents and warrants that it, and each of its directors, officers, and employees, as well as any subcontractors, agents, representatives, vendors, and any other intermediaries/third parties that it engages pursuant to this Agreement, will comply in full with the CFPOA, the FCPA and any other applicable anti-corruption laws.

29.1.2. Supplier hereby represents and warrants that it has not given and will not give, offer, or promise, directly or indirectly, money or any other thing of value to a Government Official, or to any other individual or entity under circumstances that would cause Supplier to know or have reason to know that all or any portion of such money or thing of value has been or will be offered to any Government Official, for the purpose of inducing the Government Official to do any act or make any decision in his or her official capacity or use his or her influence with a government or instrumentality thereof in order to affect any act or decision of such government or instrumentality or to assist Supplier or STELCO in obtaining or retaining any business or securing any other improper advantage.

29.1.3. For purposes of this Agreement, a "Government Official" is (a) an officer, employee, or any person acting in an official capacity for or on behalf of a government, including its departments, agencies, instrumentalities, quasi- or partially-government owned or controlled entities, or recently privatized government entities; (b) an officer or employee of an international organization (e.g., World Bank, United Nations); (c) an officer or employee of a political party or any party official, or a candidate for political office; (d) a member of the royal or ruling family of a country; or (e) any individual who is a principal or senior manager of, or who has an immediate family or close personal relationship or business ties with, any of the foregoing individuals or entities.

29.1.4. Supplier hereby represents and warrants to STELCO that Supplier has not given, offered, or promised, and will not give, offer, or promise, directly or indirectly, any benefit, money or any other thing of value to any foreign public official, commercial individual or entity intended to cause the recipient or the organization for which the foreign public official performs duties or functions, to do something favoring Supplier or STELCO or to refrain from doing something disadvantaging Supplier

or STELCO, or otherwise intended to gain Supplier or STELCO an illicit advantage in a commercial or public transaction.

29.1.5. Supplier and its directors, officers, employees, subcontractors, agents, representatives, vendors, and any other third parties that it engages in connection with this Agreement will not provide to Government Officials, in connection with or on behalf of STELCO, (a) any facilitation payments or (b) charitable and/or political contributions. Supplier will obtain advance written permission from STELCO before providing or paying for any gifts, entertainment, or travel for Government Officials, other than nominal and customary items that are permissible under local law (e.g., a Stelco-logo coffee mug).

29.1.6. At STELCO's discretion, STELCO may provide anti-corruption training to Supplier, which will be completed within a reasonable period of time and, in any event, generally prior to beginning performance.

29.1.7. Neither Supplier nor any of its directors, officers, employees, subcontractors, agents, representatives, vendors, or any other third parties that it may engage in connection with this Agreement is a Government Official or has a family relationship with any Government Official in the jurisdictions in which it or they will conduct business pursuant to this Agreement, except as disclosed to, and agreed to in writing by, STELCO.

29.1.8. If, during the course of the Agreement, Supplier learns that it or any of its directors, officers, employees, subcontractors, agents, representatives, vendors, or any other third parties that it engages in connection with this Agreement will become a Government Official or an agent, representative or consultant to a Government Official, Supplier will promptly disclose this to STELCO in writing and will ensure that the Agreement and continued performance thereunder remains in compliance with Canadian law.

29.1.9. Without STELCO's prior written approval, neither Supplier nor any of its directors, officers, employees, subcontractors, agents, representatives, vendors, nor any other third parties that it engages in connection with this Agreement will engage any other person to work in connection with this Agreement or make any commitments on behalf of STELCO to a government, government-owned or government-controlled entity or a Government Official. Supplier shall keep STELCO closely advised of all communications and contacts with Government Officials made on behalf of STELCO in connection with this Agreement.

29.1.10. Supplier agrees that it will, at the request of STELCO and at least annually, certify the continuing accuracy of the anti-corruption representations and warranties set forth in this Agreement. Supplier further agrees that, should it learn of information regarding any possible violation of laws and regulations in connection with the transactions that are the subject of this Agreement, Supplier will immediately advise STELCO of such knowledge or suspicion. Supplier further agrees that it will cooperate in any resulting investigation by STELCO or its agents.

29.1.11. Supplier agrees that it shall maintain, in accurate and complete order, all books and records (whether in printed, electronic, or other format) associated with the transactions contemplated by the Agreement and charges invoiced to, and paid by, STELCO pursuant to the Agreement. Such books

and records shall include, without limitation, records relating to any (i) gifts, entertainment, or travel for Government Officials and potential customers and (ii) business, financial or other transactions between Supplier and Government Officials and potential customers. Such books and records, and all other books and records of Supplier relating to the Agreement, shall be open to inspection and audit by representatives of STELCO during reasonable business hours during the life of the Agreement and for a period of seven (7) years thereafter. Any failure by Supplier to cooperate fully in making available all books and records covered by an audit request pursuant to this Agreement, so as to permit a timely and complete inspection and audit thereof, shall constitute a material breach of the Agreement.

29.1.12. STELCO may terminate this Agreement immediately by written notice for cause in the event that (i) STELCO forms a reasonable, good faith belief that Supplier or one of its directors, officers, employees, subcontractors, agents, representatives, vendors, or any other third parties that it engages in connection with this Agreement has engaged in conduct in violation of this Agreement or applicable anti-corruption laws in connection with the Goods supplied under this Agreement; or (ii) the continuation of this Agreement would violate any applicable anti-corruption laws. In the event of such termination, all existing contractual obligations (including further compensation) may be declared null and void by STELCO, and all offers outstanding at the time of termination shall be deemed rescinded.

## 29.2. Economic Sanctions Compliance:

29.2.1. Supplier represents and warrants that, with respect to its obligations under this Agreement and any other agreement with STELCO, it is currently in compliance with, and shall remain in compliance with, all applicable laws which prohibit, among other things, engaging in transactions with certain countries, territories, entities and individuals.

29.2.2. Supplier further represents and warrants that none of the Goods supplied to STELCO under this Agreement shall involve, require interaction with, concern, or relate to, in whole or in part, any with any person with whom transactions are prohibited under applicable sanctions established pursuant to Applicable Laws. Supplier further represents and warrants that no part of the proceeds from any transaction with STELCO constitutes or will constitute funds obtained on behalf of any such person or will otherwise be used, directly or indirectly, in connection with any investment in, or any transactions or dealings with, any such person.

29.2.3. Supplier hereby acknowledges and agrees that Supplier's breach of any of the terms of this section at any time during the term of this Agreement shall be a material breach of this Agreement.

29.2.4. Supplier hereby agrees to indemnify, defend and hold harmless STELCO and its officers, directors, and employees from and against any and all claims, demands, damages, costs, penalties and fines arising in connection with any alleged breach by Supplier or its agents of this representation and warranty. STELCO may reject, suspend, or cancel any transaction involving a sanctioned person without penalty or payment, and/or cancel or terminate this Agreement or any applicable agreement in whole or in part, if it has a good faith basis for believing that Supplier or its agent has violated or intends to violate the above representation and warranty. Supplier shall pay all costs, additional fees, penalties, rush payments, and damages for nonconforming transactions furnished in violation of this Article 29, including, but not limited to, any damages incurred as a result of STELCO having to

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purchase the Goods from an alternative seller.

**{Remainder of page intentionally left blank; signature page follows.}**



The Parties hereto have executed this Contract as of the Effective Date.

Signed for and on behalf of  
STELCO INC.

Signed for and on behalf of  
**SUPPLIER**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title



## APPENDIX A: GENERAL SERVICE REQUIREMENTS

Supplier is expected to work with and survey the applicable STELCO department personnel to determine their specific service requirements and to meet their defined expectations. The various service requirements for the end users may include but are not limited to: service schedules, number of Vendor Managed Inventory (VMI) locations, VMI duties, delivery location(s), training requirements, etc.

The minimum general service requirements to be provided at no additional cost to STELCO are listed below:

- STELCO operates on a 24/7 schedule 365 days per year; therefore it is absolutely essential the Supplier is willing and capable of supporting all operations at all times.
- Supplier is required to provide knowledgeable and experienced technical sales representation to be familiar with STELCO facilities; to be able to confer and guide STELCO personnel to timely and permanent solutions; such representation is to be available at an emergency contact number to be used during, as well as outside, regular business hours.
- Being a 24 / 7 operation, STELCO may require of the Supplier for deliveries of emergency goods outside the hours of the normal course of business.
- Supplier will provide a dedicated on-site resource at each location to attend to STELCO needs as required.
- Supplier will assist plant personnel with the identification and proper application of all supplied Goods.
- Supplier will provide failure analysis and redesign capabilities.
- Supplier will provide Goods related training (incl. safety training) as required, in an effort to reduce operational costs and safety issues.
- Supplier will coordinate efforts with an incumbent supplier(s) and/or STELCO ensuring an orderly transition which can occur at each department within each plant.
- Additional service requirements shall be specified in the Purchase Order.



**APPENDIX B: PRICES**

Following prices apply for the Goods supplied by Supplier, to be paid by STELCO to Supplier. For any off-list items, the price to be applied is the cost plus 0%.

Cost is defined as the purchase cost to Supplier, net of all Supplier’s rebates, freight allowances, and manufacturer’s discounts applied to published manufacturer list price sheets, excluding discounts due to early payment.

**PRICE LIST**

#	STELCO item number	Item Description	Unit of measure	Price per unit (CAD)

**APPENDIX C: REBATE**

Following rebate rates apply for the Goods supplied by Supplier as defined in this Agreement:

Total annual amount range (CAD)		Rebate
\$ 0.00	\$ XXX	X.XX %
\$ XXX	\$ XXX	X.XX %
\$ XXX	\$ XXX	X.XX %
\$ XXX	above	X.XX %

At each anniversary of the Agreement or after this Agreement is terminated or expired, but not later than thirty (30) days after that date, total amount for the Goods supplied by Supplier from the previous rebate period (or, for the first anniversary, from the Effective Date) to be reconciled by both Parties, and level of rebate to be agreed based on the table above.

For clarity, the rebate calculation to be applied to the aggregate amount of supplied Goods during the rebate period, net of applicable taxes.

Supplier will issue the cheque payable to STELCO for the appropriate rebate amount, within thirty (30) days after the receipt of the invoice from STELCO.

#### APPENDIX D: TCO (TOTAL COST OF OWNERSHIP) REDUCTION

STELCO's Total Cost of Ownership reduction program is intended to continually drive down costs throughout the operations of STELCO through the identification, development, and implementation of activities, projects and initiatives pertaining to the commodities and/or services provided by Supplier.

Supplier commits to the following documented cost savings; the values are expressed as a percent of the total annual dollar value of business awarded by STELCO to Supplier, prior to the application of discounts and rebates. For Year 1, the total annual value to be used as the baseline; for future years, previous year's total annual spend to be used as the baseline for the applicable percentage to be applied against:

- Year 1: X %
- Year 2: X %
- Year 3: X %

At each anniversary of the Agreement or after this Agreement is terminated or expired, but not later than thirty (30) days after that date, total amount of cost savings achieved by Supplier and STELCO since the previous TCO reduction period of the Agreement to be agreed and reconciled by both Parties.

Should Supplier be unable to achieve the documented minimum cost savings in any given year, Supplier shall issue the cheque to STELCO for the difference between the achieved percentage and the above detailed expectations. Supplier will issue the cheque payable to STELCO for the appropriate rebate amount, within thirty (30) days after the receipt of the invoice from STELCO.

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## **APPENDIX E: VENDOR MANAGED INVENTORY (VMI) REQUIREMENTS**

Supplier shall provide Vendor Managed Inventory (VMI) services that include services such as, but not limited to:

- Tagging bins (which includes: Item Number, Part Numbers, Barcodes, and Min/Max Levels)
- Determining min/max stock levels and marking bins as necessary for all areas
- Taking inventory
- Providing lists of needed parts to the department contact with Item Numbers
- Stocking bins/racks at time of delivery (at Supplier stocked VMI areas)

Supplier is expected to work with and survey STELCO individual department users to determine their VMI requirements (time schedules, other duties, etc.) and meet their expectations. The results of this survey are to be provided to STELCO Supply Chain.