AMENDED AND RESTATED CREDIT AGREEMENT

Made as of May 1, 2009

Among

RUSSEL METALS INC. and
FIL (US) INC.
each a Borrower and collectively the Borrowers

and

EACH OF THE FINANCIAL INSTITUTIONS AND OTHER ENTITIES FROM TIME TO TIME PARTIES HERETO
as Lenders

and

ROYAL BANK OF CANADA
as Agent

and

RBC CAPITAL MARKETS
as Lead Arranger and Sole Bookrunner

and

JPMORGAN CHASE BANK, N.A. and
THE BANK OF NOVA SCOTIA
as Co-Syndication Agents

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RECITALS

A. The Borrowers, certain of the Lenders, the Agent, and the Co-Syndication Agents entered into a credit agreement dated as of October 29, 2004, which was amended by a first amending agreement dated as of February 25, 2005, a second amending agreement dated as of March 20, 2006, an amending letter dated August 25, 2006, a third amending agreement dated October 6, 2006 and a fourth amending agreement dated as of December 27, 2007 (collectively, the "**Original Credit Agreement**").

B. The Borrowers, the Lenders, the Agent and the Co-Syndication Agents wish to amend and restate the Original Credit Agreement as set out in this Agreement.

C. Each Lender is prepared to make its Commitment available to the Borrowers, subject to the law and the terms and conditions of this Agreement.

FOR VALUE RECEIVED, the parties agree as follows:

SECTION 1 – INTERPRETATION

1.1 Certain Defined Terms

The terms defined below shall have the indicated meanings unless the context expressly or by necessary implication requires otherwise:

(1) ***Acceptance Fee*** means a fee payable by the Canadian Borrower with respect to the acceptance of Bankers' Acceptances by a Canadian Lender under this Agreement, as set forth in Section 4.5.

(2) ***Additional Compensation*** has the meaning given to it in Section 4.13(3).

(3) ***Advance*** means an extension of credit under the Credit Facility by a Lender to a Borrower by way of the advance of a Prime Loan, US Prime Loan, USBR Loan or Libor Loan, the acceptance of Bankers' Acceptances or the issuance of a Letter of Credit. Any reference to the amount of any Advance shall refer to the principal amount thereof, in the case of Loans, the full face amount of any B/As accepted hereunder, in the case of an Advance by way of B/As, or the full face amount of any Letter of Credit issued hereunder, in the case of an Advance by way of the issuance of Letters of Credit.

(4) ***Affected Borrowing*** has the meaning given to it in Section 4.14.

(5) ***Affiliate*** has the meaning given to it in the *Canada Business Corporations Act*.

(6) ***Agent*** means Royal Bank when acting as agent and any successor agent appointed under Section 12.9.

(7) ***Agent's Account for Payments*** means:

(a) for all payments for and by the Canadian Borrower in Canadian Dollars, the following account maintained by the Agent, to which payments and transfers are to be effected as follows:

Royal Bank of Canada
Swift Address: ROYCCAT2
Favour: /00002-266-760-8
RBCCM Agency Services,
Toronto, Ontario
Ref: Russel Metals Inc.;

(b) for all payments for and by the Canadian Borrower in US Dollars, the following account to which payments and transfers are to be effected as follows:

JPMorgan Chase Bank, New York, New York
ABA 021000021, Swift code: CHASUS33

Swift Address: ROYCCAT2
Beneficiary: Favour: /00002-408-919-9
RBCCM Agency Services,
Toronto, Ontario
Ref: Russel Metals Inc.; and

(c) for all payments for and by the US Borrower in US Dollars, the following account to which payments and transfers are to be effected as follows:

JPMorgan Chase Bank, New York, New York
ABA 021-000021
For account Royal Bank of Canada, New York
Swift Code: ROYCUS3X
A/C 920-1033363
For further credit to A/C 2937464, Transit 1269
RBCCM Agency Services, New York
Ref: FIL (US) Inc.

or any other account of the Agent as the Agent may from time to time advise the Borrowers and the Lenders in writing.

(8) ***Agent's Branch of Account*** means the Global Syndications - Canada office of the Agent located in the South Tower, 12th Floor, Royal Bank Plaza, 200 Bay Street, Toronto, Ontario M5J 2W7 (Fax No.: 416.842.4023) or such other office or branch of the Agent as the Agent may from time to time advise the Borrowers and the Lenders in writing.

(9) ***Agreed Currency*** has the meaning given to it in Section 14.6.

(10) ***Agreement*** means this agreement, including the Schedules hereto, as the same may be amended, varied, supplemented, restated, renewed or replaced or otherwise modified at any time and from time to time.

(11) ***Annual Budget*** means the consolidated *pro forma* balance sheet and income and cash flow statements for the Canadian Borrower, as presented to the board of directors of the Canadian Borrower, including all amendments thereto, if any, required by the board of directors of the Canadian Borrower, prepared on a quarterly basis, which has been delivered to the Agent for the current Fiscal Year ending December 31, 2009, and is to be delivered to the Agent annually in accordance with Section 9.4(7) in each case for the then current Fiscal Year.

(12) ***Applicable Law*** means, in respect of any Person, property, transaction or event, all present and future laws, statutes, and regulations applicable to that Person, property, transaction or event and all applicable treaties, judgments, decrees, requirements, requests, official directives, consents, approvals, authorizations, guidelines, rules, orders and policies (whether or not having the force of law, with respect to regulatory guidelines issued by the Office of the Superintendent of Financial Institutions with respect to the Canadian Lenders or any applicable regulator in the US with respect to the US Lenders, to the extent applicable to the Agent and the

Lenders, and in all other cases having the force of law) of any Governmental Authority having authority over that Person, property, transaction or event.

(13) ***Applicable Margin*** means the number of basis points (expressed as bp) applicable to a type of Advance or fee as determined in accordance with Section 4.8.

(14) ***Assignee*** has the meaning given to it in Section 13.1(3)(b).

(15) ***Assigning Lender*** has the meaning given to it in Section 13.1(3)(b).

(16) ***Assignment and Assumption Agreement*** means that agreement substantially in the form of Schedule 13.1(3)(b).

(17) ***Auditors*** means an independent chartered accounting firm of national standing in Canada or otherwise acceptable to the Agent, acting reasonably, appointed by either the shareholders or the board of directors of the Canadian Borrower to provide audit services from time to time.

(18) ***Authorized Foreign Bank*** has the meaning ascribed thereto in subsection 248(1) of the ITA and, by reference therein, the meaning ascribed thereto by section 2 of the *Bank Act* (Canada), as amended, and any successor thereto.

(19) ***BA Equivalent Loan*** means an Advance denominated in Canadian Dollars made by a Non BA Lender to the Canadian Borrower evidenced by a Discount Note.

(20) ***Bankers' Acceptance*** and ***B/A*** each means, as applicable, a bill of exchange within the meaning of the *Bills of Exchange Act* (Canada) denominated in Canadian Dollars, drawn by the Canadian Borrower and accepted by a Lender, and, if applicable, purchased by a Lender at the request of the Borrower pursuant to Section 3.10(3), and includes a Discount Note, and a depository bill issued in accordance with the *Depository Bills and Notes Act* (Canada), as amended from time to time, substantially in the form of Schedule 1.1(20).

(21) ***Borrowers*** means, at any time, the Canadian Borrower and the US Borrower and ***Borrower*** means either one of them. Each reference in this Agreement to a "Borrower" shall be deemed to be a reference to the Canadian Borrower or the US Borrower, as the context may require.

(22) ***Borrower's Account*** means,

(a) for the Canadian Borrower, an account maintained in the name of such Borrower at Royal Bank, 200 Bay Street, Toronto, Ontario, particulars of which the Borrower has advised the Agent in writing; and

(b) for the US Borrower, an account maintained in the name of such Borrower at JPMorgan Chase Bank, N.A. in Detroit, Michigan, particulars of which the Borrower has advised the Agent in writing.

(23) ***Borrowing Base*** means, at any time, the Canadian Dollar Amount equal to:

(a) the sum of :

(i) 75% of Eligible Accounts; and

(ii) 50% of the lower of cost or net realizable value of Eligible Inventory;

(b) less the sum of:

(i) the Derivative Reserve; and

(ii) the Priority Payables Reserve;

provided that, the maximum amount included under paragraph 1.1(23)(a)(ii) may not exceed the amount included under 1.1(23)(a)(i) at any time.

(24) ***Borrowing Base Certificate*** means a certificate of the Canadian Borrower substantially in the form attached as Schedule 1.1(24) signed on behalf of the Canadian Borrower by the chief financial officer of the Canadian Borrower or other senior officer of the Canadian Borrower.

(25) ***Borrowing Base Participants*** means the Borrowers and the Restricted Subsidiaries other than Fedmet Corp., Fedmet Enterprises Corporation and RMI Holdings LLC, and ***Borrowing Base Participant*** means any of them.

(26) ***Borrowing Base Surplus*** means, at any time, an amount equal to the Borrowing Base less the Canadian Dollar Amount of the total outstanding Advances under the Credit Facility at such time or, if such amount is a negative number, then zero.

(27) ***Business Day*** means a day on which chartered banks are open for over-the-counter business in Toronto, Ontario and Calgary, Alberta and excludes (a) Saturday, Sunday and any other day which is a statutory holiday in Toronto, Ontario or Calgary, Alberta; (b) when used in connection with any LIBOR related transaction, any day on which banks are not open for dealings in US Dollar deposits in the London interbank market and; (c) when used in relation to any transaction involving any payment in US Dollars in the United States, any day on which banks are not open for business in the normal course in New York City.

(28) ***Canadian Bank*** means any bank named on Schedule I, Schedule II or Schedule III to the *Bank Act* (Canada).

(29) ***Canadian Banking Business*** has the meaning ascribed thereto in subsection 248 (1) of the ITA.

(30) ***Canadian Banking Business Asset*** means an amount receivable the interest on which is, or would be, an amount paid or credited to a Canadian Bank in respect of its Canadian Banking Business.

(31) ***Canadian Benefit Plans*** means all material employee benefit plans or arrangements maintained or contributed to by the Canadian Borrower or Restricted Subsidiaries for their employees or former employees in Canada that are not Canadian Pension Plans, including all profit sharing, savings, supplemental retirement, retiring allowance, severance, pension, deferred compensation, welfare, bonus, incentive compensation, phantom stock, legal services, supplementary unemployment benefit plans or arrangements and all life, health, dental and disability plans and arrangements in which the employees or former employees of the Canadian Borrower or Restricted Subsidiaries in Canada participate or are eligible to participate, but excluding all stock option or stock purchase plans.

(32) ***Canadian Borrower*** means Russel and its successors and permitted assigns.

(33) ***Canadian Dollar Amount*** means, for any amount on any particular date, the aggregate of:

(a) the portion, if any, of the amount denominated in Canadian Dollars; and

(b) the Equivalent Amount in Canadian Dollars (determined on that date unless otherwise specified herein) of the portion, if any, of the amount denominated in another currency.

(34) ***Canadian Dollars*** and the symbol "***Cdn$***" each means lawful money of Canada.

(35) ***Canadian Lenders*** means, collectively, all of the banks and other financial institutions named as a "Canadian Lender" on the signature pages hereto and their successors and permitted assigns and ***Canadian Lender*** means any one of them.

(36) ***Canadian Pension Plans*** means all plans or arrangements with actuarially determined liability to members of the plan or arrangement in excess of Cdn$5,000,000, which are considered to be pension plans for the purposes of any applicable pension benefits standards statute or regulation in Canada, and which have been established, maintained and contributed to by the Canadian Borrower or Restricted Subsidiaries for their employees or former employees.

(37) ***Capital Lease*** means, with respect to a Person, any lease or other arrangement relating to property or assets, which would be required to be accounted for as a capital lease on a balance sheet of that Person in accordance with GAAP. The amount of any Capital Lease at any date shall be the amount of the obligation in respect thereof, which would be included on the balance sheet in accordance with GAAP.

(38) ***CDOR Rate*** means, on any day, the annual rate of interest determined by the Agent which is equal to the average of the yield rates per annum (calculated on the basis of a year of 365 days) applicable to Canadian Dollar bankers' acceptances having identical issue and comparable maturity dates as the Bankers' Acceptances proposed to be issued by the Borrower displayed and identified as such on the Reuters Screen CDOR Page determined at or about 10:00 a.m. (Toronto time) on that day or, if that day is not a Business Day, then on the immediately preceding Business Day (as adjusted by the Agent after 10:00 a.m. to reflect any error in the posted rate or in the posted average annual rate of interest); provided, however, if those rates do not appear on the Reuters Screen CDOR Page, then the ***CDOR Rate*** shall be the discount rate

(expressed as a rate per annum on the basis of a year of 365 days) applicable to those Canadian Dollar bankers' acceptances in a comparable amount to the Bankers' Acceptances proposed to be issued by the Borrower quoted by the Agent as of 10:00 a.m. (Toronto time) on that day or, if that day is not a Business Day, then on the immediately preceding Business Day. Each determination of the ***CDOR Rate*** by the Agent shall be conclusive and binding, absent manifest error.

(39) ***Certificate*** means, in respect of each of the Borrowers, a written certificate signed in the name of the applicable Borrower by a senior officer thereof.

(40) ***Change in Control*** means a transaction or event that results in a change to the legal or organizational structure of the Canadian Borrower wherein any one Person or group of related Persons would have more than 50% of the voting shares of the Canadian Borrower or the ability, through operation of law or otherwise, to elect or cause the election of a majority of the directors of the Canadian Borrower. Where control is exercised *de-facto* by contract, representation on the Board of Directors or material non-voting share ownership, any change in the foregoing relationship where a reasonable person would deem control to be lost, will constitute a ***Change in Control***.

(41) ***Claim*** has the meaning given to it in Section 4.18(1).

(42) ***Collateral*** means the personal property covered by the Security Documents and any other personal property, tangible or intangible, now existing or hereafter acquired by any of the Borrowing Base Participants, that at any time may be or become subject to a Lien in favour of the Agent on behalf of the Lenders to secure any or all of the Obligations.

(43) ***Commercial Letter of Credit*** or ***Commercial LC*** means a letter of credit issued to support trade obligations of a Person where it is anticipated that the beneficiary named therein will draw on the letter of credit through the delivery of documents to the issuer thereof.

(44) ***Commitment*** means, with respect to each Related Lender Group and each of the Lenders in that Related Lender Group, the principal amount set out opposite that Related Lender Group in the table set forth in Schedule 1.1(44), being the sum of its Tranche I Commitment and Tranche II Commitment, as such amount may be adjusted or cancelled in accordance with this Agreement, or, in the case of any Lender that subsequently becomes a party to this Agreement pursuant to Section 13.1(3)(b), the principal amount set forth in the Assignment and Assumption Agreement pursuant to which such Lender becomes party to this Agreement, as such amount may be adjusted or cancelled in accordance with this Agreement. For greater certainty, the ***Commitment*** of each Lender in a Related Lender Group shall at all times be the same principal amount as the ***Commitment*** of such Related Lender Group.

(45) ***Commitment Fees*** means the Tranche I Commitment Fee and Tranche II Commitment Fee.

(46) ***Commitment Fee Payment Date*** has the meaning given to it in Section 4.9(1).

(47) ***Commitment Increase*** has the meaning given to it in Section 3.5.

(48) ***Compliance Certificate*** means a certificate of the Canadian Borrower substantially in the form attached as Schedule 1.1(48) signed on behalf of the Canadian Borrower by the chief financial officer of the Canadian Borrower or other senior officer of the Canadian Borrower.

(49) ***Consolidated Assets*** means, in respect of any Person, as at any time, the total assets of the Person determined on a consolidated basis, in accordance with GAAP.

(50) ***Consolidated Current Assets*** means, as at the end of any Fiscal Quarter, the current assets of the Canadian Borrower, determined on a consolidated basis, in accordance with GAAP.

(51) ***Consolidated Current Liabilities*** means, as at the end of any Fiscal Quarter, the current liabilities of the Canadian Borrower, determined on a consolidated basis, in accordance with GAAP, which shall include outstanding Advances under this Agreement (other than obligations under Letters of Credit) and all indebtedness under any other revolving credit facilities (other than obligations under letters of credit).

(52) ***Consolidated Current Ratio*** means, with respect to the Canadian Borrower as at the end of any Fiscal Quarter, the ratio of Consolidated Current Assets to Consolidated Current Liabilities.

(53) ***Consolidated Fixed Charge Coverage Ratio*** means, with respect to the Canadian Borrower, determined as at the end of any Fiscal Quarter for the period of four (4) consecutive Fiscal Quarters then ended, on a consolidated basis, EBITDA for such period plus, if elected by the Canadian Borrower and subject to the proviso set forth in the last sentence of this definition, the EBITDA Adjustment for such period, less an amount equal to the current provision for income taxes for the period determined in accordance with GAAP and an amount equal to four (4) times the amount of cash dividends declared by the Canadian Borrower in the Fiscal Quarter immediately following such period (or if a cash dividend is not declared in such Fiscal Quarter then zero) and, subject to the proviso set forth in the third last sentence of this definition, less the amount of capital expenditures made during such period, all divided by, without duplication, the sum of Interest Expense, scheduled principal payments in respect of Funded Debt (excluding the Credit Facility, the Sunbelt Facility and any other operating credit lines with terms to maturity of less than 1 year) and, subject to the proviso set forth in the second last sentence of this definition, the principal component of payments under Capital Leases during the period. <u>Provided</u> that, if the Borrowing Base Surplus is equal to or greater than Cdn$125,000,000 as at the end of the period for which this ratio is being calculated, then capital expenditures will be excluded from such calculation. <u>Provided</u> further that, if the principal component of payments under Capital Leases are less than Cdn$1,000,000 in the aggregate for any period for which this ratio is being calculated, then, for the purpose of calculating this ratio for such period, such payments shall be deemed to be nil. <u>Provided</u> further that the Canadian Borrower may elect to use the EBITDA Adjustment in calculating the Consolidated Fixed Charge Coverage for any period, but if it elects to do so for a period and subsequently elects not to use the EBITDA Adjustment in such calculation for any period, the Canadian Borrower will be prohibited from making any further election to use the EBITDA Adjustment in such calculation for any period.

(54) ***Consolidated Net Income*** means, with respect to the Canadian Borrower, for any fiscal period, determined on a consolidated basis, in accordance with GAAP, net income, excluding

extraordinary gains or losses. Any net income or losses (calculated in accordance with GAAP) arising from the operation of any Subsidiary or division of the Canadian Borrower or any of its Subsidiaries which has been sold, transferred or otherwise disposed of other than to another Borrower or Subsidiary, generated prior to such disposition, shall not be included in the calculation of Consolidated Net Income for the purpose of any calculation to be made after such disposition.

(55) ***Consolidated Tangible Net Worth*** means, with respect to the Canadian Borrower as at the end of any Fiscal Quarter, determined on a consolidated basis, in accordance with GAAP, total shareholders' equity (including stated capital or equivalent account in respect of issued and outstanding shares, retained earnings and contributed surplus, but excluding treasury shares and any subscribed but unissued shares), less an amount equal to the book value of all Intangible Assets.

(56) ***Contaminant*** means any solid, liquid, gas, odour, heat, sound, vibration, radiation or combination of any of them that may (i) impair the quality of the environment for any use that can be made of it, (ii) injure or damage property or plant or animal life, (iii) harm or materially discomfort any Person, (iv) adversely affect the health of any individual, (v) impair the safety of any individual, (vi) render any property or plant or animal life unfit for use by man, or (vii) cause loss of enjoyment of normal use of property, and includes any "contaminant" within the meaning assigned to such term in any Environmental Law.

(57) ***Contract Period*** means the period selected by the Canadian Borrower in accordance with Section 3.8(2), or the period selected by the US Borrower in accordance with Section 3.8(3), commencing on the Drawdown Date, Rollover Date or Conversion Date, as applicable, and expiring on a Business Day, subject to the terms of:

(a) Section 3.9 with respect to Libor Loans;

(b) Section 3.10 with respect to Bankers' Acceptances; and

(c) Section 3.13 with respect to Letters of Credit.

(58) ***Conversion*** means the conversion of an outstanding Advance, or a portion of an outstanding Advance, into an alternative type of Advance under Section 3.14.

(59) ***Conversion Date*** means the Business Day that a Borrower elects as the date on which a Conversion is to occur.

(60) ***Credit Facility*** means Tranche I and Tranche II.

(61) ***Debt*** of a Person means, without duplication:

(a) all indebtedness of the Person for borrowed money;

(b) any obligation, contingent or other, which is required to be classified in accordance with GAAP upon the Person's balance sheet as a liability;

(c) any obligation secured by any Lien (other than those Permitted Liens set forth in Section 1.1(146)(a), (b), (c), (d) and (e)) existing on property owned or acquired by the Person subject to such Lien (other than those Permitted Liens set forth in Section 1.1(146)(a), (b), (c), (d) and (e)) whether or not the obligation secured thereby shall have been assumed;

(d) any debt or liability of the Person representing the deferred acquisition cost of property or assets created or arising under any conditional sale agreement or other title retention agreement, provided that where the rights and remedies of the seller under that agreement in the event of default are limited to repossession or sale of the assets covered thereby, the amount of the debt shall be the amount attributed to such assets on the balance sheet of such Person;

(e) any liabilities, contingent, unmatured or other, under or in respect of any bankers' acceptance, letter of guarantee or letter of credit; and

(f) any Capital Lease by which the Person is bound,

but "***Debt***" does not include deferred taxes or trade accounts.

(62) ***Default*** means an event, circumstance or omission which constitutes an Event of Default or which, with any or all of the giving of notice, lapse of time, or a failure to remedy the event, circumstance or omission within a lapse of time, would constitute an Event of Default.

(63) ***Derivative*** means any transaction of the type referred to in clause (a) or (b) of the definition of "Specified Transaction" contained in Section 14 of the 1992 ISDA Master Agreement published by International Swaps and Derivatives Association, Inc. for multi-currency cross border transactions.

(64) ***Derivative Reserve*** means Cdn$65,000,000 on account of the exposure of the Borrowers and the Restricted Subsidiaries in respect of the 10 Year Swap Transactions.

(65) ***Discount Note*** means a non-interest bearing promissory note denominated in Canadian Dollars, substantially in the form of Schedule 1.1(65), issued by the Canadian Borrower to a Non BA Lender to evidence a BA Equivalent Loan.

(66) ***Discount Proceeds*** means, for any Bankers' Acceptance issued hereunder, an amount calculated on the applicable Drawdown Date, Rollover Date or Conversion Date, as applicable, by multiplying:

(a) the face amount of the Bankers' Acceptance

by

(b) the quotient obtained by dividing:

(i) one

by

(ii) the sum of one plus the product of:

(A) the CDOR Rate applicable to the Bankers' Acceptance

and

(B) a fraction, the numerator of which is the number of days in the applicable Contract Period and the denominator of which is 365,

with the quotient being rounded up or down to the fifth decimal place and .00005 being rounded up.

(67) ***Distribution*** means any payment by way of cash or property to the holders of any shares issued by the Canadian Borrower, including preference shares, or any payment to shareholders of the Canadian Borrower for the redemption, retraction, buyback or purchase of any of those shares.

(68) ***Documents*** means this Agreement, the Bankers' Acceptances, the Security Documents, and all certificates, instruments, agreements and other documents delivered, or to be delivered, to the Agent and the Lenders under or as contemplated by this Agreement and, when used in relation to any Person, the term ***Documents*** means the Documents executed and delivered by the Person. For greater certainty ***Documents*** does not include agreements or documents delivered in connection with Derivatives.

(69) ***Drawdown Date*** means a Business Day on which an Advance is made or is deemed to be made.

(70) ***EBITDA*** means, with respect to any fiscal period of a Person, the Consolidated Net Income of the Person for that period, plus, to the extent deducted in determining that net income, interest and income taxes accrued during, and depreciation, depletion and amortization expenses deducted for, that period, all computed and consolidated in accordance with GAAP.

(71) ***EBITDA Adjustment*** means the non-cash writedown of inventory to a maximum of Cdn$200,000,000 during the Fiscal Year ending December 31, 2009 and the non-cash writedown of goodwill and intangibles to a maximum of Cdn$71,000,000 (which amount was calculated on goodwill and intangibles of the Canadian Borrower as at December 31, 2008 based on an exchange rate of 1.22:1 and may vary based on the exchange rate at the time of writedown) in the aggregate during the Fiscal Years ending December 31, 2009 and December 31, 2010.

(72) ***Eligible Accounts*** means, at any time, accounts receivable owing to any of the Borrowing Base Participants which, at the time of determination, are *bona fide,* valid and legally enforceable obligations for which there are no conditions to payment by the respective account debtors thereunder and which satisfy each of the standards of eligibility set forth in Schedule 1.1(72).

(73) ***Eligible Inventory*** means, at any time, without duplication, (i) Inventory of any of the Borrowing Base Participants, which consists of those categories or types of goods set out in, and which, at the time of determination, satisfy each of the standards of eligibility set forth in, Schedule 1.1(73), but excluding work in progress to the extent that the inclusion of same would result in Eligible Inventory comprised of work in progress being greater than 10% of all Eligible Inventory, and (ii) an amount equal to the aggregate face amount of all Commercial Letters of Credit issued pursuant to this Agreement to the extent same relate to the purchase of Inventory by any of the Borrowing Base Participants, which upon drawing of the Commercial Letters of Credit will be Eligible Inventory; provided that at all times up to and including December 31, 2010, the amount of Eligible Inventory calculated in accordance with the foregoing definition of Eligible Inventory shall be reduced by an amount equal to the remainder of (i) Cdn$200,000,000, less (ii) the amount of non-cash writedown of inventory made during the period of January 1, 2009 to such time of determination, not to exceed Cdn$200,000,000.

(74) ***Environmental Claim*** means any Litigation or notice by any Person alleging potential liability (including potential liability for investigatory costs, cleanup costs, governmental response costs, natural resources damages, property damages, personal injuries or penalties), except to the extent covered by insurance as to which the insurance company has not disclaimed or reserved the right to disclaim coverage, and which arises out of, is based on or resulting from (i) circumstances forming the basis of any material violation or alleged material violation of any Environmental Law or (ii) the presence or release of any Contaminant at any location owned, leased, managed, controlled or operated by any Borrower or any Restricted Subsidiary, which, in the case of either (i) or (ii), if sustained or determined adversely to such Borrower or Restricted Subsidiary, would have a Material Adverse Effect.

(75) ***Environmental Law*** means any Applicable Law to the extent relating to the protection of the environment or to occupational health and safety (including the use, handling, transportation, production, disposal, discharge or storage of any Contaminant, Hazardous Materials or Waste).

(76) ***Equivalent Amount*** in one currency on any day means the amount of that currency into which a specified amount of another currency can be converted at the Bank of Canada's noon spot rate for that day (or at any other rate to which the parties agree) and if that day is not a Business Day, on the immediately preceding Business Day.

(77) ***ERISA*** means the *Employee Retirement Income Security Act* of 1974, as amended from time to time and the regulations promulgated and rulings issued thereunder.

(78) ***ERISA Affiliate*** has the meaning given to it in Section 2.1(17).

(79) ***Euro*** means the single currency of the participating member states of the European Union that have adopted or agreed to adopt such single currency as their currency in accordance with legislation of the European Union relating to European Economic and Monetary Union.

(80) ***Event of Default*** means any of the events or circumstances specified in Section 10.1.

(81) ***Excess Amount*** has the meaning given to it in Section 5.3.

(82) ***Excluded Taxes*** means, in relation to the Agent or any Lender, (i) any Taxes imposed on the net income or capital of the Agent or the Lender, respectively, by any Governmental Authority as a result of the Agent or the Lender (a) carrying on a trade or business or having a permanent establishment in any jurisdiction or political subdivision thereof, (b) being organized under the laws of such jurisdiction or any political subdivision thereof, or (c) being or being deemed to be resident in such jurisdiction or political subdivision thereof, other than solely by virtue of its Commitment or extension of credit hereunder or execution, delivery or performance hereof or of any Documents provided herein or contemplated hereby, and (ii) any interest, fines or penalties in respect of Taxes to the extent arising from a failure or breach contemplated in Sections 6.2(7) or 6.2(9).

(83) ***Extended Maturity Date*** has the meaning given to it in Section 3.7.

(84) ***Federal Funds Rate*** means, for any day, the rate per annum (rounded upward, if necessary, to the nearest $1/100^{th}$ of 1%) equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System of the United States, arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided that (a) if such day is not a Business Day, the ***Federal Funds Rate*** for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the ***Federal Funds Rate*** for such day shall be the average rate (rounded upward, if necessary, to the nearest $1/100^{th}$ of 1%) quoted to the Agent on such day on such transactions as reasonably determined by the Agent.

(85) ***FIL*** means FIL (US) Inc., an Alaska corporation, and its successors and permitted assigns.

(86) ***Financial Assistance*** means, with respect to any Person and without duplication, any loan to, or Investment in, or other form of direct or indirect financial support of, any other Person or any obligation (contingent or other) to the extent intended to enable another Person to incur or pay any Debt or to comply with agreements relating thereto or otherwise to assure or protect creditors of the other Person against loss in respect of Debt of the other Person and includes any guarantee of the Debt of the other Person and any absolute or contingent obligation:

(a) to advance or supply funds for the payment or purchase of any Debt of any other Person;

(b) to purchase, sell or lease (as lessee or lessor) any property, assets, goods, services, materials or supplies or to make a payment to another for goods, property or services regardless of the non-delivery or non-furnishing thereof, primarily for the purpose of enabling any Person to make payments on Debt or to assure the holder thereof against loss; or

(c) to make an Investment in or to maintain the capital, working capital, solvency or general financial condition of another Person to the extent intended for the purpose of enabling any Person to make payments on Debt or to assure the holder thereof against loss.

The amount of any Financial Assistance is the amount of any loan or Investment or direct or indirect financial support, without duplication, made or given, or the amount of the Debt of the obligor to which the Financial Assistance relates, unless the Financial Assistance is limited to a determinable amount, in which case the amount of the Financial Assistance is the determinable amount, or if not determinable, the maximum reasonably anticipated liability in respect thereof (assuming the Person giving the Financial Assistance is required to perform thereunder), as determined in good faith in accordance with GAAP. The determination of the amount of any Financial Assistance shall be made without duplication with respect to the Borrowers and the Restricted Subsidiaries and their respective liabilities and obligations.

(87) ***Financial Letter of Credit*** or ***Financial LC*** means any standby letter of credit, letter of guarantee or other similar instrument other than a Performance Letter of Credit or a Commercial Letter of Credit.

(88) ***Fiscal Quarter*** means a 3 month period ending March 31, June 30, September 30 or December 31 of any Fiscal Year.

(89) ***Fiscal Year*** means the fiscal year of the Borrowers, which currently ends on December 31 of each year.

(90) ***Fronted L/C*** has the meaning given to that term in Section 3.13(3).

(91) ***Fronting Lender*** means Royal Bank, acting in its capacity as fronting lender for the Canadian Lenders to issue Letters of Credit for the account of the Canadian Borrower under Tranche I in accordance with Section 3.13, or Royal Bank, acting through its branch located at One Liberty Plaza, New York, New York, in its capacity as fronting lender for the US Lenders to issue Letters of Credit for the account of the US Borrower under Tranche I in accordance with Section 3.13 and ***Fronting Lenders*** means Royal Bank so acting in both Canada and the United States. For greater certainty, where the context requires, references to "Lenders" in this Agreement and the other Documents include the Fronting Lender.

(92) ***Funded Debt*** of a Person means, without duplication, (i) all indebtedness of such Person for borrowed money, (ii) the principal component of all obligations of such Person under Capital Leases, (iii) all reimbursement and other obligations of such Person, contingent or otherwise, in respect of letters of credit, letters of guarantee, other types of documentary credits or the borrowing of any commodity, (iv) all obligations of such Person with respect to bankers' acceptances, and (iv) Debt guaranteed by such Person where such Debt itself would be Funded Debt under (i), (ii) or (iii) of this definition, all determined in accordance with GAAP, and, for greater certainty, does not include obligations under Derivatives.

(93) ***GAAP*** means generally accepted accounting principles in effect in Canada at the time any calculation or determination is made or required to be made in accordance with generally accepted accounting principles, applied in a consistent manner from period to period, including, without limitation, the accounting recommendations published in the Handbook of the Canadian Institute of Chartered Accountants.

(94) ***Government Approvals*** means, with respect to any Person, all licences, permits, consents, authorizations and approvals from any and all Governmental Authorities required by Applicable Law for the conduct of any material aspect of that Person's business at the applicable time.

(95) ***Governmental Authority*** means any domestic or foreign government including any federal, provincial, state, territorial or municipal government and any government agency, tribunal, commission or other authority exercising executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, government.

(96) ***Granting Lender*** has the meaning given to it to it in Section 13.1(3)(a).

(97) ***Guarantee*** means a guarantee executed by a Person in favour of the Agent on behalf of itself and the Lenders guaranteeing payment of all Obligations of a Borrower or the Borrowers to the Agent on behalf of itself, the Lenders, the Swing Line Lenders and the Fronting Lenders.

(98) ***Hazardous Materials*** means any pollutant or Contaminant, including any hazardous, dangerous, registerable or toxic chemical material or other substance within the meaning of such terms in any Environmental Law.

(99) ***including*** means ***including without limitation*** and ***includes*** means ***includes without limitation***.

(100) ***Indemnified Person*** has the meaning given to it in Section 4.18(1).

(101) ***Intangible Assets*** means, with respect to the Canadian Borrower, determined on a consolidated basis, all of such Person's organizational expenses, patents, copyrights, trade marks, goodwill in excess of Cdn$15,000,000, covenants not to compete, research and development costs, training costs and other similar assets which are required to be classified and valued as intangible assets in accordance with GAAP and unamortized debt discounts and expense and deferred charges.

(102) ***Intellectual Property*** has the meaning given to it in Section 2.1(22).

(103) ***Interest Determination Date*** means, with respect to a Libor Loan, the date which is 2 Business Days before the first day of the Contract Period applicable to the Libor Loan.

(104) ***Interest Expense*** means, for any fiscal period of a Person, the aggregate cost to the Person of all advances of credit outstanding during that period that are included as interest expense in accordance with GAAP, including, without limitation, interest charges, capitalized interest, the interest component of Capital Leases and discounts incurred and fees payable in respect of bankers' acceptances, all computed and consolidated in accordance with GAAP.

(105) ***Interest Payment Date*** means the 1st Business Day of each month.

(106) ***Inventory*** means, at any time, all inventory of the Borrowing Base Participants, including finished goods, raw materials, new and unused production, packing and shipping supplies, work in progress, all new and unused maintenance items and all other materials and supplies on hand

to be used or consumed or which might be used in connection with the manufacture, packing, shipping, advertising, selling or furnishing of goods.

(107) ***Investment*** means, for any Person, the acquisition (whether for cash, property, services, securities or otherwise) of shares, bonds, notes, debentures, partnership or other ownership interests or other securities of any other Person or any agreement to make that acquisition.

(108) ***Issuance Date*** means the date on which a Letter of Credit is issued in favour of a third party at the request of the Canadian Borrower or the US Borrower by the Fronting Lender, in the case of a Fronted L/C, by the Agent, in the case of a Severally Issued L/C, or by a Tranche II Lender, in the case of a Letter of Credit issued under Tranche II.

(109) ***ITA*** means the *Income Tax Act* (Canada), as amended, and any successor thereto, and any regulations promulgated thereunder.

(110) ***Judgment Currency*** has the meaning given to it in Section 14.6.

(111) ***LC Application*** has the meaning given to it in Section 3.13(4).

(112) ***LC Disbursement*** means any payment by a Lender under a Severally Issued L/C, by the Fronting Lender under a Fronted L/C, or by a Tranche II Lender under a Letter of Credit issued under Tranche II, plus all fees, charges and other costs and expenses incurred in connection with such payment.

(113) ***Lenders*** means, collectively, all of the Canadian Lenders and US Lenders and ***Lender*** means any one of them. Each reference in this Agreement to a Lender shall be deemed to be a reference to a Canadian Lender or a US Lender as the context may require.

(114) ***Lending Office*** means, in respect of each Canadian Lender, the office in Canada specified as the "Lending Office" of such Lender on Schedule 1.1(114) or such other office in Canada as may be designated by such Lender by written notice to the Agent as its "Lending Office" and, in respect of each US Lender, the office in the United States specified as the "Lending Office" of such Lender on Schedule 1.1(114) or such other office in the United States as may be designated by such Lender by written notice to the Agent as its "Lending Office".

(115) ***Letter of Credit Fee*** has the meaning given to it in Section 0.

(116) ***Letter of Credit*** and ***LC*** each means a Financial Letter of Credit, Performance Letter of Credit or Commercial Letter of Credit issued by a Tranche II Lender or a Commercial Letter of Credit issued by the Agent, on behalf of the Lenders, in the case of a Severally Issued L/C, or by the Fronting Lender, in the case of a Fronted L/C, in each case at the request of, and for the account of, the Canadian Borrower, in Canadian Dollars, US Dollars or Euros, or the US Borrower, in US Dollars or Euros, as the case may be. The Letter of Credit may indicate that it is being issued for or on behalf of a Subsidiary, provided, however, that the applicable Borrower requesting the issuance thereof shall nonetheless remain the account party with respect to and liable for such Letter of Credit.

(117) ***LIBOR*** means, with respect to any Contract Period applicable to a Libor Loan, the average annual rate of interest (based on a 360-day year in accordance with market convention, rounded upwards, if necessary to the nearest whole multiple of 1/16 of 1%) at which major banks in the London interbank market are offering deposits in US Dollars for a period equal to the relevant Contract Period and for an amount equal to the Libor Loan, appearing on the Reuters Screen LIBOR01 Page (or such other applicable page) at or about 11:00 a.m. London, England time on the Interest Determination Date; provided, that, if that rate does not so appear, then ***LIBOR*** shall be the annual rate of interest determined by the Agent as being the rate of interest at which it would be prepared to offer to leading banks in the London interbank market for delivery on the first day of the relevant Contract Period for a period equal to the Contract Period and an amount equal to the relevant Libor Loan, deposits in US Dollars in an amount comparable to the relevant Libor Loan requested by the applicable Borrower.

(118) ***Libor Interest Date*** means, with respect to any Libor Loan, the date falling on the last day of each Contract Period applicable to the Libor Loan and, if the applicable Contract Period is longer than 3 months, the date falling every 3 months after the beginning of the Contract Period and the last day of the Contract Period.

(119) ***Libor (Can) Loan*** means a Libor Loan, which is funded by a Canadian Lender to the Canadian Borrower.

(120) ***Libor Loan*** means an Advance which is denominated in US Dollars and in respect of which the rate of interest is based upon LIBOR, and in respect of which the Borrower is obliged to pay interest in accordance with Section 4.4(1).

(121) ***Libor (US) Loan*** means a Libor Loan, which is funded by a US Lender to the US Borrower.

(122) ***Lien*** means any mortgage, charge, lien, hypothec or encumbrance, whether fixed or floating on, or any security interest in, any property, whether real, personal or mixed, tangible or intangible, any pledge or hypothecation of any property, any conditional sale agreement or other title retention agreement, Capital Lease, account control agreement or other arrangement of any kind intended to create or grant security.

(123) ***Litigation*** means any grievance, investigation, legal action, lawsuit, claim or other proceeding (whether civil, administrative, quasi-criminal or criminal), in each case by or before any Governmental Authority or arbitrator.

(124) ***Loan*** means a Prime Loan, US Prime Loan, USBR Loan or Libor Loan and ***Loans*** means any combination of them.

(125) ***Majority Lenders*** means:

(a) Related Lender Groups whose Commitments represent, in the aggregate, at least 66 $^2/_3$% of the Total Commitment, or

(b) at any time when the Commitments have terminated, Related Lender Groups from whom, in the aggregate, at least 66 $^{2}/_{3}$% of the outstanding Advances have been made available.

(126) ***Market Disruption Event*** means:

(a) the CDOR Rate or LIBOR is not available for the relevant interest period; or

(b) due to one or more events, circumstances or conditions affecting any Lender, the cost to such Lender of funding in the relevant interbank markets would be in excess of:

(i) the Prime Rate, in respect of a Prime Loan made by a Canadian Lender to the Canadian Borrower;

(ii) the CDOR Rate, in respect of a Bankers' Acceptance issued by a Canadian Lender to the Canadian Borrower;

(iii) the US Base Rate, in respect of a USBR Loan made by a Canadian Lender to the Canadian Borrower;

(iv) the US Prime Rate, in respect of a US Prime Loan made by a US Lender to the US Borrower; or

(v) LIBOR, in respect of a LIBOR Loan made by a Canadian Lender to the Canadian Borrower or by a US Lender to the US Borrower.

(127) ***Material Adverse Change*** means a change in the business, operations, property or financial or other condition of the Borrowers and the Restricted Subsidiaries, taken as a whole, which would reasonably be expected to have a Material Adverse Effect.

(128) ***Material Adverse Effect*** means a material adverse effect on (a) the business, operations, property or financial or other condition of the Borrowers and the Restricted Subsidiaries, taken as a whole, and, in addition, in the case of inventory adjustments or devaluations resulting from fluctuations in commodity prices, the ability of the Borrowers and Restricted Subsidiaries to perform and discharge their obligations under this Agreement and the other Documents is materially negatively affected as a result thereof such that the Borrowers and Restricted Subsidiaries would not reasonably be expected to be able to perform and fulfill their obligations under this Agreement and the other Documents, or (b) the Agent's or the Lenders' ability to enforce their rights or remedies under this Agreement or any of the other Documents.

(129) ***Material Contract*** means any contract or agreement to which a Borrower or a Restricted Subsidiaries is a party or by which it is bound which is material to the business of that corporation, having regard to its subject matter or the potential consequences of breach or termination, the termination or cancellation of which (prior to its scheduled termination date) would have a Material Adverse Effect.

(130) ***Maturity Date*** means April 29, 2011, or, if the Maturity Date has been extended pursuant to Section 3.7, the most recent Extended Maturity Date.

(131) ***Moody's*** means Moody's Investors Service, together with its successors and assigns.

(132) ***Moody's Rating*** means, at any time, the enterprise rating issued by Moody's and then in effect with respect to the Canadian Borrower, which rating is Ba1 as at the Restatement Effective Date.

(133) ***Net Cash Balance*** means, at any time, calculated for the Canadian Borrower on a consolidated basis, the total of:

(a) cash, and

(b) any of the following, having a maturity of not greater than 360 days from the date of acquisition thereof, (i) readily marketable direct obligations of the Government of the United States or the Government of Canada or, in each case, any agency or instrumentality thereof or obligations unconditionally guaranteed by the full faith and credit of the Government of the United States or the Government of Canada, as applicable, (ii) certificates of deposit of or time deposits with any commercial bank, that issues (or the parent of which issues) commercial paper rated as described in clause (iii) below, is organized under the laws of the United States (or any state thereof) or Canada (or any province thereof) and has combined capital and surplus of at least $1 billion, or (iii) commercial paper in an aggregate amount of no more than $50,000,000 per issuer outstanding at any time, issued by any corporation organized under any state of the United States, the District of Columbia or Canada (or any province thereof) and rated at least "Prime 1" (or the then equivalent grade) by Moody's or "A 1" (or the then equivalent grade) by S&P,

less:

(c) the aggregate amount of outstanding Advances under the Credit Facility.

(134) ***New Lender Groups*** has the meaning given to it in Section 3.5.

(135) ***Non BA Lender*** means a Canadian Lender that cannot or does not as a matter of policy issue bankers' acceptances.

(136) ***Obligations*** means, with respect to each Borrower, all loans, advances, debts, liabilities and obligations for the performance of covenants, tasks or duties or for the payment of monetary amounts (whether or not performance is then required or contingent, or those amounts are liquidated or determinable) owing by the Borrower to the Agent or any Lender, Fronting Lender or Swing Line Lender under any or all of the Documents or under or in connection with the 10 Year Swap Transactions (up to a maximum amount of Cdn$65,000,000 in respect of the 10 Year Swap Transactions) or Other Derivatives (up to a maximum amount for each Related Lender Group in respect of Other Derivatives equal to such Related Lenders Group's Rateable Portion of Cdn$15,000,000) and all covenants and duties regarding those amounts, of any kind or nature,

present or future, whether or not evidenced by any agreement or other instrument, under any or all of the Documents or under or in connection with the 10 Year Swap Transactions or Other Derivatives (subject to the limitations above for the 10 Year Swap Transactions and Other Derivatives), including all obligations owed by the Borrower to any of the Lenders or Swing Line Lenders or Fronting Lenders under or pursuant to the Credit Facility.

(137) ***Original Credit Agreement*** has the meaning given to it in Recital A.

(138) ***Other Derivatives*** means Derivatives entered into between any of the Borrowers or the Restricted Subsidiaries with any of the Lenders other than the 10 Year Swap Transactions.

(139) ***Participant*** has the meaning given to it in Section 13.1(3)(a).

(140) ***Participating Lender Groups*** has the meaning given to it in Section 3.5.

(141) ***Performance Letter of Credit*** or ***Performance LC*** means a standby letter of credit, letter of guarantee or other similar instrument, which can be drawn upon only if there is a breach of an underlying obligation owed to a third party.

(142) ***Permitted Debt*** means (i) Debt hereunder and under the other Documents; (ii) the 6 3/8th % unsecured senior notes due March 1, 2014 in the amount of US$175,000,000, as the same may be extended, deferred, renewed, extended, replaced, supplemented, modified, refinanced, refunded or amended from time to time, provided the amount thereof is not increased; (iii) Debt owed by a Borrower to the other Borrower or a Restricted Subsidiary; (iv) Debt owed by a Restricted Subsidiary to a Borrower or any other Restricted Subsidiary; (v) Postponed Subsidiary Debt; (vi) Debt not otherwise provided for herein up to a maximum aggregate Canadian Dollar Amount at any time of Cdn$20,000,000, of which a maximum aggregate Canadian Dollar Amount of Cdn$10,000,000 may be owing to Persons other than any of the Borrowers or their Subsidiaries; (vii) Debt existing in any Subsidiary acquired by the Borrower or any Restricted Subsidiary immediately preceding such acquisition, provided such Debt was not incurred for the purpose of such acquisition and is not assumed or guaranteed by the Borrower or any other Subsidiary of the Borrower, other than a guarantee existing at the time of such acquisition by a company which is not a Subsidiary of the Borrower immediately prior to such acquisition but which becomes a Subsidiary of the Borrower at the time of such acquisition or thereafter, and extensions or renewals of such Debt provided the principal amount thereof is not increased; and (viii) any other Debt the terms and conditions of which are satisfactory to the Majority Lenders.

(143) ***Permitted Dispositions*** means (i) sales, exchanges, leases, transfers, assignments, conveyances or other dispositions in the ordinary course of business; (ii) the disposition of assets which have no material economic value in the business or are obsolete, unusable or redundant (including any assets of discontinued operations); (iii) a sale, exchange, lease, transfer, assignment, conveyance or other disposition so long as the aggregate net book value of the assets subject to all such sales, exchanges, leases, transfers or other dispositions made by any of the Borrowers or Restricted Subsidiaries in any Fiscal Year without the consent of the Majority Lenders (other than as permitted under (i) or (ii) above or (iv) below) does not exceed Cdn$10,000,000; (iv) a sale, exchange, lease, transfer, assignment, conveyance or other disposition of Subsidiaries or assets of Subsidiaries to another Borrower or Restricted

Subsidiary, provided the Agent and the Lenders continue to have Liens, subject only to Permitted Liens, in such assets pursuant to the Security Documents, if and to the extent they had such Liens prior to such sale, exchange, lease, transfer, assignment, conveyance or other disposition; (v) dispositions of the outstanding securities or assets of Russel Metals Williams Bahcall Inc., Pioneer Steel and Tube Corp. and/or Spartan Steel Products, Inc. pursuant to *bona fide* sales, provided at the time of, and immediately after giving effect to, any such disposition no Default shall have occurred and be continuing, or (vi) dispositions of those assets listed on Schedule 1.1(143).

(144) ***Permitted Financial Assistance*** means Financial Assistance, the Canadian Dollar Amount of which does not exceed, in the aggregate, at any time Cdn$10,000,000, excluding (i) loans to or investments in a Subsidiary which is not a Restricted Subsidiary or to joint ventures which are permitted pursuant to clauses (i) and (vi) of the definition of Permitted Investments, (ii) Financial Assistance with respect to the Obligations, and (iii) Financial Assistance provided to any Borrower or Restricted Subsidiary in connection with Permitted Debt or Permitted Investments of such Borrower or Restricted Subsidiary.

(145) ***Permitted Investments*** means (i) loans to Subsidiaries other than Restricted Subsidiaries existing on the Restatement Effective Date as set forth in Schedule 1.1(145), (ii) any extensions of credit or other financial accommodation in the ordinary course of business for the purpose of selling goods and services or otherwise carrying on business;(iii) foreign currency hedges, interest rate swaps or similar interest rate and currency hedging obligations or agreements; (iv) loans to or investments in a Borrower or Restricted Subsidiary; (v) investments in government guaranteed obligations, deposit certificates, terms deposits and other similar cash equivalent investments; and (vi) loans to or investments in a Subsidiary which is not a Restricted Subsidiary or to joint ventures, provided the aggregate Canadian Dollar Amount of all loans and investments permitted under this clause (vi), excluding, for greater certainty, loans permitted under clause (i) of this definition, shall not exceed, at any time, Cdn$20,000,000.

(146) ***Permitted Liens*** means, in respect of any Borrower or Restricted Subsidiary:

(a) any Lien created by, or arising under any statute or regulation or common law (in contrast with Liens voluntarily granted) in connection with, without limiting the foregoing, workers' compensation, employment and unemployment insurance, old age pension, employers' health tax, vacation pay or other social security, insurance or statutory obligations, but not including Liens arising under ERISA, that secure amounts that are not yet due or which are being contested in good faith by proper proceedings diligently pursued and as to which adequate reserves have been established on the Borrower's or Restricted Subsidiary's books and records and a stay of enforcement of the Lien is in effect;

(b) Liens made or incurred in the ordinary course of business to secure the performance of bids, tenders, contracts (other than for the borrowing of money), leases or statutory obligations;

(c) deposits securing, or in lieu of, surety, performance and appeal bonds and costs of Litigation;

(d) any construction, workers', repairers', materialmens', carriers' or other like Lien created by law, arising in connection with construction, maintenance, shipping or storage in the ordinary course of business, in respect of obligations which are not due or which are being contested in good faith by proper proceedings diligently pursued and as to which adequate reserves have been established on the Borrower's or the Restricted Subsidiary's books and records and a stay of enforcement of the Lien is in effect;

(e) any Lien for Taxes or other governmental charges or assessments not due or being contested in good faith by appropriate proceedings diligently pursued and as to which adequate reserves have been established on the Borrower's or the Restricted Subsidiary's books and records and a stay of enforcement of the Lien is in effect;

(f) minor imperfections in title on real property that do not materially impair the Borrower's or the Restricted Subsidiary's ability to carry on its business or the Agent's or the Lenders' rights and remedies under the Documents;

(g) any purchase money Lien on specific assets (including Capital Leases), whether voluntarily granted or arising by operation of law, to secure the payment of the purchase price of those assets where the amount of the obligations secured does not exceed 100% of the purchase price of such assets and the amount secured by all such Liens and Liens under Section 1.1(146)(v) (including any such Liens listed in Schedule 1.1(146)) does not exceed Cdn$10,000,000 in the aggregate; and extensions, renewals or replacements thereof upon such assets if the amount of the obligations secured thereby is not increased;

(h) restrictions, easements, rights-of-way, servitudes or other similar rights in land (including rights-of-way and servitudes for railways, sewers, drains, gas and oil pipelines, gas and water mains, electric light and power and telephone or telegraph or cable television conduits, poles, wires and cables, including fibre optic cables,) granted to or reserved by other Persons which in the aggregate do not materially impair the usefulness, in the operation of the business of the Borrower or the Restricted Subsidiary, of the real property subject to the restrictions, easements, rights-of-way, servitudes or other similar rights in land granted to or reserved by other Persons;

(i) the rights reserved to or vested in any Person by the terms of any lease, licence, franchise, grant or permit held by the Borrower or the Restricted Subsidiary or by any statutory provision, to terminate any such lease, licence, franchise, grant or permit, or to require annual or periodic payments as a condition to the continuance thereof;

(j) the reservations, limitations, provisos and conditions, if any, expressed in any original grants from the Crown or in any comparable grant in any jurisdiction other than Canada;

(k) restrictive covenants affecting the use to which real property may be put, provided that the covenants are complied with and do not materially impair its use in the operations of the Borrower or the Restricted Subsidiary;

(l) Liens resulting from any judgment rendered or Claim filed against the Borrower or a Restricted Subsidiary that does not constitute an Event of Default and which such Person shall be contesting in good faith by proper proceedings diligently pursued and as to which adequate reserves have been established on such Person's books and records and a stay of enforcement of the Lien is in effect;

(m) any Lien resulting from security given to a utility or Governmental Authority in the ordinary course of business when required by such utility or Governmental Authority in connection with the operation of the business;

(n) Liens securing loans by or investments of Borrowers and Restricted Subsidiaries to or in other Borrowers or Restricted Subsidiaries, provided that such loans and investments are otherwise permitted pursuant to this Agreement and such Liens do not create a Lien in Inventory or accounts receivable of any Borrowing Base Participants unless such Lien is subordinated to the Lien of the Security Documents in a manner satisfactory to the Agent;

(o) any Lien, other than a construction lien, payment of which has been provided for by deposit with the Agent on behalf of the Lenders of an amount in cash, or the obtaining of a surety bond or letter of credit satisfactory to the Lenders, sufficient in either case to pay or discharge such Lien or upon other terms satisfactory to the Lenders;

(p) rights and interests created by notice registered by any transportation authority with respect to proposed roads or highways which do not materially impair the use of real property owned or leased by the Borrower or Restricted Subsidiary in the operation of the business of the Borrower or Restricted Subsidiary;

(q) the granting by a Borrower or Restricted Subsidiary in the ordinary course of its business of any lease, sub-lease, tenancy or right of occupancy to any person in respect of real property owned or leased by the Borrower or Restricted Subsidiary;

(r) applicable municipal by-laws, development agreements, subdivision agreements, site plan agreements, zoning laws and building or land use restrictions which do not in the aggregate materially adversely affect the current use of the property affected thereby and provided that the same have been complied with in all material respects;

(s) any attachment or judgment Lien not constituting an Event of Default;

(t) any unregistered Lien in favour of any lessor, licensor or permitter for rent to become due or for other obligations or acts, the payment or performance of which is required under any lease as a condition to the continuance thereof, including any capital lease or synthetic lease, licence or agreement for use;

(u) any interest or title of a lessor or sublessor under any lease and any restriction or encumbrance to which the interest or title of such lessor or sublessor may be subject;

(v) Liens arising from conditional sale, title retention, consignment, reservation of security interest or other similar arrangements in respect of sales of goods entered into by the Borrower or a Restricted Subsidiary as purchaser in the ordinary course of business, provided the aggregate amount secured by all such Liens and Liens under Section 1.1(146)(g) (including any such Liens listed in Schedule 1.1(146)) does not exceed Cdn$10,000,000 in the aggregate;

(w) exceptions and qualifications in Section 44(1) of the *Land Title Act* (Ontario), similar provincial legislation in other provinces and comparable legislation in jurisdictions other than Canada;

(x) subdivision, development, facility/cost-sharing and encroachment agreements affecting real property, provided no such agreement shall materially detract from the value of any property affected thereby or materially impair the use of such property for the purposes for which such property is held;

(y) any Lien granted pursuant to Section 4.18(3)(c);

(z) the Liens described in Schedule 1.1(146);

(aa) the Liens created by the Security Documents; and

(bb) the Liens created by the provisions of this Agreement including Section 5.6.

(147) ***Person*** means any natural person, sole proprietorship, partnership, syndicate, trust, joint venture, Governmental Authority or any incorporated or unincorporated entity or association of any nature.

(148) ***Postponed Subsidiary Debt*** means Debt owing by a Borrower or Restricted Subsidiary to a Subsidiary of the Canadian Borrower other than a Restricted Subsidiary in the aggregate amounts of US$34,000,000 and Cdn$148,526,871 as set forth in Schedule 1.1(148), which Debt has been postponed and subordinated to the Obligations on terms and conditions satisfactory to the Agent.

(149) ***Prime Loan*** means an Advance, which is denominated in Canadian Dollars and in respect of which the Canadian Borrower is obligated to pay interest at the Prime Rate plus the Applicable Margin in accordance with Section 4.1(1).

(150) ***Prime Rate*** means, with respect to a Prime Loan, on any day the greater of:

(a) the annual rate of interest announced from time to time by Agent as being its reference rate then in effect on such day for determining interest rates on Canadian Dollar denominated commercial loans made by it in Canada; and

(b) the CDOR Rate for 1 month B/As in effect from time to time plus 100 basis points per annum.

Any change in the ***Prime Rate*** shall be effective on the date the change becomes effective generally.

(151) ***Priority Payables*** means, at any time, amounts due and owing by a Borrowing Base Participant to any Governmental Authority in respect of pension fund obligations, Taxes, employee deductions, workers' compensation obligations, government royalties and other like charges, claims or demands or amounts past due to any landlord of real property where Eligible Inventory may be situate, but only to the extent such Governmental Authority or landlord is entitled to a Lien or other claim which ranks, or is capable of ranking, in priority to the Liens created by the Security Documents in respect of Eligible Accounts or Eligible Inventory, and not to exceed, with respect to any Borrowing Base Participant, the amount included in respect of Eligible Inventory and Eligible Accounts of such Borrowing Base Participant in the calculation of the Borrowing Base.

(152) ***Priority Payables Reserve*** means at any time, the greater of Cdn$15,000,000 and such amount as shall be certified by the Canadian Borrower in its most recently delivered Priority Payables Certificate as the aggregate amount of Priority Payables as at the Fiscal Year end in respect of which such Priority Payables Certificate was delivered.

(153) ***Priority Payables Certificate*** means a certificate of the Canadian Borrower substantially in the form attached as Schedule 1.1(153) signed on behalf of the Canadian Borrower by the chief financial officer of the Canadian Borrower or other senior officer of the Canadian Borrower.

(154) ***Rateable Portion*** with respect to any Related Lender Group, means

(a) with respect to Tranche I, the fraction of the Tranche I Total Commitment represented by that Related Lender Group's Tranche I Commitment;

(b) with respect to Tranche II, the fraction of the Tranche II Total Commitment represented by that Related Lender Group's Tranche II Commitment;

(c) with respect to the Credit Facility as a whole, the fraction of the Total Commitment represented by that Related Lender Group's Commitment; and

(d) with respect to Tranche I or Tranche II or the Credit Facility as a whole after the Total Commitment has terminated, the fraction of all Tranche I Advances or Tranche II Advances or Advances under the Credit Facility as a whole, as applicable, owing to that Related Lender Group.

(155) ***Reimbursement Obligation*** means the obligation of a Borrower in respect of a Letter of Credit to reimburse the Agent or the Fronting Lender or a Tranche II Lender, as applicable, pursuant to Section 3.13(10).

(156) ***Related Lender Group*** means a Canadian Lender and US Lender identified as a "Related Lender Group" in the table set forth in Schedule 1.1(156) hereto.

(157) ***Restatement Effective Date*** means the date on which all of the conditions in Section 8.1 are satisfied (or waived in accordance with Section 8.3), which the parties acknowledge to be May 1, 2009.

(158) ***Restricted Subsidiaries*** means (a) the Subsidiaries of the Canadian Borrower listed on Schedule 1.1(158) under the heading "Restricted Subsidiaries", as the same may be amended, restated or supplemented from time to time, (b) any other wholly owned Subsidiary of the Canadian Borrower other than a holding company, the Consolidated Assets of which exceed 5% of the Consolidated Assets of the Canadian Borrower at any time, and (c) any holding company which has a wholly owned Subsidiary that is a Restricted Subsidiary, and ***Restricted Subsidiary*** means any of the foregoing. Provided that none of the Subsidiaries listed on Schedule 1.1(158) under the heading "Excluded Subsidiaries" shall be ***Restricted Subsidiaries***. When used in respect of the US Borrower, ***Restricted Subsidiaries*** means only those Restricted Subsidiaries that are Subsidiaries of the US Borrower.

(159) ***Reuters Screen CDOR Page*** means the display designated as page CDOR on the Reuters Monitor Money Rates Service or other page as may, from time to time, replace that page on that service for the purpose of displaying bid quotations for bankers' acceptances accepted by leading Canadian banks.

(160) ***Reuters Screen LIBOR01 Page*** means the display designated as Libor Page 01 on the Reuters Monitor Money Rates Service or other page as may, from time to time, replace that page on that service for the purpose of displaying interbank offered rates for deposit in the London interbank market.

(161) ***Rollover*** means the rollover of an Advance by way of Libor Loan or Bankers' Acceptance for an additional Contract Period under Sections 3.9(2) or 3.10(8), respectively.

(162) ***Rollover Date*** means the Business Day on which a Rollover occurs.

(163) ***Royal Bank*** means Royal Bank of Canada, a Canadian chartered bank having its head office in the City of Montreal, Province of Québec, and its successors and assigns.

(164) ***Russel*** means Russel Metals Inc., a corporation existing under the laws of Canada, and its successors and permitted assigns.

(165) ***S&P*** means Standard and Poor's Ratings Group, a division of The McGraw-Hall Companies, Inc., together with its successors and assigns.

(166) ***S&P Rating*** means, at any time, the enterprise rating issued by S&P and then in effect with respect to the Canadian Borrower, which rating is BB+ as at the Restatement Effective Date.

(167) ***Schedule I Lender*** means any Lender named on Schedule I to the *Bank Act* (Canada).

(168) ***Schedule II/III Lender*** means any Lender named on Schedule II or Schedule III to the *Bank Act* (Canada), as applicable.

(169) ***Schedules*** means the schedules attached to and forming part of this Agreement, as particularized in Section 1.15.

(170) ***Security Agreement*** means a security agreement or hypothec, including, without limitation, any deed of hypothec securing, *inter alia*, the payment of bonds which may be issued thereunder, and any related bond pledge agreement, each executed by a Person in favour of the Agent on behalf of itself, the Lenders, the Swing Line Lenders and the Fronting Lenders creating a security interest in the personal property identified therein, legally or beneficially owned by such Person.

(171) ***Security Documents*** means the Security Agreements and other Documents creating or perfecting Liens on the assets of the Borrowers and the Restricted Subsidiaries in favour of the Agent on behalf of itself, the Lenders, the Swing Line Lenders and the Fronting Lenders, and all other instruments, agreements and documents, including financing statements, which have been or may hereafter from time to time be executed or registered in connection therewith, including the Documents set out in Section 7.1.

(172) ***Severally Issued L/C*** has the meaning given to that term in Section 3.13(3).

(173) ***Subsidiary*** of a Person means (a) any corporation of which the Person holds, directly or beneficially, other than by way of security only, securities to which are attached more than 50% of the votes that may be cast to elect directors of such corporation, and (b) any partnership, limited liability company or joint venture in which such Person and/or one or more Subsidiaries of such Person shall have, directly or indirectly, more than 50% of the votes that may be cast to elect the governing body of such entity, and ***Subsidiaries*** shall have a correlative meaning.

(174) ***Sufficient Copies*** means, in respect of documents required to be delivered under this Agreement, the number of copies of each document equal to the number of Lenders plus the Agent at the time the document is delivered, unless the Borrower is otherwise notified by the Agent.

(175) ***Sunbelt Facility*** means the revolving credit facility made available by Brown Brothers Harriman & Co., Cooperatieve Centrale Raiffeisen-Boerenleenbank B.A., "Rabobank International", New York Branch and RZB Finance, LLC, as lenders, to Sunbelt Group L.P., as borrower, pursuant to a ninth amended and restated acceptance and credit agreement dated as of September 30, 2008, as amended, restated or superseded from time to time.

(176) ***Swing Line Canadian Account*** has the meaning given to it in Section 3.11(1).

(177) ***Swing Line Canadian Lender*** means Royal Bank in its capacity as Lender of the Swing Line Canadian Loans.

(178) ***Swing Line Canadian Loan*** means a Prime Loan or USBR Loan advanced under Tranche I in accordance with Section 3.11.

(179) ***Swing Line Lenders*** means the Swing Line Canadian Lender and the Swing Line US Lender and ***Swing Line Lender*** means either of them.

(180) ***Swing Line Loan*** means a Swing Line Canadian Loan or a Swing Line US Loan.

(181) ***Swing Line US Account*** has the meaning given to it in Section 3.12(1).

(182) ***Swing Line US Lender*** means JPMorgan Chase Bank, N.A. in its capacity as Lender of Swing Line US Loans.

(183) ***Swing Line US Loan*** means a US Prime Loan advanced under Tranche I in accordance with Section 3.12.

(184) ***Taxes*** means all present and future taxes, surtaxes, duties, levies, imposts, rates, fees, assessments, withholdings, dues and other charges of any nature imposed by any Governmental Authority (including income, capital (including large corporations), withholding, consumption, sales, use, transfer, goods and services or other value-added, excise, customs, anti-dumping, countervail, net worth, stamp, registration, franchise, payroll, employment, health, education, business, school, property, local improvement, development, education development and occupation taxes, surtaxes, duties, levies, imposts, rates, fees, assessments, withholdings, dues and charges) together with all fines, interest, penalties on or in respect of, or in lieu of or for non-collection of, those taxes, surtaxes, duties, levies, imposts, rates, fees, assessments, withholdings, dues and other charges.

(185) ***Total Commitment*** means the sum of the Tranche I Total Commitment and the Tranche II Total Commitment.

(186) ***Tranche I*** means the credit facility established by the Lenders under Section 3.1(1).

(187) ***Tranche I Advance*** means an Advance under Tranche I.

(188) ***Tranche I Commitment*** means, with respect to each Related Lender Group and each Lender in that Related Lender Group, the principal amount set out opposite that Related Lender Group and Lender's name under the heading Tranche I Commitment in Schedule 1.1(44), as such amount may be increased, reduced or cancelled in accordance with this Agreement.

(189) ***Tranche I Commitment Fee*** has the meaning given to it in Section 4.9(1).

(190) ***Tranche I Total Commitment*** means the principal amount of Cdn$202,500,000, as such amount may be increased, reduced or cancelled in accordance with this Agreement.

(191) ***Tranche II*** means the credit facility established by the Tranche II Lenders under Section 3.1(2).

(192) ***Tranche II Advance*** means an Advance under Tranche II.

(193) ***Tranche II Canadian Lenders*** means Royal Bank of Canada, as a Canadian Lender, and The Bank of Nova Scotia, as a Canadian Lender, and Tranche II Canadian Lender means any one of them.

(194) ***Tranche II Commitment*** means, with respect to a Tranche II Lender and the Related Lender Group such Lender is in, the principal amount set out opposite that Related Lender Group and Tranche II Lender's name under the heading Tranche II Commitment in Schedule 1.1(44), as such amount may be reduced or cancelled in accordance with this Agreement.

(195) ***Tranche II Commitment Fee*** has the meaning given to it in Section 4.9(2).

(196) ***Tranche II Lenders*** means the Tranche II Canadian Lenders and the Tranche II US Lenders, and Tranche II Lender means any one of them. For greater certainty, where the context requires, references to "Lenders" in this Agreement and the other Documents include the Issuing Banks.

(197) ***Tranche II US Lenders*** means Royal Bank of Canada, acting through its branch located at One Liberty Plaza, New York, New York, as a US Lender, and The Bank of Nova Scotia, acting through its branch located at 1 Liberty Plaza, Floors 22-26, New York, NY USA 10006, as a US Lender, and Tranche II US Lender means any one of them.

(198) ***Tranche II Total Commitment*** means the principal amount of Cdn$50,000,000, as such amount may be reduced or cancelled in accordance with this Agreement.

(199) ***10 Year Swap Transactions*** means the notional cross currency, fixed to fixed, 10 year swaps transacted by the Canadian Borrower on or about February 18, 2004 with Bank One, N.A. (now known as JPMorgan Chase Bank, N.A.) in the notional amount of US$40,000,000 and with The Bank of Nova Scotia in the notional amount of US$60,000,000.

(200) ***USBR Loan*** means an Advance, which is denominated in US Dollars and in respect of which the Borrowers are obligated to pay interest at the US Base Rate plus the Applicable Margin in accordance with Section 4.3(1).

(201) ***US Base Rate*** means, with respect to a USBR Loan, on any day the greater of:

(a) the annual rate of interest announced from time to time by Royal Bank as being its reference rate then in effect for determining rates on US Dollar denominated commercial loans made by it in Canada; and

(b) the Federal Funds Rate in effect from time to time (multiplied by 365 or 366 as the case may be and divided by 360, if that rate is calculated on the basis of a 360 day year) plus 100 basis points per annum.

Any change in the ***US Base Rate*** shall be effective on the date the change is effective.

(202) ***US Borrower*** means FIL and its successors and permitted assigns.

(203) ***US Code*** has the meaning given to it in Section 2.1(17).

(204) ***US Dollars*** and the symbol "***US$***" each means lawful money of the United States in same day immediately available funds, or if those funds are not available, the form of money of the United States that is customarily used in the settlement of international banking transactions on the day any payment is to be made under this Agreement.

(205) ***US Lenders*** means, collectively, all of the banks and other financial institutions named as "US Lenders" on the signature pages hereto and their successors and permitted assigns and ***US Lender*** means any one of them, in any case, having a commitment to make Advances to the US Borrower.

(206) ***US Plans*** has the meaning given to it in Section 2.1(17).

(207) ***US Prime Loan*** means an Advance, which is denominated in US Dollars and in respect of which the US Borrower is obligated to pay interest at the US Prime Rate plus the Applicable Margin, in accordance with Section 4.2(1).

(208) ***US Prime Rate*** means, with respect to a US Prime Loan, on any day, the greater of:

(a) the rate of interest per annum determined by Royal Bank from time to time in its sole discretion as its prime commercial lending rate for US Dollar loans in the United States for such day; and

(b) the Federal Funds Rate in effect from time to time (multiplied by 365 or 366, as the case may be and divided by 360, if that rate is calculated on the basis of a 360 day year) plus 50 basis points per annum.

Any change in the ***US Prime Rate*** shall be effective on the date the change becomes effective generally. The ***US Prime Rate*** is not necessarily the lowest rate that Royal Bank is charging any corporate customer.

(209) ***Waste*** means ashes, garbage and refuse and includes domestic waste, industrial waste, municipal refuse or such other materials as are designated as waste under any Environmental Law.

(210) ***written*** or ***in writing*** includes printing, typewriting, or any electronic means of communication capable of being legibly reproduced at the point of reception and includes the giving to the Agent of a copy of a press release issued by the Canadian Borrower.

1.2 Business Day

If under this Agreement any payment or calculation is to be made, or any other action is to be taken, on or as of a day which is not a Business Day, that payment or calculation is to be made, and that other action is to be taken, as applicable, on or as of the next day that is a Business Day.

1.3 Conflict

If there is a conflict between any provision of this Agreement and any provision of another document contemplated by or delivered under or in connection with this Agreement, the relevant provision of this Agreement is to prevail.

1.4 Currency

Unless otherwise specified, all amounts are stated in Canadian Dollars.

1.5 Time

Time shall be of the essence in all provisions of this Agreement.

1.6 GAAP

Unless otherwise expressly provided, all accounting terms used in this Agreement shall be interpreted and all financial information shall be prepared in accordance with GAAP, consistently applied.

1.7 Headings and Table of Contents

The division of this Agreement into sections, the insertion of headings and the provision of a table of contents are for convenience of reference only and are not to affect the construction or interpretation of this Agreement.

1.8 Number and Gender

Unless otherwise specified, words importing the singular include the plural and vice versa and words importing gender include all genders.

1.9 References

Unless otherwise specified, references in this Agreement to “Sections” and “Schedules” are to sections of, and Schedules to, this Agreement. The terms “this Agreement”, “hereof”, “hereunder” and similar expressions refer to this Agreement and not to any particular Section hereof.

1.10 Statutory References

Unless otherwise specified, each reference to an enactment is deemed to be a reference to that enactment, and to the regulations made under that enactment, as amended or re-enacted from time to time.

1.11 Time of Day

Unless otherwise specified, references to time of day or date mean the local time or date in the City of Toronto, Province of Ontario.

1.12 Governing Law

This Agreement and, unless otherwise specifically provided for therein, each of the Documents are governed by, and are to be construed and interpreted in accordance with, the laws of the Province of Ontario and the laws of Canada applicable in the Province of Ontario, but without prejudice to or limitation of any other rights or remedies available under the laws of any jurisdiction where property or assets of a Borrower may be found.

1.13 Entire Agreement

This Agreement and all Documents constitute the entire agreement between the parties with respect to the subject matter and supersede all prior agreements, negotiations, discussions, undertakings, representations, warranties and understandings, whether written or oral.

1.14 Severability

If any provision of this Agreement is or becomes illegal, invalid or unenforceable in any jurisdiction, the illegality, invalidity or unenforceability of that provision will not affect:

(1) the legality, validity or enforceability of the remaining provisions of this Agreement; or

(2) the legality, validity or enforceability of that provision in any other jurisdiction.

1.15 Schedules

The following Schedules are attached to and form part of this Agreement:

Schedule		Description
1.1(20)	–	Bankers' Acceptance
1.1(24)	–	Borrowing Base Certificate
1.1(44)	–	Commitments
1.1(48)	–	Compliance Certificate
1.1(65)	–	Discount Note
1.1(72)	–	Standards of Eligibility for Accounts
1.1(73)	–	Standards of Eligibility for Inventory
1.1(114)	–	Lending Offices
1.1(143)	–	Permitted Dispositions
1.1(145)	–	Permitted Investments
1.1(146)	–	Permitted Liens
1.1(148)	–	Postponed Subsidiary Debt
1.1(153)	–	Priority Payables Certificate
1.1(156)	–	Related Lender Groups

1.1(158)	–	Restricted Subsidiaries
2.1(10)	–	Location of Assets, Places of Business, Jurisdictions of Organization, Etc.
2.1(16)	–	Canadian Benefit Plans and Canadian Pension Plans
2.1(17)	–	US Benefit Plans and US Pension Plans
2.1(20)	–	Corporate Organization Chart
3.8	–	Notice of Requested Advance
3.9(2)	–	Notice of Rollover or Payment of Libor Loan
3.10(8)	–	Notice of Rollover or Payment of Bankers' Acceptances
3.13(15)	–	Letter of Credit Non-Extension Request
3.14	–	Conversion Option Notice
5.4	–	Notice of Cancellation of Credit Facility
9.5	–	Environmental Matters
13.1(3)(b)	–	Assignment and Assumption Agreement

SECTION 2– REPRESENTATIONS AND WARRANTIES

2.1 Representations and Warranties

Each Borrower, with respect to itself and each of its Restricted Subsidiaries, makes the following representations and warranties to the Agent and each Lender, all of which shall survive the execution and delivery of this Agreement:

(1) ***Existence, Power and Qualification.*** It and each of its Restricted Subsidiaries (a) is duly incorporated or otherwise formed, organized, amalgamated or continued, and validly existing under the laws of its jurisdiction of existence, subject to Section 9.2(4), (b) is up to date in all material respects in all filings required under those laws, (c) has the requisite power and authority to own, operate and lease its properties and assets and to conduct the businesses in which it is presently engaged, and (d) is duly qualified under the laws of each jurisdiction where its ownership, lease or operation of properties or assets or the conduct of its business requires qualification, except in the case of this clause (d) where the failure to be so qualified would not reasonably be expected to have a Material Adverse Effect.

(2) ***Power and Authority.*** The execution, delivery and performance by it and its Restricted Subsidiaries of this Agreement, the Security Documents and the other Documents, as the case may be, (a) are within its and their corporate and constitutive powers, (b) have been duly authorized by all necessary corporate, shareholder or other action, (c) do not conflict with, result in a breach or violation of, or constitute a default under, its or their constating documents or, in any material respect, any Applicable Law, (d) do not materially conflict with or result in the breach or termination of, constitute a default under, or accelerate any performance required by any Material Contract, and (e) do not and will not result in the creation of any Lien, except as set out in the Security Documents, upon any of its or their assets or properties under any agreement or other document.

(3) ***Authorization, Execution, Delivery and Binding Effect.*** Each of this Agreement, the Security Documents and the other Documents executed by it and its Restricted Subsidiaries, as the case may be, has been or will be duly authorized, executed and delivered and constitutes or

will constitute a legal, valid and binding obligation of it or such Restricted Subsidiaries, enforceable in accordance with its terms, subject to (a) applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights generally, (b) the fact that specific performance and injunctive relief may only be given at the discretion of the courts, and (c) the equitable or statutory powers of the courts to stay proceedings before them and to stay the execution of judgments.

(4) ***No Approvals Required.*** (a) It and each of its Restricted Subsidiaries has obtained all Government Approvals which are necessary for the conduct of its or their business as presently conducted except those where the failure to have obtained them would not reasonably be expected to have a Material Adverse Effect, each of which is in full force and effect, is a good, valid and subsisting approval which has not been surrendered, forfeited or become void or voidable and is unamended, except where the same would not reasonably be expected to have a Material Adverse Effect, (b) there is no default under any Government Approval except where the result of default would not reasonably be expected to have a Material Adverse Effect, nor are there any proceedings in progress, pending or threatened which may result in the revocation, suspension or material adverse modification of any such Government Approval except where the same would not reasonably be expected to have a Material Adverse Effect, and (c) no further material registration, order, permit, filing, consent, authorization, licence, decree or approval of, from or with any Person (including any Governmental Authority) is necessary in order to ensure the legality, validity, binding effect and enforceability of this Agreement, the Security Documents, or any other Document or the execution, delivery or performance of such Borrower's Obligations, except for any filing required to maintain the perfection and priority of the Liens of the Security Documents.

(5) ***Financial Statements.*** The audited annual consolidated financial statements for the Canadian Borrower for the Fiscal Year ended December 31, 2008, copies of which have been furnished to the Agent, were prepared in accordance with GAAP applied on a basis consistent with preceding periods, except as stated therein or in the notes, and those financial statements fairly represent in all material respects the financial condition of the Canadian Borrower on a consolidated basis in accordance with GAAP as at their date.

(6) ***Material Adverse Change.*** Since the date of the latter of the financial statements referred to in Section 2.1(5) and the financial statements referred to in, and most recently delivered in accordance with, Section 9.4(3), except as otherwise disclosed to the Agent in writing, there has been no Material Adverse Change.

(7) ***Contingent Liabilities and Debt.*** None of such Borrower or its Restricted Subsidiaries has any contingent liabilities, which are not disclosed on the most recent audited annual financial statements furnished to the Agent or otherwise disclosed to the Agent in writing, which would reasonably be expected to have a Material Adverse Effect. None of it or its Restricted Subsidiaries has incurred any Debt which would reasonably be expected to have a Material Adverse Effect which is not disclosed on or reflected in those financial statements or otherwise disclosed to the Agent in writing, other than Debt incurred by it or credit extended to it in the ordinary course of business.

(8) ***Title to Assets and Liens.*** As of the Restatement Effective Date, it and each of its Restricted Subsidiaries has good and marketable title to all of its properties and assets free and clear of any Liens, other than Permitted Liens.

(9) ***Security Documents.*** As of the Restatement Effective Date, (a) the Liens contained within the Security Documents of the Borrowers and the Restricted Subsidiaries (other than JMS Russel Metals Corp., Russel Metals JMS Corporation and RMJMS LLC) continue to constitute valid and enforceable Liens upon the Collateral on the terms set out therein and (b) the Security Documents of JMS Russel Metals Corp., Russel Metals JMS Corporation and RMJMS LLC create valid and enforceable Liens upon the Collateral on the terms set out therein, subject only to the terms of this Agreement and to Permitted Liens, and the Security Documents have been registered, filed or recorded in all places where registration, filing or recording is necessary to perfect and protect the charges and security interests created therein.

(10) ***Location of Assets, Places of Business, Jurisdictions of Organization, Etc.*** As of the Restatement Effective Date, the locations of all of the tangible and intangible property and assets, Collateral and places of business of such Borrower and its Restricted Subsidiaries, and the registered and chief executive offices and domicile (within the meaning of the *Civil Code* (Quebec)) of such Borrower and its Restricted Subsidiaries and its and their jurisdictions of organization are described in Schedule 2.1(10). Except as disclosed to the Agent in writing, the chief executive offices are and have been at all time during the four (4) months immediately preceding the Restatement Effective Date, the principal places of business of the respective entities and the only places where the respective entities' records concerning accounts receivable are kept. The exact full legal name of each of the Borrowers and the Restricted Subsidiaries is as set forth in Schedule 2.1(10), except as otherwise disclosed to the Agent in writing. Except as set forth in such Schedule or disclosed to the Agent in writing, none of the Borrowers and Restricted Subsidiaries has had any other name since its incorporation or organization, nor has any changed its identity or corporate structure (including by way of merger, amalgamation, consolidation, acquisition or any change in the form, nature or jurisdiction of incorporation or organization). Except as set forth in Schedule 2.1(10), none of the Borrowers or Restricted Subsidiaries, nor any division or business unit thereof has used any other names (including legal names, trade names, assumed names or similar appellations) at any time during the five (5) years immediately preceding the Restatement Effective Date. Except for any changes thereto disclosed to the Agent in writing, the federal tax identification number, if applicable, and any organizational identification number assigned by the jurisdiction of incorporation or organization of each of the Borrowers and the Restricted Subsidiaries is as set forth in Schedule 2.1(10).

(11) ***No Default.*** There exists no Default, except as has been disclosed to the Agent in writing.

(12) ***Compliance.*** It and each of its Restricted Subsidiaries is in compliance with its constating documents and is in compliance with all Applicable Laws, including health, safety and employment standards, labour codes, the Fair Labor Standards Act of 1938, as amended (29 U.S.C. s 201 *et seq*) to the extent applicable, and Environmental Laws, other than violations of any of the foregoing which would not be reasonably expected to have a Material Adverse Effect.

(13) ***Litigation.*** Other than (a) as reported in the Canadian Borrower's most recent audited annual financial statements or otherwise disclosed in writing to the Agent, or (b) claims that are frivolous or vexatious and without merit, no Litigation is pending or, to its knowledge or to the knowledge of any of its Restricted Subsidiaries, threatened against it or any of its Restricted Subsidiaries or against any of its or their respective properties, assets or revenues, including the Collateral, which, if determined adversely against any of them, would expose any of them to present or future liability in excess of Cdn$5,000,000.

(14) ***Full Disclosure.*** Neither the financial statements referred to in Section 2.1(5), nor any other statement furnished to the Agent by such Borrower or any of its Restricted Subsidiaries or by any other authorized Person on its or their behalf in connection with this Agreement contained, when furnished, any untrue statement of a material fact or omitted a material fact necessary to make those statements not misleading, and all those statements, taken as a whole, did not at the relevant time or times contain any untrue statement of a material fact or omit a material fact necessary to make the statements not misleading. All expressions of expectation, intention, belief and opinion contained therein were honestly made on reasonable grounds after due and careful inquiry by such Borrower or Restricted Subsidiary or other Person who furnished the statements. Except as disclosed to the Agent in writing, there is no fact or circumstance known to it or any of its Restricted Subsidiaries which has had, or would reasonably be expected to have, a Material Adverse Effect.

(15) ***Tax Returns.*** It and each of its Restricted Subsidiaries has filed or caused to be filed all material tax returns which are required to have been filed, and has paid all Taxes shown to be due and payable on those returns or on any assessments made against it and all other Taxes, fees or other charges imposed on it by any Governmental Authority, other than those the amount or validity of which is currently being contested in good faith by appropriate proceedings being diligently pursued, and with respect to which adequate reserves in conformity with GAAP have been provided in its books and of which the details have been provided to the Agent. No Liens (other than Permitted Liens) for Taxes have been filed and, to the knowledge of such Borrower or its Restricted Subsidiaries, no claims are being asserted against the Borrower or its Restricted Subsidiaries with respect to any Taxes for an amount in excess of Cdn$5,000,000 except as has been disclosed to the Agent in writing.

(16) ***Canadian Pension and Benefit Plans.*** All Canadian Pension Plans (if any) and Canadian Benefit Plans (if any) to which it is a party as of the Restatement Effective Date are described in Schedule 2.1(16). The Canadian Pension Plans are duly registered under the ITA and all other Applicable Laws which require registration and no event has occurred which is reasonably likely to cause the loss of that registered status. All material obligations of such Borrower (including fiduciary, funding, investment and administration obligations) required to be performed in connection with the Canadian Pension Plans and the funding agreements therefor have been performed in all material respects in a timely fashion. There have been no withdrawals or applications of the assets of the Canadian Pension Plans or the Canadian Benefit Plans, except in compliance with Applicable Law. As of the Restatement Effective Date, there is no proceeding, action, suit or claim (other than routine claims for benefits) pending or threatened involving the Canadian Pension Plans or the Canadian Benefit Plans, and no facts exist which would reasonably be expected to give rise to that type of proceeding, action, suit or claim. As of the Restatement Effective Date, each of the Canadian Pension Plans is funded both on an

ongoing basis and on a solvency basis (using actuarial methods and assumptions which are consistent with the valuations last filed with the applicable Governmental Authorities and which are consistent with GAAP) in compliance with Applicable Law. No promises of benefit improvements under the Canadian Pension Plans or the Canadian Benefit Plans have been made except where such improvement would not reasonably be expected to have a Material Adverse Effect. All contributions or premiums required to be made or paid by it to the Canadian Pension Plans or the Canadian Benefit Plans have been made or paid in accordance with the terms of such plans and all Applicable Laws. All employee contributions to the Canadian Pension Plans or the Canadian Benefit Plans by way of authorized payroll deduction or otherwise have been properly withheld or collected by the Borrower and have been fully paid into those plans in compliance with Applicable Law. All material reports and disclosures relating to the Canadian Pension Plans required by those plans and any Applicable Law to be filed or distributed have been filed or distributed in compliance with the plans and any Applicable Law.

(17) ***ERISA***. Except where the liability in connection with any of the following could not reasonably be expected to have a Material Adverse Effect, (i) the US Borrower or any trade or business, whether or not incorporated (an "ERISA Affiliate"), which, together with the US Borrower, would be treated as a single employer under Section 414 of the Internal Revenue Code of 1986, as amended (the "US Code", and the respective employee pension benefit plans (as defined in Section 3(2)(A) of ERISA) established or maintained by them ("US Plans") which are subject to Title IV of ERISA, or which are subject to the minimum funding standards of Section 412 of the US Code, if any, and (to the knowledge of the US Borrower) each Multiemployer Plan (as defined in Section 4001(a)(3) of ERISA or Section 414(f) of the US Code) are in compliance in all respects with those provisions of ERISA or the US Code which are applicable to any such US Plan; (ii) the US Borrower and any members of such Person's controlled group are not subject to any liability under Section 4069(a) of ERISA; (iii) no transaction involving any US Plan which is proscribed by Section 406 of ERISA or Section 4975 of the US Code (a "Prohibited Transaction") has occurred with respect to any such US Plan; (iv) none of the US Borrower nor any ERISA Affiliate is subject to a contingent withdrawal liability obligation under Section 4201 et seq. of ERISA with respect to a Multiemployer Plan; (v) each of the US Borrower and its ERISA Affiliates have met the minimum funding requirements under ERISA and the US Code with respect to each of their respective US Plans, if any; and (vi) the execution, delivery and performance of this Agreement and the Credit Documents do not constitute a Prohibited Transaction. All US Plans, if any, to which it is a party as at the Restatement Effective Date are described in Schedule 2.1(17).

(18) ***Labour Matters.*** As at the Restatement Effective Date, there are no strikes or other material labour disputes against it or any of its Restricted Subsidiaries that are pending or, to the knowledge of such Borrower or its Restricted Subsidiaries, threatened. All material payments due from any of it or its Restricted Subsidiaries on account of employee insurance of every kind and vacation pay have been paid or accrued as a liability on its books or the books of the relevant Restricted Subsidiary. As at the Restatement Effective Date, it and each of its Restricted Subsidiaries is in material compliance with the terms and conditions of all collective agreements, consulting agreements, management agreements and employment agreements, if any, except where the failure to so comply would not reasonably be expected to have a Material Adverse Effect. As at the Restatement Effective Date, it is not aware of any organizing activity involving it or any of its Restricted Subsidiaries or threatened by any labour union or group of employees.

As at the Restatement Effective Date, no labour union or group of employees has made a pending demand for recognition. As at the Restatement Effective Date, there are no complaints or charges against any of it or its Restricted Subsidiaries pending or, to its best knowledge, threatened to be filed with any Governmental Authority or arbitrator based on, arising out of, in connection with, or otherwise relating to the employment or termination of employment of any individual by it or any Restricted Subsidiary, which would reasonably be expected to have a Material Adverse Effect.

(19) ***Insurance.*** It and each of its Restricted Subsidiaries maintain insurance in compliance in all material respects with Section 9.1(2) and all premiums and other sums of money due and payable for that purpose have been paid in accordance with the terms of the applicable insurance policies.

(20) ***Corporate Organization.*** As of the Restatement Effective Date, the corporate organization chart set out in Schedule 2.1(20) is a complete and accurate representation of such Borrower and its Subsidiaries.

(21) ***Environmental Matters.*** Each of the representations and warranties of such Borrower contained in Section 9.5 is true and correct in all material respects.

(22) ***Trade-marks, Patents, etc.*** It and each of its Restricted Subsidiaries possesses all patents, industrial designs, trade-marks, trade secrets, know-how, environmental technology, biotechnology, confidential information, trade-names, goodwill, copyrights, integrated circuit topographies, software and all other forms of intellectual and industrial property, and any registrations and applications for registration of any of the foregoing (collectively, the "***Intellectual Property***"), necessary for the conduct of its business as now conducted, except where the failure to possess the same would not reasonably be expected to have a Material Adverse Effect. To its best knowledge, none of it or any of its Restricted Subsidiaries is infringing in any material respect as of the Restatement Effective Date on the rights of any person with respect to any Intellectual Property and none of it or its Restricted Subsidiaries knows of any fact which is likely to result in the successful assertion against it or any Subsidiary of a material claim for such an infringement.

(23) ***Books and Records.*** All books and records of such Borrower and its Restricted Subsidiaries have been maintained in all material respects in accordance with GAAP and there are no material inaccuracies or material discrepancies of any kind contained or reflected therein.

(24) ***Borrowing Base.*** The amounts certified by the Canadian Borrower to the Agent in the Borrowing Base Certificate delivered on the Restatement Effective Date and in any Borrowing Base Certificate delivered thereafter pursuant to Section 9.4(2) of this Agreement as the amounts of Eligible Accounts and Eligible Inventory were at the relevant times, true and correct.

(25) ***Investment Company Act.*** Neither the US Borrower, nor any of its Restricted Subsidiaries, is (i) an "investment company" or a company "controlled" by an "investment company" within the meaning of the *Investment Company Act* of 1940, as amended, or (ii) subject to regulation under any Applicable Law that limits or conditions its ability to incur Debt.

(26) ***Solvency.*** As of the Restatement Effective Date, neither the US Borrower, nor any of its Restricted Subsidiaries, is, or after consummation of the transactions contemplated by the Documents will be, "insolvent" within the meaning of any Applicable Law relating to fraudulent conveyances or transfers.

2.2 Deemed Repetition

The representations and warranties made in Section 2.1 shall survive the execution and delivery of this Agreement and shall be deemed to be repeated on each Drawdown Date, *mutatis mutandis,* as if made on that date, except where such representations or warranties relate to a specified date, in which case such representations and warranties shall be made as of the date to which they relate.

SECTION 3 – THE CREDIT FACILITY

3.1 Establishment of Credit Facility

(1) ***Tranche I.*** Subject to the terms and conditions of this Agreement, the Lenders hereby establish in favour of the Borrowers a committed term revolving credit facility ("***Tranche I***") in the amount of the Tranche I Total Commitment. Tranche I is available to the Borrowers by way of Tranche I Advances as follows:

(a) the Canadian Borrower shall be entitled, pursuant to the terms hereof, to Tranche I Advances by the Canadian Lenders in the form of Prime Loans, USBR Loans, Bankers' Acceptances, Libor (Can) Loans, and subject to the provisions of the last two sentences of this Section 3.1(1), Commercial Letters of Credit; and

(b) the US Borrower shall be entitled, pursuant to the terms hereof, to Tranche I Advances by the US Lenders in the form of US Prime Loans, Libor (US) Loans, and subject to the provisions of the last two sentences of this Section 3.1(1), Commercial Letters of Credit.

Provided, that, (i) the Canadian Dollar Amount of the principal amount of all outstanding Tranche I Advances by any Related Lender Group shall not exceed, at any time, the Tranche I Commitment of that Related Lender Group, (ii) the Canadian Dollar Amount of the principal amount of all outstanding Tranche I Advances shall not exceed, at any time, the Tranche I Total Commitment and (iii) the Canadian Dollar Amount of the principal amount of all outstanding Tranche I Advances plus all outstanding Tranche II Advances shall not exceed, at any time, the Borrowing Base. Provided further, that the aggregate Tranche I Advances that may be outstanding by way of Fronted L/Cs at any time may not exceed Cdn$100,000,000, or such other amount as may be agreed to between the Administrative Agent, the Fronting Lenders and the Borrowers from time to time, and the Borrowers shall not be permitted to request or obtain any Tranche I Advance by way of Commercial Letter of Credit unless Tranche II is fully utilized. Notwithstanding the foregoing and subject to Section 8.2, a Borrower may request and obtain a Tranche I Advance by way of Commercial Letter of Credit in the event that the face amount of such Letter of Credit, if requested by such Borrower under Tranche II, would exceed the remaining availability under the Tranche II Commitment of each Related Lender Group of the Tranche II Lenders (determined on an individual basis).

(2) ***Tranche II.*** Subject to the terms and conditions of this Agreement, the Tranche II Lenders hereby establish in favour of the Borrowers a committed term revolving credit facility ("***Tranche II***") in the amount of the Tranche II Total Commitment. Tranche II is available to the Borrowers by way of Tranche II Advances as follows:

(a) the Canadian Borrower shall be entitled, pursuant to the terms hereof, to Tranche II Advances by the Tranche II Canadian Lenders in the form of Letters of Credit; and

(b) the US Borrower shall be entitled, pursuant to the terms hereof, to Tranche II Tranche II Advances by the Tranche II US Lenders in the form of Letters of Credit.

Provided, that, (i) the Canadian Dollar Amount of the principal amount of all outstanding Tranche II Advances by any Related Lender Group of Tranche II Lenders shall not exceed the Tranche II Commitment of that Related Lender Group, (ii) the Canadian Dollar Amount of the principal amount of all outstanding Tranche II Advances shall not exceed, at any time, the Tranche II Total Commitment and (iii) the Canadian Dollar Amount of the principal amount of all outstanding Tranche I Advances plus all outstanding Tranche II Advances shall not exceed the Borrowing Base.

3.2 Obligations of the Lenders, the Agent and the Borrower

(1) ***Tranche I Rateable Portion.*** Subject to the provisions of this Agreement:

(a) each Canadian Lender severally agrees to make available its Rateable Portion of each Tranche I Advance to the Canadian Borrower hereunder (or Rollover or Conversion thereof) by funding same through the Lending Office of such Canadian Lender; and

(b) each US Lender severally agrees to make available its Rateable Portion of each Tranche I Advance to the US Borrower hereunder (or Rollover or Conversion thereof) by funding same through the Lending Office of such US Lender.

(2) ***Tranche II.*** Subject to the provisions of this Agreement, each Tranche II Lender agrees to make available Tranche II Advances in an amount not exceeding its Tranche II Commitment. The Canadian Borrower may obtain Letters of Credit from time to time from one Tranche II Canadian Lender and the US Borrower may obtain Letters of Credit from time to time from one Tranche II US Lender, provided that the Borrowers use their commercially reasonable efforts to ensure that each Tranche II Lender is afforded the opportunity to issue Letters of Credit in accordance with their respective Rateable Portions of the Tranche II Total Commitment.

(3) ***Rateable Portion.*** No Lender shall be responsible for a Commitment of any other Lender. The failure of a Lender to make available its Rateable Portion of an Advance under Tranche I (or Rollover or Conversion thereof) in accordance with its obligations under this

Agreement shall not release any other Lender from its obligations. Notwithstanding anything to the contrary in this Agreement, no Related Lender Group shall be obligated to make Tranche I Advances or Tranche II Advances available to the Borrower in excess of its respective Tranche I Commitment or Tranche II Commitment, as applicable. Additionally, for greater certainty, the Swing Line Lender shall only include its Rateable Portion of outstanding Swing Line Loans when determining if it has made Tranche I Advances in excess of its Tranche I Commitment.

(4) ***Separate Obligation.*** The obligation of each Canadian Lender to make its Tranche I Commitment available to the Canadian Borrower and each US Lender to make its Tranche I Commitment available to the US Borrower is a separate obligation between each such Lender and such Borrowers, and that obligation is not the several or joint and several obligation of any other Lender. The obligation of each Tranche II Canadian Lender to make its Tranche II Commitment available to the Canadian Borrower and each US Lender to make its Tranche II Commitment available to the US Borrower is a separate obligation between each such Lender and such Borrowers, and that obligation is not the several or joint and several obligation of any other Tranche II Lender.

3.3 Revolving Nature of Credit Facility

Subject to the provisions of this Agreement, the Borrowers may increase or reduce the amount of Tranche I Advances outstanding under Tranche I by borrowing, repaying and reborrowing Loans, by causing the acceptance of Bankers' Acceptances and funding them at maturity, and by causing the issue of Commercial Letters of Credit from time to time. Subject to the provisions of this Agreement, the Borrowers may increase or reduce the amount of Tranche II Advances outstanding under Tranche II by causing the issue of Letters of Credit from time to time.

3.4 Availability of Credit Facility

Subject to Section 5.3, but notwithstanding any other provision of this Agreement, the Canadian Dollar Amount of the principal amount of all (i) Tranche I Advances outstanding shall not exceed the Tranche I Total Commitment at any time, (ii) Tranche II Advances outstanding shall not exceed the Tranche II Total Commitment at any time, and (iii) Advances outstanding under the Credit Facility shall not exceed the Borrowing Base at any time. In the event that the Canadian Dollar Amount of the principal amount of all outstanding Tranche I Advances, Tranche II Advances or Advances are at any time in excess of the Tranche I Total Commitment, the Tranche II Total Commitment or the Borrowing Base, respectively, the Borrowers shall not be entitled to obtain any further Tranche I Advances, Tranche II Advances or Advances, as the case may be, until the amount of such excess is (i) repaid or (ii) no longer exists as a result of a Commitment Increase in accordance with Section 3.5 or an increase in the Borrowing Base.

3.5 Commitment Increase

(1) ***Commitment Increase***. At any time prior to the Maturity Date, the Borrowers may, by notice in writing to the Agent (an "**Increase Notice**"), in one or more requests, request that the Tranche I Total Commitment be increased to an amount not exceeding Cdn$250,000,000 with a corresponding increase in the Total Commitment (the "**Commitment Increase**"). The Agent

will promptly advise the Lenders in writing of the receipt by it of an Increase Notice. Within ten (10) Business Days of the receipt by it of written notice from the Agent of an Increase Notice, each Related Lender Group shall advise the Agent in writing as to whether or not it intends to participate in the Commitment Increase on a rateable basis. If such written advice is not received by the Agent from a Related Lender Group within such ten (10) Business Day period, then such Related Lender Group will be deemed not to have agreed to participate in the Commitment Increase. In the event that not all of the Related Lender Groups agree to participate in the Commitment Increase, the Agent shall promptly advise those Related Lender Groups who agreed to participate in the Commitment Increase (the **"Participating Lender Groups"**) in writing and each Participating Lender Group shall advise the Agent as to whether or not it will further participate on a rateable basis in the Commitment Increase within three (3) Business Days of receipt of such written advice from the Agent. If such written advice is not received by the Agent from a Participating Lender Group within such three (3) Business Day period, then such Participating Lender Group will be deemed not to have agreed to further participate in such Commitment Increase. In the event that there is still a shortfall in the participations, further notices will again be given on a *mutatis mutandis* basis until the Commitment Increase has been fully participated or no Related Lender Groups remain who will further participate in the same. To the extent that the Related Lender Groups do not agree to participate in the Commitment Increase or to the full amount thereof, the Borrower may arrange for the Commitment Increase or any shortfall to be provided by one or more financial institutions or other entities, in each case acceptable to the Agent, acting reasonably, (the **"New Lender Groups"**), each of which New Lender Groups must agree to become Lenders and to be bound by all the terms and conditions of this Agreement as Lenders.

(2) ***Increase Notice***. The Increase Notice shall be substantially in the form of Schedule 3.5.

(3) ***No Default***. No Commitment Increase shall be permitted or made at any time that a Default or Event of Default has occurred and is continuing.

(4) ***Adjustments***. Following a Commitment Increase, the Tranche I Commitment of any New Lender Group and the Lenders in that New Lender Group shall be in the amount agreed upon pursuant to this Section 3.5, the Tranche I Commitment of each Participating Lender Group and the Lenders in that Participating Lender Group shall be increased by the amount of its participation in the Commitment Increase, and the amount of the Tranche I Commitment of any Related Lender Group that does not participate and the Lenders in that Related Lender Group shall not change. Notwithstanding any adjustments made to the amounts of the Tranche I Commitment of any Lender, there shall not be any adjustments made or indemnifications given in respect of any BAs outstanding at the time of the Commitment Increase until the end of the applicable Contract Periods, provided that no Lender shall be obliged at any time to make Advances in excess of its Tranche I Commitment at any time.

(5) **New Schedule.** Upon completion of the Commitment Increase, the Agent shall promptly deliver to the Borrower and the Lenders a replacement Schedule 1.1(44) setting out the Tranche I Commitments of all the Related Lender Groups and the Lenders therein after giving effect to the Commitment Increase and such revised Schedule 1.1(44) shall replace the existing Schedule 1.1(44) and thereafter be and be deemed to be Schedule 1.1(44) for all purposes of this Agreement.

3.6 Purpose

The proceeds of Advances made under the Credit Facility shall be used solely for working capital requirements and general corporate purposes.

3.7 Extension of Maturity Date

(1) ***Extension.*** The Borrowers may, during the period between 90 and 60 days prior to the date which is one (1) year prior to the Maturity Date, so long as no Default exists, request an extension of the Maturity Date for an additional one (1) year period. Such request shall be in writing, addressed to the Lenders and delivered to the Agent at the applicable addresses for notices as provided for herein. Promptly after receipt of such request the Agent shall notify the Lenders thereof. A failure of a Lender to advise the Agent in writing of such Lender's agreement to so extend the Maturity Date within such time limit as shall be specified by the Agent shall be deemed to be a refusal to extend. Unless both Lenders in a Related Lender Group agree to extend, they shall both be deemed to have refused to extend. If the Majority Lenders consent to such extension, the Agent will, no later than 30 days after such request from the Borrowers, by notice in writing to the Borrower and the Lenders, extend the Maturity Date of the Credit Facility for an additional one (1) year period (the "***Extended Maturity Date***") from the then current Maturity Date. If the Agent does not give notice of extension of the Maturity Date to the Borrowers and the Lenders within 30 days of receipt of the Borrowers' request, the Majority Lenders shall be deemed to have denied such request. Any notice of extension given by the Agent shall specify, with respect to each Lender, whether such Lender has consented to the extension of the Maturity Date or has refused, or is deemed to have refused, such extension. The Extended Maturity Date shall be binding upon only those Lenders that have provided their consent to the extension and the extension shall be on the same terms and conditions as set out in this Agreement and the other Documents (including rights of extension as set out herein), except to the extent of any terms and conditions otherwise agreed to by the Borrowers, the Agent and all of the Lenders who have consented to the extension.

(2) ***Acquisition of Non-Consenting Lenders' Commitments.*** Where the Maturity Date has been extended with the consent of the Majority Lenders, each Lender consenting to the extension (a ***"Consenting Lender")*** may, at its option, give written notice to the Agent of its intention to acquire all or any portion of the Commitments of the Lenders that have not consented to such extension (each a ***"Non-Consenting Lender")*** setting forth the portions of the Commitments of the Non-Consenting Lenders which such Consenting Lender is prepared to acquire; provided that (i) a Canadian Lender may only acquire the Commitment of another Canadian Lender or a portion thereof, (ii) a US Lender may only acquire the Commitment of another US Lender or a portion thereof and (iii) a Lender may only acquire a Commitment or a portion thereof of a Non-Consenting Lender if the other Lender in the Related Lender Group of such acquiring Lender concurrently acquires the Commitment or a proportionate portion thereof of the other Lender in the Related Lender Group of the Non-Consenting Lender whose Commitment or portion thereof is being so acquired. Such notice by any Consenting Lender shall be given not more than 5 Business Days following receipt by such Consenting Lender of the notice of extension given by the Agent. If more than one Consenting Lender gives notice to the Agent that it wishes to acquire all or a portion of the outstanding Commitments of the Non-Consenting Lenders, then, to the extent that the amount of the Commitments which such Consenting Lenders wish to acquire

exceeds the amount of the Commitments to be acquired, each of the Consenting Lenders shall be entitled to acquire a rateable portion (determined according to the respective amounts which such Consenting Lenders have indicated in such notices) of the Commitments of the Non-Consenting Lenders. The Agent shall give written notice to the Borrower within 5 Business Days following the expiry of the time for the Consenting Lenders to give notice of acquisition pursuant to this Section 3.7(2) of any portion of the Commitments not so acquired. Each Non-Consenting Lender shall assign its Commitments and Advances or the applicable portions thereof to the Consenting Lenders that have agreed to acquire the same in accordance with the provisions of this Section 3.7(2), and such Consenting Lenders shall assume such Commitment and Advances or the applicable portions thereof, subject to and in accordance with Section 13.1(3)(b). Any Non-Consenting Lender whose Commitment is not so acquired and assumed shall, at the option of the Borrowers (a) be replaced by one or more Assignees identified by the Borrowers and acceptable to the Agent and the Fronting Lenders, the assignment(s) to which Assignee(s) shall have been made in accordance with Section 13.1(3)(b), or (b) have any amount not assumed by an Assignee repaid by the Borrowers on the Maturity Date (before giving effect to the extension).

3.8 Borrowing Procedures – General

(1) ***Advances Require Notice.*** All Advances other than Swing Line Loans require notice from the Canadian Borrower or US Borrower, as applicable, as provided for in this Section 3.8.

(2) ***Notice of Borrowing and Minimum Advances – Canadian Borrower Advances.*** To request an Advance other than a Swing Line Canadian Loan, the Canadian Borrower shall give to the Agent written notice substantially in the form attached as Schedule 3.8, indicating the amount of the requested Advance, at or before the time set out below opposite the type of Advance that the Borrower wishes to request. Each such Advance shall be in the minimum aggregate amounts and multiples as specified below:

Type of Advance	Time of Notice	Minimum Advance
Prime Loans	Before 10:00 a.m. 1 Business Day prior to the Drawdown Date	Minimum aggregate amount of Cdn$3,000,000 or whole multiples of Cdn$1,000,000 in excess thereof.
USBR Loans	Before 10:00 a.m. 1 Business Day prior to the Drawdown Date	Minimum aggregate amount of US$3,000,000 or whole multiples of US$1,000,000 in excess thereof.
Bankers' Acceptances	Before 10:00 a.m. 2 Business Days prior to the requested Drawdown Date	Minimum aggregate face amount of Cdn$5,000,000 or whole multiples of Cdn$1,000,000 in excess thereof.
Libor (Can) Loans	Before 10:00 a.m. 1 Business Days prior to the Interest Determination Date	Minimum aggregate amount of US$5,000,000 or whole multiples of US$1,000,000 in excess thereof.

Letters of Credit	Before 10:00 a.m. 2 Business Days prior to the Issuance Date	No minimum.

Each notice given in respect of an Advance by way of Prime Loan or USBR Loan shall indicate the amount of the required Advance and the date funds are required. Each notice given in respect of an Advance by way of Libor (Can) Loan shall indicate the amount of the required Libor (Can) Loan, the date funds are required and the duration of the initial Contract Period applicable thereto (which shall be identical for each Lender). Each notice given in respect of an Advance by way of Bankers' Acceptances shall indicate the amount of the Bankers' Acceptances to be issued and the applicable Contract Period of the Bankers' Acceptances (which shall be identical for each Lender). Each notice given in respect of an Advance by way of Letter of Credit shall indicate the amount of the Letter of Credit to be issued, the applicable currency and Contract Period, the beneficiary, the terms of draw under the requested Letter of Credit, whether it is a Tranche I Advance or a Tranche II Advance, and all other relevant information and shall include a completed LC Application. The notice requirements set forth herein for Letters of Credit will be subject to such electronic banking practices and procedures as may be established by the Agent, the Fronting Lender, the Lenders and the Canadian Borrower from time to time for requesting and obtaining Advances by way of Letters of Credit.

(3) ***Notice of Borrowing and Minimum Advances – US Borrower Advances.*** To request an Advance other than a Swing Line US Loan the US Borrower shall give to the Agent written notice substantially in the form attached as Schedule 3.8, indicating the amount of the requested Advance, at or before the time set out below opposite the type of Advance that the Borrower wishes to request. Each such Advance shall be in the minimum aggregate amounts and multiples as specified below:

Type of Advance	Time of Notice	Minimum Advance
US Prime Loans	Before 10:00 a.m. 1 Business Day prior to the Drawdown Date	Minimum aggregate amount of US$3,000,000, or whole multiples of US$1,000,000 in excess thereof.
Libor (US) Loans	Before 10:00 a.m. 1 Business Days prior to the Interest Determination Date	Minimum aggregate amount of US$5,000,000 or whole multiples of US$1,000,000 in excess thereof.
Letters of Credit	Before 10:00 a.m. 2 Business Days prior to the Issuance Date	No minimum.

Each notice given in respect of an Advance by way of US Prime Loan shall indicate the amount of the required Advance and the date funds are required. Each notice given in respect of an Advance by way of Libor (US) Loan shall indicate the amount of the required Libor (US) Loan, the date funds are required and the duration of the initial Contract Period applicable thereto (which shall be identical for each Lender). Each notice given in respect of an Advance by way of Letters of Credit shall indicate the amount of the Letter of Credit to be issued, the applicable currency and Contract Period, the beneficiary, the terms of draw under the requested Letter of Credit, whether it is a Tranche I Advance or a Tranche II Advance, and all other relevant information and shall include a completed LC Application. The notice requirements set forth herein for Letters of Credit will be subject to such electronic banking practices and procedures, if any, as may be established by the Agent, the Fronting Lender, the US Lenders and the US Borrower from time to time for requesting and obtaining Advances by way of Letters of Credit.

(4) ***Limits on Advances.*** Notwithstanding any other term of this Agreement, the Borrowers shall not request from the Agent an Advance if, on the day notice of the Advance is given pursuant to this Section 3.8, after giving effect to the Advance:

(a) the Canadian Dollar Amount of the principal amount of all Tranche I Advances outstanding from any Related Lender Group would exceed the Tranche I Commitment of that Related Lender Group;

(b) the Canadian Dollar Amount of the principal amount of all Tranche I Advances outstanding would exceed the Tranche I Total Commitment;

(c) the Canadian Dollar Amount of the principal amount of all Tranche II Advances outstanding from any Related Lender Group would exceed the Tranche II Commitment of that Related Lender Group;

(d) the Canadian Dollar Amount of the principal amount of all Tranche II Advances outstanding would exceed the Tranche II Total Commitment; or

(e) the Canadian Dollar Amount of the principal amount of all Tranche I Advances plus all Tranche II Advances outstanding would exceed the Borrowing Base.

No Advance shall have a term that extends beyond the Maturity Date.

(5) ***Agent Determination.*** Each determination by the Agent of the Prime Rate, the US Prime Rate, the US Base Rate, the CDOR Rate and LIBOR shall, in the absence of manifest error, be final, conclusive and binding on the Borrowers and the Lenders.

3.9 Libor Loans - General

(1) ***Term.*** Each Libor Loan shall have a Contract Period of 1, 2, 3 or 6 months, subject to availability. No Contract Period shall extend beyond the Maturity Date.

(2) ***Rollover.*** At or before 10:00 a.m. 3 Business Days before the expiry of the Contract Period of each Libor Loan, the applicable Borrower shall notify the Agent by irrevocable telephone notice, followed by written notice substantially in the form attached as Schedule 3.9(2), which notice shall specify either that the Borrower intends to:

(a) repay the maturing Libor Loan on the maturity date, or

(b) enter into a new Contract Period with respect to the maturing Libor Loan.

If the Borrower fails to provide such notice to the Agent or fails to make the required payment, or if a Default has occurred and is continuing on the last day of the Contract Period, the Borrower's obligations in respect of the maturing Libor Loan shall be deemed to have been converted into a USBR Loan, in the case of the Canadian Borrower, and a US Prime Loan, in the case of the US Borrower, as of the last day of the Contract Period thereof in an amount equal to the aggregate amount of the expiring Libor Loans.

(3) ***Breakage Costs.*** If a Borrower repays or prepays a Libor Loan on a day other than a Libor Interest Date falling on the last day of a Contract Period applicable to that Libor Loan, the Borrower shall indemnify the applicable Lender for any loss or expense suffered or incurred by that Lender including, without limitation, any loss of profit or expenses which that Lender incurs by reason of the liquidation or redeployment of deposits or other funds acquired by the Lender to effect or maintain the Libor Loan or any interest or other charges payable to lenders of funds borrowed by that Lender in order to maintain the Libor Loan together with any other charges, costs or expenses incurred by that Lender relative thereto, provided that such Lender shall take all actions reasonably practicable or as required by Applicable Law to mitigate the effects of such breakage.

3.10 Bankers' Acceptances - General

(1) ***Term.*** Each Bankers' Acceptance shall have a Contract Period of 1, 2, 3 or 6 months (or such other period as the Lenders and Canadian Borrower may agree from time to time), subject to availability. No Contract Period shall extend beyond the Maturity Date.

(2) ***CDOR Rate.*** On each Drawdown Date, Rollover Date or Conversion Date on which Bankers' Acceptances are to be accepted, the Agent shall advise the Canadian Borrower as to the Agent's determination of the applicable CDOR Rate for the Bankers' Acceptances to be accepted.

(3) ***Purchase.*** Upon acceptance of a Bankers' Acceptance by a Canadian Lender, such Canadian Lender shall purchase, or arrange the purchase of, such Bankers' Acceptance at the applicable CDOR Rate. The Canadian Lender shall provide to the Agent's Account for Payments the Discount Proceeds less the Acceptance Fee payable by the Canadian Borrower with respect to the Bankers' Acceptance.

(4) ***Sale.*** Each Canadian Lender may from time to time hold, sell, rediscount or otherwise dispose of any or all Bankers' Acceptances accepted and purchased by it.

(5) ***Power of Attorney for the Execution of Bankers' Acceptances.*** To facilitate availment of the Advances by way of B/As, the Canadian Borrower hereby appoints each Canadian Lender as its attorney to sign and endorse on its behalf, in handwriting or by facsimile or mechanical signature as and when deemed necessary by such Lender, blank forms of B/As. In this respect, it is each Canadian Lender's responsibility to maintain an adequate supply of blank forms of B/As for acceptance under this Agreement. The Canadian Borrower recognizes and agrees that all B/As signed and/or endorsed on its behalf by a Canadian Lender shall bind such Borrower as fully and effectually as if signed in the handwriting of and duly issued by the proper signing officers of the Borrower. Each Canadian Lender is hereby authorized to issue such B/As

endorsed in blank in such face amounts as may be determined by such Lender; provided that the aggregate amount thereof is equal to the aggregate amount of B/As required to be accepted and purchased by such Lender. Each Canadian Lender shall exercise and apply the same care in the custody and safekeeping of such B/As as it would for its own property of a similar negotiable type. No Canadian Lender shall be liable for any damage, loss or other claim arising by reason of any loss or improper use of any such instrument except to the extent caused by the gross negligence or wilful misconduct of the Lender or its officers, employees, agents or representatives. Each Canadian Lender shall maintain a record with respect to B/As held by it in blank hereunder, voided by it for any reason, accepted and purchased by it hereunder, and cancelled at their respective maturities. Each Canadian Lender agrees to provide such records to the Canadian Borrower at the Canadian Borrower's expense upon request. On request by the Canadian Borrower, a Canadian Lender shall cancel all forms of B/As which have been pre-signed or pre-endorsed on behalf of the Canadian Borrower and which are held by such Canadian Lender and will not be required to be accepted in accordance with the Canadian Borrower's notice.

(6) ***Execution***. Drafts drawn by the Canadian Borrower to be accepted as Bankers' Acceptances shall be signed by a duly authorized officer or officers of such Borrower or by its attorneys. Notwithstanding that any Person whose signature appears on any Bankers' Acceptance may no longer be an authorized signatory for the Borrower at the time of issuance of a Bankers' Acceptance, that signature shall nevertheless be valid and sufficient for all purposes as if the authority had remained in force at the time of issuance and any Bankers' Acceptance so signed shall be binding on the Borrower.

(7) ***Issuance.*** The Agent, promptly following receipt of a notice of Advance, Rollover or Conversion by way of Bankers' Acceptances, shall advise the Canadian Lenders of the notice and shall advise each Canadian Lender of the face amount of Bankers' Acceptances to be accepted by it and the applicable Contract Period (which shall be identical for all Canadian Lenders). The aggregate face amount of Bankers' Acceptances to be accepted by a Canadian Lender shall be determined by the Agent by reference to that Lender's Rateable Portion of the issue of Bankers' Acceptances, except that, if the face amount of a Bankers' Acceptance which would otherwise be accepted by a Canadian Lender would not be Cdn$100,000 or a whole multiple thereof, the face amount shall be increased or reduced by the Agent in its sole discretion to Cdn$100,000, or the nearest whole multiple of that amount, as appropriate; provided that, after such issuance, no Lender shall have aggregate outstanding Tranche I Advances in excess of its Tranche I Commitment.

(8) ***Rollover.*** At or before 10:00 a.m. 2 Business Days before the maturity date of any Bankers' Acceptances, the Canadian Borrower shall notify the Agent by irrevocable telephone notice, followed on the same day by written notice substantially in the form attached as Schedule 3.10(8), which notice shall specify either that such Borrower intends to repay the maturing Bankers' Acceptances on the maturity date or that such Borrower intends to issue Bankers' Acceptances on the maturity date to provide for the payment of the maturing Bankers' Acceptances. If the Borrower fails to provide such notice to the Agent or fails to repay the maturing Bankers' Acceptances, or if a Default has occurred and is continuing on such maturity date, the Borrower's obligations in respect of the maturing Bankers' Acceptances shall be deemed to have been converted on the maturity date thereof into a Prime Loan in an amount

equal to the aggregate face amount of the maturing Bankers' Acceptances. Otherwise, the Borrower shall provide payment to the Agent on behalf of the Canadian Lenders of an amount equal to the aggregate face amount of the Bankers' Acceptances issued by the Canadian Lenders on their maturity date.

(9) ***Waiver of Presentment and Other Conditions.*** The Canadian Borrower waives presentment for payment and any other defence to payment of any amounts due to a Canadian Lender in respect of a Bankers' Acceptance accepted and purchased by it pursuant to this Agreement which might exist solely by reason of the Bankers' Acceptance being held, at the maturity thereof, by such Lender in its own right and the Canadian Borrower agrees not to claim any days of grace if such Lender as holder sues such Borrower on the Bankers' Acceptance for payment of the amount payable by such Borrower thereunder. On the specified maturity date of a B/A, the Canadian Borrower thereunder shall pay to the Canadian Lender that has accepted such B/A the full face amount of such B/A and after such payment, such Borrower shall have no further liability in respect of such B/A and such Lender shall be entitled to all benefits of, and be responsible for all payments due to third parties under, such B/A.

(10) ***Circumstances Making Bankers' Acceptances Unavailable.*** If the Agent determines in good faith, which determination shall be final, conclusive and binding upon the Canadian Borrower, and notifies the Canadian Borrower that, by reason of circumstances affecting the money market there is no market for Bankers' Acceptances or the demand for Bankers' Acceptances is insufficient to allow the sale or trading of the Bankers' Acceptances created hereunder, then:

(a) the right of the Canadian Borrower to request an Advance by means of Bankers' Acceptances shall be suspended until the Agent determines that the circumstances causing such suspension no longer exist and the Agent so notifies the Canadian Borrower; and

(b) any notice of Drawdown or Rollover in respect of a Bankers' Acceptance which is outstanding shall be cancelled and any outstanding notice of Conversion to convert a Prime Loan, Libor Loan or USBR Loan into a Bankers' Acceptance shall be cancelled and the request for a Drawdown or Rollover by means of Bankers' Acceptance shall be deemed to be a request for a Drawdown of, or Rollover to, a Prime Loan in the face amount of the requested Bankers' Acceptance.

The Agent shall promptly notify the Canadian Borrower of the suspension of the Canadian Borrower's right to request a Drawdown by means of Bankers' Acceptances and of the termination of any such suspension.

(11) ***BA Equivalent Loans by Non BA Lenders.*** Whenever the Canadian Borrower requests an Advance under this Agreement by way of Bankers' Acceptances, each Non BA Lender shall, in lieu of accepting a Bankers' Acceptance, make a BA Equivalent Loan to such Canadian Borrower in an amount equal to the Non BA Lender's Rateable Portion of the Advance.

(12) ***Terms Applicable to Discount Notes.*** As set out in the definition of ***Bankers' Acceptances,*** that term includes Discount Notes and all terms of this Agreement applicable to Bankers' Acceptances shall apply equally to Discount Notes evidencing BA Equivalent Loans with such changes as may in the context be necessary. For greater certainty:

(a) the term of a Discount Note shall be the same as the Contract Period for Bankers' Acceptances accepted and purchased on the same Drawdown Date in respect of the same Advance;

(b) an acceptance fee will be payable in respect of a Discount Note and shall be calculated at the same rate and in the same manner as the Acceptance Fee in respect of a Bankers' Acceptance; and

(c) the CDOR Rate applicable to a Discount Note shall be the CDOR Rate applicable to Bankers' Acceptances accepted by a Canadian Lender other than a Schedule I Bank on the same Drawdown Date, Rollover Date or Conversion Date, as the case may be, in respect of the same Advance.

(13) ***Depository Bills and Notes Act.*** At the option of any Canadian Lender, Bankers' Acceptances under this Agreement to be accepted by that Lender may be issued in the form of depository bills for deposit with the CDS Clearing and Depository Services Inc. or any successor pursuant to the *Depository Bills and Notes Act* (Canada). All depository bills so issued shall be governed by the provisions of this Section 3.10.

3.11 Swing Line Canadian Loans

(1) ***Swing Line Canadian Loans.*** The Swing Line Canadian Lender has established at its Lending Office two bank accounts in the name of the Canadian Borrower, one in Cdn$ and one in US$, (each a ***"Swing Line Canadian Account"***). The Swing Line Canadian Lender shall, if there is sufficient availability under its Tranche I Commitment, make available Tranche I Advances (each a "***Swing Line Canadian Loan***") by way of Prime Loan or USBR Loan, as applicable, to the Canadian Borrower by way of overdrafts in the applicable Swing Line Canadian Account; provided that the Canadian Dollar Amount of Tranche I Advances by the Swing Line Canadian Lender outstanding under this Section at any time shall not exceed Cdn$5,000,000. Amounts deposited to either Swing Line Canadian Account by the Canadian Borrower at any time and from time to time shall be applied to repay Swing Line Canadian Loans outstanding by way of overdrafts in the applicable Swing Line Canadian Account, if any. Notwithstanding the participations of the Canadian Lenders in the Swing Line Canadian Loans as provided for in Section 3.11(3) below, interest on Swing Line Canadian Loans will be payable to and shall be for the account of the Swing Line Canadian Lender until such time as such Swing Line Canadian Loans are funded by the Canadian Lenders pursuant to Section 3.11(3) below, but otherwise shall be calculated and payable as provided for in Sections 4.1 or 4.3, as applicable. The Applicable Margin for Swing Line Canadian Loans is as set forth for same in Section 4.8.

(2) ***Repayment.*** Upon the occurrence of an Event of Default which is continuing the Agent may, and at the request of the Swing Line Canadian Lender shall, notify the Canadian Lenders of the requirement for a Tranche I Advance by way of Prime Loan or USBR Loan, or both, as

applicable, to be made available by each of the Canadian Lenders to the Canadian Borrower in an amount equal to each Lender's Rateable Portion of the Advances by the Swing Line Canadian Lender outstanding under this Section 3.11, and the Canadian Borrower shall be deemed to have requested such Tranche I Advance. The proceeds of that Tranche I Advance shall be paid by the Agent to the Swing Line Canadian Lender to be applied as a repayment of the outstanding Tranche I Advances made available by the Swing Line Canadian Lender to the Canadian Borrower under this Section 3.11.

(3) ***Participation***. The Swing Line Canadian Lender irrevocably agrees to grant and hereby grants to each of the Canadian Lenders, and to induce the Swing Line Canadian Lender to make Swing Line Canadian Loans available hereunder, each of the Canadian Lenders irrevocably agrees to accept and purchase and hereby accepts and purchases from the Swing Line Canadian Lender, on the terms and conditions hereinafter stated, for each such Lender's own account and risk, an undivided interest equal to such Lender's Rateable Portion of the Swing Line Canadian Lender's obligations and rights under and in respect of each Advance by way of a Swing Line Canadian Loan made by the Swing Line Canadian Lender under this Agreement. Each Canadian Lender unconditionally and irrevocably agrees with the Swing Line Canadian Lender that, if a Swing Line Canadian Loan is not repaid in full by the Canadian Borrower in accordance with the terms of this Agreement, such Lender shall pay to the Swing Line Canadian Lender, through the Agent, upon demand an amount equal to such Lender's Rateable Portion of the amount of such Swing Line Canadian Loan or any portion thereof which is not so repaid by the Canadian Borrower.

(4) ***Indemnity***. Each Canadian Lender agrees to indemnify the Swing Line Canadian Lender (to the extent not reimbursed by the Canadian Borrower), rateably according to its Rateable Portion from and against any and all losses and claims of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against the Swing Line Canadian Lender in any way relating to or arising out of any Tranche I Advances in respect of a Swing Line Canadian Loan, provided that no Canadian Lender shall be liable for any portion of such losses or claims to the extent resulting from the Swing Line Canadian Lender's gross negligence or wilful misconduct.

3.12 Swing Line US Loans

(1) ***Swing Line US Loans.*** The Swing Line US Lender has established at its Lending Office a bank account in the name of the US Borrower in US$ (the ***"Swing Line US Account"***). The Swing Line US Lender shall, if there is sufficient availability under its Tranche I Commitment, make available Tranche I Advances (each a "***Swing Line US Loan***") by way of US Prime Loan to the US Borrower by way of overdraft in the Swing Line US Account, provided that the Canadian Dollar Amount of Tranche I Advances by the Swing Line US Lender outstanding under this Section shall not exceed Cdn$5,000,000. Amounts deposited to the Swing Line US Account by the US Borrower at any time and from time to time shall be applied to repay Swing Line US Loans outstanding by way of overdrafts in the Swing Line US Account, if any. Notwithstanding the participations of the US Lenders in the Swing Line US Loans as provided for in Section 3.12(3) below, interest on Swing Line US Loans will be payable to and shall be for the account of the Swing Line US Lender until such time as such Swing Line US Loans are funded by the US Lenders pursuant to Section 3.12(3) below, but otherwise shall be calculated

and payable as provided for in Section 4.2. The Applicable Margin for Swing Line US Loans is as set forth for same in Section 4.8.

(2) ***Repayment.*** Upon the occurrence of an Event of Default which is continuing the Agent may, and at the request of the Swing Line US Lender shall, notify the US Lenders of the requirement for a Tranche I Advance by way of US Prime Loan to be made available by each of the US Lenders to the US Borrower in an amount equal to each Lender's Rateable Portion of the Tranche I Advances by the Swing Line US Lender outstanding under this Section 3.12, and the US Borrower shall be deemed to have requested such Tranche I Advance. The proceeds of that Tranche I Advance shall be paid by the Agent to the Swing Line US Lender to be applied as a repayment of the outstanding Tranche I Advances made available by the Swing Line US Lender to the US Borrower under this Section 3.12.

(3) ***Participation.*** The Swing Line US Lender irrevocably agrees to grant and hereby grants to each of the US Lenders, and to induce the Swing Line US Lender to make Swing Line US Loans available hereunder, each of the US Lenders irrevocably agrees to accept and purchase and hereby accepts and purchases from the Swing Line US Lender, on the terms and conditions hereinafter stated, for each such Lender's own account and risk, an undivided interest equal to such Lender's Rateable Portion of the Swing Line US Lender's obligations and rights under and in respect of each Tranche I Advance by way of a Swing Line US Loan made by the Swing Line US Lender under this Agreement. Each US Lender unconditionally and irrevocably agrees with the Swing Line US Lender that, if a Swing Line US Loan is not repaid in full by the US Borrower in accordance with the terms of this Agreement, such Lender shall pay to the Swing Line US Lender, through the Agent, upon demand an amount equal to such Lender's Rateable Portion of the amount of such Swing Line US Loan or any portion thereof which is not so repaid by the US Borrower.

(4) ***Indemnity.*** Each US Lender agrees to indemnify the Swing Line US Lender (to the extent not reimbursed by the US Borrower), rateably according to its Rateable Portion from and against any and all losses and claims of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against the Swing Line US Lender in any way relating to or arising out of any Tranche I Advances in respect of a Swing Line US Loan, provided that no US Lender shall be liable for any portion of such losses or claims to the extent resulting from the Swing Line US Lender's gross negligence or wilful misconduct.

3.13 Letters of Credit

(1) ***Currency.*** Each Letter of Credit issued at the request of, and for the account of, the Canadian Borrower shall be issued in Canadian Dollars, US Dollars or Euros. Each Letter of Credit issued at the request of, and for the account of, the US Borrower shall be issued in US Dollars or Euros. Each Letter of Credit shall mature on a Business Day.

(2) ***Term.*** Each Letter of Credit shall have a Contract Period of not less than 30 days or more than 364 days. No Contract Period shall extend beyond the Maturity Date.

(3) ***Forms of Letter of Credit.*** At the option of the Borrower, any Commercial Letter of Credit requested by the Canadian Borrower or the US Borrower under Tranche I may be issued

by the Agent, on behalf of and as attorney-in-fact for, all Canadian Lenders or US Lenders, respectively, on a several basis, each according to its Rateable Portion of the Tranche I Total Commitment in effect on the Issuance Date of the Letter of Credit (a ***"Severally Issued L/C"***), provided the form of such Severally Issued L/C has been agreed to in advance by all the Lenders and the Borrowers as contemplated in Section 3.13(4) below. Failing the exercise of such option, the Commercial Letter of Credit under Tranche I will be issued by the Fronting Lender (a ***"Fronted L/C")***, provided that the Fronting Lender shall have no obligation to issue a Fronted L/C unless a fronting fee has been agreed upon in accordance with Section 4.6. Each Letter of Credit under Tranche II shall be issued by a Tranche II Canadian Lender for the account of the Canadian Borrower or a Tranche II US Lender for the account of the US Borrower, in each case in accordance with Section 3.1(2).

(4) ***Issuance.*** Subject to the terms and conditions set forth herein, the Agent, on behalf of all Canadian Lenders or US Lenders, respectively, or the Fronting Lender, or a Tranche II Canadian Lender or a Tranche II US Lender, as the case may be, shall issue a Letter of Credit for the account of the Canadian Borrower or the US Borrower, respectively, at the request of the applicable Borrower submitting an application for the issuance thereof. The issuance of the Letter of Credit by the Agent, on behalf of all Canadian Lenders or US Lenders, as applicable, or the Fronting Lender, or a Tranche II Lender, is subject to the proper submission by the Borrower of an application and agreement in the standard form of the Fronting Lender or Tranche II Lender, as applicable (the ***"LC Application"***), provided that in the event of a conflict or inconsistency between the application of any of the provisions of this Agreement and such LC Application, the relevant provision of this Agreement shall prevail. Without the prior consent of each Canadian Lender or US Lender, respectively, no Severally Issued L/C may be issued by the Agent for the account of the Canadian Borrower or the US Borrower that would vary the several and not joint nature of the obligations of the applicable Lenders thereunder as provided in the next sentence. Each Severally Issued L/C shall be issued for the account of the Canadian Borrower or the US Borrower by all of the Canadian Lenders or the US Lenders, respectively, as a single multi-bank Letter of Credit, but the obligation of each Canadian Lender or each US Lender, respectively, thereunder shall be several and not joint, based upon its Rateable Portion of the Tranche I Total Commitment in effect on the Issuance Date of such Severally Issued L/C. Each Fronted L/C shall be issued in accordance with this Agreement and shall be in the Fronting Lender's customary form with such terms as are requested by the applicable Borrower and acceptable to the Fronting Lender. Each Severally Issued L/C shall be substantially in a form approved in advance by the Borrowers and all the Lenders, each acting reasonably, with any changes to such form to require the prior approval of the Borrowers and all the Lenders, each acting reasonably, other than such modifications on a transaction by transaction basis as the Agent shall determine, in good faith and on a commercially reasonable basis, do not materially increase the obligations, or diminish the rights, of, or otherwise adversely affect, any Lender, and as shall be requested by or acceptable to the applicable Borrower. Each Letter of Credit under Tranche II shall be issued in accordance with this Agreement and shall be in the applicable Tranche II Lender's customary form with such terms as are requested by or acceptable to the applicable Borrower and acceptable to the applicable Tranche II Lender.

(5) ***Conditions of Issuance.*** No Person with whom dealings by any of the Lenders are prohibited by Applicable Law may be a beneficiary under any Letter of Credit issued pursuant to this Agreement. None of the Agent and the Lenders, nor the Fronting Lender, nor any Tranche II

Lender shall be required to issue any Letter of Credit if on the application date or the Issuance Date for such Letter of Credit the Fronting Lender or the Agent or the applicable Tranche II Lender determines that any of the conditions in Section 8.2 and the following conditions has not been satisfied:

(a) the Agent, or in the case of a Tranche II Advance, the applicable Tranche II Lender, shall have received the written request of the applicable Borrower that a Letter of Credit be issued, such request to consist of the requisite notice pursuant to Section 3.8 and an LC Application, specifying (i) the proposed Issuance Date, (ii) the expiry date (which shall not be later than the date which is 364 days after the Issuance Date), (iii) the name and address of the beneficiary, (iv) the face amount of such Letter of Credit, and (v) the terms and conditions of the requested Letter of Credit and any other relevant permitted details, including whether it is to be issued under Tranche I or Tranche II; and

(b) the Agent, and in the case of a Fronted L/C or a Tranche II Advance, the Fronting Lender or the applicable Tranche II Lender, respectively, shall have received such other documents as it shall have reasonably requested as a condition to the issuance of the Letter of Credit and which are customarily required in the ordinary course in connection with the Agent's, or in the case of a Fronted L/C or a Tranche II Advance, the Fronting Lender's or the applicable Tranche II Lender's, respectively, issuance of Letters of Credit. None of the Agent, nor Fronting Lender nor Tranche II Lenders shall require any security or indemnities other than as are contemplated in this Agreement.

(6) ***Notice to Lenders.*** Promptly upon receipt by the Agent of an LC Application, the Agent will (i) in the case of a Fronted L/C, forward such LC Application to the Fronting Lender and (ii) notify each of the Canadian Lenders, in the case of a Letter of Credit issued at the request of the Canadian Borrower, or the US Lenders, in the case of a Letter of Credit issued at the request of the US Borrower, of such LC Application and whether it is a Severally Issued L/C or a Fronted L/C, which notice shall also specify the share of each Canadian Lender or US Lender, as the case may be, of the amount of such Letter of Credit. Upon its execution and delivery of such Letter of Credit (or determination not to execute and deliver such Letter of Credit by reason of the conditions specified in Section 3.13(5) not being satisfied), the Agent, or in the case of a Fronted L/C, the Fronting Lender, shall give prompt notice thereof to the applicable Borrower and each Canadian Lender or US Lender, as the case may be. Each LC Application for a Tranche II Advance shall be delivered to the applicable Tranche II Lender, with a copy to the Agent.

(7) ***Power of Attorney for Execution of Severally Issued L/C.*** Each Severally Issued L/C shall be executed and delivered by the Agent in the name and on behalf of, and as attorney-in-fact for, each Canadian Lender, in the case of a Letter of Credit issued for the account of the Canadian Borrower, or each US Lender, in the case of a Letter of Credit issued for the account of the US Borrower. The Agent shall act under each Severally Issued L/C as the agent of each Canadian Lender, in the case of a Letter of Credit issued for the account of the Canadian Borrower, or each US Lender, in the case of a Letter of Credit issued for the account of the US Borrower, in each case to (a) receive drafts, other demands for payment and other documents presented by the beneficiary under such Severally Issued L/C, (b) determine whether such drafts,

demands and documents are in compliance with the terms and conditions of such Severally Issued L/C, and (c) notify each Canadian Lender, in the case of a Letter of Credit issued for the account of the Canadian Borrower, or each US Lender, in the case of a Letter of Credit issued for the account of the US Borrower, and the applicable Borrower that a valid drawing has been made and the date that the related LC Disbursement is to be made. The Agent shall have no obligation or liability for any LC Disbursement under any Severally Issued L/C (other than in its capacity as Lender), and each Severally Issued L/C shall expressly so provide. Each Canadian Lender hereby irrevocably appoints and designates the Agent as its attorney, acting through any duly authorized officer of the Agent, to execute and deliver in the name and on behalf of such Lender each Severally Issued L/C to be issued by that Lender to the Canadian Borrower hereunder. Each US Lender hereby irrevocably appoints and designates the Agent as its attorney, acting through any duly authorized officer of the Agent, to execute and deliver in the name and on behalf of such Lender each Severally Issued L/C to be issued by that Lender to the US Borrower hereunder. Promptly upon the request of the Agent, each Lender will furnish to the Agent such powers of attorney or other evidence as any beneficiary of any Severally Issued L/C may reasonably request in order to demonstrate that the Agent has the power to act as attorney for such Lender to execute and deliver such Severally Issued L/C (and the Agent agrees to provide promptly any such evidence to the requesting beneficiary). The Borrowers and the Lenders agree that each Severally Issued L/C shall provide that all drafts and other documents presented thereunder shall be delivered to the Agent and that all payments thereunder shall be made by the Lenders obligated thereon through the Agent at the Agent's Branch of Account. Each Canadian Lender, in the case of a Letter of Credit issued for the account of the Canadian Borrower, or each US Lender, in the case of a Letter of Credit issued for the account of the US Borrower, shall be severally liable under each Severally Issued L/C issued under Tranche I in the amount of its Rateable Portion of the Tranche I Total Commitment on the Issuance Date of such Severally Issued L/C and each Severally Issued L/C shall specify each Canadian Lender's, in the case of a Letter of Credit issued for the account of the Canadian Borrower, or each US Lender's, in the case of a Letter of Credit issued for the account of the US Borrower, share of the amount payable thereunder.

(8) ***Participation.*** The Fronting Lender irrevocably agrees to grant and hereby grants to each of the Canadian Lenders, in the case of Fronted L/C's issued at the request of the Canadian Borrower, and to each of the US Lenders, in the case of Fronted L/C's issued at the request of the US Borrower, and to induce the Fronting Lender to issue Letters of Credit hereunder, each of the Canadian Lenders, in the case of Fronted L/C's issued at the request of the Canadian Borrower, and each of the US Lenders, in the case of Fronted L/C's issued at the request of the US Borrower, irrevocably agrees to accept and purchase and hereby accepts and purchases from the Fronting Lender, on the terms and conditions hereinafter stated, for each such Lender's own account and risk, an undivided interest equal to such Lender's Rateable Portion of the Fronting Lender's obligations and rights under and in respect of each Letter of Credit issued by the Fronting Lender under this Agreement and the amount of each LC Disbursement paid by the Fronting Lender thereunder. Each Canadian Lender or US Lender, as the case may be, unconditionally and irrevocably agrees with the Fronting Lender that, if a LC Disbursement is paid under any Fronted L/C for which the Fronting Lender is not reimbursed in full by the Canadian Borrower or US Borrower, as the case may be, in accordance with the terms of this Agreement, such Lender shall pay to the Fronting Lender, through the Agent, upon demand an

amount equal to such Lender's Rateable Portion of the amount of such LC Disbursement, or any portion thereof which is not so reimbursed by the applicable Borrower.

(9) ***Distribution of Reimbursed Amounts.*** If at any time after the Fronting Lender has made an LC Disbursement and has received from any of the applicable Lenders, through the Agent, such Lenders' Rateable Portions of such LC Disbursement in accordance with Section 3.13(8), the Fronting Lender receives any payment related to such Fronted L/C (whether directly from the applicable Borrower or otherwise), or any payment of interest on account thereof, the Fronting Lender will promptly distribute, through the Agent, to each applicable Lender its Rateable Portion thereof; provided, however, that if any such payment received by the Fronting Lender shall be required to be returned by the Fronting Lender, each applicable Lender shall return to the Fronting Lender, through the Agent, the portion thereof previously distributed by the Fronting Lender to it. If at any time after a Lender has made an LC Disbursement in respect of a Severally Issued L/C and the Agent receives any payment related to such Severally Issued L/C (whether directly from the applicable Borrower or otherwise), or any payment of interest on account thereof, the Agent will promptly distribute to each applicable Lender its Rateable Portion thereof; provided, however, that if any such payment received by the Agent shall be required to be returned by the Agent, each applicable Lender shall return to the Agent the portion thereof previously distributed by the Agent to it.

(10) ***Reimbursement Obligations.*** Each of the Canadian Borrower and the US Borrower agrees to reimburse each Canadian Lender, in the case of a Severally Issued L/C issued at the request of the Canadian Borrower, and each US Lender, in the case of Severally Issued L/C issued at the request of the US Borrower, and the Fronting Lender, in the case of a Fronted L/C, and the applicable Tranche II Lender, in the case of a Letter of Credit issued under Tranche II, immediately for each LC Disbursement made by such Lender or Fronting Lender or Tranche II Lender under any Letter of Credit issued at the request of the Canadian Borrower or the US Borrower, as the case may be. Each such Borrower shall make such reimbursement by paying to the Agent at the Agent's Account for Payment or as otherwise directed in writing by the Agent, for the benefit of such Lender, in the case of a Severally Issued L/C, or to the Fronting Lender, in the case of a Fronted L/C, or to the applicable Tranche II Lender, in the case of a Letter of Credit issued under Tranche II, the full amount of each such LC Disbursement plus interest on such amounts until paid at the rate of interest applicable to Prime Loans or USBR Loans under this Agreement, as applicable, in the case of the Canadian Borrower, or US Prime Loans under this Agreement, in the case of the US Borrower. The applicable Borrower shall give concurrent notice in writing to the Agent of all such payments made to the Fronting Lender or a Tranche II Lender. In the case of the Canadian Borrower, if the Canadian Borrower shall so request, such payments shall, subject to availability, be made by debiting the amount of same to the applicable Swing Line Canadian Account. Any reimbursement payment of an LC Disbursement paid by the applicable Borrower to the Agent in respect of a Severally Issued L/C shall be deemed for all purposes to constitute a payment to each Canadian Lender, in the case of a Severally Issued L/C issued at the request of the Canadian Borrower, and each US Lender, in the case of a Severally Issued L/C issued at the request of the US Borrower.

(11) ***Reimbursement Obligations Absolute.***

(a) Each Borrower acknowledges and agrees that the Reimbursement Obligations shall not be affected by, among other things, (i) any lack of validity or enforceability of any Letter of Credit, (ii) the validity or genuineness of documents or of any endorsements thereon, even though such documents shall in fact prove to be invalid, fraudulent or forged, (iii) any dispute between the applicable Borrower and any beneficiary of any Letter of Credit or any other party to which such Letter of Credit may be transferred, (iv) any claims whatsoever of the applicable Borrower against any beneficiary of such Letter of Credit or any such transferee, (v) subject to Section 3.13(11)(d), payment under a Letter of Credit against presentation of a draft or other document that does not comply strictly with the terms of such Letter of Credit, (vi) any security interest or Lien granted to, or in favour of, the Agent or any of the applicable Lenders or the Fronting Lender or the Tranche II Lenders as security for any of such Reimbursement Obligations failing to be perfected or (vii) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section 3.13(11) constitute a legal or equitable discharge of the obligations of the applicable Borrower in respect of any Letter of Credit, other than a defence to the extent arising out of the gross negligence or wilful misconduct of the Agent or the Fronting Lender or any Tranche II Lender.

(b) Neither the Agent, nor the Fronting Lender, nor any Lender, shall be liable for any error, omission, interruption or delay in transmission, dispatch or delivery of any message or advice, however transmitted, in connection with any Letter of Credit, except, as to any such Person, for errors or omissions to the extent caused by such Person's gross negligence or wilful misconduct.

(c) Subject to Section 3.13(11)(d), each of the Borrowers agrees that any action taken or omitted by the Agent, the Fronting Lender or any Lender under or in connection with any Letter of Credit or the related drafts or documents, if done in the absence of gross negligence or wilful misconduct, shall be binding on the Borrowers and shall not result in any liability of the Fronting Lender or the Agent or any Lender to the Borrowers.

(d) Without limiting the generality of the foregoing, the parties hereto agree that:

(i) the Agent, the Fronting Lender and each Lender may accept documents that appear on their face to be in substantial compliance with the terms of a Letter of Credit without responsibility for further investigation, regardless of any notice or information to the contrary, and may make payment upon presentation of documents that appear on their face to be in substantial compliance with the terms of such Letter of Credit;

(ii) each of the Agent and the Fronting Lender, in respect of Tranche I Advances by way of Commercial Letters of Credit, and the applicable

Tranche II Lender, in respect of Tranche II advances by way of Tranche II Advances, as applicable, shall have the right, in its sole discretion, to decline to accept such documents and to make such payment if such documents are not in strict compliance with the terms of such Letter of Credit; and

(iii) this Section 3.13(11) and the applicable provisions of the Letter of Credit shall establish the standard of care to be exercised by the Agent, the Fronting Lender and each Lender when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof (and the other parties to this Agreement waive, to the extent permitted by Applicable Law, any standard of care inconsistent with the foregoing).

(e) Notwithstanding anything to the contrary herein, neither the Agent, nor the Fronting Lender, nor any Lender shall be liable to the Borrowers for any consequential, indirect, punitive or exemplary damages with respect to action taken or omitted to be taken by it under any Letter of Credit.

(12) ***Lender's Failure to Agree to Extension.*** If any Lender does not agree to an extension pursuant to Section 3.7, such Lender shall cease to have any rights or obligations under this Section 3.13 upon the later of (a) the date on which all Letters of Credit issued and outstanding hereunder in which such Lender has purchased a participation pursuant to Section 3.13(8) expire, in the case of Fronted L/C's, or are terminated or are returned to the Agent, in the case of a Severally Issued L/C, the Fronting Lender in the case of a Fronted L/C or the applicable Tranche II Lender in the case of a Letter of Credit issued under Tranche II, and cancelled and (b) the date on which all Reimbursement Obligations owing to the Agent and the Lenders, in the case of a Severally Issued L/C, and to the Fronting Lender, in the case of a Fronted L/C and to the applicable Tranche II Lender in the case of a Letter of Credit issued under Tranche II, in respect of Letters of Credit issued and outstanding hereunder are paid in full in accordance with the terms hereof. Notwithstanding the foregoing, the Agent, the Fronting Lenders and the Lenders shall be bound by Sections 11.4 and 12.3 to the extent provided therein and shall continue to be entitled to the benefits of Sections 4.13, 6.2 and 6.3 (so long as any Obligations are owed to it hereunder) and under any other Section which survives the termination of this Agreement.

(13) ***Indemnity.*** Each Canadian Lender, in the case of a Fronted L/C issued at the request of the Canadian Borrower, and each US Lender, in the case of a Fronted L/C issued at the request of the US Borrower, agrees to indemnify the Fronting Lender (to the extent not reimbursed by the applicable Borrower), rateably according to its Rateable Portion from and against any and all losses and claims of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against the Fronting Lender in any way relating to or arising out of any issuance of a Fronted L/C; provided, that no Lender shall be liable for any portion of such losses and claims to the extent resulting from the Fronting Lender's gross negligence or wilful misconduct.

(14) ***No Revocation.*** A Letter of Credit may not be cancelled or revoked unless the written consent of the beneficiary of the instrument has been obtained and the original instrument has been returned to the Agent, in the case of a Severally Issued L/C, the Fronting Lender, in the

case of a Fronted L/C, and the applicable Tranche II Lender, in the case of a Letter of Credit issued under Tranche II.

(15) ***Extension.*** If a Letter of Credit by its terms provides for the automatic extension of its expiry date unless notice to the contrary is given to the beneficiary thereof by the Agent, in the case of a Severally Issued L/C, the Fronting Lender, in the case of a Fronted L/C or the applicable Tranche II Lender, in the case of a Letter of Credit issued under Tranche II, not less than 30 days prior to the expiry date (the ***"Notice Expiry Date"***), (i) the applicable Borrower shall make a request to the Agent (with a copy to the Fronting Lender, in the case of a Fronted L/C and a copy to the applicable Tranche II Lender, in the case of a Letter of Credit issued under Tranche II), substantially in the form of Schedule 3.13(15) not later than the date which is 5 Business Days prior to the Notice Expiry Date if the applicable Borrower does not want such Letter of Credit to be automatically extended, in which event the Agent, in the case of a Severally Issued L/C, and the Fronting Lender, in the case of a Fronted L/C, and the applicable Tranche II Lender, in the case of a Letter of Credit issued under Tranche II, will give notice to the beneficiary prior to the Notice Expiry Date that the Letter of Credit will not be extended; and (ii) if the Agent, and in the case of a Fronted L/C, the Fronting Lender and in the case of a Letter of Credit issued under Tranche II, the applicable Tranche II Lender, does not receive such request from the applicable Borrower on or before such 5th Business Day prior to the Notice Expiry Date of such automatically extendible Letter of Credit, the Agent, in the case of a Severally Issued L/C, and the Fronting Lender, in the case of a Fronted L/C, and the applicable Tranche II Lender, in the case of a Letter of Credit issued under Tranche II, will not give notice to the beneficiary that the Letter of Credit will not be extended and such Letter of Credit shall be extended automatically in accordance with its terms, provided that, notwithstanding the foregoing, the Agent, in the case of a Severally Issued L/C, and the Fronting Lender, in the case of a Fronted L/C, and the applicable Tranche II Lender, in the case of a Letter of Credit issued under Tranche II, shall be entitled to give a notice of non-extension to the beneficiary if an Event of Default has occurred and is continuing or if, after giving effect to the extension, the expiry date of the Letter of Credit would be after the Maturity Date.

(16) ***Agent's Records.*** The Agent shall maintain records showing the undrawn and unexpired amount of each Severally Issued L/C outstanding hereunder and showing for each Severally Issued L/C issued hereunder (a) the Issuance Date and expiration date thereof, (b) the amount thereof, (c) the date and amount of all payments made thereunder, and (d) each Canadian Lender's share of each Letter of Credit issued for the account of the Canadian Borrower of such amount, and each US Lender's share of each Letter of Credit issued for the account of the US Borrower of such amount. The Agent shall make copies of such records available to the Borrower or any Lender upon its request.

(17) ***Payments under Severally Issued L/Cs.***

(a) The Borrowers and each Lender authorize the Agent to review on behalf of each Lender each draft and other document presented under each Severally Issued L/C. The determination of the Agent as to the conformity of any documents presented under a Severally Issued L/C to the requirements of such Severally Issued L/C shall, in the absence of the Agent's gross negligence or wilful misconduct (and subject to Section 3.13(11)(d)(i)), be binding on the Borrowers and each Lender.

The Agent shall, within a reasonable time following its receipt thereof, examine all documents purporting to represent a demand for payment under any Severally Issued L/C. The Agent shall promptly after such examination (i) notify each of the Lenders obligated under such Severally Issued L/C and the applicable Borrower by telephone (confirmed in writing) of such demand for payment and of each Lender's share of such payment, and (ii) notify each Lender and the applicable Borrower whether said demand for payment was properly made under the relevant Severally Issued L/C. With respect to any drawing determined by the Agent to have been properly made under a Severally Issued L/C, each Lender obligated under such Letter of Credit will make an L/C Disbursement in respect of such Severally Issued L/C in accordance with its liability under such Severally Issued L/C and this Agreement, such L/C Disbursement to be made to the Agent's Account for Payments or such account of the Agent as shall have been most recently designated by it for such purpose by notice to the Lenders. The Agent will make any such L/C Disbursement available to the beneficiary of such Severally Issued L/C by promptly crediting the amounts so received, in like funds, to the account identified by such beneficiary in connection with such demand for payment. Promptly following any L/C Disbursement by any Lender in respect of any Severally Issued L/C, the Agent will notify the applicable Borrower of such L/C Disbursement. Any failure to give or delay in giving such notice shall not relieve the Borrowers of their obligation to reimburse the applicable Lenders with respect to any L/C Disbursement. The Agent shall not be required to make any payment under a Severally Issued L/C in excess of the amount received by it from the Lenders for such payment.

(b) Unless the Agent shall have been notified by telephone and in writing by a Lender at least one Business Day prior to the date that a payment under a Severally Issued L/C is to be made by the Agent, that such Lender does not intend to make available to the Agent the amount of such Lender's share of such payment, the Agent may assume that such Lender has made or will make such amount available to the Agent, and the Agent may, in reliance upon such assumption, pay such Lender's share of the payment to be made under such Severally Issued L/C. If such amount (the "***Unpaid Amount***") is not in fact made available to the Agent by such Lender, the Agent shall be entitled to retain for its own account any payment made by the applicable Borrower to such Lender in respect of such Unpaid Amount and shall further be entitled to recover the balance of such Unpaid Amount from such Lender and the applicable Borrower. If such Lender does not pay the Unpaid Amount forthwith upon the Agent's demand therefor, the Agent shall promptly notify the Borrowers, and the Borrowers shall, to the extent it has not theretofore done so, pay the Unpaid Amount to the Agent no later than three Business Day after such notice. Such Unpaid Amount shall be funded by an Advance by way of a Prime Loan under Tranche I provided there is availability thereunder and, if there is not sufficient availability under Tranche I, from other sources of the Borrower. The Agent shall also be entitled to recover from such Lender interest on such corresponding amount in respect of each day from the date such amount was paid by the Agent under the Severally Issued L/C and until such amount is recovered by the Agent, at a rate per annum equal to, if paid by such Lender, the rate determined by the Agent (which shall be conclusive and binding on the Lender) in accordance with the Agent's usual banking practice for similar advances to financial institutions of like standing to that Lender. Upon payment by such Lender to the Agent of such amount and interest thereon, as aforesaid, such Lender shall be deemed to have paid its share of the payment made under the Severally Issued L/C. Nothing herein shall be deemed to relieve any Lender from its obligation to pay its share of all drawings made under any Severally Issued L/C issued on its behalf or to prejudice any rights which the applicable Borrower or any beneficiary under any such Severally Issued L/C may have against any Lender as a result of any default by such Lender in making any payment which it is obligated to make under any such Severally Issued L/C.

3.14 Conversion Option

Subject to this Agreement, any Borrower may, during the term of this Agreement, effective on any Business Day, convert, in whole or in part, a Tranche I Advance (other than by way of Letter of Credit) outstanding to such Borrower into another type of Tranche I Advance permitted under the Credit Facility (other than by way of Letter of Credit) upon giving written notice to the Agent in substantially the form attached hereto as Schedule 3.14, the notice period being that which would be applicable to the type of Tranche I Advance into which the outstanding Tranche I Advance is to be converted. Conversions under this Section 3.14 may only be made provided that:

(1) notwithstanding any other term in this Agreement, no Tranche I Advance denominated in Cdn$ may be converted into an Advance denominated in US$ and no Tranche I Advance denominated in US$ may be converted into an Advance denominated in Cdn$;

(2) each conversion to a Tranche I Advance shall be for minimum aggregate amounts and whole multiples in excess thereof as are specified in respect of that type of Tranche I Advance in Section 3.8;

(3) a Tranche I Advance by way of Libor Loan may be converted only on the last day of the relevant Contract Period; if less than all of the Libor Loan is converted, after the conversion not less than US$5,000,000 shall remain as a Libor Loan;

(4) a Tranche I Advance by way of Bankers' Acceptance may be converted only on the last day of the relevant Contract Period; if less than all Tranche I Advances by way of Bankers' Acceptances are converted, after the conversion not less than Cdn$5,000,000 shall remain as Advances by way of Bankers' Acceptances;

(5) a conversion into a Tranche I Advance by way of Libor Loan shall require 3 Business Days' notice and shall only be made to the extent that the conditions outlined in Section 3.15 shall not exist on the relevant Conversion Date; and

(6) no Default shall have occurred and be continuing on the relevant Conversion Date or after giving effect to the conversion of the Tranche I Advance to be made on the Conversion Date.

3.15 Conversion and Rollover Not Repayment

No Conversion or Rollover or extension of a Letter of Credit shall constitute a repayment of any Advance or a new Advance.

3.16 Determination Final

With respect to all matters referred to in this Section 3, the determination by the Agent shall be final, conclusive and binding on the Borrowers and the Lenders, absent manifest error.

3.17 Reliance on Oral Instructions

The Agent and any Lender shall be entitled to act upon the oral instructions of any Person who the Agent or the Lender, acting reasonably, believes is a Person authorized by a Borrower to act on such Borrower's behalf. Neither the Agent nor any Lender shall be responsible for any error or omission in those instructions or in the performance thereof except to the extent resulting from gross negligence or wilful misconduct by the Agent, the Lender or their respective employees. Any oral instructions shall be confirmed in writing by the Borrower to the Agent or the Lender, as applicable, on the same day. The Agent shall be entitled to rely upon any writing, letter, notice, certificate, telex, telecopy, cable, statement, order or other document by or on behalf of a Borrower believed by the Agent to be genuine and correct and to have been signed, sent or made by the proper Person or Persons. Each Borrower shall indemnify the Agent and each Lender for any loss or expense suffered or incurred by the Agent or the Lender as a consequence of the Agent or the Lender acting upon instructions given or agreements made over the telephone or by electronic transmission of any type with Persons reasonably believed by the Agent or the Lender to have been acting on such Borrower's behalf.

3.18 Deposit of Proceeds of Loans and Discount Proceeds

The Agent shall deposit or wire transfer to the credit of the Borrower's Account for the Borrower that requested the Tranche I Advance, by 2:00 p.m. on the applicable Drawdown Date (a) the proceeds of each Tranche I Advance by way of Prime Loans, US Prime Loans, USBR Loans or Libor Loans made and (b) the Discount Proceeds less the applicable Acceptance Fee with respect to each Bankers' Acceptance purchased and each BA Equivalent Loan advanced by a Canadian Lender on that Drawdown Date.

3.19 Evidence of Obligations

The Agent shall open and maintain at the Agent's Branch of Account, accounts and records evidencing the Obligations of each Borrower to each Lender with respect to all Tranche I Advances made available by that Lender. The Agent shall record in those accounts by appropriate entries all amounts on account of those Obligations and all payments on account thereof. Those accounts and records will constitute, in the absence of manifest error, *prima facie* evidence of those Obligations, the date each Tranche I Advance was made, and the amounts that the Borrowers have paid from time to time on account of those Obligations.

3.20 Existing Advances

(1) On and after the Restatement Effective Date, this Agreement amends and restates the Original Credit Agreement, and all "Obligations" outstanding under the Original Credit Agreement as at the Restatement Effective Date are and shall be Obligations under this Agreement and are and shall be secured by the Security Documents.

(2) Nothing in this Agreement shall be construed as a substitution or novation of the Loans, B/A's and Letters of Credit outstanding under the Original Credit Agreement which shall remain outstanding under this Agreement after the Restatement Effective Date as modified hereby. Notwithstanding any other provision of this Agreement, and without limitation, all "Advances" outstanding under the Original Credit Agreement as at the Restatement Effective Date are and shall be Tranche I Advances, save and except for the following Letters of Credit, which shall be deemed to be Letters of Credit issued by Royal Bank under Tranche II with effect as of the Restatement Effective Date:

LETTER OF CREDIT NUMBER	PRINCIPAL AMOUNT	MATURITY DATE
325978	US$42,156	September 30, 2009
325977	Cdn$2,500	September 30, 2009
1063872	US$159,553.84	May 15, 2009
1063866	US$4,006,282.50	May 15, 2009
1063867	US$2,602,737.50	May 15, 2009
1063868	US$873,323.00	May 15, 2009
1063871	US$82,297.21	May 26, 2009
1063873	US$605,000.00	July 15, 2009
1063874	US$770,660.00	June 30, 2009
2004857	US$960,616.00	March 27, 2010
2004860	US$350,000.00	December 29, 2009

The Letter of Credit Fees paid in respect of the Letters of Credit listed above shall be adjusted with the "Lenders" under the Original Credit Agreement being entitled to amounts paid for the period up to but excluding the Restatement Effective Date and Royal Bank being entitled to amounts paid for the period commencing with and after the Restatement Effective Date. The Letter of Credit Fees paid or payable in respect of any other Letters of Credit outstanding under the Original Credit Agreement as at the Restatement Effective Date shall be adjusted with the "Lenders" under the Original Credit Agreement being entitled to amounts paid for the period up to but excluding the Restatement Effective Date and the Lenders under Tranche I being entitled to amounts paid for the period commencing with and after the Restatement Effective Date.

The following letters of credit were issued by the Bank of Nova Scotia and shall be deemed to be Letters of Credit issued by the Bank of Nova Scotia under Tranche II with effect as of the Restatement Effective Date:

(a) letter of credit no.S18572/70462 in the amount of Cnd$6,034.60 maturing on February 13, 2010;

(b) letter of credit no. S18572/70464 in the amount of Cnd$26,018.25 maturing on January 30, 2010; and

(c) letter of credit no. S18572/70465 in the amount of Cdn$64,000.00 maturing on July 5, 2009.

SECTION 4 – INTEREST, FEES AND EXPENSES

4.1 Interest on Prime Loans

(1) ***Rate.*** The Canadian Borrower shall pay to the Agent on behalf of the Canadian Lenders interest on Prime Loans at the Agent's Account for Payments at a rate per annum equal to the Prime Rate plus the Applicable Margin.

(2) ***Change in Rate.*** Each change in the fluctuating interest rate applicable to each Prime Loan will take place simultaneously with the corresponding change in the Prime Rate without the necessity for any notice to the Canadian Borrower.

(3) ***Calculation.*** Interest on Prime Loans shall be payable monthly in arrears on every Interest Payment Date and on the Maturity Date for the period from and including, as the case may be, the Drawdown Date, the Conversion Date or the immediately preceding Interest Payment Date to but excluding the first-mentioned Interest Payment Date or the Maturity Date, as applicable, and shall be calculated on a daily basis on the principal amount of the Prime Loans remaining unpaid on the basis of the actual number of days elapsed in a year of 365 days or 366 days, as the case may be.

4.2 Interest on US Prime Loans

(1) ***Rate.*** The US Borrower shall pay to the Agent on behalf of the US Lenders interest on US Prime Loans at the Agent's Account for Payments at a rate per annum equal to the US Prime Rate plus the Applicable Margin.

(2) ***Change in Rate.*** Each change in the fluctuating interest rate applicable to each US Prime Loan will take place simultaneously with the corresponding change in the US Prime Rate without the necessity for any notice to the US Borrower.

(3) ***Calculation.*** Interest on US Prime Loans shall be payable monthly in arrears on every Interest Payment Date and on the Maturity Date for the period from and including, as the case may be, the Drawdown Date, the Conversion Date or the immediately preceding Interest Payment Date to but excluding the first-mentioned Interest Payment Date or the Maturity Date, as applicable, and shall be calculated on a daily basis on the principal amount of the US Prime Loans remaining unpaid on the basis of the actual number of days elapsed in a year of 365 or 366 days, as the case may be.

4.3 Interest on USBR Loans

(1) ***Rate.*** The Canadian Borrower shall pay to the Agent on behalf of the Canadian Lenders interest on USBR Loans at the Agent's Account for Payments at a rate per annum equal to the US Base Rate plus the Applicable Margin.

(2) ***Change in Rate.*** Each change in the fluctuating interest rate applicable to each USBR Loan will take place simultaneously with the corresponding change in the US Base Rate without the necessity for any notice to the Canadian Borrower.

(3) ***Calculation.*** Interest on USBR Loans shall be payable monthly in arrears on every Interest Payment Date and on the Maturity Date for the period from and including, as the case may be, the Drawdown Date, the Conversion Date, or the immediately preceding Interest Payment Date to but excluding the first-mentioned Interest Payment Date or the Maturity Date, as applicable, and shall be calculated on a daily basis on the principal amount of the USBR Loans remaining unpaid on the basis of the actual number of days elapsed in a year of 365 days or 366 days, as the case may be.

4.4 Interest on Libor Loans

(1) ***Rate.*** The Canadian Borrower shall pay to the Agent on behalf of the Canadian Lenders interest on Libor Loans made to the Canadian Borrower at the Agent's Account for Payment at a rate per annum equal to LIBOR for the applicable Contract Period plus the Applicable Margin. The US Borrower shall pay to the Agent on behalf of the US Lenders interest on Libor Loans made to the US Borrower at the Agent's Account for Payment at a rate per annum equal to LIBOR for the applicable Contract Period plus the Applicable Margin.

(2) ***Calculation.*** Interest on a Libor Loan shall be payable on each Libor Interest Date applicable to the Libor Loan, for the period commencing from and including the first day of the Contract Period or the immediately preceding Libor Interest Date, as the case may be, applicable to the Libor Loan, to but excluding the Libor Interest Date, and shall be calculated on a daily basis on the principal amount of Libor Loans remaining unpaid on the basis of the actual number of days elapsed in a year of 360 days.

(3) ***Determination by Agent.*** Each determination by the Agent of the rate of interest applicable to a Libor Loan shall, in the absence of manifest error, be final, conclusive and binding upon the Borrower and the Lenders. Upon determination of the rate of interest applicable on the Interest Determination Date, the Agent shall notify the applicable Borrower and Lenders of that rate.

4.5 Fees on Bankers' Acceptances

Upon acceptance of a Bankers' Acceptance drawn by the Canadian Borrower by a Canadian Lender, the Canadian Borrower shall pay to the Agent for the account of such Canadian Lender a fee (the "***Acceptance Fee***") calculated in advance on the face amount of the Bankers' Acceptance at a rate per annum equal to the Applicable Margin on the basis of the number of days in the Contract Period including the last day in the Contract Period for the Bankers' Acceptance and a year of 365 days.

4.6 Fronting Fees

The applicable Borrower shall pay to the Agent for the account of the applicable Fronting Lender, quarterly in arrears on the first Business Day following the end of each Fiscal Quarter, a fronting fee in respect of each Fronted L/C issued pursuant to Section 3.13 at a rate per annum to be agreed upon between the applicable Fronting Lender and the applicable Borrower from time to time calculated on the face amount of the Letter of Credit. As at the date of this Agreement the agreed fronting fee is 110 basis points and the Fronting Lenders shall advise the Borrowers from time to time as to any required changes to such fronting fee, provided that any change to the fronting fee shall only be applied in respect of a Fronted L/C issued pursuant to Section 3.13 following such change or an extension or renewal of an existing Fronted L/C following such change. In the event the Borrowers and the Fronting Lenders are not able to agree upon the fronting fee to be charged in respect of Fronted L/Cs at any time, the Borrowers shall not be entitled to request or obtain, and the Fronting Lenders, the Agent and the Lenders shall have no obligation to provide, Fronted L/Cs under this Agreement.

4.7 Letter of Credit Fees

The Canadian Borrower shall pay to the Agent for the account of the Canadian Lenders, in respect of each Fronted L/C or Severally Issued L/C issued at the request of the Canadian Borrower, and to the applicable Tranche II Lender, in respect of each Letter of Credit issued at the request of the Canadian Borrower under Tranche II, and the US Borrower shall pay to the Agent for the account of the US Lenders, in the case of each Fronted L/C or Severally Issued L/C issued at the request of the US Borrower, and to the applicable Tranche II Lender, in respect of each Letter of Credit issued at the request of the US Borrower under Tranche II, a fee (“***Letter of Credit Fee***”) calculated at a rate per annum equal to the Applicable Margin. The Letter of Credit Fee shall be payable quarterly in arrears on the first Business Day following the end of each Fiscal Quarter and shall be calculated on a daily basis on the unreduced and uncancelled face amount of each Letter of Credit from, and including, as the case may be, the date of issue thereof or the preceding payment date to, but excluding, as the case may be, the applicable payment date or the date of cancellation or expiry thereof, on the basis of the number of days elapsed in a year of 365 days or 366 days, as the case may be. Notwithstanding the foregoing, if the fee payable to the Agent pursuant to the foregoing provisions of this Section 4.7 in respect of any Letter of Credit would be less than Cdn$250 or US$250, as the case may be, the Letter of Credit Fee payable by the applicable Borrower in respect of such Letter of Credit shall be Cdn$250 or US$250, as the case may be. Each determination by the Agent of the Letter of Credit Fee applicable to a Letter of Credit shall, in the absence of manifest error, be final, conclusive and binding upon the Borrowers.

4.8 Pricing Matrix

For the purposes of this Section 4, the Applicable Margin (each expressed in basis points) with respect to Prime Loans, US Prime Loans, USBR Loans, Libor Loans, B/As, Letters of Credit, Commitment Fees and Swing Line Loans shall be selected from the following matrix as set forth in the applicable column:

S&P Rating/ Moody's Rating	*Applicable Margin*					
	Commitment Fee (bp)	*Swing Line Loans (bp)*	*Prime Loan, USBR Loan or US Prime Loan (bp)*	*Libor Loan, B/A or Financial LC (bp)*	*Performance LC (bp)*	*Commercial LC (bp)*
BBB-/Baa3	75.0	125.0	200.0	300.0	200.0	120.0
BB+/Ba1	90.0	160.0	250.0	350.0	233.33	140.0
BB/Ba2	105.0	195.0	300.0	400.0	266.67	160.0
≤ BB-/Ba3	120.0	230.0	350.0	450.0	300.0	180.0

Commencing on the Restatement Effective Date, the Applicable Margin shall be selected from the above matrix, based upon the Moody's Rating and S&P Rating of the Canadian Borrower. In the event that at any time the application of the Moody's Rating and S&P Rating would result in a different Applicable Margin, then the Applicable Margin shall be measured at the level in the above matrix which is one level above the lower of the Moody`s Rating or the S&P Rating. In the event that at any time no Moody's Rating or S&P Rating is available, then the highest Applicable Margin shall be used. Changes in the Applicable Margin shall be effective on the date of the change in the Canadian Borrower's Moody's Rating or S&P Rating resulting in such change. The Borrowers shall notify the Agent promptly in writing of any change in the Canadian Borrower's Moody's Rating or S&P Rating.

4.9 Commitment Fees

(1) ***Tranche I Commitment Fees.*** On the first Business Day following the end of each Fiscal Quarter in each year during the term of this Credit Facility (from the Restatement Effective Date to the Maturity Date) and on the Maturity Date (each a "***Commitment Fee Payment Date***"), the Borrowers shall pay in arrears to the Agent at the Agent's Branch of Account, for the account of the Lenders, a non-refundable commitment fee in Canadian Dollars (the "***Tranche I Commitment Fee***") calculated daily on the amount equal to the Tranche I Total Commitment less the aggregate Canadian Dollar Amount of Tranche I Advances outstanding on such day, excluding Swing Line Canadian Loans and Swing Line US Loans. Each Related Lender Group shall be entitled to its Rateable Portion of the Tranche I Commitment Fee.

(2) ***Tranche II Commitment Fees.*** On each Commitment Fee Payment Date the Borrowers shall pay in arrears to each of the Related Lender Groups that are Tranche II Lenders a non-refundable commitment fee in Canadian Dollars (the "***Tranche II Commitment Fee***") calculated daily on the amount equal to the Tranche II Commitment of such Related Lender Group less the aggregate Canadian Dollar Amount of Tranche II Advances outstanding from such Related Lender Group on such day.

(3) ***Calculations.*** The Commitment Fees shall be payable for the period from and including the Restatement Effective Date or the last Commitment Fee Payment Date, as the case may be, to but excluding the next Commitment Fee Payment Date or the Maturity Date, as applicable, and shall be calculated on a daily basis, based on the actual number of days elapsed and a year of 365 days or 366 days, as the case may be.

4.10 Interest on Overdue Amounts

The Borrowers shall pay to the Agent on behalf of the Lenders, to the extent permitted by Applicable Law, interest on overdue amounts both before and after demand, default and judgment at a rate per annum equal to the same rate as is applicable to the amount overdue, if principal or interest, and in the case of any other overdue amount at a rate per annum equal to the Prime Rate plus 2% per annum, in each case calculated on a daily basis on the actual number of days elapsed in a 365 or 366 day year, as applicable, computed from the date the amount becomes due for so long as the amount remains overdue. Interest shall be payable upon demand made by the Agent and shall be compounded on each Interest Payment Date.

4.11 Interest Act

For purposes of the *Interest Act* (Canada), where in this Agreement a rate of interest is to be calculated on the basis of a year of 360 or 365 days, the yearly rate of interest to which the rate is equivalent is the rate multiplied by the number of days in the year for which the calculation is made and divided by 360 or 365, as applicable.

4.12 Limit on Rate of Interest

(1) ***Adjustment.*** If any provision of this Agreement or any of the other Documents would obligate a Borrower to make any payment of interest or other amount payable to any Lender in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by that Lender of interest at a criminal rate (as construed under the *Criminal Code* (Canada)), then notwithstanding that provision, that amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or result in a receipt by that Lender of interest at a criminal rate, the adjustment to be effected, to the extent necessary, as follows:

(a) firstly, by reducing the amount or rate of interest required to be paid to the affected Lender under this Section 4; and

(b) thereafter, by reducing any fees, commissions, premiums and other amounts required to be paid to the affected Lender which would constitute interest for purposes of Section 347 of the *Criminal Code* (Canada).

(2) ***Reimbursement.*** Notwithstanding Section 4.12(1), and after giving effect to all adjustments contemplated thereby, if any Lender shall have received an amount in excess of the maximum permitted by the *Criminal Code* (Canada), then the affected Borrower shall be entitled, by notice in writing to the affected Lender, to obtain reimbursement from that Lender in an amount equal to the excess, and pending reimbursement, the amount of the excess shall be deemed to be an amount payable by that Lender to that Borrower.

(3) ***Actuarial Principles.*** Any amount or rate of interest referred to in this Section 4.12 shall be determined in accordance with generally accepted actuarial practices and principles as an effective annual rate of interest over the term that any Advance remains outstanding on the assumption that any charges, fees or expenses that fall within the meaning of ***interest*** (as defined in the *Criminal Code* (Canada)) shall, if they relate to a specific period of time, be pro-rated over

that period of time and otherwise be pro-rated over the period from the Restatement Effective Date to the Maturity Date and, in the event of a dispute, a certificate of a Fellow of the Canadian Institute of Actuaries appointed by the Agent shall be conclusive for the purposes of that determination.

4.13 Change in Circumstances

(1) ***Reduction in Rate of Return.*** If at any time any Lender determines, acting reasonably, that any change in any Applicable Law or any interpretation thereof after the date of this Agreement, or compliance by the Lender with any direction, requirement, guidelines or policies or request from any regulatory authority given after the date of this Agreement, whether or not having the force of law, has or would have, as a consequence of a Lender's obligation under this Agreement, and taking into consideration the Lender's policies with respect to capital adequacy, the effect of reducing the rate of return on the Lender's capital to a level below that which the Lender would have achieved but for the change or compliance, then from time to time, upon demand of the Lender, the Borrowers shall pay the Lender such additional amounts as will compensate the Lender for the reduction in accordance with the provisions of Section 4.13(3).

(2) ***Taxes, Reserves, Capital Adequacy, etc.*** If, after the date of this Agreement, the introduction of any Applicable Law or any change or introduction of a change in any Applicable Law or in the interpretation or application thereof by any court or by any Governmental Authority, central bank or other authority or entity charged with the administration thereof, or any change in the compliance of any Lender therewith now or hereafter:

(a) subjects any Lender to, or causes the withdrawal or termination of a previously granted exemption with respect to, any Tax or changes the basis of taxation, or increases any existing Tax, on payments of principal, interest, fees or other amounts payable by a Borrower to the Lender under or by virtue of this Agreement (except, in each case, for Excluded Taxes);

(b) imposes, modifies or deems applicable any reserve, special deposit, deposit insurance or similar requirement against assets held by, or deposits in or for the account of, or loans by or any other acquisition of funds by, an office of any Lender in respect of any Advance or any other condition with respect to this Agreement;

(c) imposes on a Lender or expects there to be maintained by a Lender any additional capital in respect of the Credit Facility; or

(d) imposes any Tax on reserves or deemed reserves with respect to the undrawn portion of the Commitment of any Lender;

and the result of any of the foregoing, in the sole determination of the Lender acting reasonably, shall be to increase the cost to, or reduce the amount received or receivable by the Lender or its effective rate of return in respect of making, maintaining or funding an Advance hereunder, the Lender shall, acting reasonably, determine that amount of money which shall compensate the Lender for the increase in cost or reduction in income and the Borrowers shall pay the Lender such amount as will compensate the Lender for the increase in cost or reduction in income in accordance with the provisions of Section 4.13(3).

(3) ***Payment of Additional Compensation.*** Upon a Lender having determined that it is entitled to compensation in accordance with the provisions of this Section 4.13 ("***Additional Compensation***"), the Lender shall promptly so notify the applicable Borrower and the Agent and shall provide to the applicable Borrower and the Agent a photocopy of the relevant Applicable Law or request, as applicable, a certificate of an officer of the Lender setting forth in reasonable detail the Additional Compensation and the basis of calculation thereof, which shall be *prima facie* evidence of the amount of the Additional Compensation in the absence of manifest error. The applicable Borrower shall pay to the Lender within 30 Business Days of the giving of notice the Additional Compensation for the account of the Lender accruing from the date of the notification. The Lender shall be entitled to be paid Additional Compensation from time to time to the extent that the provisions of this Section 4.13 are then applicable notwithstanding that the Lender has previously been paid Additional Compensation.

(4) ***Commercially Reasonable.*** If it is commercially reasonable in the opinion of a Lender receiving Additional Compensation under this Section 4.13, the Lender shall make reasonable efforts to limit the incidence of that Additional Compensation, including seeking recovery for the account of the applicable Borrower following such Borrower's request and at such Borrower's expense, if the Lender, in its sole determination, would suffer no appreciable economic, legal, regulatory or other disadvantage as a result.

(5) ***Mitigation.*** A Lender claiming Additional Compensation under this Section 4.13 agrees to use reasonable efforts (consistent with its internal policy and legal and regulatory restrictions and without any obligation to reorganize its affairs) to designate a different lending office if the making of such a designation would avoid the need for, or reduce the amount of, such increased cost that may thereafter accrue and would not, in the reasonable judgment of such Lender, be otherwise disadvantageous to such Lender. If a Lender is not able to obviate its requirement for compensation that has accrued or may thereafter accrue under this Section 4.13 by designating a different lending office, the Borrowers shall have the right to obligate the Lender, at the Borrowers' expense, to assign all, but not less than all, of its rights and obligations under this Agreement and the other Documents to an Assignee identified by the Borrowers and acceptable to the Agent, such assignment to be made in compliance with Section 13.1(3)(b) and all other terms of this Agreement, if such assignment would allow the Borrowers to avoid having to pay such amounts, provided that such assignment results in the assigning Lender being paid an amount equal to all amounts owing hereunder by the Borrowers to such Lender at that time including breakage costs and any outstanding Letters of Credit and B/As issued by such Lender are fully cash collateralized. No claim for Additional Compensation may be made by a Lender under this Section 4.13 unless such Lender is claiming compensation generally from customers against whom it is entitled to make such claim by reason of the circumstances giving rise to such claim for Additional Compensation. No claim for Additional Compensation may be made by a Lender under this Section 4.13 in respect of any period more than 6 months prior to the date the Lender first determines that it is entitled to make a claim for Additional Compensation.

4.14 Payment of Portion

Notwithstanding any other term or condition of this Agreement, if a Lender gives the notice provided for in Section 4.13 with respect to any Advance (an "***Affected Borrowing***"), the applicable Borrower may, at its option, upon 30 Business Days notice to that Lender (which notice shall be irrevocable), repay to the Lender in full the Affected Borrowing outstanding together with accrued and unpaid interest on the principal amount so repaid up to the date of repayment, together with such Additional Compensation as may be applicable to the date of payment.

4.15 Illegality

If any Applicable Law, or any change therein or in the interpretation or application thereof by any court or by any Governmental Authority or central bank or comparable agency or any other entity charged with the interpretation or administration thereof, or compliance by any Lender with any request or direction (whether or not having the force of law) of any Governmental Authority, central bank or comparable agency or other entity, now or hereafter makes it unlawful or impossible for the Lender to make, fund or maintain an Advance or to perform its obligations under or by virtue of this Agreement, the Lender may, by written notice thereof to the applicable Borrowers and the Agent, for so long as such conditions or circumstances are in effect, terminate its obligations to make further Advances under this Agreement, and the applicable Borrowers, if required by the Lender, shall repay forthwith (or at the end of such longer period as the Lender in its reasonable discretion has agreed) the principal amount of such Advances together with accrued interest without penalty or bonus (and in the case of Bankers' Acceptances, the face amount thereof) and such Additional Compensation as may be applicable to the date of payment and all other outstanding Obligations to the Lender. If any change shall only affect a portion of any Lender's obligations under this Agreement which is, in the reasonable opinion of the Lender, severable from the remainder of this Agreement so that the remainder of this Agreement may be continued in full force and effect without otherwise affecting any of the obligations of the Lender or the Borrowers under this Agreement, the Lender shall only declare its obligations under that portion so terminated.

4.16 Substitute Basis of Advance - Libor Loans

If, at any time during the term of this Agreement, the Agent acting in good faith determines (which determination shall be final, conclusive and binding upon the Borrowers) that:

(1) adequate and fair means do not exist for ascertaining the rate of interest on a Libor Loan, or

(2) LIBOR does not accurately reflect the effective cost to the Lenders of making, funding or maintaining a Libor Loan and the costs to the Lenders are increased or the income receivable by the Lenders is reduced in respect of a Libor Loan, or

(3) the making, funding or maintaining of a Libor Loan or a portion thereof by a Lender has become impracticable by reason of circumstances which materially and adversely affect the London interbank market, or

(4) deposits in US Dollars are not available to the Lenders in the London interbank market in sufficient amounts in the ordinary course of business for the applicable Contract Period to make, fund or maintain a Libor Loan during the Contract Period,

the Agent shall promptly notify the Borrowers setting forth the basis of that determination and the Borrowers hereby instructs the Agent to repay each affected Libor Loan with the proceeds of a USBR Loan, in the case of the Canadian Borrower, and a US Prime Loan, in the case of the US Borrower, in the amount of the Libor Loan, to be drawn down on the last day of the then current Contract Period. The Lenders shall not be required to make any further Libor Loans available under this Agreement so long as any of the circumstances referred to in this Section 4.16 continue.

4.17 Market Disruption

If a Market Disruption Event occurs at any time for Related Lender Groups whose Tranche I Commitments aggregate at least 30% of the Tranche I Total Commitment (the ***"Requisite Disruption Lenders"***) in relation to a Prime Loan, US Prime Loan, USBR Loan, LIBOR Loan or Bankers' Acceptance under Tranche I for any period, then the rate of interest on such Prime Loan, US Prime Loan, USBR Loan, LIBOR Loan or Bankers' Acceptance for such period (which, in any event, will not commence prior to the date the Borrower is notified in writing of such Market Disruption Event) for such Requisite Disruption Lenders shall be the rate per annum which is the sum of:

(a) the Applicable Margin for such Prime Loan, US Prime Loan, USBR Loan, LIBOR Loan or Bankers' Acceptance for such period; plus

(b) the rate notified by such Requisite Disruption Lenders to the applicable Borrower as soon as practicable and, in any event, before interest is due to be paid in respect of that period, to be that which expresses as a percentage rate per annum the cost to such Lenders of funding the Prime Loan, US Prime Loan, USBR Loan, LIBOR Loan or Bankers' Acceptance from whatever source they may reasonably select.

If a Market Disruption Event occurs with respect to Requisite Disruption Lenders and such Requisite Disruption Lenders, the Agent or any Borrower so requires, such Requisite Disruption Lenders, the Borrowers and the Agent shall enter into negotiations (for a period of not more than 30 days) with a view to agreeing on a substitute basis for determining the rate of interest applicable in respect of such Requisite Disruption Lenders. Any alternative basis agreed pursuant to this Section 4.17 for such Requisite Disruption Lenders shall be binding on all such parties, it being agreed that such alternative basis shall apply only to such Requisite Disruption Lenders. In the absence of such agreement, the rate of interest applicable to any such Lender shall be the rate provided for above in this Section 4.17. If a Market Disruption Event occurs with respect to Requisite Disruption Lenders at any time, the applicable Borrower may request that any outstanding notice of Drawdown by way of, or Rollover of, Bankers' Acceptance or LIBOR Loan be deemed to be a request for a Drawdown of, or Conversion to, a Prime Loan or US Prime Loan, as applicable, and that any outstanding notice of Conversion to convert a Prime Loan or USBR Loan or US Prime Loan into a Bankers' Acceptance or LIBOR Loan, as applicable, shall be cancelled.

4.18 Indemnity

(1) ***General.*** Each of the Borrowers shall indemnify the Agent, the Swing Line Lenders, the Fronting Lenders and each Lender and their respective directors, officers, employees, attorneys and agents (each, an "***Indemnified Person***") against all suits, actions, proceedings, claims, losses (other than loss of profits), expenses (including reasonable fees, charges and disbursements of counsel), damages and liabilities including, without limitation, for or on account of injury to or death of any person (including employees and agents of the Borrowers or their Subsidiaries), loss of or damage to property (including the Collateral), liability for patent, copyright and trademark infringement and liabilities arising under Environmental Laws, (each, a "***Claim***") that the Agent or the Swing Line Lender, Fronting Lender or Lender may sustain or incur as a consequence of (a) any default by any of the Borrowers or the Restricted Subsidiaries under this Agreement or any other Document, or (b) any misrepresentation by any of the Borrowers or the Restricted Subsidiaries contained in any writing delivered to the Agent or any Swing Line Lender, Fronting Lender or Lender in connection with this Agreement or any Document, or (c) the Agent or the Swing Line Lender, Fronting Lender or Lender entering into this Agreement or any Document, or (d) the use of proceeds of the Credit Facility by the Borrowers, or (e) the operations of the Borrowers or the Restricted Subsidiaries or (f) the enforcement of any provisions of this Agreement or any Document. Notwithstanding the foregoing provisions of this Section 4.18(1), the Borrowers shall not be obligated to indemnify any Person under this Section 4.18(1) for any Claim to the extent that such Claim results from the gross negligence, fraud or wilful misconduct of such Person or the default by such Person in the performance of its material obligations under this Agreement.

(2) ***Certificate.*** A certificate of the Agent or the affected Swing Line Lender, Fronting Lender or Lender, as the case may be, setting out the basis for the determination of the amount necessary to indemnify the Agent or the Lender pursuant to this Section 4.18 shall be conclusive evidence, absent manifest error, of the correctness of that determination.

(3) ***Contest Rights.***

(a) If a Claim is made against an Indemnified Person as to which the Borrowers have an indemnification obligation under Section 4.18(1), such Indemnified Person shall promptly notify the Borrowers in writing of the Claim;

(b) Upon delivery by the Borrowers to such Indemnified Person of a written acknowledgement of the Borrowers' obligations to indemnify such Indemnified Person in accordance with the terms of this Agreement in respect of such Claim, the Borrowers shall be entitled, at their own expense, to participate in and, to the extent that the Borrowers desire, but subject to the conditions set forth in 4.18(1)(3)(c) below, to assume and control the defence thereof through their own counsel (who shall be subject to the reasonable approval of the Indemnified Person); provided, however, that if the Borrowers are in control of any proceedings, the Borrowers shall keep such Indemnified Person fully apprised of the status of such proceedings and shall provide such Indemnified Person with all information with respect to such proceedings as such Indemnified Person shall reasonably request. The Borrowers must indicate their election to assume such defence by written notice to the Indemnified Person within 30 days following receipt of the Indemnified Person's notice of the Claim, or in the case of a Claim which requires a shorter time for response then within such shorter period as specified in the Indemnified Person's notice of Claim, provided that such Indemnified Person has given the Borrower notice thereof. The Indemnified Person may participate at its own expense and with its own counsel in any proceeding controlled by the Borrowers in accordance with the foregoing; provided the Borrowers shall in any event remain liable hereunder in respect of the Claim;

(c) Notwithstanding the foregoing provisions of this Section 4.18(3), the Borrowers shall not be entitled to assume and control the defence of any Claim (but shall in any event remain liable hereunder in respect thereof):

(i) if, in the reasonable opinion of such Indemnified Person acting in good faith,

(A) such proceeding involves any risk of imposition of criminal liability on such Indemnified Person; or

(B) the control of such action, suit or proceeding would involve an actual or potential conflict of interest, such that it is advisable for such Indemnified Person to be represented by separate counsel;

(ii) if such proceeding involves Claims not fully indemnified by the Borrowers which the Borrowers and the Indemnified Person have been unable to sever from the indemnified Claim;

(iii) unless the Borrowers provide to the Indemnified Person such security for the Borrowers' obligation to indemnify such Indemnified Person as the Indemnified Person may reasonably require having regard to the quantum and merits of the Claim;

(d) In circumstances where the Borrowers have control of the defence of any Claim, the Borrowers may not settle or compromise the Claim without the prior written consent of the Indemnified Person, not to be unreasonably withheld. No Indemnified Person shall, without the prior written consent of the Borrowers, not to be unreasonably withheld, settle or compromise any Claim in respect of which the Borrowers have in writing agreed to fully indemnify such Indemnified Person under this Section 4.18 and have provided such security for their obligations as the Indemnified Person may reasonably require having consideration to the quantum and merits of the Claim;

(e) Each Indemnified Person shall supply the Borrowers with such information and documents (excluding such information and documents provided to the Indemnified Person in contemplation of litigation) reasonably requested by the Borrowers as are necessary for the Borrowers to participate in any action, suit or proceeding to the extent permitted above, and the Borrowers shall reimburse the Indemnified Person for the reasonable costs and out-of-pocket expenses of supplying such information and documents;

(f) Upon payment in full of any Claim by the Borrowers pursuant to this Section 4.18 to or on behalf of an Indemnified Person, the Borrowers, without any further action, shall be subrogated to any and all claims that such Indemnified Person may have relating thereto (other than claims in respect of insurance policies maintained by such Indemnified Person at its own expense). Each Indemnified Person agrees, at the Borrowers' reasonable request and expense, to give such further assurances or agreements and to otherwise cooperate with the Borrowers to enable the Borrowers to pursue such claims.

(4) ***Survival.*** It is the intention of the Borrowers, the Agent, the Fronting Lender and each Lender that Section 3.17 and this Section 4.18 shall supersede any other provisions in this Agreement, which in any way limit the liability of the Borrowers. The obligations of the Borrowers under these Sections to any Person are absolute and unconditional and shall not be affected by any act, omission or circumstance whatsoever, whether or not occasioned by the fault of the Person, except to the extent resulting from gross negligence, fraud or wilful misconduct of such Person or the default by such Person in the performance of its material obligations under this Agreement. The obligations of the Borrowers under Section 3.17 and this Section 4.18 shall survive the repayment of the other Obligations and the termination of the Credit Facility.

SECTION 5 – REDUCTION AND REPAYMENT

5.1 Term and Maturity

The term of the Credit Facility shall commence on the Restatement Effective Date and end on the Maturity Date.

5.2 Repayment

All Advances and other amounts outstanding under the Credit Facility including principal, interest and fees shall be paid, all outstanding Bankers' Acceptances and Letters of Credit shall be cash collateralized or replaced in a manner satisfactory to the Agent and the Credit Facility shall be cancelled, on the Maturity Date.

5.3 Mandatory Repayment

If, due to exchange rate fluctuations or for any reason whatsoever, the Canadian Dollar Amount of the principal amount of all (i) Tranche I Advances outstanding shall, at any time, exceed the Tranche I Total Commitment, (ii) Tranche II Advances shall, at any time, exceed the Tranche II Total Commitment, or (iii) Advances shall, at any time, exceed the Borrowing Base, (any such amount of the excess at any time being referred to herein as an "***Excess Amount***"), then within three Business Days of written notice from the Agent, the Borrowers shall, at the option of the Borrowers:

(1) forthwith repay Loans and/or fund any Lender's obligations with respect to outstanding Bankers' Acceptances in an amount equal to or greater than the Excess Amount so as to reduce the Excess Amount at the time of repayment to zero; or

(2) provide cash collateral or such other security as the Agent may require in an amount equal to or greater than the Excess Amount at the time of payment, which collateral shall remain in the Agent's possession until the Excess Amount is reduced to zero, whereupon the collateral shall be released by the Agent to the Borrowers.

Notwithstanding any other provision of this Agreement, including any provision contemplating a Rollover or Conversion, whenever an Excess Amount occurs and is continuing, (a) upon the maturity of any Bankers' Acceptance, the applicable Borrower shall repay the Bankers' Acceptance, or (b) upon the last day of the Contract Period in respect of a Libor Loan, the applicable Borrower shall repay the Libor Loan, and any repayments under clauses (a) and (b) shall be applied in reduction of the Excess Amount at the time of repayment until it is reduced to zero.

5.4 Cancellation

The Borrower may at any time cancel undrawn amounts of the Credit Facility without premium or penalty, in minimum amounts of Cdn$5,000,000 and in multiples of Cdn$1,000,000, subject to giving the Agent three Business Days prior written notice substantially in the form attached as Schedule 5.4. Amounts cancelled will not be reinstated and the Tranche I Total Commitment or Tranche II Total Commitment, as applicable, and the Total Commitment will be reduced accordingly. The Commitments of the Lenders shall be reduced on a pro rata basis based on their Rateable Portions of the reduction in the Total Commitment.

5.5 Conversion to Demand

Notwithstanding any other provision of this Agreement, in the event of a Change in Control the Credit Facility shall immediately convert to a demand facility and shall be payable on demand. Upon such conversion, regardless of whether an Event of Default has occurred or is continuing, the Agent may, at any time, with the approval of the Majority Lenders, demand payment of all Advances and all other amounts outstanding under the Credit Facility. Upon a demand for payment being made by the Agent, with the approval of the Majority Lenders, (i) the Lenders' obligations to make Advances hereunder shall be immediately terminated, and (ii) all Advances and other amounts outstanding under the Credit Facility including principal, interest and fees shall be paid and all outstanding Bankers' Acceptances and Letters of Credit shall be cash collateralized or replaced by the Borrowers in a manner satisfactory to the Agent and, with respect to Fronted L/C's, the Fronting Lenders and with respect to Letters of Credit issued under Tranche II, the Tranche II Lenders. Nothing in this Agreement is to be interpreted or construed to in any way fetter or limit the right of Agent, with the approval of the Majority Lenders, to demand payment of the Credit Facility at any time in the event the Credit Facility converts to a demand facility as provided for in this Section 5.5.

5.6 Cash Collateral

Notwithstanding any other provision of this Agreement, whenever pursuant to any provision of this Agreement cash collateral is required to be provided to secure any obligations of the Borrowers or either of them under any outstanding Letters of Credit issued by a Tranche II Lender, that cash collateral shall be paid to and held by the applicable Tranche II Lender as security for such Letters of Credit.

SECTION 6 – PAYMENTS AND TAXES

6.1 Payments Generally

All amounts owing in respect of the Credit Facility, whether on account of principal, interest, fees or otherwise, shall be paid in the currency in which the Advance or other amount owing is outstanding. Each payment under this Agreement shall be made for value on the day the payment is due, provided that if that day is not a Business Day, the payment shall be due on the Business Day next following the day. All interest and other fees shall continue to accrue until payment has been received by the Agent. Each payment shall be made, and each payment made hereunder shall be credited for same day value if received, at the Agent's Account for Payments at or before 1:00 p.m. on the day the payment is due. Payment to the Agent from a Borrower of funds under this Agreement, as principal, interest, fees or otherwise, shall be deemed to be payment of those funds to the applicable Lenders.

6.2 Taxes

(1) ***Payments.*** All payments to be made by or on behalf of a Borrower under or with respect to this Agreement are to be made free and clear of and without deduction or withholding for, or on account of, any present or future Taxes, unless such deduction or withholding is required by Applicable Law. If a Borrower is required to deduct or withhold any Taxes from any amount payable to the Agent or any Lender, (a) the amount payable shall be increased as may be necessary so that, after making all required deductions or withholdings (including deductions and withholdings applicable to, and taking into account all Taxes on, or arising by reason of the payment of, additional amounts under this Section 6.2), the Agent or the Lender, as the case may be, receives and retains an amount equal to the amount that it would have received had no such deductions or withholdings been required or made, (b) the Borrower shall make such deductions or withholdings, and (c) the Borrower shall remit the full amount deducted or withheld to the relevant taxing authority in accordance with Applicable Laws. Notwithstanding the foregoing, the Borrower shall not be required to pay additional amounts in respect of Excluded Taxes.

(2) ***Indemnity.*** The Borrowers shall indemnify the Agent and the Lenders for the full amount of any Taxes (other than Excluded Taxes) imposed by any jurisdiction on amounts payable by any of the Borrowers under this Agreement and paid by the Agent or any Lender and any liability (including penalties, interest and reasonable expenses) arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally asserted, and any Taxes levied or imposed with respect to any indemnity payment made under this Section 6.2. The Borrowers shall also indemnify the Agent and the Lenders for any Taxes (other than Excluded Taxes) that may arise as a consequence of the execution, sale, transfer, delivery or registration of, or

otherwise with respect to this Agreement or any other Document. The indemnifications contained in this Section 6.2(2) shall be paid within 30 days after the date the Agent makes written demand therefor.

(3) ***Evidence of Payment.*** Within 30 days after the date of any payment of Taxes by a Borrower, the Borrowers shall furnish to the Agent the original or a certified copy of a receipt evidencing payment by the Borrower of any Taxes with respect to any amount payable to the Agent and the Lenders hereunder.

(4) ***Different Lending Office.*** A certificate as to the amount of such payment or liability delivered to a Borrower by a Lender, or by the Agent on its own behalf or on behalf of a Lender, shall, absent manifest error, constitute *prima facie* evidence of the amount owing; provided, however, that a Lender claiming additional amounts under this Section 6.2 agrees to use reasonable efforts (consistent with its internal policy and legal and regulatory restrictions and without any obligation to reorganize its affairs) to designate a different Lending Office if the making of such a designation would avoid the need for, or reduce the amount of, such additional amounts that may thereafter accrue and would not, in the reasonable judgment of such Lender, be otherwise disadvantageous to such Lender. If a Lender is not able to obviate its requirement for payment of such additional amounts that have accrued or may thereafter accrue under this Section 6.2 by designating a different Lending Office, the Borrower shall have the right to obligate the Lender to assign all but not less than all of its rights and obligations under this Agreement and the other Documents to another Person if such assignment would allow the Borrower, either at that time or in the future to avoid having to pay such amounts, provided that such assignment results in the assigning Lender being paid an amount equal to all amounts owing hereunder to such Lender at that time and any outstanding Letter of Credit issued by such Lender shall be cash collateralized or replaced. Subject to the foregoing, any assignment hereunder shall be made by the assigning Lender in accordance with the terms and requirements of this Agreement.

(5) ***Tax Savings.*** If, following the imposition of any Taxes on any payment by a Borrower to any Lender in respect of which the Borrower is required to make an additional payment pursuant to this Section 6.2, any Lender receives or is granted a credit against or remission for or deduction from or in respect of any such Taxes paid by it or shall obtain any other relief which, in such Lender's opinion, is both reasonably identifiable and quantifiable by it without involving it in an unacceptable administrative burden (any of the foregoing being a "saving"), such Lender will reimburse the Borrower with such amount as such Lender shall have concluded, in its absolute discretion but in good faith, to be the amount or value of the relevant saving. Nothing herein contained shall interfere with the right of any Lender to arrange its affairs in whatever manner it thinks fit and, in particular, no Lender shall be under any obligation to claim relief for tax purposes on its corporate profits or otherwise, or to claim such relief in priority to any other claims, relief, credits or deductions available to it or to disclose details of its affairs. Each Lender will notify the Borrower promptly of the receipt by such Lender of any such saving and of such Lender's opinion as to the amount or value thereof, and any reimbursement to be made by such Lender will be made promptly on the date of receipt of such saving by such Lender or, if later, on the last date on which the applicable taxation authority would be able in accordance with Applicable Law to reclaim or reduce such saving. This Section 6.2(5) shall not be construed to

require the Agent or any Lender to make available its tax returns (or any other information relating to its taxes which it deems confidential) to the Borrower or any other Person.

(6) ***Authorized Foreign Banks.*** Each Person that is or becomes a Canadian Lender, and that is organized under the laws of a jurisdiction outside of Canada in respect of any loan made hereunder to the Canadian Borrower: (i)(A) shall designate, for the purpose and throughout the term of such loan, an office of such Person in Canada as its applicable Lending Office; (B) severally represents and warrants that, as of the date such Person becomes a party to this Agreement, it is an Authorized Foreign Bank; (C) agrees that at all material times other than by reason of a change in treaty, law, rule or regulation occurring after the date of this Agreement (1) such Person will continue to be an Authorized Foreign Bank, (2) such loan will be a Canadian Banking Business Asset, and (3) such Person will record such Canadian Banking Business Asset and any income thereon in all financial statements for its Canadian Banking Business that are filed (or are required to be filed) with the Superintendent of Financial Institutions, and will include in its income for a taxation year from the Canadian Banking Business any income in respect of that Canadian Banking Business Asset; or (ii) shall, upon request, provide the Canadian Borrower and the Agent with such documentation as may be reasonably necessary to establish an available exemption from withholding of Canadian withholding taxes on payments thereunder (but only so long as such Person is or remains lawfully entitled to do so). Each Canadian Lender shall promptly notify the Canadian Borrower in writing upon becoming aware at any time that it is not in compliance with the provisions of this Section 6.2(6).

(7) ***Failure of Canadian Lender to Provide Documentation.*** For any period with respect to which a Canadian Lender has failed to provide the Canadian Borrower or the Agent with the documentation described in Section 6.2(6) (unless such failure is due to a change in Applicable Law occurring subsequent to the date on which such documentation was originally required to be provided) or otherwise breaches its covenants under Section 6.2(6), such Canadian Lender shall not be entitled to indemnification under this Section 6.2 with respect to withholding taxes imposed by Canada; provided that if a Canadian Lender, which is otherwise exempt from such withholding taxes, becomes subject to such withholding taxes because of its failure to deliver a form or other documentation required hereunder, the Canadian Borrower shall at such Canadian Lender's expense take such steps as such Canadian Lender shall reasonably request to assist such Canadian Lender to recover such taxes.

(8) ***Non-U.S. Organized Lenders.*** On or before the date it becomes a party to this Agreement, each US Lender that is not organized under the laws of the United States or any state thereof (a "***Non-US Organized Lender***") shall deliver to the US Borrower and the Agent two executed and completed copies of United States Internal Revenue Service Form (i) W-8ECI (or any successor form) specifying that all payments to be received under this Agreement or any other Document by such Non-US Organized Lender will be effectively connected with the conduct of a trade or business in the United States, or (ii) W-8BEN, including such Non-US Organized Lender's Taxpayer Identification Number (or any successor form) certifying eligibility for complete exemption from United States Federal withholding tax, with respect to payments to be made under the Agreement or under any other Document under an applicable tax treaty. Each Non-US Organized Lender shall redeliver such forms promptly upon the obsolescence or invalidity of any such form previously delivered by such Non-US Organized Lender, except to the extent that such Non-US Organized Lender is unable to redeliver such

forms due to the adoption of, or change in, any treaty, law, rule or regulation or in the interpretation or application thereof by any Governmental Authority after the date on which the applicable Advance is made by such Non-US Organized Lender.

(9) ***Failure of US Lender to Provide Documentation.*** For any period with respect to which a Non-US Organized Lender has failed to provide the US Borrower or the Agent with the documentation described in Section 6.2(8) (unless such failure is due to a change in Applicable Law occurring subsequent to the date on which such documentation was originally required to be provided) or otherwise breaches its covenants under Section 6.2(8), such Non-US Organized Lender shall not be entitled to indemnification under this Section 6.2 with respect to United States Federal withholding taxes; provided that if a Non-US Organized Lender, which is otherwise exempt from such United States Federal withholding taxes, becomes subject to such withholding taxes because of its failure to deliver a form or other documentation required hereunder, the US Borrower shall at such Non-US Organized Lender's expense take such steps as such Non-US Organized Lender shall reasonably request to assist such Non-US Organized Lender to recover such taxes.

(10) ***Survival.*** The Borrowers' obligations under this Section 6.2 shall survive the termination of this Agreement and the payment of all amounts payable under or with respect to this Agreement.

6.3 No Set-Off

Subject to Sections 6.2(7) and 6.2(9), all payments to be made by a Borrower shall be made without set-off or counterclaim and without any deduction of any kind.

6.4 Application of Payments Before Exercise of Rights

Subject to the provisions of this Agreement, all payments made by or on behalf of a Borrower on account of the Obligations (other than on account of Derivatives) before the exercise of any rights arising under Section 10, or otherwise, shall be paid to the Agent and distributed among the Lenders in accordance with their respective Rateable Portions (or, as the case may be, to or among the Agent and the Lender or Lenders to whom those payments are owing) in each instance in the following order:

(1) firstly, in payment of any amounts due and payable as and by way of agency fees owing to the Agent for its services provided hereunder;

(2) secondly, in payment of any amounts due and payable as and by way of recoverable expenses hereunder;

(3) thirdly, in payment of any interest, other fees, or default interest then due and payable on or in respect of the Advances;

(4) fourthly, in repayment of any principal amounts of the Advances; and

(5) fifthly, in payment of any other amounts then due and payable by the Borrower hereunder or in connection herewith.

6.5 Application of Payments After Exercise of Rights Under Section 10.2

All payments made by or on behalf of a Borrower on account of the Obligations after the exercise of any rights arising under Section 10.2 shall be paid to the Agent and distributed among the Lenders in accordance with their respective Rateable Portions (or, as the case may be, to or among the Agent and the Lender or the Lenders to whom those payments are owing) in each instance in the following order:

(1) firstly, in payment of agency fees and the reasonable costs and expenses of any realization against the Borrowers or of their property and assets, including the out-of-pocket expenses of the Agent and the reasonable fees and out-of-pocket expenses of counsel, consultants and other advisers employed in connection therewith and in payment of all costs and expenses incurred by the Agent in connection with the administration and enforcement of this Agreement or the other Documents, to the extent that those funds, costs and expenses shall not have been reimbursed to the Agent;

(2) secondly, in payment of any other unpaid fees payable hereunder by the Borrowers;

(3) thirdly, in payment or prepayment of the Obligations (other than on account of interest or Other Derivatives) outstanding under this Agreement and under any other agreements applicable to outstanding Obligations, including, on a rateable basis with the other Obligations, the 10 Year Swap Transactions (for greater certainty, subject to the limitation thereon provided for in the definition of Obligations), and then to the payment of accrued and unpaid interest;

(4) fourthly, in payment or prepayment, to those Lenders who have outstanding Obligations under Other Derivatives, on a rateable basis, based on their respective Rateable Portions (as opposed to the proportions of the respective Obligations owing to each under Other Derivatives), of all Obligations outstanding under Other Derivatives (for greater certainty, subject to the limitation thereon as provided for in the definition of Obligations); and

(5) fifthly, in payment of the balance, if any, to the Borrower or such other Person or Persons who may be entitled at law or, in each case, their respective successors or assigns, or as a court of competent jurisdiction may otherwise direct.

SECTION 7 – SECURITY DOCUMENTS

7.1 Security Documents

The Borrowers shall cause the following documents to be executed and delivered to the Agent on behalf of the Lenders to secure the Obligations, such documents to be in form and substance satisfactory to the Agent and the Lenders:

(1) A Security Agreement signed by each Borrower securing all Obligations of such Borrower;

(2) A Guarantee signed by each Borrower of the Obligations of the other Borrower;

(3) A Guarantee signed by each Restricted Subsidiary of the Obligations of the Borrowers;

(4) A Security Agreement signed by each Restricted Subsidiary other than RMI Holdings LLC, Fedmet Corp. and Fedmet Enterprises Corporation securing all obligations of such Restricted Subsidiary under its Guarantee of the Obligations of the Borrowers;

(5) A postponement and subordination agreement signed by each Subsidiary of the Borrower to which Postponed Subsidiary Debt is owed by a Borrower or Restricted Subsidiary, acknowledged by the applicable Borrower or Restricted Subsidiary; and

(6) A security confirmation agreement from each Person who previously executed and delivered to the Agent any of the above Security Documents and other Documents as security for the Obligations under the Original Credit Agreement confirming and agreeing that such Security Documents and other Documents secure the Obligations under this Agreement and incorporating any other amendments required by the Agent.

SECTION 8 – CONDITIONS PRECEDENT

8.1 Conditions Precedent to the Restatement Effective Date

The amendment and restatement of the Original Credit Agreement on the terms and conditions set out in this Agreement, and the effectiveness of this Agreement, are subject to and conditional upon the satisfaction of the following conditions (or waiver of the conditions in accordance with Section 8.3):

(1) ***Delivery of Documents.*** The Agent shall have received Sufficient Copies, in form and substance satisfactory to the Agent, of the following:

(a) this Agreement duly executed by all the parties thereto;

(b) each Security Document and all other Documents duly executed by all the parties thereto;

(c) timely notice as may be required by any term of this Agreement in connection with any action to be taken thereunder;

(d) a Borrowing Base Certificate dated the Restatement Effective Date, calculated as at the most recent month end;

(e) a Compliance Certificate dated the Restatement Effective Date for the fiscal period ending March 31, 2009;

(f) a Certificate of each Borrower and each other Person executing and delivering any Documents dated the Restatement Effective Date certifying:

(i) the names and the specimen signatures of the Persons authorized to sign this Agreement, the Security Documents and the other Documents to be executed and delivered by such Borrower or other Person under this Agreement;

(ii) that the constating documents and the by-laws of such Borrower or other Person, which shall be attached thereto, are complete and correct copies and that the constating documents and the by-laws have not been amended, modified or supplemented and are in full force and effect; and

(iii) the resolution of such Borrower or other Person and all other authorizations necessary to authorize the execution and delivery of and the performance by such Borrower or other Person of its obligations under this Agreement, the Security Documents and the other Documents to which it is a party and all the transactions contemplated thereby;

(g) an opinion of Davies Ward Phillips & Vineberg LLP, counsel to the Canadian Borrower, addressed to the Agent and each Lender with respect to, *inter alia*, due authorization, execution, delivery and enforceability of the Documents and, if applicable, registration and perfection of the Security Documents in Quebec;

(h) an opinion of Davies, Ward Phillips & Vineberg LLP (New York Office), counsel to the US Borrower, addressed to the Agent and each Lender with respect to, *inter alia*, due authorization, execution, delivery and enforceability of the Documents and filing of financing statements and perfection of the Security Documents in all relevant United States jurisdictions;

(i) an opinion of counsel to each other Person (other than the Agent and the Lenders) executing and delivering Documents addressed to the Agent and each Lender with respect to, *inter alia*, due authorization, execution, delivery and enforceability of the Documents and, as applicable, filing of financing statements and perfection of any Security Documents from such Person in any relevant United States jurisdictions and registration and perfection of any Security Documents of such Person in the Province of Quebec;

(j) opinions of McMillan LLP, counsel to the Agent, and local agents in all relevant Canadian jurisdictions other than Quebec, regarding registration and perfection of the Security Documents in all relevant Canadian jurisdictions other than Quebec addressed to the Agent and each Lender;

(k) duly executed certificate(s) of insurance evidencing the insurance required under this Agreement and endorsements of those policies each showing loss payable to the Agent; and

(l) such other documents as the Agent may reasonably request on behalf of the Lenders including standard documentation used by a Lender in connection with the issuance of Bankers' Acceptances and Letters of Credit, subject to revision as may be necessary to comply with the terms of this Agreement, prior to any Advance by way of any such method.

(2) ***Registration of Security Documents.*** All registrations, recordings and filings of or with respect to the Security Documents which in the opinion of the Agent, acting reasonably, are

necessary to render effective or protect and perfect the security intended to be created thereby shall have been completed.

(3) *No Material Adverse Change.* No Material Adverse Change shall have occurred since December 31, 2008 to the Restatement Effective Date.

(4) *Fees.* All fees payable in accordance with this Agreement and due on or before the Restatement Effective Date shall have been paid to the Agent.

(5) *Due Diligence.* The Agent and Lenders shall have completed their business and legal due diligence with results satisfactory to them.

8.2 Conditions Precedent to All Advances

The obligations of the Lenders to make available any Advance, Rollover or Conversion, in addition to being subject to and conditional upon the conditions in Section 8.1 being satisfied, are subject to and conditional upon each of the conditions below being satisfied on the applicable Drawdown Date and, with the exception of Section 8.2(2) on the applicable Rollover Date or Conversion Date:

(1) *No Default.* No Default shall exist, nor shall the Advance, Rollover or Conversion result in the occurrence of a Default.

(2) *Representations Correct.* The representations and warranties contained in Section 2.1 shall be repeated in accordance with Section 2.2.

(3) *Notice of Advance.* The Borrowers shall have provided any notice required in respect of an Advance, Rollover or Conversion.

8.3 Waiver of a Condition Precedent

The conditions stated in Sections 8.1 and 8.2 are inserted for the sole benefit of the Agent and Lenders and may be waived by the Agent with the consent of the Majority Lenders, in whole or in part, with or without terms or conditions, in respect of all or any portion of the Advances, without affecting the right of the Lenders to assert terms and conditions in whole or in part in respect of any other Advance.

SECTION 9 – COVENANTS

9.1 Affirmative Covenants of the Borrowers

While any amount owing under this Agreement or any of the other Documents remains unpaid, other than obligations under Sections 3.17, 4.17 or 6.2 which by their terms are intended to survive termination of this Agreement, or the Agent or the Lenders have any obligations to the Borrowers under this Agreement or any of the other Documents, each of the Borrowers, with respect to itself and its Restricted Subsidiaries, covenants with the Agent and each Lender as follows:

(1) ***Corporate Existence.*** It shall do or cause to be done all things necessary to keep in full force and effect its corporate existence and that of its Restricted Subsidiaries, subject to Section 9.2(4), and, except where the failure to do so would not reasonably be expected to have a Material Adverse Effect, all rights, franchises, trademarks, licences and qualifications required for it and its Subsidiaries to carry on their respective businesses and own, lease or operate their respective properties in each jurisdiction in which they carry on business or own, lease or operate property or assets from time to time.

(2) ***Insurance.*** It shall maintain, and shall cause its Restricted Subsidiaries to maintain, insurance on its and their respective properties and assets and for the operation of its and their respective businesses with financially sound and reputable companies, in such amounts and against such risks as would be customarily obtained and maintained by a prudent owner of similar properties and assets operating a similar business in the same general areas in which the Borrower and its Subsidiaries operate, including appropriate liability insurance, business interruption insurance and third party liability insurance. It shall, as soon as possible, upon request by the Agent, provide copies of those policies to the Agent, which policies shall not be subject to any co-insurance clause. Each property insurance policy shall contain a breach of condition clause in favour of the Agent and shall include an endorsement whereby the insurers agree to give the Agent on behalf of the Lenders not less than 30 days notice of the cancellation of the policy of insurance and permit the Agent on behalf of the Lenders to cure any default which may exist under the policy. The Agent shall be named as loss payee under standard non-contributory "mortgagee", "lender" or "secured party" clauses or endorsements, as its interest may appear, in all of the Borrowers' or Restricted Subsidiaries' property insurance policies in respect of inventory of the Borrowing Base Participants, in respect of occurrences in excess of Cdn$5,000,000, and as additional insured in all of the Borrowers' or Restricted Subsidiaries' general liability insurance policies, or otherwise be assured of the availability of continuing coverage in a manner satisfactory to the Agent.

(3) ***Compliance with Laws, etc.*** It shall comply, and shall cause its Subsidiaries to comply, with all Applicable Laws and all Government Approvals required in respect of its and their respective businesses, properties, the Collateral, or any activities or operations carried out thereon including health, safety and employment standards, labour codes, the Fair Labor Standards Act of 1938, as amended (29 U.S.C. s 201 *et seq.*) to the extent applicable, and Environmental Laws, except where the failure to do the same would not reasonably be expected to have a Material Adverse Effect. If required by the Agent, acting reasonably, the Borrower shall deliver to the Agent evidence satisfactory to the Agent concerning such compliance with Applicable Laws and Government Approvals.

(4) ***Government Approvals.*** It shall, and shall cause its Subsidiaries to, obtain (to the extent not in existence on the Restatement Effective Date) and maintain, by the observance and performance of all obligations thereunder and conditions thereof, all Government Approvals required for it and them to carry on their respective businesses, except where the failure to do the same would not reasonably be expected to have a Material Adverse Effect.

(5) ***Conduct of Business.*** Except where the failure to do the same would not reasonably be expected to have a Material Adverse Effect, the Borrower shall, and shall cause each of its Subsidiaries to:

(a) conduct its business in a proper manner and maintain its books of account and records in accordance with GAAP;

(b) diligently maintain, repair, use and operate its property and premises in a commercially reasonable manner;

(c) maintain its physical assets in a condition such that each asset may be used at all times for the purpose for which it was intended; and

(d) maintain written credit policies consistent with good business practices, adhere to such policies, and collect accounts receivable in the ordinary course of business.

(6) ***Payment.*** It shall duly and punctually pay or cause to be paid all sums of money due and payable by it or any Restricted Subsidiary under this Agreement and the other Documents on the dates, at the places and in the currency and the manner set forth herein and therein.

(7) ***Litigation.*** Immediately upon becoming aware thereof, it shall (a) promptly give notice to the Agent of any Litigation or dispute, threatened or commenced, if the Litigation or dispute, if adversely determined, would reasonably be expected to have a Material Adverse Effect, (b) advise the Agent of the extent to which any adverse determination is covered by insurance, (c) provide all reasonable information requested by the Agent concerning the status of any Litigation or dispute, and (d) use reasonable efforts to bring about a reasonable and favourable resolution or disposition of the Litigation or dispute.

(8) ***Pay Claims and Taxes.*** It shall promptly pay and discharge, and shall cause its Restricted Subsidiaries to promptly pay and discharge, when due, all Taxes charged to or payable by it or them and all obligations which may result in Liens (other than Permitted Liens) on its or their properties or assets unless the relevant Tax or obligation is being actively and diligently contested in good faith by appropriate proceedings and is adequately reserved against in accordance with GAAP.

(9) ***Notice of Default, Material Adverse Change or Change in Control.*** It shall provide to the Agent (i) prompt notice of any Material Adverse Change, Default or Change in Control of which it is aware, and (ii) within 3 Business Days of the occurrence of any Material Adverse Change or Default a statement of its chief executive officer, chief financial officer, or other senior officer, which statement shall provide details about the Material Adverse Change or Default and the action taken or to be taken to remedy it.

(10) ***Notice of Default relating to Funded Debt.*** It shall provide to the Agent prompt notice in writing of the occurrence of any default in the payment of any Funded Debt to which it or any of its Restricted Subsidiaries is a party or by which it or any of its Restricted Subsidiaries is bound, where the aggregate amount of such Funded Debt exceeds Cdn$5,000,000, or in the performance of any obligation in respect of any such Funded Debt where, as a result of such default, the payment of such Funded Debt is or may be accelerated.

(11) ***Notice of Change of Information.*** It shall provide to the Agent notice in writing as soon as possible and in any event within thirty (30) days of any change in the information set out in Schedule 2.1(10).

(12) ***Auditors.*** It shall promptly give notice to the Agent of a change in its Auditors and the reasons for the change.

(13) ***Canadian Benefit and Pension Plans.***

(a) It shall use its commercially reasonable efforts to ensure that each Canadian Pension Plan described in Schedule 2.1(16) to which it or any of its Restricted Subsidiaries is a party retains its registered status under and is administered in a timely manner in all material respects in accordance with the applicable pension plan text, funding agreement, the ITA and all other Applicable Laws.

(b) It shall use its commercially reasonable efforts to obtain and to provide the Agent with written confirmation from the applicable Governmental Authorities that each Canadian Pension Plan adopted by it or any of its Restricted Subsidiaries after the Restatement Effective Date which is required to be registered under the ITA or any other Applicable Law has been registered without condition. From and after the adoption and registration of any Canadian Pension Plan, it shall use its commercially reasonable efforts to ensure that the plan retains its registered status under and is administered in all material respects in accordance with the applicable pension plan text, funding agreement, the ITA and all other Applicable Laws.

(c) It shall cause all reports and disclosures relating to any Canadian Pension Plan that are required by the plan or any Applicable Laws to be filed or distributed in a timely manner.

(d) It shall perform in all material respects all obligations (including fiduciary, funding, investment and administration obligations) required to be performed in connection with each Canadian Pension Plan and Canadian Benefit Plan and the funding media therefor; make all contributions and pay all premiums required to be made or paid by it in accordance with the terms of the plan and all Applicable Laws; and withhold by way of authorized payroll deductions or otherwise collect and pay into the plan all employee contributions required to be withheld or collected by it in accordance with the terms of the plan and all Applicable Laws.

(14) ***Public Market Filings.*** It shall promptly deliver or otherwise make available to the Agent Sufficient Copies of all notices, reports, press releases, circulars, offering documents and other documents filed by it with, or delivered by it to, on a non-confidential basis, the Ontario Securities Commission or to a comparable Governmental Authority in any other jurisdiction.

(15) ***Visitation and Inspection.*** At any time and from time to time as often as is reasonably necessary upon reasonable notice by the Agent, it will permit, and will cause each of its Restricted Subsidiaries to permit, any officer, agent or other representative of the Agent or the

Lenders, at the Borrowers' expense, to (i) examine and make copies of any abstracts from its or their respective books, accounts, records, ledgers and assets of every kind and description, (ii) enter into and inspect its properties and the properties of its Restricted Subsidiaries and any Collateral located thereat or at any other property controlled by it or any of its Restricted Subsidiaries where Collateral may be located, (iii) discuss the business, operations, properties, finances, accounts and financial and other condition of such Borrower and its Restricted Subsidiaries with its and their officers and employees and with its Auditors. Non-public information obtained by the Agent or the Lenders pursuant to the foregoing shall be dealt with in accordance with Section 14.10.

(16) ***Cure Defects***. It shall effect and maintain all material registrations, recordings and filings necessary to perfect and maintain the priority and enforceability of the Liens on its assets and those of its Restricted Subsidiaries in favour of the Agent on behalf of the Lenders, and effect and maintain all other registrations as may be specified by the Agent acting reasonably in order to perfect and maintain the priority and enforceability of such Liens. It shall promptly cure or cause to be cured any defects in the execution and delivery of any of the Documents or any defects in the validity or enforceability of any of the Liens on its assets or those of its Restricted Subsidiaries in favour of the Agent on behalf of the Lenders, and at its expense, execute and deliver or cause to be executed and delivered, on terms substantially similar to the Documents executed on the Restatement Effective Date, all such agreements, instruments and other documents as the Majority Lenders may consider necessary for the foregoing purposes.

(17) ***Leases.*** It shall maintain and shall cause each of its Restricted Subsidiaries to maintain in good standing in all material respects each lease in respect of real property to which it or any of its Restricted Subsidiaries is a party or where Collateral may be located and it shall pay or cause to be paid all rents and other amounts when due and owing under any such lease, except to the extent (i) such rents or other amounts are being contested in good faith by proper proceedings diligently pursued and as to which adequate reserves have been established on its books or those of its Restricted Subsidiary, as applicable, and (ii) the Collateral is not at risk for forfeiture without further notice to the Borrower or Restricted Subsidiary, as the case may be.

9.2 Negative Covenants of the Borrowers

While any amount owing under this Agreement or any of the other Documents remains unpaid, other than obligations under Sections 3.17, 4.17 or 6.2 which by their terms are intended to survive termination of this Agreement, or the Agent or the Lenders have any obligations to the Borrowers under this Agreement or any of the other Documents, each of the Borrowers, with respect to itself and its Restricted Subsidiaries, covenants with the Agent and each Lender that it shall not, without the prior consent of the Majority Lenders:

(1) ***Dispositions.*** Sell, exchange, lease, transfer, assign, convey or otherwise dispose of, or permit any Restricted Subsidiary to sell, exchange, lease, transfer, assign, convey or otherwise dispose of, any of its or their respective properties or assets, except Permitted Dispositions.

(2) ***Negative Pledge.*** Assume, create or permit to exist, or permit any Restricted Subsidiary to assume, create or permit to exist, any Lien, other than Permitted Liens, in, over or on any of its or their respective undertakings, properties and assets, whether now owned or hereafter acquired

and to defend and cause each of its Restricted Subsidiaries to defend the Collateral and the right, title and interest of the Agent and the Lenders therein against all Liens, claims and demands of any other Persons whomsoever, other than Permitted Liens, and to take and cause each of its Restricted Subsidiaries to take such other action as is necessary to remove any Lien, claim or right in or to the Collateral other than Permitted Liens.

(3) ***Funded Debt.*** Create, incur, assume or permit to exist, or permit its Restricted Subsidiaries to create, incur, assume or permit to exist, any Funded Debt, except Permitted Debt.

(4) ***Amalgamation and Merger.*** Enter into, or permit any Restricted Subsidiary to enter into, any merger, amalgamation, or arrangement with any Person, except that, if, at the time thereof and immediately after giving effect thereto, no Default shall have occurred and be continuing, any of the Borrowers and the Restricted Subsidiaries may merge or amalgamate with one another or with any wholly owned Subsidiary other than a Restricted Subsidiary, including pursuant to an arrangement under the applicable incorporating statute, and any Restricted Subsidiary (other than the US Borrower) may be wound up into any Restricted Subsidiary or Borrower, provided, in all cases, the successor corporation confirms to the Agent in writing that it is either a Borrower or Restricted Subsidiary under this Agreement, as the case may be, and that it is liable, by operation of law or otherwise, for the obligations of the predecessor corporations under this Agreement and/or the other Documents.

(5) ***Fundamental Change.*** Change its business objectives, purposes or operations or amend its articles of incorporation or other constating documents, in any way which would reasonably be expected to result in a Material Adverse Effect.

(6) ***Investments and Financial Assistance.*** Make, or permit any Restricted Subsidiary to make, any Investments or grant, or permit any Restricted Subsidiary to grant, any Financial Assistance, except Permitted Investments and Permitted Financial Assistance.

(7) ***Fiscal Year End.*** Change the Fiscal Year of the Canadian Borrower.

(8) ***Transactions with Insiders***. Directly or indirectly purchase, acquire or lease any material property or services from, or sell, transfer or lease any material property or services to, or permit any Restricted Subsidiary to purchase, acquire or lease any material property or services from, or sell, transfer or lease any material property or services to, any Person not at arm's length with it other than another Borrower or Restricted Subsidiary, except at prices and on terms not less favourable to it or its Restricted Subsidiary, as the case may be, than those which would have been obtained in an arm's length transaction with an arm's length purchaser. Notwithstanding the foregoing, each of the Borrowers and their Restricted Subsidiaries may make financial accommodations for employees in connection with housing loan programs, stock option or purchase plans other similar employee benefit programs.

(9) ***Funding of Losses.*** Make, or permit or authorize any Restricted Subsidiary to make, payments in excess of Cdn$15,000,000 per annum in the aggregate for losses (whether capital or earnings) relating to or arising out of discontinued operations.

(10) ***Capital Expenditures.*** Make or commit to make, or permit any Restricted Subsidiary to make or commit to make, in any Fiscal Year, any capital expenditures unless (a) after such capital expenditures the cumulative capital expenditures will not exceed Cdn$100,000,000 in the aggregate for the Canadian Borrower on a consolidated basis during any three-year period, with the first three-year period commencing at the start of Fiscal Year 2007, or (b) after such capital expenditures the Net Cash Balance will be greater than Cdn$50,000,000 (based on projections of the Canadian Borrower on a consolidated basis at the time of the commitment where such capital expenditures are committed in advance). For the purposes of this Section 9.2(10), (a) any capital expenditures paid for with proceeds received in respect of fixed assets pursuant to any Permitted Disposition will be deducted from the cumulative capital expenditures for the purposes of Section 9.2(10) up to the amount of such proceeds received during the relevant period; and (b) capital expenditures financed with Debt in respect of which recourse (including in respect of any covenant to pay such Debt) is limited to the asset being financed will not be included to the extent of such Debt.

(11) ***Acquisitions.*** Directly or indirectly, in any transaction or series of related transactions, acquire or permit any Restricted Subsidiary to acquire any going concern business or all or substantially all the assets of or securities issued by any Person, whether through purchase, merger, amalgamation or otherwise, unless (a) the prior written consent of the Majority Lenders has been obtained, or (b) the aggregate acquisition cost, for any one acquisition, is less than Cdn$20,000,000 and the cumulative aggregate acquisition cost in any Fiscal Year is less than Cdn$30,000,000, or (c) after such acquisition the Net Cash Balance will be greater than Cdn$50,000,000 (based on projections of the Canadian Borrower on a consolidated basis at the time of the commitment to make such acquisition). For greater certainty, nothing herein shall restrict the ability of any Borrower or Restricted Subsidiary to create a new Subsidiary.

(12) ***Business Outside Certain Jurisdictions***. Have, or permit any Restricted Subsidiary to have, any place of business or keep or store, or permit any Restricted Subsidiary to keep or store, any tangible property outside of those jurisdictions set forth in Schedule 2.1(10) unless (i) it provides prompt written notice to the Agent of the new jurisdiction; and (ii) it or the Restricted Subsidiary promptly does all such acts and things and executes and delivers all such deeds, transfers, assignments and instruments as the Agent may reasonably require for perfecting a Lien in favour of the Agent on behalf of itself and the Lenders in such new jurisdiction with the same scope as the Liens granted to the Agent on the Restatement Effective Date.

(13) ***Prepayment of Funded Debt.*** Make or permit any Restricted Subsidiary to make any payments in respect of any Funded Debt at any time before such payments are due in accordance with the terms of the agreements or instruments governing same, unless (a) the aggregate amount of such payments in any Fiscal Year is less than US$20,000,000, or (b) immediately after such payments the Net Cash Balance will be greater than Cdn$50,000,000; provided that before and after making any such payments, no Default has occurred or would be reasonably expected to occur.

(14) ***Margin Regulations.*** No part of the proceeds of any Loans, and no other extensions of credit to the US Borrower hereunder, will be used for "buying" or "carrying", or to extend credit to others for the purpose of "buying" or "carrying", any "margin stock" within the respective meanings of each of the quoted terms under Regulation U of the Board of Governors of the

Federal Reserve System, as now and from time to time hereafter in effect or for any purpose that violates the provisions of Regulations U or X of said Board.

(15) ***Postponed Subsidiary Debt.*** Make or permit any Restricted Subsidiary to make any payments on account of Postponed Subsidiary Debt.

(16) ***Distributions.*** At any time on or after the Canadian Borrower has elected to use the EBITDA Adjustment in calculating the Consolidated Fixed Charge Coverage Ratio and subject to the proviso in the last sentence of this Section 9.2(16), make, directly or indirectly, any Distributions other than by way of issuance of fully paid capital stock of the Canadian Borrower, except that the Canadian Borrower may pay a cash dividend in a Fiscal Quarter if the Borrowing Base Surplus, calculated based upon the most recent Borrowing Base Certificate delivered in accordance with this Agreement, is greater than four (4) times the declared cash dividend for such Fiscal Quarter. Provided that if the Canadian Borrower elects to use the EBITDA Adjustment in calculating the Consolidated Fixed Charge Coverage Ratio and thereafter elects to no longer use the EBITDA Adjustment in such calculation, this negative covenant in Section 9.2(16) shall no longer apply.

9.3 Financial Covenants

While any amount owing under this Agreement or any of the other Documents remains unpaid, other than obligations under Sections 3.17, 4.17 or 6.2 which by their terms are intended to survive termination of this Agreement, or the Agent or the Lenders have any obligations to the Borrowers under this Agreement or any of the other Documents, the Canadian Borrower covenants with the Agent and each Lender as follows:

(1) ***Fixed Charge Coverage.*** It shall maintain a Consolidated Fixed Charge Coverage Ratio of not less than 1.1:1, measured at the end of each Fiscal Quarter.

(2) ***Current Ratio.*** It shall maintain a Consolidated Current Ratio of not less than 1.5:1, measured at the end of each Fiscal Quarter.

(3) ***Net Worth.*** It shall maintain Consolidated Tangible Net Worth, measured at the end of each Fiscal Quarter, of not less than Cdn$600,000,000.

9.4 Accounting, Financial Statements and Other Information

While any amount owing under this Agreement or any of the other Documents remains unpaid, other than obligations under Sections 3.17, 4.17 or 6.2 which by their terms are intended to survive termination of this Agreement, or the Agent or the Lenders have any obligations to the Borrowers under this Agreement or any of the other Documents, the Borrowers covenant with each Lender and the Agent as follows:

(1) ***General.*** Each Borrower and its Subsidiaries shall maintain and administer a system of accounting controls and procedures in a manner that will ensure that its and their financial statements will be prepared in accordance with GAAP consistently applied and shall set aside on their respective books all reserves as GAAP shall require.

(2) ***Monthly Reports***. The Canadian Borrower shall provide the Agent with Sufficient Copies of the following reports on a monthly basis, promptly upon availability, and in any event within 30 days of the end of each month in each Fiscal Year, and, in the case of the reports provided for in Sections 9.4(2)(a) and 9.4(2)(b), if a Default has occurred and is continuing, promptly on a demand therefor by the Agent:

(a) a Borrowing Base Certificate, calculated as at the most recent month end;

(b) a summary aged listing of Eligible Accounts and a summary statement of Eligible Inventory, each reconciled to the consolidated general ledger of the Canadian Borrower; and

(c) unaudited consolidated financial statements for the Canadian Borrower, prepared in accordance with GAAP (including a balance sheet and statements of cash flow and changes in financial position), incorporating month and Fiscal Year-to-date comparisons to budget and to the previous Fiscal Year.

(3) ***Quarterly Reports – Canadian Borrower.*** The Canadian Borrower shall provide the Agent with Sufficient Copies of the following reports, promptly upon availability, and in any event within 45 days of the end of each of the first three Fiscal Quarters in each Fiscal Year:

(a) a duly executed Compliance Certificate; and

(b) management discussion and analysis supporting the financial statements delivered in connection with such Fiscal Quarter.

(4) ***Quarterly Reports – US Borrower.*** The US Borrower shall provide the Agent with Sufficient Copies, promptly upon availability, and in any event within 45 days of the end of each of the first three Fiscal Quarters in each Fiscal Year, of unaudited consolidated financial statements for the US Borrower, prepared in accordance with GAAP (including a balance sheet and statements of cash flow and changes in financial position).

(5) ***Annual Reports – Canadian Borrower.*** The Canadian Borrower shall provide the Agent with Sufficient Copies of the following reports, in a form and scope acceptable to Agent, acting reasonably, promptly upon availability, and in any event within 90 days of the end of each Fiscal Year:

(a) audited annual consolidated financial statements for the Canadian Borrower, prepared in accordance with GAAP, duly certified by its board of directors, together with a report of its Auditors whose report shall contain no qualifications except those satisfactory to the Agent, acting reasonably. The Agent will respond to any request for its approval to any qualification in a timely manner;

(b) a duly executed Compliance Certificate; and

(c) a duly executed Priority Payables Certificate.

(6) *Annual Reports – US Borrower.* The US Borrower shall provide the Agent with Sufficient Copies, in a form and scope acceptable to Agent, acting reasonably, promptly upon availability, and in any event within 90 days of the end of each Fiscal Year, of unaudited annual consolidated financial statements of the US Borrower prepared in accordance with GAAP.

(7) *Annual Budget.* The Canadian Borrower shall provide the Agent with, promptly upon availability, and in any event by February 28 of each year, Sufficient Copies of the Annual Budget for the then current Fiscal Year.

(8) *Other Information.* The Borrowers shall provide the Agent with Sufficient Copies of such other reports and information regarding the operations, business, assets and financial condition of the Borrowers and their respective Subsidiaries as the Agent may reasonably request, and shall deliver or make available to the Agent a copy of all financial statements that are delivered to shareholders within 10 Business Days after delivery to shareholders. Each of the statements required by Sections 9.4(2)(c) and 9.4(4) shall set forth in comparative form the corresponding figures for the corresponding period of the preceding fiscal period (if any), all in reasonable detail.

9.5 Environmental Matters

(1) *General Environmental Representations and Warranties.* Each Borrower represents and warrants, with respect to itself, and each of its Subsidiaries, to and in favour of the Agent and the Lenders that, except as described in Schedule 9.5, and except with respect to matters which would not reasonably be expected to have a Material Adverse Effect:

(a) all property and facilities used in the business of such Borrower or its Subsidiaries are being owned, leased, managed, controlled or operated by such Borrower and its Subsidiaries in material compliance with the covenants contained in clauses(a) and (b) of Subsection 9.5(2); and

(b) there are no existing, pending or, to the knowledge of such Borrower, threatened Environmental Claims against such Borrower or any of its Subsidiaries.

(2) *Environmental Covenants.* So long as any Obligations remain payable, other than obligations under Sections 3.17, 4.17 or 6.2 which by their terms are intended to survive termination of this Agreement, or a Borrower may be or become entitled to any Advance, each of the Borrowers covenants and agrees with the Agent and the Lenders that it will, and where expressly noted it will ensure that each of its Subsidiaries will, duly perform and comply with each of the following covenants:

(a) **Environmental Compliance System**. Such Borrower and each of its Subsidiaries will maintain a system to monitor continued compliance with all material Environmental Laws;

(b) **Comply with Environmental Laws**. Such Borrower and each of its Subsidiaries will (A) manage and operate the property and facilities used in its and their business in material compliance with all Environmental Laws; (B) maintain all authorizations and make all registrations required under all Environmental Laws in relation to the property and facilities used in its or their business in material compliance therewith; and (C) store, treat, transport, generate, otherwise handle and dispose of all Hazardous Materials and Waste owned, managed or controlled by it or them in material compliance with all Environmental Laws; provided that, it shall not constitute a Default where any such failure or non-compliance would not reasonably be expected to have a Material Adverse Effect;

(c) **Audits.** Promptly, (i) if the Agent has a good faith concern that there is material non-compliance by such Borrower or any of its Subsidiaries with Environmental Laws which could reasonably be expected to have a Material Adverse Effect, conduct such environmental audits (by an environmental auditor or auditors approved by the Agent, such approval not to be unreasonably withheld, and at the Borrowers' expense) concerning such alleged material non-compliance as the Agent may request, and permit the Agent and the Lenders to discuss such audits with such auditors, and (ii) remedy any material non-compliance with Environmental Laws revealed by any such audit which would reasonably be expected to have a Material Adverse Effect; and

(d) **Notice of Environmental Claims.** As soon as practicable, but in any event within 30 Business Days of any senior officer of such Borrower becoming aware of any Environmental Claim against such Borrower or any Subsidiary of such Borrower which would reasonably be expected to have a Material Adverse Effect, such Borrower will advise the Agent and the Lenders in writing of (A) such Environmental Claim and (B) any remedial action to be taken by such Borrower or any Subsidiary of such Borrower in respect of such Environmental Claim.

SECTION 10 – DEFAULT AND ENFORCEMENT

10.1 Events of Default

The occurrence of one or more of the following events or circumstances constitutes an Event of Default under this Agreement:

(1) ***Non-payment of Principal.*** Any Borrower fails to make when due, whether by acceleration, a demand for payment pursuant to Section 5.5 or otherwise, any payment of principal required to be made by the Borrower under this Agreement.

(2) ***Non-payment of Interest, Fees or Other Amounts.*** Any Borrower fails to make when due, whether by acceleration or otherwise, any payment of interest, fees, costs or any other payment required to be made by the Borrower under this Agreement or any other Document and that failure continues for five Business Days after the due date.

(3) ***Breach of Covenants, etc.*** Any Borrower fails to perform or observe:

(a) any term, condition, covenant or undertaking contained in Section 9.2 (other than Sections 9.2(2), 9.2(6), 9.2(9) or 9.2(13)) or Section 9.3; or

(b) any term, condition, covenant or undertaking contained in Sections 9.2(2), 9.2(6), 9.2(9), 9.2(13) or 9.4 and that failure is not remedied within 15 days of its occurrence; or

(c) any other term, condition, covenant or undertaking contained in any Document which is not otherwise specifically addressed in this Section 10.1 and that failure, if capable of being remedied, is not remedied within thirty days of the Borrower becoming aware of its occurrence whether by notice in writing from the Agent or otherwise.

(4) ***Breach by Restricted Subsidiaries.*** Any Restricted Subsidiary fails to perform or observe any term, condition, covenant or undertaking contained in any Document which is not otherwise specifically addressed in this Section 10.1 and that failure, if capable of being remedied, is not remedied within thirty days of the Borrower or Restricted Subsidiary becoming aware of its occurrence, whether by notice in writing from the Agent or otherwise.

(5) ***Cross-Default.*** With respect to any Funded Debt aggregating in excess of Cdn$5,000,000 (other than under any Document) of a Borrower or any of its Restricted Subsidiaries:

(a) default occurs in the payment thereof when due, whether by acceleration or otherwise and such default continues after the grace period, if any, specified in the instrument or agreement relating to such Funded Debt; or

(b) default occurs in the performance or observance of any obligation or condition with respect thereto and that default remains unremedied after any remedial period with respect thereto or any other event occurs with respect thereto, and the effect of that default or other event is to accelerate the maturity of that Funded Debt or to permit the holder or holders thereof, or any trustee or agent for the holder or holders, to cause the Funded Debt to become due and payable prior to its expressed maturity.

(6) ***Representations and Warranties.*** Any representation, warranty or statement which is made by a Borrower or any Restricted Subsidiary party thereto in any Document or which is contained in any certificate, written statement or written notice provided under or in connection with any Document or which is deemed to have been made is untrue or incorrect in any material respect when made or deemed to have been made.

(7) ***Invalidity and Contest.*** This Agreement or any of the other Documents, or any material provision hereof or thereof, shall at any time after execution and delivery hereof or thereof, for any reason, other than as a result of an act or omission of the Agent or a Lender, cease to be a legal, valid and binding obligation of any Borrower or Restricted Subsidiary party thereto or cease to be enforceable against any Borrower or Restricted Subsidiary party thereto in accordance with its terms or shall be declared to be null and void, or any security interest purported to be created by any Security Document shall cease to be a valid perfected first priority Lien over the Collateral for any reason other than an act or omission of the Agent or a Lender, subject to Permitted Liens, or as otherwise expressly provided for herein or in the Security

Document, or the legality, validity, binding nature or enforceability of this Agreement or any other Document, or any provision hereof or thereof, or the perfection or priority (subject to Permitted Liens) of any security interest purported to be created by any Security Document, shall be contested by any Borrower or Restricted Subsidiary party thereto, or any Borrower or Restricted Subsidiary party thereto shall deny that it has any further liabilities or obligations hereunder or thereunder.

(8) ***Execution***. A judgment or order for the payment of money in excess of Cdn$5,000,000 (other than a judgement covered by insurance as to which the insurance company has not disclaimed or reserved the right to disclaim coverage) is made against any Borrower or any Restricted Subsidiary by any court of competent jurisdiction and (a) a writ, execution or attachment or similar process is levied against any property of such Borrower or Restricted Subsidiary in respect of such judgment or order, or (b) the judgment or order is not actively and diligently appealed and execution thereof stayed pending appeal within 30 days of the rendering of the judgment or order, or (c) the judgment or order is not paid or otherwise satisfied within 30 days of the rendering thereof.

(9) ***Government Approval.*** Any Government Approval required to enable any Borrower or Restricted Subsidiary to conduct its business substantially as presently conducted or to perform its obligations under any Document is not obtained or is withdrawn or ceases to be in full force and effect and that required Government Approval cannot be acquired or reinstated within 30 days of the date on which the applicable Borrower or Restricted Subsidiary knew or ought to have known the Government Approval was required or withdrawn.

(10) ***Voluntary Proceedings.*** Any Borrower or any Restricted Subsidiary:

(a) commences a voluntary case under, or consents to the entry of an order for relief in an involuntary case or the conversion of an involuntary case to a voluntary case under, the United States *Federal Bankruptcy Code* or institutes any other proceedings for substantive relief in any bankruptcy, insolvency, debt restructuring, reorganization, readjustment of debt, dissolution, liquidation, winding-up or other similar proceedings (including proceedings under the *Bankruptcy and Insolvency Act* (Canada), the *Winding-up and Restructuring Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the incorporating statute of the relevant corporation or other similar legislation of any jurisdiction, but excluding, for greater certainty, any transaction permitted under Section 9.2(4)), including proceedings for the appointment of a trustee, interim receiver, receiver, receiver and manager, administrative receiver, custodian, liquidator, provisional liquidator, administrator, sequestrator or other like official with respect to the relevant corporation or all or any material part of its property or assets;

(b) makes an assignment for the benefit of creditors;

(c) is unable or admits in writing its inability to pay its debts as they become due or otherwise acknowledges its insolvency or commits any other act of bankruptcy or is taken to be insolvent under any applicable legislation;

(d) voluntarily suspends the conduct of its business or operations, except as permitted in accordance with Section 9.2(4);

or acquiesces to, or takes any action in furtherance of, any of the foregoing.

(11) ***Involuntary Proceedings.*** If any third party in respect of any Borrower or any Restricted Subsidiary:

(a) makes any application under the *Companies' Creditors Arrangement Act* (Canada) or similar legislation of any jurisdiction;

(b) files a proposal or notice of intention to file a proposal under the *Bankruptcy and Insolvency Act* (Canada) or similar legislation of any jurisdiction;

(c) institutes a winding-up proceeding under the *Winding-up and Restructuring Act* (Canada), any relevant incorporating statute or any similar legislation of any jurisdiction;

(d) presents a petition in bankruptcy under the *Bankruptcy and Insolvency Act* (Canada), files an involuntary case under the United States *Federal Bankruptcy Code* or presents a petition in bankruptcy under any similar legislation of any jurisdiction; or

(e) files, institutes or commences any other petition, proceeding or case under any other bankruptcy, insolvency, debt restructuring, reorganization, incorporation, readjustment of debt, dissolution, liquidation, winding-up or similar law now or hereafter in effect in any jurisdiction, seeking bankruptcy, liquidation, reorganization, dissolution, winding-up, composition or readjustment of debt of such Borrower or Restricted Subsidiary, the appointment of a trustee, interim receiver, receiver, receiver and manager, administrative receiver, custodian, liquidator, provisional liquidator, administrator, sequestrator or other like official for such Borrower or Restricted Subsidiary or any material part of its assets or any similar relief;

and if the application, filing, proceeding, petition or case is not contested by *bona fide* action on the part of the applicable corporation and is not dismissed, stayed or withdrawn within 45 days of commencement thereof.

(12) ***Creditor Action.*** Any secured creditor, encumbrancer or lienor, or any trustee, interim receiver, receiver, receiver and manager, administrative receiver, agent, bailiff or other similar official appointed by any secured creditor, encumbrancer or lienor, takes possession of, forecloses, seizes, retains, sells or otherwise disposes of, or otherwise proceeds to enforce security over, all or a substantial part of the assets of any Borrower or any Restricted Subsidiary.

(13) ***Material Adverse Effect.*** At any time there occurs an event or circumstance, which has a material adverse effect on the business, operations, property or financial or other condition of the Borrowers and the Restricted Subsidiaries, taken as a whole and, in addition, in the case of inventory adjustments or devaluations resulting from fluctuations in commodity prices, the

ability of the Borrowers and Restricted Subsidiaries to perform and discharge their obligations under this Agreement and the other Documents is materially negatively affected as a result thereof such that the Borrowers and Restricted Subsidiaries would not reasonably be expected to be able to perform and fulfill their obligations under this Agreement and the other Documents.

(14) ***Environmental Liability.*** Any Borrower or any Restricted Subsidiary incurs any environmental liability, or is required by Environmental Law to complete any remedial action, which will have or would reasonably be expected to have rectification costs, in the aggregate, in excess of Cdn$10,000,000, (except that there should be excluded therefrom all amounts covered by insurance as to which the insurance company has not disclaimed or reserved the right to disclaim coverage).

(15) ***ERISA.*** if (i) any US Plan shall fail to satisfy the minimum funding standards of ERISA or the US Code for any plan year or part thereof or a waiver of such standards or extension of any amortization period is sought or granted under Section 412 of the US Code, (ii) a notice of intent to terminate any US Plan shall have been or is reasonably expected to be filed with the U.S. Pension Benefit Guaranty Corporation ("PBGC") or the PBGC shall have instituted proceedings under ERISA Section 4042 to terminate or appoint a trustee to administer any US Plan or the PBGC shall have notified the US Borrower or any ERISA Affiliate that a US Plan may become a subject of any such proceedings, (iii) the "amount of unfunded benefit liabilities" (within the meaning of Section 4001(a)(18) of ERISA) under all US Plans, determined in accordance with Title IV of ERISA, shall exceed US$5,000,000 or its Equivalent Amount in any other currency in the aggregate, (iv) the US Borrower or any ERISA Affiliate shall have incurred or is reasonably expected to incur any liability pursuant to Title I or IV of ERISA or the penalty or excise tax provisions of the US Code relating to employee benefit plans, (v) the US Borrower or any ERISA Affiliate withdraws from any Multiemployer Plan, or (vi) the US Borrower or any Subsidiary establishes or amends any employee welfare benefit plan that provides post-employment welfare benefits in a manner that could increase the liability of the U.S. Borrower or any Subsidiary thereunder; and any such event or events described in clauses (i) through (vi) above, either individually or together with any other such event or events, would reasonably be expected to have a Material Adverse Effect. As used in this clause, the terms "**employee benefit plan**" and "**employee welfare benefit plan**" shall have the respective meanings assigned to such terms in Section 3 of ERISA;

10.2 Rights upon Default and Event of Default

(1) ***Rights Upon Default.*** Upon the occurrence of a Default, the Agent may, and shall, upon the instructions of the Majority Lenders, on notice to the Borrowers, declare that the ability of the Borrowers to make any further borrowing under the Credit Facility shall be suspended pending the remedying of the Default.

(2) ***Automatic Termination and Acceleration.*** Upon the occurrence of an Event of Default pursuant to Sections 10.1(10)(a), 10.1(10)(b), 10.1(11)(d) or 10.1(11)(e) with respect to any case or proceeding under the United States Bankruptcy Code, the Lenders' obligations to make Advances shall be automatically and immediately terminated and the entire principal amount of all Advances outstanding, all unpaid accrued interest and all fees and other amounts required to be paid by the Borrowers hereunder shall be automatically and immediately due and payable,

without the necessity of presentment for payment, notice of non-payment and of protest (all of which are hereby expressly waived).

(3) ***Termination and Acceleration.*** Upon the occurrence of an Event of Default pursuant to Sections 10.1(10) or 10.1(11) the Agent shall, and upon the occurrence of any other Event of Default and for so long as the other Event of Default shall continue, the Agent may, and shall upon the instructions of the Majority Lenders, without notice to the Borrowers, do either or both of the following:

(A) declare that the Commitments have terminated and that the Lenders' obligations to make Advances have terminated; and

(B) declare the entire principal amount of all Advances outstanding, all unpaid accrued interest and all fees and other amounts required to be paid by the Borrowers hereunder to be immediately due and payable without the necessity of presentment for payment, notice of non-payment and of protest (all of which are hereby expressly waived) and proceed to exercise any and all rights and remedies hereunder and under any other Document or otherwise permitted by law.

(4) ***Effect of Acceleration or Declaration.*** From and after the occurrence of an Event of Default as provided for in Section 10.2(2) or the issuance of any declaration referred to in Section 10.2(3), no Lender shall be required to honour any cheque or other instrument presented to it by a Borrower regardless of the date of issue or presentation. Immediately upon the occurrence of an Event of Default as provided for in Section 10.2(2) or receipt of a declaration under Section 10.2(3), the Borrowers shall pay to the Agent, on behalf of the Lenders, all amounts outstanding hereunder including an amount equal to the face amount of all Bankers' Acceptances which have not matured and the maximum amount payable under all outstanding Letters of Credit, which amounts shall be held by the Agent in a non-interest bearing account as collateral security for the applicable Borrower's obligations with respect to those Bankers' Acceptances and Letters of Credit. If the Borrowers do not pay any such amount so required to be paid, the applicable Lenders shall have the option at any time, without notice to the Borrowers, in the case of the Canadian Lenders, to make an Advance of a Prime Loan or USBR Loan (depending on the currency of the relevant instrument), and, in the case of the US Lenders, to make an Advance of a US Prime Loan, to the applicable Borrower equal to that amount, such Advance to bear interest at the rates specified in this Agreement for such Loans. The proceeds of such Advance shall be held by the Agent in the non-interest bearing account as collateral security for the applicable Borrower's obligations under the Bankers' Acceptances or Letters of Credit. The applicable Borrower shall execute such security documents with respect to those Bankers' Acceptances or Letters of Credit and any amounts paid or held in respect thereof as the Agent shall require.

10.3 Waiver of Default

No express or implied waiver by the Agent and the Lenders or any of them of any Default shall in any way be or be construed to be a waiver of any future or subsequent Default.

To the extent permitted by Applicable Law, each of the Borrowers hereby waives any rights now or thereafter conferred by statute or otherwise, which may limit or modify any of the Agent's or the Lenders' rights or remedies under any Document. Each of the Borrowers acknowledges and agrees that the exercise by the Agent or any Lender of any rights or remedies under any Document without having declared an acceleration shall not in any way alter, affect or prejudice the right of the Agent and the Lenders to make a declaration pursuant to Section 10.2 at any time and, without limiting the foregoing, shall not be construed as or deemed to constitute a waiver of any rights under Section 10.2.

SECTION 11 – REMEDIES

11.1 Remedies Cumulative

For greater certainty, the rights and remedies of the Agent and the Lenders under this Agreement and the other Documents are cumulative and are in addition to and not in substitution for any rights or remedies provided by law or by equity. Any single or partial exercise by the Agent or any Lender of any right or remedy upon the occurrence of an Event of Default shall not be deemed to be a waiver of, or to alter, affect or prejudice any other right or remedy to which the Agent or the Lenders may be lawfully entitled as a result of the Event of Default, and any waiver by the Agent or any Lender of the strict observance of, performance of or compliance with any term, covenant, condition or agreement herein contained, and any indulgence granted thereby, either expressly or by conduct, shall be effective only in the specific instance and for the purpose for which it is given and shall be deemed not to be a waiver of any subsequent Event of Default.

11.2 Sharing of Information

Each of the Borrowers authorizes the Agent and the Lenders to share among each other any information possessed by any of them regarding the Borrowers.

11.3 Remedies Not Limited

The Agent on behalf of itself and the Lenders may, to the extent permitted by Applicable Law, bring suit at law, in equity or otherwise, for any available relief or purpose including: (1) the specific performance of any covenant or agreement contained in this Agreement or in any other Document; (2) an injunction against a violation of any of the terms of this Agreement or any other Document; (3) in aid of the exercise of any power granted by this Agreement or any other Document or by law; or (4) the recovery of any judgment for any and all amounts due in respect of the Obligations.

11.4 Sharing of Proceeds Among the Lenders

The Lenders agree among themselves that, except as otherwise contemplated by the provisions of this Agreement, upon the occurrence and during the continuation of an Event of Default, all sums received by the Canadian Lenders or the US Lenders for application against amounts owing by the Canadian Borrower or the US Borrower, as the case may be, under this Agreement (whether received by voluntary payment, by the exercise of any right of set-off, or by counterclaim, cross-action or as proceeds of realization of any security), after payment to the Agent of its fees and disbursements, shall be shared by each such Lender as nearly as possible in accordance with each such Lender's Rateable Portion of the Credit Facility.

11.5 Set-Off, etc.

Upon the occurrence and during the continuation of an Event of Default, the Agent, each Lender and each of their respective branches and offices are hereby authorized by each of the Borrowers from time to time, upon notice to the applicable Borrower and, in the case of any Lender, to the Agent, to: (1) set off and apply any and all amounts owing by the Agent or any Lender or any of their respective branches or offices to any Borrower (whether payable in Canadian Dollars or any other currency - and any amounts so owing in any other currency may be converted into one or more currencies in which the Obligations are denominated at such rate or rates as the party may be able to obtain, acting reasonably - whether matured or unmatured, and in the case of deposits, whether general or special, time or demand and however evidenced) against and on account of the Obligations (whether or not any declaration under Section 10.2 has been made and whether or not those Obligations are unmatured or contingent); (2) hold any amounts owing by the Agent or any Lender as collateral to secure payment of the Obligations owing to it to the extent that those amounts may be required to satisfy any contingent or unmatured Obligations owing to it; and (3) return as unpaid for insufficient funds any and all cheques and other items drawn against any deposits so held as the Agent or any Lender in its sole discretion may elect.

SECTION 12– THE AGENT AND THE LENDERS

12.1 Authorization of Agent

Each of the Lenders, the Swing Line Lenders and the Fronting Lenders irrevocably appoints and authorizes the Agent to take all action as agent on its behalf and to exercise those powers and perform those duties under this Agreement and the other Documents as are delegated to the Agent by the terms thereof, together with all powers reasonably incidental thereto. As to any matters not expressly provided for by this Agreement or the other Documents, the Agent is not required to exercise any discretion or to take any action, but is required to act or to refrain from acting (and is fully protected in so acting or refraining from acting) upon the instructions of the Majority Lenders (or, where required by the express terms of this Agreement, a greater proportion of the Lenders). Notwithstanding anything to the contrary in this Agreement and the other Documents, the Agent shall never be required to take any action which is contrary to this Agreement, the other Documents or Applicable Law. No Lender shall have any right of action whatsoever against the Agent as a result of the Agent acting or refraining from acting under this Agreement in accordance with the terms and conditions of this Section 12.

12.2 Action by Agent

As between the Agent and the Lenders, the Swing Line Lenders and the Fronting Lenders, the Agent shall have the right, subject to the provisions of this Agreement, and without restricting the generality of this Agreement, to take such actions as the Agent deems necessary or refrain from taking those actions, or to give agreements, consents, approvals, or instructions to any Borrower on behalf of the Lenders, the Swing Line Lenders and the Fronting Lenders in respect of all matters referred to in or contemplated by this Agreement. Each Lender agrees that any action taken by the Agent or the Majority Lenders (or, where required by the express terms of this Agreement, a greater proportion of the Lenders) in accordance with the provisions of this Agreement or of the other Documents, and the exercise by the Agent or the Majority Lenders (or, where so required, such greater proportion) of the powers set forth herein or therein, together with such other powers as are reasonably incidental thereto, shall be authorized and binding upon all of the Lenders. Without limiting the generality of the foregoing, as between the Agent and the Lenders, the Agent shall have the sole and exclusive right and authority to (1) act as the disbursing and collecting agent for the Lenders with respect to all payments and collections arising in connection herewith and with the Security Documents; (2) execute and deliver each Document and accept delivery of each such agreement delivered by any Borrower or any of its Subsidiaries; (3) act as collateral agent for the Lenders, the Swing Line Lenders and the Fronting Lenders for purposes of the perfection of all security interests and Liens created by such agreements and all other purposes stated therein; (4) manage, supervise and otherwise deal with the Collateral; (5) take such action as is necessary or desirable to maintain the perfection and priority of the security interests and Liens created or purported to be created by the Security Documents; and (6) except as may be otherwise specifically restricted by the terms hereof or of any other Document, exercise all remedies given to the Agent and the Lenders, the Swing Line Lenders and the Fronting Lenders with respect to the Collateral under the Documents relating thereto, Applicable Law or otherwise.

12.3 Arrangements for Advances

The Agent shall give notice to each Lender, promptly in writing upon receipt by the Agent of any notice given under this Agreement, which affects such Lender. The Agent shall advise each Lender of the amount, date and details of each Advance and of each Lender's participation in each Advance. At or before 1:00 p.m. on the Drawdown Date, each Lender will make its participation available to the Borrower at the Agent's Account for Payments and, for greater certainty, Bankers' Acceptances shall be accepted by the Canadian Lenders at their respective Lending Offices.

12.4 Arrangements for Repayment of Advances

All payments made by or on behalf of any Borrower and received by the Agent, whether before or after the exercise of any rights arising under Section 10.2, shall be paid to each Lender in accordance with its entitlement under this Agreement. Payment by the Agent shall be made promptly following receipt and, in any event, the Agent shall use its reasonable efforts to pay to each Lender at the applicable Lender's Lending Office the applicable amount on the same Business Day as the amount is received by the Agent.

12.5 Lenders Bound by Decision to Exercise Remedies

Each Lender agrees to be bound by a decision of the Majority Lenders to exercise the rights and remedies provided in this Agreement. Each Lender shall, subject to Applicable Law, do all acts and things as may be necessary or reasonable to enable the Agent to act pursuant to any decision.

12.6 Deemed Repayment and Funding

(1) ***Assumption re Payments.*** Unless the Agent has been notified in writing by a Borrower at least 1 Business Day before the date on which any payment to be made by such Borrower under this Agreement is due that such Borrower does not intend to remit the payment, the Agent may, in its discretion, assume that such Borrower has remitted the payment when so due and the Agent may, in its discretion and in reliance upon that assumption, make available to each of the applicable Lenders on the payment date an amount equal to its Rateable Portion of the assumed payment. If such Borrower does not in fact remit that payment to the Agent, the Agent shall promptly notify each affected Lender and each affected Lender shall forthwith on demand pay to the Agent the amount of the assumed payment made available to the affected Lender, together with interest thereon until the date of repayment thereof at a rate determined by the Agent (the determination to be conclusive and binding on such Lender) in accordance with the Agent's usual banking practice for similar advances to financial institutions of like standing to that Lender, and, in any event, at a rate no greater than the usual interbank offered rate for the sale of deposits in the applicable currency.

(2) ***Assumption re Advances.*** Unless the Agent has been notified in writing by a Lender at least one (1) Business Day before a Drawdown Date that the Lender does not intend to make available its Rateable Portion of an Advance to be made available on the Drawdown Date, the Agent may, in its discretion, assume that the Lender has remitted to the Agent funds in an amount equal to its Rateable Portion of the Advance and the Agent may, in its discretion and in reliance upon that assumption, make available to the applicable Borrower on the Drawdown Date an amount equal to the Lender's Rateable Portion of that Advance. If the Lender does not in fact remit such funds to the Agent, the Agent shall promptly notify that Lender, and that Lender shall forthwith pay to the Agent the amount made available by the Agent on behalf of that Lender, together with interest thereon until the date of repayment thereof at a rate determined by the Agent (the determination to be conclusive and binding on that Lender) in accordance with the Agent's usual banking practice for similar advances to financial institutions of like standing to that Lender, but, in any event, at a rate no greater than the usual interbank offered rate for the sale of deposits in the applicable currency. If such delinquent Lender fails to make the foregoing payment of principal and interest, if any, to the Agent, the applicable Borrower shall, as soon as possible and in any event within one (1) Business Day of receipt of a demand therefore from the Agent (provided that if such demand is received after 9:30 a.m. on any Business Day it shall be deemed to have been received on the next Business Day), repay such amount to the Agent together with all interest accrued thereon until the time of payment.

12.7 Responsibility of Agent

The Agent makes no representation or warranty, and accepts no responsibility, with respect to the due execution, legality, validity, sufficiency or enforceability of any Document or any other instrument or document referred to herein or relative hereto. The Agent assumes no responsibility for the financial condition of any Borrower or for the repayment of any of the Advances. The Agent assumes no responsibility with respect to the accuracy, authenticity, legality, validity, sufficiency or enforceability of any documents, papers, materials or other information furnished by any Borrower or any other Person to the Agent or to any Lender in connection with any of the Documents or any matter referred to therein. Except for its gross negligence or wilful misconduct, the Agent shall incur no liability to the Lenders under or in respect of this Agreement or any of the other Documents with respect to anything which it may do or refrain from doing in the reasonable exercise of its judgment or which may seem to it to be necessary or desirable in the circumstances. The Agent assumes no responsibility for the repayment of any of the Advances or other amounts outstanding under this Agreement or any of the other Documents by any Borrower.

12.8 Acknowledgement of Lenders

(1) ***Independent Appraisal of Borrower.*** Each Lender acknowledges to the Agent that it has been, and will continue to be, solely responsible for making its own independent appraisal of and investigation into the financial condition, creditworthiness, affairs, status and nature of the Borrowers and, accordingly, each Lender confirms to the Agent that it has not relied, and will not hereafter rely on the Agent:

(a) to check or enquire on its behalf into the adequacy, accuracy or completeness of any information provided by the Borrowers or in connection with any of the Documents (whether or not the information has been or is hereafter circulated to the Lender by the Agent);

(b) to enquire as to the performance by the Borrowers or any Restricted Subsidiaries of their respective obligations under any of the Documents; or

(c) to assess or keep under review on its behalf the financial condition, creditworthiness, affairs, status or nature of the Borrowers.

(2) ***No Fiduciary Obligations.*** Each Lender acknowledges to the Agent that the Agent is not a fiduciary in respect of the Lender, and owes no fiduciary duties or obligations to the Lender under or by virtue of this Agreement or otherwise.

12.9 Successor Agent

The Agent may resign at any time by giving written notice thereof to each of the Lenders and the Borrowers. Upon any resignation, the Majority Lenders shall have the right to appoint a successor agent with the written approval of the Borrowers (that approval not to be unreasonably withheld). If no successor agent has been appointed by the Majority Lenders and accepted that appointment within 30 days after the retiring agent gives notice of its resignation, then the retiring agent may, on behalf of the Lenders and with the written approval of the Borrowers (that approval not to be unreasonably withheld), appoint a successor agent. If no successor agent has been appointed pursuant to the foregoing within the 30 days following the giving of notice of resignation by the retiring agent, the resignation shall nonetheless then become effective and the Majority Lenders shall perform the duties of agent hereunder until they appoint a successor agent. Any successor agent appointed under this Section 12.9 shall be a Lender, which has a Lending Office in Toronto, Ontario. Upon the acceptance of any appointment as agent by a successor agent, the successor agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring agent. Whether or not a successor agent has been appointed, the retiring agent shall be discharged from its duties and obligations under this

Agreement upon its resignation becoming effective. After any Person's resignation under this Agreement as the agent, the provisions of this Agreement shall continue in effect for its benefit and for the benefit of the Lenders in respect of any actions taken or omitted to be taken by the Person while it was acting as the agent.

12.10 Notices between the Lenders and the Agent

All notices by a Lender to the Agent shall be through the Agent's Branch of Account and all notices by the Agent to the Lender shall be through the Lender's Lending Office.

12.11 Relations with the Borrowers

Each Lender may deal with the Borrowers in any transaction not associated with this Agreement and generally conduct any other banking business with or provide any other financial services to the Borrowers without having any liability to account to the other Lenders therefor. With respect to its Commitment as a Lender and its Rateable Portion of Advances, the Agent shall have the same rights and powers under this Agreement as any other Lender and may exercise them as though it were not the Agent. All communication between the Borrowers and any Lender in connection with this Agreement and the other Documents shall be directed through the Agent.

12.12 Reliance by Agent

The Agent shall be entitled to rely upon any writing, letter, notice, certificate, telex, telecopy, cable, statement, order or other document by or on behalf of any Lender believed by the Agent to be genuine and correct and to have been signed, sent or made by the proper Person or Persons. With respect to legal matters, the Agent may (but is not obligated to) act upon advice of legal advisers selected by the Agent, including in-house counsel of the Agent, concerning all matters pertaining to this Agreement and the other Documents and the Agent's duties under this Agreement and the other Documents, and the Agent shall assume no responsibility and shall incur no liability to any Borrower or any Lender by reason of relying on any such document or acting on any such advice.

12.13 Reimbursement of Agent's Expenses and Indemnity

Each Lender agrees to indemnify the Agent (to the extent not reimbursed by the Borrowers) in accordance with its Rateable Portion from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any nature or kind whatsoever which may be imposed on, incurred by, or asserted against the Agent in that capacity in any way relating to or arising out of this Agreement or any other Document or any action taken or omitted by the Agent under this Agreement or any other Document except for those resulting from the Agent's gross negligence or wilful misconduct. Without limiting the generality of the foregoing, each Lender agrees to reimburse the Agent promptly upon demand for that Lender's Rateable Portion of out-of-pocket expenses (including the fees and disbursements of counsel) incurred by the Agent in connection with the determination or preservation of any rights or remedies of the Agent or the Lenders under, or the enforcement of, or legal advice in respect of rights, remedies or responsibilities under, this

Agreement or the other Documents, to the extent that the Agent is not reimbursed for those expenses by the Borrowers. The obligations of the Lenders under this Section 12.13 shall survive the repayment of all Advances and the termination of the Credit Facility.

12.14 Agents Duty to Deliver Documents

The Agent shall promptly deliver to each of the Lenders, at their respective Lending Offices, all documents, papers, materials and other information as are furnished by any Borrower to the Agent on behalf of the Lenders under this Agreement, but shall have no other obligation to provide any Lender, Swing Line Lender or Fronting Lender with any credit or other information whatsoever with respect to any Borrower and shall be under no obligation to inquire as to the performance by any Borrower of its obligations under this Agreement or any other Document.

12.15 No duties as Arranger

The Arranger shall have no duties or liabilities as such under or in connection with this Agreement.

12.16 No Partnership

Nothing contained in this Agreement and no action taken pursuant to it shall be deemed to constitute the Lenders a partnership, association, joint venture or other similar entity.

12.17 Adjustments Among Lenders

(1) ***Adjustment After Exercise of Rights.*** Each Canadian Lender and US Lender agrees that, after the exercise of any rights pursuant to Section 10.2, it will at any time or from time to time, upon the request of the Agent, as required by any other Canadian Lender or US Lender, as the case may be, purchase portions of the amounts due and owing to the other Canadian Lenders or US Lenders and make any other adjustments which may be necessary or appropriate, so that the amounts due and owing to each Canadian Lender and US Lender, as adjusted under this Section 12.17, will, as nearly as possible, reflect each such Lender's Rateable Portion determined as at the date of this Agreement prior to the making of any Advance. The Tranche II Lenders acknowledge and agree that this Section 12.17(1) shall not apply to Advances under Tranche II.

(2) ***General Application.*** For greater certainty, the Lenders acknowledge and agree that, without limiting the generality of the provisions of Section 12.17(1), those provisions will have application if and whenever any Lender shall obtain any payment (whether voluntary, involuntary, through the exercise of any right of set-off or otherwise) on account of any money owing or payable by a Borrower to it in excess of its Rateable Portion thereof determined as at the date of this Agreement prior to the making of any Advance.

(3) ***Borrower Agreement.*** Each of the Borrowers agrees to be bound by and to do all things necessary or appropriate to give effect to any and all purchases and other adjustments made by and between the Lenders under this Section 12.17, but shall incur no increased liabilities by reason of such purchases or other adjustments including, without limitation, under Section 6.2(2).

12.18 Agent May Deal With Collateral

Each of the Lenders, the Swing Line Lenders and the Fronting Lenders hereby directs, in accordance with the terms hereof, the Agent to release:

(1) any Lien held by the Agent for the benefit of the Lenders, the Swing Line Lenders and the Fronting Lenders against all of the Collateral and any Guarantees held by the Agent upon termination of the Commitments and payment and satisfaction in full of all Loans and Obligations that the Agent has been notified in writing are then due and payable (and, in respect of contingent Letter of Credit Obligations, with respect to which cash collateral has been deposited or a back-up letter of credit has been issued, in either case on terms reasonably satisfactory to the Agent and, in the case of a Fronted L/C, the Fronting Lender and in the case of a Letter of Credit issued under Tranche II, the Tranche II Lenders);

(2) any Lien held by the Agent for the benefit of the Lenders, the Swing Line Lenders and the Fronting Lenders against any part of the Collateral sold or disposed of by a Borrower or Restricted Subsidiary if such sale or disposition is permitted by this Agreement (or permitted pursuant to a waiver of or consent to a transaction otherwise prohibited by this Agreement if such waiver or consent is consented to by the Majority Lenders in accordance with the terms of this Agreement); and

(3) any Guarantee and Security Documents given by any Restricted Subsidiary sold or disposed of by a Borrower or Restricted Subsidiary if such sale or disposition is permitted by this Agreement (or permitted pursuant to a waiver of or consent to a transaction otherwise prohibited by this Agreement if such waiver or consent is consented to by the Majority Lenders in accordance with the terms of this Agreement). Upon the completion of any such sale of a Restricted Subsidiary and the release of its Guarantee and Security Documents by the Agent as provided for herein, such Restricted Subsidiary shall cease to be a Restricted Subsidiary for all the purposes of this Agreement.

Each of the Lenders, the Swing Line Lenders and the Fronting Lenders hereby directs the Agent to execute and deliver or file such termination and partial release statements and do such other things as are necessary to release Liens to be released pursuant to this Section 12.18 promptly upon the effectiveness of any such release.

12.19 Indemnity of Agent

The Agent may refrain from exercising any right, power or discretion or taking any action on behalf of a Lender, Swing Line Lender or Fronting Lender to protect or enforce the rights of any Lender, Swing Line Lender or Fronting Lender under this Agreement and the Documents until it has been indemnified by such Lender, Swing Line Lender or Fronting Lender or secured to its satisfaction against any and all costs, losses, expenses or liabilities (including legal fees) which it would or might sustain or incur as a result of the action or exercise.

12.20 Agent May Debit Accounts

Each of the Borrowers authorizes and directs the Agent, in the Agent's discretion, to debit automatically, by mechanical, electronic or manual means, any bank account of the

Borrower maintained with Royal Bank (for so long as Royal Bank is Agent) for all amounts payable by the Borrower under this Agreement or any other Document, including the repayment of principal and the payment of interest, fees and all charges for the keeping of that bank account. The Agent shall notify the Borrowers as to the particulars of those debits in the normal course.

12.21 Fonde de Pouvoir

Without prejudice to the foregoing, each Lender hereby irrevocably appoints and authorizes the Agent (and any successor acting as Agent) to act as the person holding the power of attorney (*fondé de pouvoir*) (in such capacity "**Attorney**") of the Lenders as contemplated under Article 2692 of the *Civil Code of Quebec*, and to enter into, to take and to hold on their behalf, and for their benefit, any hypothec, and to exercise such powers and duties which are conferred upon the Attorney under any hypothec. Moreover, without prejudice to such appointment and authorization to act as the person holding the power of attorney as aforesaid, each Lender hereby irrevocably appoints and authorizes the Agent (and any successor acting as Agent) (in such capacity, the "**Custodian**") to act as agent and custodian for and on behalf of the Lenders to hold and to be the sole registered holder of any bond which may be issued under any hypothec, the whole notwithstanding Section 32 of the *Act respecting the special powers of legal persons (Quebec)* or any other applicable law. In this respect: (i) the Custodian shall keep a record indicating the names and addresses of, and the pro rata portion of the obligations and indebtedness secured by any pledge of any such bond and owing to each Lender, and (ii) each Lender will be entitled to the benefits of any charged property covered by any hypothec and will participate in the proceeds of realization of any such charged property, the whole in accordance with the terms hereof.

Each of the Attorney and the Custodian shall: (a) have the sole and exclusive right and authority to exercise, except as may be otherwise specifically restricted by the terms hereof, all rights and remedies given to the Attorney and the Custodian (as applicable) with respect to the charged property under any hypothec, any bond or pledge thereof relating to any hypothec, applicable laws or otherwise, (b) benefit from and be subject to all provisions hereof with respect to the Agent *mutatis mutandis*, including, without limitation, all such provisions with respect to the liability or responsibility to and indemnification by the Lenders, and (c) be entitled to delegate from time to time any of its powers or duties under any hypothec, any bond or pledge thereof relating to any hypothec, applicable laws or otherwise and on such terms and conditions as it may determine from time to time. Any person who becomes a Lender shall be deemed to have consented to and confirmed: (i) the Attorney as the person holding the power of attorney as aforesaid and to have ratified, as of the date it becomes a Lender, all actions taken by the Attorney in such capacity, and (ii) the Custodian as the agent and custodian as aforesaid and to have ratified, as of the date it becomes a Lender, all actions taken by the Custodian in such capacity.

SECTION 13 – ASSIGNS AND PARTICIPANTS

13.1 Assignment and Participation

(1) ***Benefit and Burden of this Agreement.*** This Agreement shall enure to the benefit of and be binding on the parties hereto, their respective successors and any permitted Assignees.

(2) ***Borrowers.*** None of the Borrowers may assign, delegate or transfer all or any part of its rights or obligations under this Agreement without the prior written consent of the Lenders.

(3) ***Assignment and Participation.***

(a) Any Lender (herein sometimes called a "***Granting Lender***") may grant a participation in the Credit Facility to one or more financial institutions or other entities (the "***Participant***"). If a participation is granted, the Granting Lender shall (i) give notice thereof in writing to the Agent and the Borrowers, (ii) remain fully liable for all of its obligations and responsibilities under this Agreement to the same extent as if the participation had not been granted, and (iii) administer the participation of the Participant. None of the Participant, the Borrower and the Agent shall have any rights against or obligations to one another, nor shall any of them be required to deal directly with one another in respect of the participation by a Participant. For greater certainty, Participants, as such, shall have no voting rights or rights of indemnification as "Lenders" under this Agreement.

(b) Any Lender (herein sometimes called an "***Assigning Lender***") may, with the prior consent of the Borrowers, the Agent and in the case of an assignment under Tranche I, the Fronting Lender, which consents of the Borrowers and the Agent may not be unreasonably withheld, and shall be given, if the Consenting Lenders have exercised their option referred to in Section 3.7 or the Borrowers have exercised their option referred to in Sections 3.7, 4.13(5) or 6.2(4), in respect of such Lender, with the prior consent of the Agent and in the case of an assignment under Tranche I, the Fronting Lender, which consent of the Agent may not be unreasonably withheld, assign all or any part of its rights to, and have its obligations in respect of the Credit Facility assumed by, one or more financial institutions or other entities (each an "***Assignee***"). Notwithstanding the foregoing, no consent shall be required in respect of any assignment by an Assigning Lender to its Affiliate or another Lender and no Lender shall assign all or any part of its Commitment other than to an Affiliate unless (i) in the case of a partial assignment, after such partial assignment, the Assigning Lender's Commitment would be greater than or equal to Cdn$5,000,000, and (ii) there is a concurrent assignment by the other Lender in the Assigning Lender's Related Lender Group of all or an equivalent part of its Commitment, as the case may be. An assignment shall become effective when the Borrowers and the Agent have been notified of it by the Assigning Lender and have received from the parties to the assignment an executed Assignment and Assumption Agreement substantially in the form of Schedule 13.1(3)(b) (addressed to all the parties to this Agreement) and the Agent has received from the Assignee an assignment fee of a minimum of

Cdn$3,500 per Related Lender Group per assignment. From and after the effective date specified in the Assignment and Assumption Agreement, the Assignee thereunder shall be a party hereto to the extent of the interest assigned to it thereunder and, to the extent of the interest assigned by such Assignment and Assumption Agreement (in addition to any interest theretofore held by it), shall have the rights and obligations of a Lender under this Agreement to the same extent as if it were an original party in respect of the rights or obligations assigned to it, and the Assigning Lender shall be released and discharged accordingly and to the same extent, and such Schedules as applicable shall be amended accordingly from time to time without further notice or other requirement. Each partial assignment shall be made as an assignment of a proportionate part of all of the Assigning Lender's rights and obligations under this Agreement with respect to the Advances or the Commitment assigned.

(4) ***Limitation.*** Unless a Default has occurred and is continuing, no Lender shall be entitled to grant a participation under Section 13.1(3)(a), make an assignment under Section 13.1(3)(b) or change its Lending Office if this would, immediately following the assignment, participation or change of Lending Office, increase the cost of the Credit Facility to the Borrowers, except that nothing in this Section 13.1(4) shall prohibit the granting of an assignment by any Canadian Lender that is a Schedule I Lender to a Canadian Lender that is a Schedule II/III Lender notwithstanding that the CDOR Rate applicable to Bankers' Acceptances issued by the Schedule II/III Lender may be higher than the CDOR Rate applicable to Bankers' Acceptances issued by the Schedule I Lender.

(5) ***Revised Fee Arrangement.*** With respect to an Assigning Lender who assigns Bankers' Acceptances which are outstanding on the date of the assignment, such Bankers' Acceptances shall remain the liability and obligation of the Assigning Lender and the Assigning Lender shall be entitled to all the rights, titles and benefits arising out of this Agreement and the other Documents with respect to such Bankers' Acceptances (including reimbursement rights), provided that the assignee shall be entitled to a proportionate amount of the fees and interest paid in respect of such Bankers' Acceptances based upon the number of days remaining in the term of any such Bankers' Acceptances, as agreed to between the assignee and the Assigning Lender.

(6) ***Borrower Cooperation.*** The Borrowers will, at the applicable Lender's expense (exclusive of the fees of legal counsel to the Borrowers), execute such further documents and instruments and do such further things as the Agent or Lender may reasonably request for the purpose of any participation or assignment.

(7) ***Disclosure.*** Subject to Section 14.10, each Lender may disclose to any prospective Assignee or Participant, on a confidential basis, such information concerning the Borrower as it considers appropriate without incurring any liability for any breach of the duty of banker-customer confidentiality.

13.2 Assignment After Default

Notwithstanding anything to the contrary herein contained, when an Event of Default has occurred and is continuing, nothing in this Agreement shall limit or otherwise restrict the right of a Lender to assign all or any part of its rights and obligations under or with respect to this Agreement. Without limiting the generality of the foregoing, any such assignment shall not require the consent of the Borrower, the Fronting Lender or the Agent.

SECTION 14– MISCELLANEOUS

14.1 Amendments, Waivers, etc.

(1) ***Binding Waiver.*** Except as otherwise provided in this Section 14.1, no amendment, waiver, discharge or termination of any provision of this Agreement or any other Document and no waiver of any breach of any provision of this Agreement or any other Document and no consent to any departure by a party from any provision of this Agreement:

(a) shall be binding upon the Borrowers unless it is evidenced by an instrument in writing signed by the Borrowers; nor

(b) be binding upon the Agent and the Lenders unless it is approved in writing by the Agent and all the Lenders or the Majority Lenders, as applicable.

Notwithstanding the foregoing, any amendment, waiver, discharge or termination may be validly effected by execution by the Agent and all the Lenders or the Majority Lenders, as applicable, of an instrument in writing without requiring the execution of that instrument by the Borrowers, so long as the amendment, waiver, discharge or termination does not adversely affect the rights or obligations of the Borrowers. The Agent shall forward a copy of the written instrument to the Borrowers as soon as practicable following the execution thereof. The amendment, waiver or consent will be effective only in the specific instance, for the specific purpose and for the specific length of time for which it is given.

(2) ***Approval of All Lenders.*** Where any amendment, waiver, discharge or termination relates to the following matters, the amendment, waiver, discharge or termination requires the approval of all Lenders:

(a) the rate or amount of any principal, interest or fees or any other amount payable by the Borrowers or any alteration in the currency or mode of calculation or computation thereof;

(b) any extension or reduction of the time for any payments required to be made by the Borrowers;

(c) any change in the Maturity Date;

(d) the types of Advances available;

(e) except as otherwise provided in Section 3.5, an increase in the Tranche I Total Commitment, the Tranche II Total Commitment, Total Commitment or in any Lender's Commitment;

(f) an extension or reduction of the notice period required in connection with any Advance;

(g) the definition of Majority Lenders;

(h) the nature and scope of the Lien granted under the Security Documents;

(i) an assignment or transfer by a Borrower of any of its rights and obligations under this Agreement; or

(j) any provision of this Section 14.1, or of Sections 3.2, 3.7, 11.4 and 11.5.

Any other amendment, waiver, discharge or termination requires the approval of only the Majority Lenders, which approval, if obtained, shall be binding upon all the Lenders.

(3) ***Request for Approval.*** If the approval of a Lender is required under this Section 14.1, the Agent shall advise the Lender in writing of the issue to be decided and, if the Agent determines in its sole discretion that it is appropriate to do so, request the Lender's approval of a course of action proposed by the Agent. In requesting a Lender's approval, the Agent may establish, in its discretion acting reasonably, a deadline by which the Lender shall respond to the Agent's request. If the Lender fails to respond by that deadline, that Lender's failure to respond shall be conclusive evidence of the disapproval by the Lender of the course of action proposed by the Agent. The Agent may, in its sole discretion and acting reasonably, extend the deadline set by the Agent by which the Lender shall respond to the Agent's request.

(4) ***Amendment re Rights of Agent.*** Any amendment or waiver of any provision of any Document which relates to the rights or obligations of the Agent shall require the written agreement of the Agent thereto.

14.2 Notice

Unless otherwise specified, any notice or other communication required or permitted to be given to a party under this Agreement shall be in writing and may be delivered personally or sent by prepaid registered mail or by facsimile, to the address or facsimile number of the party set out beside its name at the foot of this Agreement to the attention of the Person there indicated or to such other address, facsimile number or other Person's attention as the party may have specified by notice in writing given under this Section. Any notice or other communication shall be deemed to have been given (1) if delivered personally, when received; (2) if mailed, subject to Section 14.3, on the fifth Business Day following the date of mailing; (3) if sent by facsimile, on the Business Day when the appropriate confirmation of receipt has been received if the confirmation of receipt has been received before 3:00 p.m. on that Business Day or, if the confirmation of receipt has been received after 3:00 p.m. on that Business Day, on the next succeeding Business Day; and (4) if sent by facsimile on a day which is not a Business Day, on the next succeeding Business Day on which confirmation of receipt has been received.

14.3 Disruption of Postal Service

If a notice has been sent by prepaid registered mail and before the fifth Business Day after the mailing there is a discontinuance or interruption of regular postal service so that the notice cannot reasonably be expected to be delivered within five Business Days after the mailing, the notice will be deemed to have been given when it is actually received.

14.4 Borrowers' Right to Rely on Agent

Unless otherwise required hereunder, during the term of this Agreement, each of the Borrowers shall be entitled to deal exclusively with the Agent and to rely on discussions with and instructions from the Agent in order to fulfil its obligations hereunder.

14.5 Further Assurances

The Borrowers shall from time to time promptly, upon the request of the Agent, take such action, and execute and deliver such further documents as may be reasonably necessary to give effect to the provisions and intent of this Agreement.

14.6 Judgment Currency

If for the purpose of obtaining judgment in any court it is necessary to convert any amount owing or payable to the Agent or the Lenders under this Agreement from the currency in which it is due (the "***Agreed Currency***") into a particular currency (the "***Judgment Currency***"), the rate of exchange applied in that conversion shall be that at which the Agent, in accordance with its normal procedures, could purchase the Agreed Currency with the Judgment Currency at or about noon on the Business Day immediately preceding the date on which judgment is given. The obligation of any Borrower in respect of any amount owing or payable under this Agreement to the Agent or Lenders in the Agreed Currency shall, notwithstanding any judgment and payment in the Judgment Currency, be satisfied only to the extent that the Agent, in accordance with its normal procedures, could purchase the Agreed Currency with the amount of the Judgment Currency so paid at or about noon on the next Business Day following that payment; and if the amount of the Agreed Currency which the Agent could so purchase is less than the amount originally due in the Agreed Currency, the Borrower shall, as a separate obligation and notwithstanding the judgment or payment, indemnify the Agent and the Lenders against any loss.

14.7 Waivers

No failure to exercise, and no delay in exercising, on the part of the Agent or any Lender, any right, remedy, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, remedy, power or privilege shall preclude the exercise of any other right, remedy, power or privilege.

14.8 Reimbursement of Expenses

Each of the Borrowers agrees to: (1) pay or reimburse the Agent, as soon as possible (and in any event within 30 days) after receipt of an invoice therefor for all of Agent's reasonable out-of-pocket costs and expenses incurred in connection with the preparation, negotiation and execution of this Agreement and the other Documents including any subsequent amendments of this Agreement or any other Document, and the consummation and the administration of the transactions contemplated hereby including the reasonable fees and disbursements of external counsel to the Agent; and (2) pay or reimburse, on demand, the Agent for all of Agent's costs and expenses incurred in connection with the determination, preservation and enforcement of any responsibilities, rights and remedies under this Agreement and the other Documents, including the reasonable fees and disbursements of its external counsel.

14.9 Counterparts and Delivery by Fax and Email

This Agreement may be executed and delivered in any number of counterparts, each of which when executed and delivered is an original but all of which taken together constitute one and the same instrument. Any party may deliver an executed copy of this Agreement by fax or by email but that party shall immediately deliver to the other parties an originally executed copy of this Agreement.

14.10 Confidentiality

The Agent and the Lenders shall hold all non-public information obtained pursuant to or in connection with this Agreement or obtained by them based on a review of the books and records of the Borrowers or any of their respective Restricted Subsidiaries in accordance with their customary procedures for handling confidential information of this nature, but may make disclosure to any of their examiners, regulators (including the Office of the Superintendent of Financial Institutions), Affiliates, outside auditors, counsel and other professional advisors in connection with this Agreement or as reasonably required by any potential *bona fide* Participant or Assignee, or in connection with the exercise of remedies under a Document, or as requested by any Governmental Authority or pursuant to legal process; provided, however, that:

(1) unless specifically prohibited by Applicable Law or court order, the Agent and each Lender shall promptly notify the Borrowers of any request by any Governmental Authority (other than any such request in connection with an examination of the Agent or Lender by such Governmental Authority) for disclosure of any such non-public information and, where practicable, prior to disclosure of such information;

(2) prior to any such disclosure pursuant to this Section 14.10, the Agent or Lender, as the case may be, shall require any *bona fide* Participant and Assignee receiving a disclosure of non-public information to agree in writing:

(a) to be bound by the provisions of this Section 14.10 and that the Borrower may enforce the provisions of this Section 14.10 against such Participant or Assignee; and

(b) to require such Person to require any other Person to whom such Person discloses such non-public information to be similarly bound by this Section 14.10;

(3) disclosure may, with the consent of the Agent and the applicable Borrower, be made by any Lender to any direct or indirect contractual counterparties of such Lender in swap

agreements or such contractual counterparties' professional advisors; provided, that such contractual counterparty or professional advisor agrees in writing to keep such information confidential to the same extent required of the Lenders hereunder; and

(4) except as may be required by an order of a court of competent jurisdiction and to the extent set forth therein, no Lender shall be obligated or required to return any materials furnished by any Borrower or any of its Restricted Subsidiaries, and in any case may return such copies as its internal procedures and policies or Applicable Law may require.

14.11 Judicial Proceedings

Any judicial proceeding brought against any Borrower or any Restricted Subsidiary with respect to any claim or dispute related to this Agreement or any other Document may be brought in any court of competent jurisdiction in the City of Toronto, Province of Ontario, or in any state or federal court sitting in the county of New York, State of New York, United States of America and, by execution and delivery of this Agreement, each Borrower, to the extent permitted by Applicable Law, (a) accepts generally and unconditionally, and submits to the nonexclusive jurisdiction of such courts and any related court of appeal and irrevocably agrees to be bound by any final judgment rendered thereby in connection with any claim or dispute related to this Agreement and (b) irrevocably waives any objection it may now or hereafter have as to any such proceeding having been brought in such a court or that such a court is an inconvenient forum. Nothing herein shall limit the right of the Agent or any Lender to bring proceedings against any Borrower or any Restricted Subsidiary in the courts of any other jurisdiction. EACH BORROWER, THE AGENT, EACH FRONTING LENDER AND EACH LENDER HEREBY WAIVES TRIAL BY JURY IN ANY JUDICIAL PROCEEDING INVOLVING ANY CLAIM OR DISPUTE RELATED TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT.

14.12 USA PATRIOT Act

Each US Lender hereby notifies the Borrowers that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)), it is required to obtain, verify and record information that identifies the US Borrower, which information includes the name and address of the US Borrower and other information that will allow such US Lender to identify the US Borrower in accordance with said Act.

[INTENTIONALLY LEFT BLANK]

The parties have executed this Agreement.

1900 Minnesota Court
Suite 210
Mississauga, Ontario
L5N 3C9

Fax: (905) 819-7409

RUSSEL METALS INC., as a Borrower

By: (signed) Lesley M.S. Coleman

Name: Lesley M.S. Coleman

Title: Vice President & Controller and Assitant Secretary

By: (signed) Marion E. Britton

Name: Marion E. Britton

Title: Vice President and Chief Financial Officer

I/We have authority to bind the corporation.

999 West Armour Avenue
Milwaukee, Wisconsin
53221

Fax: (905) 819-7409

FIL (US) INC., as a Borrower

By: (signed) Lesley M. S. Coleman

Name: Lesley M. S. Coleman

Title: Treasurer

By: (signed) Marion E. Britton

Name: Marion E. Britton

Title: Vice President

I/We have authority to bind the corporation.

Royal Bank Plaza
P.O. Box 50, 200 Bay Street
12th Floor, South Tower
Toronto, Ontario
M5J 2W7

Fax: (416) 842-4023

ROYAL BANK OF CANADA, as Agent

By: (signed) Yvonne Brazier

Name: Yvonne Brazier

Title: Manager, Agency

By:

Name:

Title:

Royal Bank Plaza
P.O. Box 50, 200 Bay Street
12th Floor, South Tower
Toronto, Ontario
M5J 2W7

Fax: (416) 842-4023

ROYAL BANK OF CANADA, as a Canadian Lender

By: (signed) Stam Fountoulakis

Name: Stam Fountoulakis

Title: Authorized Signatory

By:

Name:

Title:

One Liberty Plaza,
New York, NY
10006-1404

Fax: (212) 428-2319

ROYAL BANK OF CANADA, as a US Lender

By: (signed) Dustin Craven

Name: Dustin Craven

Title: Attorney-in-fact

By:

Name:

Title:

Corporate Banking – Diversified Industries
40 King Street West, 62nd Floor
Toronto, Ontario
M5W 2X6

Attention: Managing Director & Unit Head

Fax: (416) 866-2010

THE BANK OF NOVA SCOTIA, as a Canadian Lender

By: (signed) James J. Rhee

Name: James J. Rhee

Title: Director

By: (signed) Eddy Popp

Name: Eddy Popp

Title: Associate Director

1 Liberty Plaza, Floors 22-26
New York, NY
USA
10006

Attention: GWS Loan Operations

Fax: (416) 866-5991

THE BANK OF NOVA SCOTIA, as a US Lender

By: (signed) James J. Rhee

Name: James J. Rhee

Title: Director

By: (signed) Eddy Popp

Name: Eddy Popp

Title: Associate Director

c/o JP Morgan Chase Bank
Royal Bank Plaza, South Tower
200 Bay Street, Suite 1800
Toronto, Ontario
M5J 2J2

Fax: (416) 981-9200

JPMORGAN CHASE BANK, N.A., Toronto Branch, as a Canadian Lender

By: (signed) Lisa Whatley

Name: Lisa Whatley

Title: Senior Vice President

By:

Name:

Title:

10 S Dearborn
Floor 7
Mail Code IL1-0010
Chicago, Illinois
60603

Fax: (312) 385-7096

JPMORGAN CHASE BANK, N.A., as a US Lender

By: (signed) Lisa Whatley

Name: Lisa Whatley

Title: Senior Vice President

By:

Name:

Title:

200 Bay Street
Suite 2210
South Tower, Royal Bank Plaza
Toronto, Ontario
M5J 2J2

Fax: (416) 367-2460

COMERICA BANK, as a Canadian Lender

By: (signed) Nick Christopoulos

Name: Nick Christopoulos

Title: Vice President

By:

Name:

Title:

500 Woodward Avenue
Detroit, MI
48226

Fax: (416) 367-2460

COMERICA BANK, as a US Lender

By: (signed) Nick Christopoulos

Name: Nick Christopoulos

Title: Vice President

By:

Name:

Title:

2nd Floor, 9888 – Jasper Avenue
Edmonton, Alberta
T5J 1P1

Fax: (780) 422-4998

ATB FINANCIAL, as a Canadian Lender

By: (signed) Randy Forster

Name: Randy Forster

Title: Account Manager,
Food and Forestry Group
Corporate Financial Services
ATB Financial

By: (signed) Adelhardt Glombick

Name: Adelhardt Glombick

Title: Director,
Food and Forestry Group
Corporate Financial Services
ATB Financial

2nd Floor, 9888 – Jasper Avenue
Edmonton, Alberta
T5J 1P1

Fax: (780) 422-4998

ATB FINANCIAL, as a US Lender

By: (signed) Randy Forster

Name: Randy Forster

Title: Account Manager,
Food and Forestry Group
Corporate Financial Services
ATB Financial

By: (signed) Adelhardt Glombick

Name: Adelhardt Glombick

Title: Director,
Food and Forestry Group
Corporate Financial Services
ATB Financial

1981 McGill College
Suite 2075
Montreal, Quebec
H3A 3K3

(514) 284-4551

LAURENTIAN BANK OF CANADA, as a Canadian Lender

By: (signed) Sophie Boucher

Name: Sophie Boucher

Title: Senior Account Manager
National Accounts

By: (signed) Michel Gendron

Name: Michel Gendron

Title: Vice-President
National Accounts

1981 McGill College
Suite 2075
Montreal, Quebec
H3A 3K3

(514) 284-4551

LAURENTIAN BANK OF CANADA, as a US Lender

By: (signed) Sophie Boucher

Name: Sophie Boucher

Title: Senior Account Manager
National Accounts

By: (signed) Michel Gendron

Name: Michel Gendron

Title: Vice-President
National Accounts

Royal Bank Plaza
P.O. Box 50, 200 Bay Street
12th Floor, South Tower
Toronto, Ontario
M5J 2W7

Fax: (416) 842-4023

ROYAL BANK OF CANADA, as Swing Line Canadian Lender

By: (signed) Stam Fountoulakis

Name: Stam Fountoulakis

Title: Authorized Signatory

By:

Name:

Title:

Royal Bank Plaza
P.O. Box 50, 200 Bay Street
12th Floor, South Tower
Toronto, Ontario
M5J 2W7

Fax: (416) 842-4023

ROYAL BANK OF CANADA, as a Fronting Lender on behalf of the Canadian Lenders

By: (signed) Stam Fountoulakis

Name: Stam Fountoulakis

Title: Authorized Signatory

By:

Name:

Title:

One Liberty Plaza,
New York, NY
10006-1404

Fax: (212) 428-2319

ROYAL BANK OF CANADA, as a Fronting Lender on behalf of the US Lenders

By: (signed) Dustin Craven

Name: Dustin Craven

Title: Attorney-in-fact

By:

Name:

Title:

10 S Dearborn
Floor 7
Mail Code IL1-0010
Chicago, Illinois
60603

Fax: (312) 385-7096

JPMORGAN CHASE BANK, N.A., as Swing Line US Lender

By: (signed) Lisa Whatley

Name: Lisa Whatley

Title: Senior Vice President

By:

Name:

Title:

Schedule 1.1(20) – Bankers' Acceptance

	BANKERS' ACCEPTANCE	No. ____________
To: ______________________ Bank	Due: ______________ ______________ 20______	
______________________ Address	______________ days after date (without grace)	
ACCEPTED	For value received pay to the order of the undersigned drawer the sum of Cdn$______________________	
______________________ Payable At	______________ Dollars	$
______________________		
______________________	Value Received and Charge to the Account of:	
For ______________________	______________________	
______________________ Authorized Signature	Per ______________________	
______________________ Authorized Signature	Per ______________________	

If appropriate, insert the following on the face:

This is a depository bill subject to the *Depository Bills and Notes Act* (Canada).

Schedule 1.1(24) – Borrowing Base Certificate

Date

Royal Bank of Canada,
Agency Services Group
Royal Bank Plaza
P.O. Box 50, 200 Bay Street
12th Floor, South Tower
Toronto, Ontario
M5J 2W7

Attention: Manager, Agency
Fax: (416) 842-4023

Dear Sirs/Mesdames:

Re: Russel Metals Inc.
Month ended ________________.

Reference is made to the amended and restated credit agreement made as of May 1, 2009 among Russel Metals Inc. (**"Russel"**), as Canadian Borrower, FIL (US) Inc., as US Borrower, Royal Bank of Canada, as Agent, and the Lenders party thereto, as amended, restated, supplemented and otherwise modified from time to time (the "***Credit Agreement***").

1. Russel has caused to be made such reasonable investigations of corporate records and reasonable inquiries of officers and senior personnel of the Borrowers and the Restricted Subsidiaries as are sufficient to enable Russel to make an informed statement herein. Capitalized terms used and not defined in this certificate shall have the meanings given to them in the Credit Agreement and all Section references, unless stated otherwise, shall be references to Sections of the Credit Agreement.

2. Based on the foregoing and as of last day of the month ended __________________:

(i) Eligible Accounts. The Canadian Dollar Amount of Eligible Accounts was Cdn$__________, calculated as follows:

(1) 0-30 Days	(2) 31-60 Days	(3) 61-90 Days	(4) Ineligible	Total Accounts
Cdn$	Cdn$	Cdn$	Cdn$	Cdn$

(1) + (2) + (3) = Eligible Accounts Cdn$__________

Eligible Accounts multiplied by .75 = Cdn$__________ **(i)**

The aggregate amount of accounts receivable which are subject to rights of set-off are less than or equal to Cdn$5,000,000 (if no, the excess amount is Cdn$________________ and has been deducted as ineligible receivables).

____
(Yes/No)

(ii) Eligible Inventory. The Canadian Dollar Amount of Eligible Inventory was Cdn$__________, calculated as follows:

Total Inventory	Cdn$______________
Less Ineligible Inventory	(Cdn$______________)
Less Inventory writedown (Cdn$200,000,000 less non-cash writedown of inventory made during the period of January 1, 2009 to such time of determination as reflected in total inventory amount above)	(Cdn$______________)
Commercial L/Cs	Cdn$______________
Eligible Inventory	Cdn$______________

50% of lesser of cost or net realizable value of Eligible Inventory = Cdn$__________ **(ii)**

Work in process comprises less than 10% of Eligible Inventory.

____
(Yes/No)

(iii) Derivatives Reserve: Cdn$65,000,000 **(iii)**

(iv) Priority Payables Reserve: Cdn$15,000,000 **(iv)**

(v) **BORROWING BASE =** ((i) + (ii)) – ((iii) + (iv)) **Cdn$__________**
[The amount included in (ii) for Eligible Inventory may not exceed the amount included in (i) for Eligible Accounts.]

(vi) Advances outstanding under Credit Facility (A+B) Cdn$__________

(A) Tranche I: Cdn$__________

(B) Tranche II:
(I) Royal Bank of Canada Cdn$__________
(II) Bank of Nova Scotia Cdn$__________

(vii) Borrowing Base Surplus [(vi)-(vii)] Cdn$__________

3. Attached hereto is a list of all Letters of Credit issued and outstanding under Tranche II as at the last day of the month ended __________.

4. As of the date of this Certificate no Default has occurred and is continuing.

5. The foregoing calculations and amounts and attached financial information are true and correct in all material respects.

RUSSEL METALS INC.

By: ____________________
Name:
Title:

Schedule 1.1(44) –Commitments

Related Lender Group	**Tranche I Commitment**	**Tranche II Commitment**	**Total Commitment**
Royal Bank of Canada, as a Canadian Lender, and Royal Bank of Canada, acting through its branch located at One Liberty Plaza, New York, New York, as a US Lender	Cdn$50,000,000	Cdn$25,000,000	Cdn$75,000,000
The Bank of Nova Scotia, as a Canadian Lender, and The Bank of Nova Scotia, by its Atlanta Agency, as a US Lender	Cdn$27,500,000	Cdn$25,000,000	Cdn$52,500,000
JP Morgan Chase Bank N.A., Toronto Branch, as a Canadian Lender, and JP Morgan Chase Bank N.A., as a US Lender	Cdn$42,500,000	N/A	Cdn$42,500,000
Comerica Bank, as a Canadian Lender, and Comerica Bank, as a US Lender	Cdn$37,500,000	N/A	Cdn$37,500,000
ATB Financial, as a Canadian Lender and ATB Financial, as a US Lender	Cdn$25,000,000	N/A	Cdn$25,000,000
Laurentian Bank of Canada, as a Canadian Lender and Laurentian Bank of Canada, as a US Lender	Cdn$20,000,000	N/A	Cdn$20,000,000
TOTAL	**Cdn$202,500,000**	**Cdn$50,000,000**	**Cdn$252,500,000**

Schedule 1.1(48) – Compliance Certificate

Date

Royal Bank of Canada,
Agency Services Group
Royal Bank Plaza
P.O. Box 50, 200 Bay Street
12th Floor, South Tower
Toronto, Ontario
M5J 2W7

Attention: Manager, Agency
Fax: (416) 842-4023

Dear Sirs/Mesdames:

Re: Russel Metals Inc.
[month/Fiscal Quarter/Fiscal Year] ended ________________.

Reference is made to the amended and restated credit agreement made as of May 1, 2009 among Russel Metals Inc., as Canadian Borrower, FIL (US) Inc., as US Borrower, Royal Bank of Canada, as Agent, and the Lenders party thereto, as amended, restated, supplemented and otherwise modified from time to time (the "***Credit Agreement***").

1. Russel has caused to be made such reasonable investigations of corporate records and reasonable inquiries of officers and senior personnel of the Borrowers and the Restricted Subsidiaries as are sufficient to enable Russel to make an informed statement herein. Capitalized terms used and not defined in this certificate shall have the meanings given to them in the Credit Agreement and all Section references, unless stated otherwise, shall be references to Sections of the Credit Agreement.

2. Based on the foregoing and as of the date of this certificate:

   (a) the representations and warranties of each Borrower with respect to itself and its Restricted Subsidiaries contained in the Credit Agreement are true and correct when made or deemed to be made under the Credit Agreement **[Note: the following is not applicable to the certificate delivered on the Restatement Effective Date]** (except to the extent of any breach of representation and warranty that constitutes a Default, a description of which is attached hereto);

   (b) no Default has occurred and is continuing **[Note: the following is not applicable to the certificate delivered on the Restatement Effective Date]** other than any Default, a description of which is attached hereto **[Note: if there exists a Default, the officer shall set forth with reasonable detail the circumstances and the steps taken or proposed to be taken to cure or remedy the Default]**; and

(c) the covenants contained in the Credit Agreement have not been breached (except to the extent of any breach of covenant that constitutes a Default, a description of which is attached hereto).

FINANCIAL COVENANTS (Section 9.3)

CONSOLIDATED FIXED CHARGE COVERAGE RATIO (Section 9.3(1))

3. For the period of the most recently ended four consecutive Fiscal Quarters ended ____________:

Canadian Borrower's EBITDA for the period (refer to Schedule A annexed for details)	Cdn$____________	(i)
If applicable, Canadian Borrower's EBITDA Adjustment for the period (refer to Schedule A annexed for details)	Cdn$____________	(ii)
Current provision for income taxes	Cdn$____________	(iii)
Cash dividends declared by Canadian Borrower during the current Fiscal Quarter (or if no cash dividend declared use zero) x 4	Cdn$____________	(iv)
Capital expenditures for the period (if the Borrowing Base Surplus is equal to or greater than Cdn$125,000,000 as at the end of the period, then use nil)	Cdn$____________	(v)
Sub-total ((i) + (ii) – (iii) – (iv) – (v))	Cdn$____________	(vi)
Interest Expense	Cdn$____________	(vii)
Scheduled principal payments in respect of Funded Debt (excluding the Credit Facility, the Sunbelt Facility, and other operating credit lines with terms less than 1 year) (provide details)	Cdn$____________	(viii)
Principal component of payments under Capital Leases during the period (if payments under Capital Leases are less than Cdn$1,000,000 in the aggregate during the period, then such payments shall be deemed to be nil)	Cdn$____________	(ix)
Sub-total ((vii) + (viii) + (ix))	Cdn$____________	(x)
Fixed Charge Coverage Ratio ((vi) ÷ (x)):	____________:1	

The above ratio must not be less than 1.1:1 for the period.

CONSOLIDATED CURRENT RATIO (Section 9.3(2))

4. For the most recently ended Fiscal Quarter ended ________:

Consolidated Current Assets	Cdn$__________________	(i)
Consolidated Current Liabilities	Cdn$__________________	(ii)
Consolidated Current Ratio ((i) ÷ (ii)):	__________________:1	

The above ratio must not be less than 1.5:1.

<u>NET WORTH</u> (Section 9.3(3))

5. For the most recently ended Fiscal Quarter ended ___________:

Total shareholders' equity (including stated capital or equivalent account in respect of issued and outstanding shares, retained earnings and contributed surplus, but excluding treasury shares and any subscribed but unissued shares)	Cdn$__________________	(i)
Book value of Intangible Assets	Cdn$__________________	(ii)
Consolidated Tangible Net Worth ((i) - (ii)):	Cdn$__________________	

The above total must not be less than Cdn$600,000,000

RUSSEL METALS INC.

By: ______________________________
Name:
Title:

Schedule "A"

EBITDA

	CONSECUTIVE FISCAL QUARTERS				**Total for period ended ________.**
	3rd Prior	**2nd Prior**	**1st Prior**	**Current**	
(a) consolidated net income per financial statements	$_____	$_____	$_____	$_____	$_____
(b) adjustments (extraordinary gains or losses, debt redemption)	$_____	$_____	$_____	$_____	$_____
(c) Consolidated Net Income ((a) plus/minus (b))	$_____	$_____	$_____	$_____	$_____
(d) interest	$_____	$_____	$_____	$_____	$_____
(e) income taxes	$_____	$_____	$_____	$_____	$_____
(f) depreciation, depletion and amortization expenses	$_____	$_____	$_____	$_____	$_____
(g) EBITDA (total of (c), (d), (e) (f) and (g))	$_____	$_____	$_____	$_____	$_____

EBITDA Adjustment

[Note: Borrower to provide calculations, if applicable.]

Schedule 1.1(65) – Discount Note

Cdn$ ________________ Date

FOR VALUE RECEIVED, the undersigned unconditionally promises to pay on ____________, ______, to or to the order of ____________________________ (the "***Holder***"), the sum of Cdn$_____________ with no interest thereon.

The undersigned hereby waives presentment, protest and notice of every kind and waives any defences based upon indulgences which may be granted by the Holder to any party liable hereon and any days of grace.

This promissory note evidences a BA Equivalent Loan, as defined in the amended and restated credit agreement made as of May 1, 2009 among Russel Metals Inc., as Canadian Borrower, FIL (US) Inc., as US Borrower, Royal Bank of Canada, as Agent, and the Lenders party thereto, as amended, restated, supplemented and otherwise modified from time to time (the "***Credit Agreement***") and constitutes indebtedness to the Holder arising under the BA Equivalent Loan. Payment of this note shall be made at the offices of • at •, Toronto, Ontario. Capitalized terms used and not defined herein have the meanings given to them in the Credit Agreement.

RUSSEL METALS INC.

By: ______________________________
Name:
Title:

Schedule 1.1(72) – Standards of Eligibility for Accounts

Eligible Accounts are accounts receivable owing by account debtors to a Borrowing Base Participant arising by reason of sales of Inventory by the Borrowing Base Participant in the ordinary course of business, except for accounts receivable otherwise excluded by the definition of Eligible Accounts and accounts receivable which are:

(i) due or unpaid more than 90 days after the earlier of:

(a) five days after the date of shipment, and

(b) the date of the original invoice;

(ii) subject to any rights of set-off by the account debtors thereunder (but only if the aggregate amount of accounts receivable which are subject to set-off is in excess of Cdn$5,000,000 at the time of determination, in which event only the amount in excess of Cdn$5,000,000 shall be excluded);

(iii) accounts receivable with respect to which the account debtor has disputed liability on the receivable to the Borrowing Base Participant (in which case, the receivable shall be ineligible to the extent of such dispute);

(iv) owed by any Affiliate of the Borrowing Base Participant;

(v) owed by an account debtor that has filed a petition for bankruptcy or any other proceeding for relief from creditors under applicable bankruptcy or insolvency legislation or made an assignment for the benefit of creditors, or against whom any petition or other proceeding under applicable bankruptcy or insolvency legislation has been filed or that has suspended its business operations, become insolvent, or suffered a receiver or a trustee in bankruptcy or other like official to be appointed for any of its assets or affairs;

(vi) owed by an account debtor which does not have a significant place of business in Canada or the United States of America (unless the payment of any such receivable is secured by a letter of credit with a face amount equal thereto);

(vii) owed by a Governmental Authority and in respect of which appropriate notifications or other action have not been taken under the U.S. Federal Assignment of Claims Act or other similar Applicable Laws;

(viii) ones which the Agent reasonably believes are not likely to be paid by reason of the account debtor's financial circumstances and the details of which have been communicated to the Borrowers;

(ix) ones which, to the knowledge of the Borrowing Base Participant, do not comply with the credit policy guidelines of the Borrowers in respect of the relevant account debtor (or any relevant class of debtors of which such account debtor is a member) at any time or times hereafter, to the extent that the aggregate receivables from such account debtor exceed the amount permitted by such guideline, such exception to be applied without duplication only to the extent needed so as to exclude accounts receivable of members of a related group beyond that necessary to make the aggregate accounts receivable of such group included as Eligible Accounts comply with such guideline; or

(x) not subject to a duly perfected Lien in favour of the Agent on behalf of itself and the Lenders ranking in priority to all Liens in favour of third parties except Permitted Liens under paragraphs (a), (d), (e), (i), (l), (n), (o) or (s) of the definition of Permitted Liens.

Accounts receivable owed to a Borrowing Base Participant (other than the Canadian Borrower or Wirth Steel) which is not a wholly-owned Subsidiary of the Canadian Borrower will not be included in Eligible Accounts.

Schedule 1.1(73) – Standards of Eligibility for Inventory

Eligible Inventory is Inventory acquired by a Borrowing Base Participant in the ordinary course of its business, except for Inventory otherwise excluded by the definition of Eligible Inventory and the following:

(i) supplies (other than raw materials) and goods returned or rejected by customers by reason only of defect;

(ii) goods to be returned to suppliers in respect of which payment has been received or credit has been given;

(iii) any Inventory which is not subject to a duly perfected Lien in favour of the Agent on behalf of itself and the Lenders ranking in priority to all Liens in favour of third parties except Permitted Liens under paragraphs (a), (d), (e), (i), (l), (n), (o), (t) or (s) of the definition of Permitted Liens;

(iv) any Inventory situate outside Canada or the United States of America, except for Inventory in transit outside of Canada or the United States of America to or from a Borrowing Base Participant or Inventory in transit where such Inventory has been paid for and title to same has vested in the Borrowing Base Participant or the Agent; and

(v) any Inventory in transit outside of Canada or the United States of America to or from a Borrowing Base Participant, except for Inventory in transit between offices or premises of Borrowing Base Participants or Inventory in transit where the Inventory has been paid for and title to same has vested in the Borrowing Base Participant or the Agent.

Inventory of a Borrowing Base Participant (other than the Canadian Borrower or Wirth Steel) which is not a wholly-owned Subsidiary of the Canadian Borrower will not be included in Eligible Inventory.

Schedule 1.1(114) – Lending Offices

Canadian Lenders	Lending Offices
Royal Bank of Canada	P.O. Box 50, 200 Bay Street 12th Floor, South Tower Toronto, ON M5J 2W7
The Bank of Nova Scotia	Corporate Banking – Diversified Industries 40 King Street West, 62nd Floor Toronto, ON M5W 2X6
JPMorgan Chase Bank, N.A., Toronto Branch,	c/o JPMorgan Chase Bank Royal Bank Plaza, South Tower 200 Bay Street, Suite 1800 Toronto, ON M5J 2J2
Comerica Bank	P.O. Box 61 200 Bay Street, Suite 2210 South Tower, Royal Bank Plaza Toronto, ON M5J 2J2
Laurentian Bank of Canada	1981 McGill College Suite 2075 Montreal, QC H3A 3K3
ATB Financial	2nd Floor, 9888 – Jasper Avenue Edmonton, AB T5J 1P1

US Lenders	Lending Offices
Royal Bank of Canada	One Liberty Plaza New York, NY 10006-1404
The Bank of Nova Scotia	1 Liberty Plaza, Floors 22-26 New York, NY USA 10006

JPMorgan Chase Bank, N.A.	1 Bank One Plaza Mail Code IL1-0010 Chicago, IL IL1-0010 60670
Comerica Bank	500 Woodward Avenue Detroit, MI 48226
Laurentian Bank of Canada	1981 McGill College Suite 2075 Montreal, QC H3A 3K3
ATB Financial	2nd Floor, 9888 – Jasper Avenue Edmonton, AB T5J 1P1

Schedule 1.1(143) – Permitted Dispositions

The sale of the following companies, or sale of assets of the following companies:

[INTENTIONALLY OMITTED]

Schedule 1.1(145) – Permitted Investments

a) Investments by Russel Metals Inc.

ABCP	$ 4,133,966
	$ 4,133,966

b) Investments by FIL (US) Inc.

6315 Indiana, Inc. @ U.S. Prime plus 0%	USD 4,000,000
Pacific & Arctic Pipelines Incorporated @ U.S. Prime plus 0%	USD 1,500,000
Federal Pipe and Steel Corporation @ U.S. Prime plus 0%	USD 1,000,000
RMI USA LLC @ U.S. Prime plus 0%	USD 4,500,000
	USD 11,000,000

Schedule 1.1(146) - Permitted Liens

Secured Party	Debtor	Reference File No.	Registration No.	Collateral Classification
ONTARIO				
Corporation Alter Moneta / Alter Moneta Corporation	Russel Metals Inc. Metaux Russel Inc.	650055564	20081120 1342 1862 3969	Equipment Other One (1) 2008 GMC 2008 GMC TT7F042 tilt cab with babcock flat deck body, body … with all attachments, accessories and proceeds thereof.
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	650012589	20081118 1702 1462 2357	Equipment
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	646496604	20080630 1004 1462 2979	Equipment
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	646282341	20080620 1701 1462 1315	Equipment
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	645963444	20080610 1702 1462 8798	Equipment
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	645230088	20080516 1000 1462 3481	Equipment
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	644545179	20080425 1412 1462 8322	Equipment
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	644545188	20080425 1412 1462 8323	Equipment
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	644545197	20080425 1412 1462 8324	Equipment
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	644545206	20080425 1412 1462 8325	Equipment
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	644545215	20080425 1412 1462 8326	Equipment
CBSC Capital Inc.	Russel Metals Inc.	644433417	20080422 1946 1531 5080	Equipment Other
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	644164083	20080414 1003 1462 5433	Equipment
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	644164092	20080414 1003 1462 5434	Equipment
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	644164101	20080414 1003 1462 5435	Equipment
Ryder Truck Rental	Russel Metals Inc.	644164119	20080414 1003 1462	Equipment

Secured Party	Debtor	Reference File No.	Registration No.	Collateral Classification
Canada Ltd.			5436	
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	644189229	20080414 1703 1462 5656	Equipment
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	644189238	20080414 1703 1462 5657	Equipment
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	643970034	20080407 1702 1462 4184	Equipment
CBSC Capital Inc.	Russel Metals Inc.	643597326	20080325 1953 1531 1995	Equipment Other
Ricoh Canada Inc.	Russel Metals Inc. Metaux Russel Inc.	643522437	20080320 1458 1616 6845	Equipment Other Photocopiers
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	643166982	20080306 1004 1462 7639 20090219 1402 1462 8702 (renewal for 1 year(s))	Equipment
GE Vehicle and Equipment Leasing	Russel Metals Inc.	643109355	20080304 1321 1254 3286	All present and after acquired motor vehicles, trailers, and goods of whatever make or description, now or hereafter leased by the secured party to the debtor, together with all additions, replacement parts, accessions, attachments and improvements thereto, and all proceeds thereof, including money, chattel paper, intangibles, goods, documents of title, securities, substitutions, accounts receivable, rental and loan contracts, all personal property returned, traded in or repossessed and all insurance proceeds and any other form of

Secured Party	Debtor	Reference File No.	Registration No.	Collateral Classification
				proceeds thereof.
CBSC Capital Inc.	Russel Metals Inc.	642437703	20080131 1953 1531 1418	Equipment Other
IBM Canada Limited – PPSA Administrator	Russel Metals Inc. Metaux Russel Inc.	641866842	20080108 1950 1531 9419	All present and after-acquired goods supplied, leased or financed by the secured party, including but not limited to, all office machines, office equipment, computer hardware, software and all other equipment of any kind whatsoever as well as all ancillary products related thereto, and all upgrades, additions, substitutions and accessions thereto and thereon and all proceeds therefrom of every kind and description.
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	636630102	20070625 1046 1529 3815 20080512 1947 1531 8560 (renewal (for 1 year(s))	Equipment
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	635579541	20070523 1942 1531 1226	Equipment
Penske Truck Leasing Canada Inc. Locations de Camions Penske Canada Inc.	Russel Metals Inc.	631446615	20061214 1704 1462 0133	Equipment Other Together with all attachments accessories accessions replacements substitutions additions and improvements thereto, including, but not limited to XATA and Qualcomm Systems, and all proceeds in

Secured Party	Debtor	Reference File No.	Registration No.	Collateral Classification
				any form derived directly or indirectly from any sale and or dealings with the collateral and a right to an insurance payment or other payment that indemnifies or compensates for loss or damage to the collateral or proceeds of the collateral.
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	630810054	20061122 1444 1530 9878	Equipment
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	630424458	20061107 1943 1531 8166	Equipment
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	630424467	20061107 1943 1531 8167	Equipment
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	630424476	20061107 1943 1531 8168	Equipment
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	630424485	20061107 1943 1531 8169	Equipment
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	630424494	20061107 1943 1531 8170	Equipment
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	630424503	20061107 1943 1531 8171	Equipment
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	630424512	20061107 1943 1531 8172	Equipment
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	630424521	20061107 1943 1531 8173	Equipment
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	629591652	20061006 1939 1531 7764	Equipment
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	629591661	20061006 1939 1531 7765	Equipment
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	629591679	20061006 1939 1531 7766	Equipment
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	629591688	20061006 1939 1531 7767	Equipment
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	629591697	20061006 1939 1531 7768	Equipment
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	629591706	20061006 1939 1531 7769	Equipment

Secured Party	Debtor	Reference File No.	Registration No.	Collateral Classification
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	629591715	20061006 1939 1531 7770	Equipment
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	629591724	20061006 1939 1531 7771	Equipment
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	629591733	20061006 1939 1531 7772	Equipment
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	629591769	20061006 1939 1531 7775	Equipment
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	629591796	20061006 1939 1531 7778	Equipment
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	629591805	20061006 1939 1531 7779	Equipment
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	628968519	20060915 1946 1531 5534	Equipment
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	628968528	20060915 1946 1531 5535	Equipment
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	628968537	20060915 1946 1531 5536	Equipment
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	628923267	20060914 1944 1531 3053	Equipment
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	628923276	20060914 1944 1531 3054	Equipment
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	628923285	20060914 1944 1531 3055	Equipment
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	628923294	20060914 1944 1531 3056	Equipment
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	628882623	20060913 2002 1531 1352	Equipment
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	628882632	20060913 2002 1531 1353	Equipment
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	628882668	20060913 2002 1531 1356	Equipment
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	628287066	20060824 1454 1530 8327	Equipment
CBSC Capital Inc.	Russel Metals Inc.	626603463	20060629 1002 1462 4659	All goods supplied by the secured party pursuant to a lease between the debtor and the secured party, together with all parts and accessories thereto and accessions thereto

Secured Party	Debtor	Reference File No.	Registration No.	Collateral Classification
				and all replacements or substitutions for such goods and proceeds thereof (proceeds as defined in the *Personal Property Security Act* (ON)) and any insurance proceeds resulting there from.
GMAC Leaseco Corporation	Russel Metals Inc.	626573457	20060628 1454 1530 2814 20060713 1945 1531 5081 (amendment)	Consumer goods Equipment Other
Ryder Truck Rental Canada Ltd.	Acier Leroux, Division of Russel Metal Inc. Russel Metals Inc.	624713166	20060428 1948 1531 4956 20061026 1453 1530 9615 (amendment)	Equipment
Ryder Truck Rental Canada Ltd.	Acier Leroux Division of Russell Metal Inc. Russel Metals Inc.	624713175	20060428 1948 1531 4957 20061026 1453 1530 9616 (amendment)	Equipment
Tennant Financial Services	Russel Metals Inc. B&T Steel	623092572	20060302 1422 4043 4359 20060330 1231 4043 5858 (amendment)	Equipment Other
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	617328297	20050726 1222 1531 5946 20080714 1440 1530 8945 (renewal for 1 year(s))	Equipment
Ricoh Canada Inc.	Russel Metals Inc.	615651462	20050601 1434 1616 4880	3 – Aficio 2045E copiers, and a 2210L fax
CBSC Capital Inc.	Russel Metals Inc.	612181134	20050124 1110 7029 1766	All goods supplied by the secured party pursuant to a lease between the debtor and the secured party, together with all parts and accessories thereto and accession thereto and all

Secured Party	Debtor	Reference File No.	Registration No.	Collateral Classification
				replacements or substitutions for such goods and proceeds thereof (proceeds as defined in the *Personal Property Security Act* (ON)) and any insurance proceeds resulting there from.
Hewlett-Packard Financial Services Canada Company	Russel Metals Inc.	610203528	20041029145080775657	Equipment Other Lease Agreement. Any and all equipment, tangible and intangible, pursuant to Lease No. 75916 dated Oct 13/04, and all amounts owing thereafter.
MTC Leasing Inc.	Russel Metals Inc.	609398109	20040929 1439 8077 4374 20041027 1446 8077 5543 (renewal for 1 year(s))	Equipment Accounts Other
Penske Truck Leasing Canada Inc. Location de Camions Penske Canada Inc.	Russel Metals Inc. B & T Steel Comco Pipe & Supply Company	606203091	20040607 1945 1531 1487 20040715 1937 1531 4013 (amendment) 20040720 1949 1531 1492 (amendment) 20050620 1049 1529 6611 (partial discharge) 20060412 1454 1530 5469 (partial discharge) 20070307 1944 1531 6542 (partial discharge) 20070705 1045 1529 6534 (partial discharge) 20071030 1456 1530 4070	Equipment Other Together with all attachments accessories accessions replacements substitutions additions and improvements thereto, including, but not limited to XATA and Qualcomm Systems, and all proceeds in any form derived directly or indirectly from any sale and or dealings with the collateral and a right to an insurance payment or other payment that

Secured Party	Debtor	Reference File No.	Registration No.	Collateral Classification
			(partial discharge)	indemnifies or compensates for loss or damage to the collateral or proceeds of the collateral.
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	894292308	20030513 1447 1530 4551 20061026 1453 1530 9613 (transfer) 20070411 1955 1531 2665 (renewal for 1 year(s)) 20080415 1446 1530 1739 (renewal for 1 year(s))	Equipment
Rentway Ltd Penske Truck Leasing Canada Inc. Locations De Camions Penske Canada Inc	Russel Metals Inc. Comco Pipe & Supply Co Russel Metalsinc	865848231	20000919 1811 1531 1387 20021127 1032 1529 6699 (amendment) 20050620 1049 1529 6610 (partial discharge) 20070307 1944 1531 6540 (partial discharge) 20070813 1401 1462 4218 (renewal for 4 year(s))	Equipment

Secured Party	Debtor	Reference File No.	Registration No.	Collateral Classification
Penske Truck Leasing Canada Inc	Leroux Steel Inc 9137-7101 Quebec Inc.	602748684	20040128 1953 1531 9694 20040603 1941 1531 9034 (amendment) 20040730 1947 1531 7438 (partial discharge) 20060809 1949 1531 9700 (partial discharge) 20070705 1045 1529 6247 (partial discharge) 20071213 1406 1462 1490 (3 year renewal)	Equipment Other (serial numbered motor vehicles) (as per amendment) 2002 Freightliner CL12064S, Together with all attachments accessories accessions replacements substitutions additions and improvements thereto, including, but not limited to Xata and Qualcomm systems, and all proceeds in any form derived directly or indirectly from any sale and or dealings with the collateral and a right to an insurance payment or other payment that indemnifies or compensates for loss or damage to the collateral or proceeds of the collateral.

Secured Party	Debtor	Reference File No.	Registration No.	Collateral Classification
PHH Vehicle Management Services Inc.	Acier Leroux Inc. Leroux Steel Inc.	881607582	20020510 1030 1533 8474 20030721 1055 1529 5256 (amendment) 20070417 1457 1530 6027 (5 year renewal)	Equipment Other All present and future motor vehicles (including, without limitation, passenger automobiles, trucks, truck tractors, truck trailers, truck chassis, or truck bodies), automotive equipment (including, without limitation, trailers, boxes and refrigeration units), and materials-handling equipment leased from time to time by the secured party to the debtor, together with all present and future attachments, accessions, appurtenances, accessories and replacement parts, and all proceeds of or relating to any of the foregoing.
Paccar Leasing A Division of Paccar of Canada Ltd.	Location de Camions Eurkea, Inc. Acier Leroux, Inc.	864882144	20000817 1742 1531 3775	Equipment
NOVA SCOTIA				
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	N/A	6545660, as amended by 10783744, renewed by 13589783, and discharged by 14986582	Motor Vehicle
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	N/A	11423688	Motor Vehicle
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	N/A	11423704	Motor Vehicle
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	N/A	11423720	Motor Vehicle
Ryder Truck Rental	Russel Metals Inc.	N/A	14743579	Motor Vehicle

Secured Party	Debtor	Reference File No.	Registration No.	Collateral Classification
Canada Ltd.				
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	N/A	11621125	Motor Vehicle
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	N/A	6482905, as renewed by 12060307, 13453485, and 14842777	Motor Vehicle
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	N/A	6483147, as renewed by 13453352 and 14854129	Motor Vehicle
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	N/A	6483156, as renewed by 14880504	Motor Vehicle
Penske Truck Leasing Canada Inc.	Russel Metals Inc.	N/A	7721968	Motor Vehicle
Penske Truck Leasing Canada Inc. Locations de Camions Penske Canada Inc.	Russel Metals Inc. B&T Steel Comco Pipe & Supply Company	N/A	8301893, as amended by 8478140, 8499840, 9750548, 10892024, 12141628, 12658944 and 13150461	Numerous motor vehicles and trailers, identified by VIN. Together with all attachments accessories accessions replacements substitutions additions and improvements thereto, including, but not limited to XATA and Qualcomm systems, and all proceeds in any form derived directly or indirectly from any sale and or dealings with the collateral and a right to an insurance payment or other payment that indemnifies or compensates for loss or damage to the collateral or proceeds of the collateral.
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	N/A	9902992, as amended by 14161772	Motor Vehicle
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	N/A	9927948	Motor Vehicle
Ryder Truck Rental	Russel Metals Inc.	N/A	9927957	Motor Vehicle

Secured Party	Debtor	Reference File No.	Registration No.	Collateral Classification
Canada Ltd.				
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	N/A	9927966	Motor Vehicle
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	N/A	9927975	Trailer
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	N/A	9927984	Trailer
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	N/A	9927993	Trailer
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	N/A	11621133	Motor Vehicle
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	N/A	11621141	Motor Vehicle
Penske Truck Leasing Canada Inc. Locations de Camion Penske Canada Inc.	Russel Metals Inc.	N/A	11864493	Motor vehicles, identified by VIN. Together with all attachments accessories accessions replacements substitutions additions and improvements thereto, including, but not limited to XATA and Qualcomm Systems, and all proceeds in any form derived directly or indirectly from any sale and or dealings with the collateral and a right to an insurance payment or other payment that indemnifies or compensates for loss or damage to the collateral or proceeds of the collateral.
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	N/A	12458949	Motor Vehicle
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	N/A	14925747	Motor Vehicle
PHH Vehicle Management	Acier Leroux Inc.	N/A	519829	Motor Vehicles

Secured Party	Debtor	Reference File No.	Registration No.	Collateral Classification
Services Inc.	Leroux Steel Inc.		7093931 (amendment) 12102976 (renewal)	All present and future motor vehicles (including, without limitation, passenger automobiles, trucks, truck tractors, truck trailers, truck chassis, or truck bodies), automotive equipment (including, without limitation, trailers, boxes and refrigeration units), and materials-handling equipment leased from time to time by the secured party to the debtor, together with all present and future attachments, accessions, appurtenances, accessories and replacement parts, and all proceeds of or relating to any of the foregoing.
Penske Truck Leasing Canada Inc. Locations de Camions Penske Canada Inc.	Leroux Steel Inc. 9137-7101 Quebec Inc.	N/A	7786283 8288765 (amendment) 8544346 (amendment) 11389418 (amendment) 12658811 (amendment) 13308234 (renewal)	Motor Vehicle. Together with all attachments accessories accessions replacements substitutions additions and improvements thereto, including, but not limited to XATA and Qualcomm Systems, and all proceeds in any form derived directly or indirectly from any sale and or dealings with the collateral and a right to an insurance payment or other payment that

Secured Party	Debtor	Reference File No.	Registration No.	Collateral Classification
				indemnifies or compensates for loss or damage to the collateral or proceeds of the collateral.
NEW BRUNSWICK				
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	N/A	9389976, as discharged by 17197591	Motor Vehicle
Citicorp Vendor Finance, Ltd.	Russel Metals Inc.	N/A	12780599	Motor Vehicle
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	N/A	16952095 16952467	Motor Vehicle (both registrations are for the same serial numbered vehicle)
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	N/A	16971574	Motor Vehicles
Penske Truck Leasing Canada Inc. Locations de Camions Penske Canada Inc.	Russel Metals Inc. B&T Steel Comco Pipe & Supply Company	N/A	11079381, as amended by 11238755, 11257482, 12385613, 12385654, 13409206, 14588982, 15069784 and 15526429	Numerous motor vehicles and trailers, identified by VIN. Together with all attachments accessories accessions replacements substitutions additions and improvements thereto, including, but not limited to XATA and Qualcomm systems, and all proceeds in any form derived directly or indirectly from any sale and or dealings with the collateral and a right to an insurance payment or other payment that indemnifies or compensates for loss or damage to the collateral or proceeds of the collateral.
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	N/A	12543385	Motor Vehicle

Secured Party	Debtor	Reference File No.	Registration No.	Collateral Classification
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	N/A	12543419	Motor Vehicle
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	N/A	12543443	Motor Vehicle
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	N/A	12543583	Motor Vehicle
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	N/A	12544003	Trailer
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	N/A	12544011	Trailer
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	N/A	12544029	Trailer
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	N/A	12544037	Trailer
Penske Truck Leasing Canada Inc. Locations de Camions Penske Canada Inc.	Russel Metals Inc.	N/A	14332449	3 motor vehicles, identified by VIN. Together with all attachments, accessories, accessions, replacements, substitutions, additions and improvements thereto, including, but not limited to XATA and Qualcomm Systems, and all proceeds in any form derived directly or indirectly from any sale and or dealings with the collateral and a right to an insurance payment or other payment that indemnifies or compensates for loss or damage to the collateral or proceeds of the collateral.
Ikon Office Solutions, Inc.	Russel Metals Inc.	N/A	11021383	CANON IR3300 Ser#: MPH00985 DADF H1 Ser# XDZ00291

Secured Party	Debtor	Reference File No.	Registration No.	Collateral Classification
				SFU W1 Ser#: XDM07369 SUPER G3 FX BRD J1 NETWORK MULTI PDL PRINT KIT FIVE (5) Year PPSA Lease Agreement with Payments in the Amount of $ 669.00 per Quarter
Ikon Office Solutions, Inc.	Russel Metals Inc.	N/A	11021276	CANON IMAGE RUNNER 330 MULTI PDL PRINT BRD/FAX BRD CASSETTE FEED UNIT FIVE (5) Year PPSA Lease Agreement with Payments in the Amount of $ 669.00 per Quarter
PHH Vehicle Management Services Inc.	Acier Leroux Inc. Leroux Steel Inc.	N/A	8134789 9952697 (amendment) 14553721 (renewal)	Motor Vehicles All present and future motor vehicles (including, without limitation, passenger automobiles, trucks, truck tractors, truck trailers, truck chassis, or truck bodies), automotive equipment (including, without limitation, trailers, boxes and refrigeration units), and materials-handling equipment leased from time to time by the secured party to the debtor, together with all present and future attachments, accessions, appurtenances, accessories and replacement parts,

Secured Party	Debtor	Reference File No.	Registration No.	Collateral Classification
				and all proceeds of or relating to any of the foregoing.
Penske Truck Leasing Canada Inc. Locations de Camions Penske Canada Inc.	Leroux Steel Inc.	N/A	10598712 11069846 (amendment) 11297520 (amendment) 13884986 (amendment) 14326698(renewal)	Motor Vehicle. Together with all attachments accessories accessions replacements substitutions additions and improvements thereto, including, but not limited to XATA and Qualcomm Systems, and all proceeds in any form derived directly or indirectly from any sale and or dealings with the collateral and a right to an insurance payment or other payment that indemnifies or compensates for loss or damage to the collateral or proceeds of the collateral.
NEWFOUNDLAND & LABRADOR				
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	N/A	5280386	Motor Vehicle
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	N/A	7037244	Motor Vehicle
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	N/A	7055900	Motor Vehicle
Penske Truck Leasing Canada Inc. Locations de Camions Penske Canada Inc.	Russel Metals Inc. B&T Steel Comco Pipe & Supply Company	N/A	3434956, as amended by 3525929, 3536551, 4240789 4850913, 5540113, 5827199 and 6112636	Numerous motor vehicles and trailers, identified by VIN. Together with all attachments accessories accessions replacements substitutions additions and improvements

Secured Party	Debtor	Reference File No.	Registration No.	Collateral Classification
				thereto, including, but not limited to XATA and Qualcomm systems, and all proceeds in any form derived directly or indirectly from any sale and or dealings with the collateral and a right to an insurance payment or other payment that indemnifies or compensates for loss or damage to the collateral or proceeds of the collateral.
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	N/A	4337809	Motor Vehicle
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	N/A	4337881	Motor Vehicle
Penske Truck Leasing Canada Inc. Locations de Camions Penske Canada Inc.	Russel Metals Inc.	N/A	5396733	3 motor vehicles identified by VIN. Together with all attachments, accessories, accessions, replacements, substitutions, additions and improvements thereto, including, but not limited to XATA and Qualcomm Systems, and all proceeds in any form derived directly or indirectly from any sale and or dealings with the collateral and a right to an insurance payment or other payment that indemnifies or compensates for loss or damage to the collateral or proceeds of the collateral.

Secured Party	Debtor	Reference File No.	Registration No.	Collateral Classification
Penske Truck Leasing Canada Inc. Locations de Camions Penske Canada Inc.	Leroux Steel Inc. 9137-7101 Quebec Inc.	N/A	3165318 3428339 (amendment) 3563129 (amendment) 5132509 (amendment) 5827171 (amendment) 6202673 (renewal)	Motor Vehicle. Together with all attachments accessories accessions replacements substitutions additions and improvements thereto, including, but not limited to XATA and Qualcomm Systems, and all proceeds in any form derived directly or indirectly from any sale and or dealings with the collateral and a right to an insurance payment or other payment that indemnifies or compensates for loss or damage to the collateral or proceeds of the collateral.
BRITISH COLUMBIA				
Penske Truck Leasing Canada Inc. Locations de Camions Penske Canada Inc.	Russel Metals Inc. B & T Steel, Comco Pipe & Supply Company	N/A	748868B	Numerous flatbeds and trucks, identified by VIN
Penske Truck Leasing Canada Inc. Locations de Camions Penske Canada Inc.	Russel Metals Inc.	N/A	399768D	Three Freightliner trucks, identified by VIN
Horizon North Camp & Catering Inc. Arctic Portable Buildings Inc.	A.J. Forsythe Russell Metals Inc. (note spelling with two "l"s)	N/A	429853E	Field Office 10x16 ARO47 serial number #94
Penske Truck Leasing Canada Inc.	Leroux Steel Inc. 9137-7107 Quebec Inc.	N/A	507237B	Various Volvo and Mack trucks, identified by VIN
MANITOBA				
Praxair Canada Inc.	Russel Metals Inc.	N/A	200713706301	Equipment supplied by the secured party consisting of bulk

Secured Party	Debtor	Reference File No.	Registration No.	Collateral Classification
				cryogenic storage tanks used for the storage, filling and delivery of industrial and medical gases including, without limitation, Argon, Carbon Dioxide, Nitrogen, Nitrous Oxide and Oxygen, and Cryogenic Freezers, together with all related accessories, parts, components and attachments and all proceeds of or relating to any of the foregoing as well as all present and after-acquired property that may be derived from the sale or other disposition of the collateral described herein.
Penske Truck Leasing Canada Inc. Locations de Camions Penske Canada Inc.	Russel Metals Inc.	N/A	200622635100	Serial Numbered Goods: 3 Motor Vehicles identified by VIN. Together with all attachments accessories accessions replacements substitutions additions and improvements thereto, including, but not limited to XATA and Qualcomm Systems, and all proceeds in any form derived directly or indirectly from any sale and or dealings with the collateral and a right to an insurance payment or other payment that

Secured Party	Debtor	Reference File No.	Registration No.	Collateral Classification
				indemnifies or compensates for loss or damage to the collateral or proceeds of the collateral.
Penske Trust Leasing Canada Inc Locations de Camions Penske Canada Inc	Russel Metals Inc. B & T Steel Comco Pipe & Supply Company	N/A	200410102004	Purchase Money Security Interest. Various Serial Numbered Goods. Together with all attachments accessories accessions replacements substitutions additions and improvements thereto, including, but not limited to XATA and Qualcomm Systems, and all proceeds in any form derived directly or indirectly from any sale and or dealings with the collateral and a right to an insurance payment or other payment that indemnifies or compensates for loss or damage to the collateral or proceeds of the collateral.
Penske Trust Leasing Canada Inc Locations de Camions Penske Canada Inc	Leroux Steel Inc. (jointly registered with 9137-7101 Quebec Inc.)	N/A	200401472400	Purchase Money Security Interest. Motor Vehicle. Together with all attachments accessories accessions replacements substitutions additions and improvements thereto, including, but not limited to XATA and Qualcomm Systems, and all proceeds in

Secured Party	Debtor	Reference File No.	Registration No.	Collateral Classification
				any form derived directly or indirectly from any sale and or dealings with the collateral and a right to an insurance payment or other payment that indemnifies or compensates for loss or damage to the collateral or proceeds of the collateral.
QUEBEC				
GE Capital Information Technology Solutions Inc. GE Capital Solutions Technologiques Inc.	Russel Metals Inc. Métaux Russel Inc.	N/A	01-0228940-0068	All property leased by secured party to debtor from time to time forming part of Master Lease Agreement number MLTFT001.
Praxair Canada	Russel Metals Inc. Métaux Russel Inc.	N/A	01-0304140-0008	All present and future movable property of any nature and wherever located, including without limitation all bulk cryogenic storage tanks used for the storage, filling and delivery of industrial and medical gases including, without limitation; argon, carbon dioxide, nitrogen, nitrous oxide and oxygen; any cryogenic freezer; and any and all related equipment, accessories, parts, components and attachments thereof.
Ryder Truck Rental Canada Ltd.	Métaux Russel Russel Metals Inc.	N/A	03-0397114-0078	Motor vehicle (commercial)
Ryder Truck Rental Canada Ltd.	Métaux Russel Russel Metals Inc.	N/A	03-0397114-0082	Motor vehicle (commercial)
Ryder Truck Rental Canada Ltd.	Métaux Russel Russel Metals Inc.	N/A	03-0397114-0083	Motor vehicle (commercial)

Secured Party	Debtor	Reference File No.	Registration No.	Collateral Classification
Ryder Truck Rental Canada Ltd.	Métaux Russel Russel Metals Inc.	N/A	03-0397114-0084	Motor vehicle (commercial)
Leroux Steel Inc.	Russel Metals Inc.	N/A	04-0005945-0001	All remaining property and assets of every nature and kind whatsoever including, but without limiting the generality of the foregoing: (a) all the property of the "Assignor", moveable or immoveable, real or personal, of every kind and wheresoever situated, including any rights the "Assignor" may have to any freehold or leasehold property, or any leases and licences to which the "Assignor" may be entitled; (b) all choses-in-action, including all the book and other debts due or accruing due to the "Assignor" and the full benefit of all securities and guarantees for such debts and including all claims for refunds of income taxes and other amounts, if any, and including all legal actions and proceedings; (c) all cash on hand and in bank and all bills, notes, shares, bonds and securities owned by the "Assignor"; (d) the full benefit of all contracts and engagements to which the "Assignor"

Secured Party	Debtor	Reference File No.	Registration No.	Collateral Classification
				may be entitled; and (e) all property, assets and rights to which the "Assignor" is or may hereafter be entitled in connection with the business formerly carried on by it or otherwise.
Penske Truck Leasing Canada Inc. Locations de camions Penske Canada Inc.	Russel Metals Inc. B & T Steel Comco Pipe & Supply Company	N/A	04-0334365-0001	Motor vehicles
Ryder Truck Rental Canada Ltd.	Acier Leroux div. Métaux Russel Russel Metals Inc.	N/A	05-0059365-0001	Motor vehicles
Ryder Truck Rental Canada Ltd.	Acier Leroux div. Métaux Russel Russel Metals Inc.	N/A	05-0059365-0003	Motor vehicles
Ryder Truck Rental Canada Ltd.	Acier Leroux div. Métaux Russel Russel Metals Inc.	N/A	05-0059365-0004	Motor vehicles
Ryder Truck Rental Canada Ltd.	Acier Leroux div. Métaux Russel Russel Metals Inc.	N/A	05-0059365-0005	Motor vehicles
Ryder Truck Rental Canada Ltd.	Acier Leroux div. Métaux Russel Russel Metals Inc.	N/A	05-0059365-0006	Motor vehicles
Ryder Truck Rental Canada Ltd.	Acier Leroux div. Métaux Russel Russel Metals Inc.	N/A	05-0059365-0007	Motor vehicles
Ryder Truck Rental Canada Ltd.	Acier Leroux div. Métaux Russel Russel Metals Inc.	N/A	05-0059365-0008	Motor vehicles
Parkway Pontiac Buick Inc.	Wirth Steel SENC GMAC Leaseco Corporation La Compagnie GMAC Location	N/A	05-0195267-0053	Motor vehicle and all proceeds therefrom
Ryder Truck Rental Canada Ltd.	Métaux Russel Inc. Russel Metals Inc.	N/A	06-0030544-0001	Motor vehicles
Ryder Truck Rental Canada Ltd.	Métaux Russel Inc. Russel Metals Inc.	N/A	06-0035443-0005	Motor vehicles
Location de camions Eureka Inc.	Russel Metals Inc.	N/A	06-0078854-0019	Motor vehicles

Secured Party	Debtor	Reference File No.	Registration No.	Collateral Classification
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	N/A	06-0104458-0001	Motor vehicles
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	N/A	06-0104977-0005	Motor vehicles
Ryder Truck Rental Canada Ltd.	Acier Leroux div. Métaux Russel Inc. Russel Metals Inc.	N/A	06-0233141-0001	Motor vehicles
Xerox Canada Ltd.	Métaux Russel Inc. Acier Leroux Inc.	N/A	06-0448173-0013	Equipment Other All present and future office equipment and software supplied or financed from time to time by the secured party (whether by lease, conditional sale or otherwise), whether or not manufactured by the secured party or any affiliate thereof.
Xerox Canada Ltd.	Acier Leroux div. de Métaux Russel Inc.	N/A	06-0570515-0019	Equipment Other All present and future office equipment and software supplied or financed from time to time by the secured party (whether by lease, conditional sale or otherwise), whether or not manufactured by the secured party or any affiliate thereof.
Xerox Canada Ltd.	Russel Metals Inc. 11115 Yukon Ltd. Acier Wirth Steel a general partnership	N/A	06-0635803-0014	Equipment Other All present and future office equipment and software supplied or financed from time to time by the secured party (whether by lease, conditional sale or otherwise), whether or not manufactured by the

Secured Party	Debtor	Reference File No.	Registration No.	Collateral Classification
				secured party or any affiliate thereof.
Penske Truck Leasing Canada Inc. Locations de camions Penske Canada Inc.	Russel Metals Inc. (at 2 different addresses)	N/A	06-0720097-0002	Motor vehicles
CBSC Capital Inc.	Russel Metals Inc.	N/A	06-0734295-0003	All goods supplied by the secured party to the debtor, together with all attachments, accessories, accessions, replacements, substitutions, additions and improvements to the foregoing. proceeds: goods, chattel paper, securities, money, crops, licences and intangibles.
CBSC Capital Inc.	Russel Metals Inc.	N/A	07-0123978-0002	All goods supplied by the secured party to the debtor, together with all attachments, accessories, accessions, replacements, substitutions, additions and improvements to the foregoing. proceeds: goods, chattel paper, securities, money, crops, licences and intangibles.
Ryder Truck Rental Canada Ltd.	Acier Loubier div de Metaux Russel Inc. Russel Metals Inc.	N/A	07-0187019-0002	Motor vehicles
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	N/A	07-0188959-0002	Motor vehicles
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	N/A	07-0272290-0003	Motor vehicles
Citicapital Technology Finance Ltd.	Acier Wirth, société en nom collectif	N/A	07-0426683-0001	All present and future acquired telephone and communication

Secured Party	Debtor	Reference File No.	Registration No.	Collateral Classification
				systems, including without limitation, all related equipment components, attachments, accessories, replacements and proceeds, supplied by Bell Canada and/or BCE Nexxia Inc. and/or any affiliates.
Canon Canada Inc. CBSC Capital	Russel Metals Inc.	N/A	08-0059199-0001	Service - financed, non-residualized all goods supplied by the secured party to the debtor, together with all attachments, accessories, accessions, replacements, substitutions, additions and improvements to the foregoing. proceeds: goods, chattel paper, securities, accounts, inventory, documents of title, instruments, money, crops, licences and intangibles.
Canon Canada Inc. CBSC Capital	Russel Metals Inc.	N/A	08-0304362-0004	Training all goods supplied by the secured party to the debtor, together with all attachments, accessories, accessions, replacements, substitutions, additions and improvements to the foregoing. proceeds: goods, chattel paper, securities, accounts, inventory, documents of title, instruments, money, crops, licences and intangibles.

Secured Party	Debtor	Reference File No.	Registration No.	Collateral Classification
Canon Canada Inc. CBSC Capital	Russel Metals Inc.	CBSC Capital	08-0319247-0003	Service - financed, non-residualized all goods supplied by the secured party to the debtor, together with all attachments, accessories, accessions, replacements, substitutions, additions and improvements to the foregoing. proceeds: goods, chattel paper, securities, accounts, inventory, documents of title, instruments, money, crops, licences and intangibles.
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	N/A	08-0692727-0002	Motor vehicles
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	N/A	08-0731863-0006	Motor vehicles
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	N/A	09-0051433-0001	Motor vehicles
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	N/A	09-0118524-0006	Motor vehicles
Ryder Truck Rental Canada Ltd.	Russel Metals Inc.	N/A	09-0144160-0002	Motor vehicles
SASKATCHEWAN				
N/A Note: Refer to Officer's Certificate confirming that no monies are owing under this registration.	Alberta Pacific Grain Company Ltd.	N/A	105019869	Reference-Prov. Sec. records show Searle Grain Company, Limited: Alberta Pacific Grain Ltd.: The Alberta Pacific G U CO. (1943) Ltd. Amalgamated into Federal Grain, Limited on Nov. 15/67.
Penske Truck Leasing Canada Inc. Location de Camions Penske Canada Inc.	Russel Metals Inc. B & T Steel Russel Metals Inc. Comco Pipe & Supply Company	N/A	120879640	Motor vehicles
Royal Trust Company	Federal Grain	N/A	104940651	Debentures

Secured Party	Debtor	Reference File No.	Registration No.	Collateral Classification
Note: Refer to Officer's Certificate confirming that no monies are owing under this registration.	Limited			
Trumpf, Inc.	Russel Metals Inc.	N/A	300407925	Equipment
Penske Truck Leasing Canada Inc. Locations de Camions Penske Canada Inc.	Russel Metals Inc.	N/A	300114193	Motor vehicles
Warner Truck Industries Ltd.	Russel Metals Inc.	N/A	300394204	Motor vehicles
N/A Note: Refer to Officer's Certificate confirming that no monies are owing under this registration.	Searle Grain Company, Limited	N/A	105019851	Reference-Prov. Sec. records show Searle Grain Company, Limited: Alberta Pacific Grain Ltd.: the Alberta Pacific Grain Co. (1943) Ltd. Amalgamated into Federal Grain, Limited on Nov. 15/67
N/A Note: Refer to Officer's Certificate confirming that no monies are owing under this registration.	Federal Industries Ltd.	N/A	105019908	Reference-Prov. Sec. records show Federal Grain, Limited changed its name to Federal Industries Ltd. on May 14/73
Penske Truck Leasing Canada Inc. Locations de Camions Penske Canada Inc.	Leroux Steel Inc 9137-7101 Quebec Inc.		120400297	Motor vehicles. Together with all attachments accessories accessions replacements substitutions additions and improvements thereto, including, but not limited to XATA and Qualcomm Systems, and all proceeds in any form derived directly or indirectly from any sale and or dealings with the collateral and a right to an insurance

Secured Party	Debtor	Reference File No.	Registration No.	Collateral Classification
				payment or other payment that indemnifies or compensates for loss or damage to the collateral or proceeds of the collateral.
ALBERTA				
B&T Steel Comco Pipe & Supply Inc. Penske Truck Leasing Canada Inc. Locations De Camions Penske Canada Inc.		N/A	04060723808 as amended to 071030220272	Numerous serial numbered Mond Flatbed, Thru-way flatbed and Manac Flatbed trailers. Freightliner FL80 and Utility Flatbed. All attachments, accessories accessions replacements substitutions additions and improvements including XATA and QUALCOMM systems.
CBSC Capital Inc.	Russel Metals Inc.	N/A	05082928663	All goods supplied by the secured party pursuant to a lease between the debtor and the secured party. All proceeds.
Lifecapital Corporation	Russel Metals Inc.	N/A	05100508661, as amended by 06050121919	2005 Load Lifter serial #2869. All parts, equipment, attachments.
Comco Pipe & Supply De Lage Landen Financial Services Canada Inc.	Russel Metals Inc.	N/A	06020228745	2006 Pettibone Extendo T8044 serial # 4280. All goods supplied by the secured party pursuant to a lease between the debtor and the secured party.
De Lage Landen Financial Services Canada Inc.	Russel Metals Inc.	N/A	06020813801	2006 Pettibone Extendo serial # 4280. All goods supplied by the secured party pursuant to a lease between the debtor and the secured

Secured Party	Debtor	Reference File No.	Registration No.	Collateral Classification
				party.
CBSC Capital	Russel Metals Inc.	N/A	06090107464, as amended by 0702532664	Various pieces of office equipment. All goods supplied by the secured party to the debtor.
Penske Truck Leasing Canada Inc. Locations De Camions Penske Canada Inc.	Russel Metals Inc.	N/A	06121306606	Numerous serial numbered Freightliners, together with all parts, attachments and accessories.
CBSC Capital Inc.	Russel Metals Inc.	N/A	06122207688	Copier machine. All goods supplied by the secured party to the debtor.
CBSC Capital	Russel Metals Inc.	N/A	07031304137	All goods supplied by the secured party to the debtor. Proceeds.
De Lage Landen Financial Services Canada Inc.	Russel Metals Inc.	N/A	07061133687	2001 Pettibone 204G serial # 5384, 2007 Pettibone 204H serial # 5638, 2007 Pettibone 8044 serial # 4796. All goods supplied by the secured party to the debtor. Proceeds.
CBSC Capital	Russel Metals Inc.	N/A	08022722281	All good supplied by the secured party to the debtor. Proceeds.
GMAC Leaseco Corporation	Russel Metals Inc.	N/A	08061623218	2008 Chevrolet Silverado serial# 2GCEC19C381124067. All proceeds.
Praxair Canada Inc.	Russel Metals Inc.	N/A	08070423506	Equipment supplied by the secured party consisting of bulk cryogenic tanks used for storage of gases.
Arpac Storage Systems Corporation	Russel Metals Inc.	N/A	08091817892	All equipment leased by the debtor from the secured party including

Secured Party	Debtor	Reference File No.	Registration No.	Collateral Classification
				forklifts 2007 Tusk 500PG16 serial # 211634 and 2004 Nissan MUL02A25LV serial # 9J0027 and related equipment.
Arpac Storage Systems Corporation	Russel Metals Inc.	N/A	08100637119	All equipment leased by the debtor from the secured party including forklift 2007 Tusk 500PG-16 serial # 211464 and related equipment.
Akhurst Machinery Limited	Russel Metals Inc.	N/A	08100908942	One rebar bender 230/60 serial # 11-010-102003-064
Prairie Truck Ltd.	Russel Metals Inc.	N/A	08111832884	Garage Keeper's Lien; Motor Vehicle
Corporation Alter Moneta	Metaux Russel Inc.	N/A	08112015475	2008 GMC TT7F042 serial # 1GDL7F1B48F415709
Prairie Truck Ltd.	Russel Metals Inc.	N/A	08120924834	Garage Keeper's Lien; Motor Vehicle
Capital Industrial Sales & Services Ltd.	Russel Metals Inc.	N/A	09032019241	Garage Keeper's Lien; Motor Vehicle
Petersen Pontiac Buick GMC (Alta) Inc.	Inexact Match: "Russel Metals Inc DBA Comco Pipe and Supply Co"	N/A	06011211684	Motor Vehicle
Western Sterling Trucks Ltd.	Inexact Match: "Russell Metals"	N/A	08101015017	Garage Keeper's Lien; Motor Vehicle
Western Sterling Trucks Ltd.	Inexact Match: "Russell Metals"	N/A	08101517657	Garage Keeper's Lien; Motor Vehicle
Western Sterling Trucks Ltd.	Inexact Match: "Russell Metals"	N/A	08101517657	Motor Vehicle
Petersen Pontiac Buick GMC (Alta) Inc.	Russel Metals Inc.	N/A	05011006367	Motor Vehicle
HSBC Bank Canada	Russel Metals Inc.	N/A	05020308424	Motor Vehicle
IOS Financial Services	Russel Metals Inc./Metaux Russel Inc.	N/A	08100303127	All goods which are photocopiers, photocopying machines and duplication services. All proceeds.

Secured Party	Debtor	Reference File No.	Registration No.	Collateral Classification
G.N. Johnston Equipment Co. Ltd.	Russel Metals Inc./Metaux Russel Inc.	N/A	08112847617, as amended by 08112847617	Numerous serial numbered Raymond Easi-R30TT, Deka 12D125-15 Battery, Deka 880M1-12G Charger.
A Division of Russel Metals Petersen Pontiac Buick GMC (Alta) Inc.	Comco Pipe & Supply Company	N/A	05052509709	Motor Vehicle
Arpac Storage Systems Corporation	Comco Pipe & Supply Company	N/A	08051430608	Motor Vehicle
Nissan Canada Inc.	Comco Pipe & Supply Company	N/A	08110500428	Motor Vehicle
Penske Truck Leasing Canada Inc.	Leroux Steel Inc. 9137-7101 Quebec Inc.	N/A	04012835965, as amended to 07121308859	2002 Freightliner CL 12064S. All goods supplied by the secured party to the debtor. Proceeds.
UNITED STATES				
Colorado (Secretary of State)				
Toyota Tshusho America, Inc.	Spartan Steel Products, Inc.	N/A	2007056325	All goods consigned to Consignee by Consignor under that certain consignment agreement between Consignor and Consignee in effect from time to time.
GH 1 Evergreen Limited Liability Company	Spartan Steel Products, Inc.	N/A	2007F031952	All Debtor's interest in inventory, goods, wares, chattels, equipment, fixtures, furniture, improvements and other personal property of Debtor, situated on the leased premises at 2942 Evergreen Parkway, Suite 207, Evergreen, CO 80439 and legally described on Schedule A by the Transnation Title Insurance Company as follows:

Secured Party	Debtor	Reference File No.	Registration No.	Collateral Classification
				ownership area 1, except that portion thereof as conveyed to Sunset Beach Properties, Inc., by S&A, Inc., a Colorado corporation in the Deed recorded December 18, 1992 at Reception No. 92164413, and Ownership Areas 2 and 4, the Center at Evergreen. County of Jefferson, State of Colorado.
US Bancorp	Pioneer Steel and Tube Corp.	N/A	20055052287	Equipment (copiers)
US Bancorp	Pioneer Steel and Tube Corp.	N/A	2006F012270	Equipment (copiers)
US Bancorp	Pioneer Steel and Tube Corp.	N/A	2008 0075364	Serial numbered equipment.
Delaware (Secretary of State)				
U.S. Bancorp Equipment Finance, Inc.	Russel Metals Williams Bahcall Inc.	N/A	09/24/2003 3247118 6 2008 1673555 (Continuation), including continuation of 1803268 and 1803269 (initially filed in Wisconsin)	One (1) thermal machine center, one (1) hydraulic share with conveyor/stacker and one (1) mechanical shear with conveyor/stacker.
U.S. Bancorp Equipment Finance, Inc.	Russel Metals Williams Bahcall Inc.	N/A	10/09/2003 3264383 4; 2008 2012498 (Continuation), including continuation of 2136396, 2136397, 1877618 and 1877620 (initially filed in Minnesota)	One (1) thermal machine center, one (1) hydraulic share with conveyor/stacker and one (1) deburring machine..
Air Liquids Industrial U.S. LP	Russel Metals Williams Bahcall Inc.	N/A	2009 0383981	1500 Gal Lox Vessel. Location of Equipment – Greenbay, WI.

Schedule 1.1(148) – Postponed Subsidiary Debt

a) Loans to Russel Metals Inc.

From CF Kingsway Inc. @ 0%	$ 27,222,344
From CF Kingsway Inc. @ Cnd. Prime +1%	$ 23,000,000
From 11115 Yukon Ltd. @ 0%	$ 35,004,527
From Thunder Bay Terminals Ltd. @ 0%	$ 20,600,000
From WPT Holdings Limited @ prime +.75%	$ 12,700,000
From WPT Holdings Limited @ 5.5%	$ 30,000,000
	$148,526,871

b) Loans to FIL (US) Inc.

From Wirth Incorporated @ U.S. Prime +0%	USD 28,000,000
From Haines Terminal and Highway Company @ U.S. Prime +0%	USD 6,000,000
	USD 34,000,000

Schedule 1.1(153) – Priority Payables Certificate

Date

Royal Bank of Canada,
Agency Services Group
Royal Bank Plaza
P.O. Box 50, 200 Bay Street
12th Floor, South Tower
Toronto, Ontario
M5J 2W7

Attention: Manager, Agency
Fax: (416) 842-4023

Dear Sirs/Mesdames:

Re: Russel Metals Inc.
Fiscal Year ended ________________.

Reference is made to the amended and restated credit agreement made as of May 1, 2009 among Russel Metals Inc., as Canadian Borrower, FIL (US) Inc., as US Borrower, Royal Bank of Canada, as Agent, and the Lenders party thereto, as amended, restated, supplemented and otherwise modified from time to time (the "***Credit Agreement***").

1. Russel has caused to be made such reasonable investigations of corporate records and reasonable inquiries of officers and senior personnel of the Borrowers and the Restricted Subsidiaries as are sufficient to enable Russel to make an informed statement herein. Capitalized terms used and not defined in this certificate shall have the meanings given to them in the Credit Agreement and all Section references, unless stated otherwise, shall be references to Sections of the Credit Agreement.

2. Based on the foregoing and as of the last day of the Fiscal Year ended December 31, ____ , the aggregate amount of Priority Payables of the Borrowing Base Participants was as follows:

Priority Payables

Goods and Services Tax (G.S.T.)	$	____________
Harmonized Sales Tax (where applicable)	$	____________
Provincial Sales Tax (P.S.T.)/Quebec Retail Sales Tax	$	____________
Employee source deductions		
- Employee Insurance Act premiums	$	____________
- Canada Pension Plan	$	____________
- Employee income tax	$	____________

Employee pension plan contributions	$	
Employer pension plan contributions	$	
overdue rent (at locations where Eligible Inventory is located)	$	
Workplace Safety and Insurance Compensation (requires lien to be filed)	$	
Accrued vacation pay (Employment Standards Act)	$	
Union dues payable (if applicable)	$	
Government royalties (if applicable)	$	
Other	$	
Priority Payables	$	

RUSSEL METALS INC.

By: ______________________________
Name:
Title:

Schedule 1.1(156) – Related Lender Groups

1. Royal Bank of Canada, as Canadian Lender, and Royal Bank of Canada, acting through its branch located at One Liberty Plaza, New York, New York, as a US Lender.
2. The Bank of Nova Scotia, as Canadian Lender, and The Bank of Nova Scotia, by its Atlanta Agency, as a US Lender.
3. JPMorgan Chase Bank, N.A., Toronto Branch, as Canadian Lender, and JPMorgan Chase Bank, N.A., as a US Lender.
4. Comerica Bank, as Canadian Lender, and Comerica Bank, as a US Lender.
5. ATB Financial, as a Canadian Lender, and ATB Financial, as a US Lender.
6. Laurentian Bank of Canada, as a Canadian Lender, and Laurentian Bank of Canada, as a US Lender.

Schedule 1.1(158) – Restricted Subsidiaries

Restricted Subsidiaries
FIL (US) Inc.
Pioneer Steel and Tube Corp.
Russel Metals Corp.
Russel Metals Williams Bahcall Inc.
Triumph Tubular & Supply Ltd.
Wirth Steel, a general partnership
Fedmet Corp.
Fedmet International Corporation
RMI Holdings LLC
Spartan Steel Products, Inc.
Fedmet Enterprises Corporation
JMS Russel Metals Corp.
Russel Metals JMS Corporation
RMJMS LLC

Excluded Subsidiaries
Sunbelt Group L.P.
Sunbelt Trading Co., Inc. (Texas)

Schedule 2.1(10) – Location of Assets, Places of Business, Jurisdictions of Organization, Etc.

Full Legal Name of Company:	Russel Metals Inc., Métaux Russel Inc.
Location of All Tangible and Intangible Property and Collateral:	Ontario, Saskatchewan, Quebec, Alberta, British Columbia, Nova Scotia, Manitoba, Newfoundland, New Brunswick.
Chief Executive Office:	1900 Minnesota Court Suite 210 Mississauga, Ontario L5N 3C9
Jurisdiction of Organization:	Canada
Any Other Principal Places of Business of the Company or Places Where the Accounts Receivable Were Kept During the Four Months Preceding the Restatement Effective Date:	N/A
Other Name(s) Used by the Company Since Incorporation or Organization:	Amalgamated with A.J. Forsyth and Company Limited, 3976599 Canada Inc., 3977692 Canada Inc. and 3977773 Canada Inc. as provided for in the Articles of Amalgamation dated January 8, 2002.
Use of Any Other Corporate Name(s) at Any Time During the Past Five Years Immediately Preceding the Restatement Effective Date:	A.J. Forsyth Acier Leroux Acier Loubier Acier Richler B&T Steel Comco Comco Pipe & Supply Company Drummond McCall Ennisteel Fedmet Trading Fedmet Tubulars FIL Realty Golden West Steel Leroux Steel London Steel Industries London Steel Service Centre McCabe Bros. Steel McCabe Steel Megantic Metal Metaux Russel Metaux Russel Express Metaux Russel Produits Specialises Milspecstrapping Systems

	Transfo-Metal Tubulaires Fedmet Raybo Cutting Russel Chain Russel Drilling & Industrial Supply Russel Drummond Russel International Russel Internationale Russel Leroux Russel Metals Russel Metals Depot Russel Metals Exports Russel Metals Specialty Products Russel Specialty Metals Russelsteel Vantage Laser Cutting York-Ennis York Steel
Federal Tax Identification Number and/or Organization Number:	[INTENTIONALLY OMITTED]

Full Legal Name of Company:	FIL (US) Inc.
Location of All Tangible and Intangible Property and Collateral:	Alaska
Chief Executive Office:	975 N. Meade Street Appleton, Wisconsin 54912-1054
Jurisdiction of Organization:	Alaska
Any Other Principal Places of Business of the Company or Places Where the Accounts Receivable Were Kept During the Four Months Preceding the Restatement Effective Date:	N/A
Other Name(s) Used by the Company Since Incorporation or Organization:	N/A
Use of Any Other Corporate Name(s) at Any Time During the Past Five Years Immediately Preceding the Restatement Effective Date:	N/A
Federal Tax identification Number and/or Organization Number:	[INTENTIONALLY OMITTED]

Full Legal Name of Company:	Fedmet Corp.
Location of All Tangible and Intangible	N/A

Property and Collateral:	
Chief Executive Office:	c/o CT Corporation 1209 Orange Street Wilmington, Delaware 19801
Jurisdiction of Organization:	Delaware
Any Other Principal Places of Business of the Company or Places Where the Accounts Receivable Were Kept During the Four Months Preceding the Restatement Effective Date:	N/A
Other Name(s) Used by the Company Since Incorporation or Organization:	Name change from Servall America Inc. as provided for in the Certificate of Amendment dated Sept. 23, 1996.
Use of Any Other Corporate Name(s) at Any Time During the Past Five Years Immediately Preceding the Restatement Effective Date:	N/A
Federal Tax Identification Number and/or Organizational Number:	[INTENTIONALLY OMITTED]

Full Legal Name of Company:	Pioneer Steel & Tube Corp.
Location of all Tangible and Intangible Property and Collateral:	3846 County Road 75 Houston, Texas 78380 1750 North Pioneer Lane Vineyard, Utah 84058 2401 Picadilly Road Aurora, Colorado 80013 11011 Sheldon Road Houston, Texas 77044 3232 Road 101, East Building-32 Sidney, Nebraska 69162 4501 Knapp Road Pearland, Texas 77581 11011 Sheldon Road Houston, Texas 77044 1790 North Pioneer Lane Vineyard Utah, 84058 1305 Industrial Road

	Houston, Texas 77015 12766 Violet Road Adelanto, California 92301 2565 Lewis River Road Woodland, Washington 98674 400 South Sheldon Road Channelview, Texas 77530 925 Kennedy Avenue Schererville, Indiana 46375 14000 San Bernardino Avenue Southwest Gate-6 Fontana, California 92335 5875 Kelley Street Houston, Texas 77026 Highway 250 East Lonestar, Texas 75668 7177 Cavalcade Houston, Texas 77028 1625 North Cannon Place Vineyard, Utah 84057 1314 Jefferon Chemical Road Conroe, Texas 77305 8100 East 96th Avenue Henderson, Colorado 80640 12100 West Little York Road Houston, Texas 77041 5200 East Mckinney Baytown, Texas 77523
Chief Executive Office:	1600 Lincoln Street Suite 2300 Denver, Colorado
Jurisdiction of Organization:	Delaware
Any Other Principal Places of Business of the Company or Places Where the	N/A

Accounts Receivable Were Kept During the Four Months Preceding the Restatement Effective Date:	
Other Name(s) Used by the Company Since Incorporation or Organization:	Pioneer Pipe
Use of Any Other Corporate Name(s) at Any Time During the Past Five Years Immediately Preceding the Restatement Effective Date:	N/A
Federal Tax Identification Number and/or Organization Number	[INTENTIONALLY OMITTED]

Full Legal Name of Company:	Russel Metals Corp.
Location of All Tangible and Intangible Property and Collateral:	N/A
Chief Executive Office:	c/o CT Corporation 1209 Orange Street Wilmington, Delaware 19801
Jurisdiction of Organization:	Delaware
Any Other Principal Places of Business of the Company or Places Where the Accounts Receivable Were Kept During the Four Months Preceding the Restatement Effective Date:	N/A
Other Name(s) Used by the Company Since Incorporation or Organization:	Name change from Fedmet Corporation as provided for in the Certificate of Amendment dated Sept. 23, 1996.
Use of Any Other Corporate Name(s) at Any Time During the Past Five Years Immediately Preceding the Restatement Effective Date:	N/A
Federal Tax Identification Number and/or Organizational Number:	[INTENTIONALLY OMITTED]

Full Legal Name of Company:	Russel Metals Williams Bahcall Inc.
Location of All Tangible and Intangible Property and Collateral:	999 West Armour Avenue Milwaukee, Wisconsin 975 North Meade Street P.O. Box 1054 Appleton, Wisconsin 895 Hinkle Street Green Bay, Wisconsin

Chief Executive Office:	999 West Armour Milwaukee, Wisconsin
Jurisdiction of Organization:	Delaware
Any Other Principal Places of Business of the Company or Places Where the Accounts Receivable Were Kept During the Four Months Preceding the Restatement Effective Date:	N/A
Other Name(s) Used by the Company Since Incorporation or Organization:	Name change from I. Bahcall Steel & Pipe, Inc. as provided for in the Certificate of Amendment dated Nov. 27, 2002.
Use of Any Other Corporate Name(s) at Any Time During the Past Five Years Immediately Preceding the Restatement Effective Date:	I. Bahcall Steel & Pipe Inc. Russel Metals Williams Bahcall
Federal Tax Identification Number and/or Organizational Number:	[INTENTIONALLY OMITTED]

Full Legal Name of Company:	Triumph Tubular & Supply Ltd.
Location of All Tangible and Intangible Property and Collateral:	Alberta
Chief Executive Office:	#875 – 441 5th Avenue S.W. Calgary, Alberta T2P 2V1
Jurisdiction of Organization:	Alberta
Any Other Principal Places of Business of the Company or Places Where the Accounts Receivable Were Kept During the Four Months Preceding the Restatement Effective Date:	N/A
Other Name(s) Used by the Company Since Incorporation or Organization:	N/A
Use of Any Other Corporate Name(s) at Any Time During the Past Five Years Immediately Preceding the Restatement Effective Date:	N/A
Federal Tax Identification Number and/or Organizational Number:	[INTENTIONALLY OMITTED]

Full Legal Name of Company:	Wirth Steel, a General Partnership. The partnership may also use the French form of such name, "Acier Wirth, société on nom collectif"
Location of All Tangible and Intangible Property and Collateral:	A1 Universal Terminal Ltd. # 1 18 Spruce Street

	New Westminster, B.C. V3L 5G6 DKGS Warehouse Inc. 6875 Middle Belt Road Romulus, Mi. 48174 United States Federal Marine Terminals PORT OF HAMILTON P. O. Box 528 Hamilton, On. L8L 7W9 Logistec Stevedoring Inc. 360 St. Jacques Street Suite 1500 Montreal, QC H2Y 1P5 Morterm Limited 1601 Lincoln Road Windsor, On. N8Y 4Y9 Nicholson Terminal & Dock P. O. Box 18066 Ecorse, Mi. 48218 U.S.A. Sorel Tracy Terminal Maritime Div. of Fagen Dock Services Inc. 101 Rue Montcalm St. Joseph de Sorel, QC J3R 1B9 TMS Transportation 425480 B.C. LTD. 9975 199B Street Langley, B.C. V1M 3G4 Western Stevedoring (LYNTERM) 15 Mountain Highway North Vancouver, B.C.

	V7J 2J9
Chief Executive Office:	1 Westmount Square Suite 200 Montreal, Quebec H3Z 2P9
Jurisdiction of Organization:	Quebec
Any Other Principal Places of Business of the Company or Places Where the Accounts Receivable Were Kept During the Four Months Preceding the Restatement Effective Date:	British Columbia
Other Name(s) Used by the Company Since Incorporation or Organization:	N/A
Use of Any Other Corporate Name(s) at Any Time During the Past Five Years Immediately Preceding the Restatement Effective Date:	Wirth Limited Wirth, a General Partnership/Acier Wirth, société générale
Federal Tax Identification Number and/or Organizational Number:	[INTENTIONALLY OMITTED]

Full Legal Name of Company:	Fedmet International Corporation
Location of All Tangible and Intangible Property and Collateral:	30403 Bruce International Parkway Solon, Ohio 44139
Chief Executive Office:	30403 Bruce International Parkway Solon, Ohio 44139
Jurisdiction of Organization:	Delaware
Any Other Principal Places of Business of the Company or Places Where the Accounts Receivable Were Kept During the Four Months Preceding the Restatement Effective Date:	
Other Name(s) Used by the Company Since Incorporation or Organization::	Baldwin International; International Alloy Steel Division; International Alloy Tool Steel Division; Mill Material Supply
Use of Any Other Corporate Name(s) at Any Time During the Past Five Years Immediately Preceding the Restatement Effective Date:	Baldwin International; International Alloy Steel Division; International Alloy Tool Steel Division; Mill Material Supply
Federal Tax Identification Number and/or Organizational Number:	[INTENTIONALLY OMITTED]

Full Legal Name of Company:	Spartan Steel Products, Inc.
Location of All Tangible and Intangible Property and Collateral:	1660 Lincoln Street, Suite 2300 Denver, Colorado 80264

	A & W Water 1892 Denver Ave Ft Lupton CO 80621 Artic Pipe Insp. 9500 Sheldon RD Houston, TX 77048 AZ Terminal 1919 Crosby Dayton Rd. Crosby, TX 77532 Conestoga Supply 11011 Sheldon Road Houston, TX 77044 BBB Holdings 1145 S Main St Hennessey OK 73742 BHM Pipe & Supply 11615 FM 2100 Crosby, TX 77532 C & Y 10200 E. Hway 20-26 Casper, WY 82609 Delta Tubular 9815 E. Mount Houston, TX Energy Tubulars 21630 Hwy 6 Rifle, CO 81650 Hunting Energy SVS 6615 River Rd Marrero, LA 70072 Hyland Enterprises 4275 W Centennial Pkwy Rifle, CO 81650 John Bunning 400 Blair Ave.

	Rock Springs, WY 82901 Lonestar Tubular 2230C FM 729 Lone Star TX 75668 MG Warehouse 9700 North Hurst Portland, OR 97203 Mobile Pipe W. 12766 Violate Adelanto, CA 92301 OCTG 9200 Sheldon Rd Houston TX 77049 Packard Pipe 806 Engineers Rd. Belle Chase, LA 70037 Patterson 539 S. Sheldon Rd. Channelview, TX 77530 RK Storage 10937 NW Front Ave Portland OR 97231 Specialized Rail 120 E. 700 St. Clearfield, UT 84015 Storage & Processors Port of Houston Gate 1 Houston, TX 77220-4210 Tuboscope North 1022 Sheldon Rd. Houston, TX 77213 Tuboscope South 9015 Sheldon Rd. Houston, TX 77049 Tubular Services

	1010 McCarty Drive Houston TX 77029 Tubular Services 2030 Jacinto Port Blvd Houston, TX 77015 Turner Brothers 4725 North Boulevard Edmond, OK 73003 VAM/Grant Prideco 3800 Port Place Muskogee, OK 74403
Chief Executive Office:	2942 Evergreen Parkway, Suite 207 Evergreen, Colorado 80439
Jurisdiction of Organization:	Colorado
Any Other Principal Places of Business of the Company or Places Where the Accounts Receivable Were Kept During the Four Months Preceding the Restatement Effective Date:	1660 Lincoln Street Suite 2300 Denver, Colorado 80264
Other Name(s) Used by the Company Since Incorporation or Organization:	N/A
Use of Any Other Corporate Name(s) at Any Time During the Past Five Years Immediately Preceding the Restatement Effective Date:	N/A
Federal Tax Identification Number and/or Organizational Number:	[INTENTIONALLY OMITTED]

Full Legal Name of Company:	Fedmet Enterprises Corporation
Location of All Tangible and Intangible Property and Collateral:	N/A
Chief Executive Office:	c/o CT Corporation 1209 Orange Street Wilmington, Delaware 19801
Jurisdiction of Organization:	Delaware
Any Other Principal Places of Business of the Company or Places Where the Accounts Receivable Were Kept During the Four Months Preceding the Restatement Effective Date:	N/A
Other Name(s) Used by the Company Since Incorporation or Organization:	Kingsway Transports, Inc.

Use of Any Other Corporate Name(s) at Any Time During the Past Five Years Immediately Preceding the Restatement Effective Date:	N/A
Federal Tax Identification Number and/or Organizational Number:	98-0042131

Full Legal Name of Company:	RMI Holdings LLC
Location of All Tangible and Intangible Property and Collateral:	1209 Orange Street Wilmington, Delaware 19801
Chief Executive Office:	1209 Orange Street Wilmington, Delaware 19801
Jurisdiction of Organization:	Delaware
Any Other Principal Places of Business of the Company or Places Where the Accounts Receivable Were Kept During the Four Months Preceding the Restatement Effective Date:	N/A
Other Name(s) Used by the Company Since Incorporation or Organization:	N/A
Use of Any Other Corporate Name(s) at Any Time During the Past Five Years Immediately Preceding the Restatement Effective Date:	N/A
Federal Tax Identification Number and/or Organizational Number:	[INTENTIONALLY OMITTED]

Full Legal Name of Company:	JMS Russel Metals Corp.
Location of All Tangible and Intangible Property and Collateral:	1320 E. Chester Jackson, Tennessee 38301 2801 Commerce Drive Jonesboro, Arkansas 72402 3716 Highway 32 North Hope, Arkansas 71801 1455 Bloom Avenue Paducah, Kentucky 42001 1312 Commerce Drive, N.W. Decatur, Alabama35601 199 South Industrial Boulevard

	Trenton, Georgia 5027 N. County Road 1015 Blytheville, Arkansas 72315 1350 Lawson Road Fort Worth, Texas 76131-2723
Chief Executive Office:	1209 Orange Street Wilmington, Delaware 19801
Jurisdiction of Organization:	Delaware
Any Other Principal Places of Business of the Company or Places Where the Accounts Receivable Were Kept During the Four Months Preceding the Restatement Effective Date:	620 Old Hickory Blvd. Suite 400 Jackson, Tennessee 38305
Other Name(s) Used by the Company Since Incorporation or Organization:	JMS Metals Services, Inc. Jackson Metal Services Inc. JMSI, Inc. JMS Processing, Inc. JMS Metals Services of Alabama, Inc. Norton Metal Products, Inc.
Use of Any Other Corporate Name(s) at Any Time During the Past Five Years Immediately Preceding the Restatement Effective Date:	Norton Metals
Federal Tax Identification Number and/or Organizational Number:	[INTENTIONALLY OMITTED]

Full Legal Name of Company:	RMJMS LLC
Location of All Tangible and Intangible Property and Collateral:	Corporation Trust Center 1209 Orange Street Wilmington, Delaware 19801
Chief Executive Office:	Corporation Trust Center 1209 Orange Street Wilmington, Delaware 19801
Jurisdiction of Organization:	Delaware
Any Other Principal Places of Business of the Company or Places Where the Accounts Receivable Were Kept During the Four Months Preceding the Restatement Effective Date:	N/A
Other Name(s) Used by the Company Since Incorporation or Organization:	N/A
Use of Any Other Corporate Name(s) at Any Time During the Past Five Years Immediately Preceding the Restatement	N/A

Effective Date:	
Federal Tax Identification Number and/or Organizational Number:	[INTENTIONALLY OMITTED]

Full Legal Name of Company:	Russel Metals JMS Corporation
Location of All Tangible and Intangible Property and Collateral:	1209 Orange Street Wilmington, Delaware 19801
Chief Executive Office:	1209 Orange Street Wilmington, Delaware 19801
Jurisdiction of Organization:	Delaware
Any Other Principal Places of Business of the Company or Places Where the Accounts Receivable Were Kept During the Four Months Preceding the Restatement Effective Date:	N/A
Other Name(s) Used by the Company Since Incorporation or Organization:	N/A
Use of Any Other Corporate Name(s) at Any Time During the Past Five Years Immediately Preceding the Restatement Effective Date:	N/A
Federal Tax Identification Number and/or Organizational Number:	[INTENTIONALLY OMITTED]

Schedule 2.1(16) – Canadian Benefit Plans and Canadian Pension Plans

1. Canadian Benefit Plans

(a) Group Life, Accidental Death, Health, Dental and Disability Plans Sponsored by Company

	Policy No.	Description	Provider
1		Group Life and Long-Term Disability (LTD) coverage	Sun Life Assurance Company of Canada
2		1. Employee Assistance Program for Cdn employees excluding Thunder Bay Terminals Ltd. 2. Emergency Travel Medical Assistance for salaried and non-union hourly employees. 3. Life and LTD benefits for disabled lives of metals operations up until September 30, 1999. 4. Optional Life coverage for Thunder Bay Terminal employees. 5. Life and LTD benefits for certain disabled & retired lives of discontinued transportation and consumer operations.	The Great-West Life Assurance Company
3		Basic Life insurance coverage for Thunder Bay Terminals Ltd. Employees	Manulife Financial
4		Group Health, Dental, Visioncare & Weekly Indemnity Disability benefits for Russel Metals employees and certain retirees	The Great-West Life Assurance Company
5		Basic Accidental Death &Dismemberment (AD&D) coverage	RBC Life Insurance
6		Voluntary AD&D coverage	RBC Life Insurance
7		Group Health, Dental, Life, AD&D and Disability coverage for unionized employees of Boucherville QC	The Great-West Life Assurance Company

[ALL POLICY NUMBERS OMITTED INTENTIONLLY]

(b) Contributions to Union Trustee Benefit Arrangements

	Union	Location (s)	Description
1	USWA Local 2952	Vancouver, Kelowna, Nanaimo, Campbell River, Prince George	Contribution to Health and Welfare arrangement sponsored by USWA
2	USWA Local 5663	Calgary	Contribution to Health and Welfare arrangement sponsored by USWA
3	USWA Local 6444	Port Robinson	Contribution to Health and Welfare arrangement sponsored by USWA

2. Canadian Pension and Retirement Savings Plans

(a) Registered Pension Plans Sponsored by Company:

	Name of Plan	CRA Reg	Registration
1	Russel Metals Inc. Pension Plan A (formerly The Federal Industries Consumer Group Executive Pension Plan)	0550145	Ontario
2	Russel Metals Inc. Pension Plan D (formerly Federal Industries Group Offices Pension Plan)	0374991	Ontario
3	Russel Metals Inc. Pension Plan E (formerly The Russelsteel Pension Plan for Employees)	0915991	Ontario
4	Russel Metals Inc. Pension Plan F (formerly Drummond McCall Pension Plan for Employees)	0948968	Ontario
5	Russel Metals Inc. Pension Plan G (formerly Pension Plan for Hourly Paid Employees of Russelsteel)	0902163	Ontario
6	Drummond McCall Pension Plan for Union Employees	TBD	British Columbia
7	The Pension Plan for Employees of Thunder Bay Terminals Ltd.	058727	Ontario
8	The Pension Plan for the B.C. Employees of A.J. Forsyth, A Division of Russel Metals Inc.	0211177	British Columbia
9	Pension Plan for Hourly Employees of Ennisteel, A	0395723	Ontario

	Name of Plan	CRA Reg	Registration
	Division of Russel Metals Inc.		
10	Pension Plan for Salaried Employees of Ennisteel, A Division of Russel Metals Inc.	0971218	Ontario
11	The Retirement Plan for Employees of CF Kingsway Inc. *	562157	Federal
12	The Pension Plan for Employees of the White Pass and Yukon Corporation Limited *	209973	Federal
13	The Pension Plan for Employees of the White Pass Transportation Limited *	0993659	Federal
14	Individual Pension Plan for Lance Davidson	1024868	British Columbia

(b) Retirement Savings Plans Sponsored by Company:

Group RRSP for Russel Metals employees	Sun Life
Group DPSP/RRSP for Acier Leroux employees	Standard Life
Group RRSP for Prince George Machinist Union employees	Royal Bank

(c) Contributions to Union Sponsored Pension Arrangements

	Union	*Location (s)*	*Description*
1	USWA Local 2952	Vancouver, Kelowna, Nanaimo, Campbell River, Prince George	Contribution to pension arrangement sponsored by USWA
2	USWA Local 4796	Amos	RRSP contribution to Fonds Solidarité des Travailleursdu Quebec (FTQ)
3	CSN Warehouse	St. Augustin Chicoutimi Boucherville Transfo Metal	Labour fund RRSP contribution to Fondaction

4	USWA Local 8990	Terrebonne Non-Ferrous	RRSP contribution to plan sponsored by USWA
5	CSN Warehouse	Boucherville Transfo Metal	Pension contribution to plan sponsored by CSN (Batirente)
6	Syndicate des Employes de Richler	Acier Richler	RRSP contribution to plan sponsored by Richler union
7	CSN Warehouse	St. Augustin	RRSP contribution to plan sponsored by CSN
8	CAW Local 4270	Ottawa	Pension contribution to plan sponsored by CAW (CWIPP)
9	TUAC Local 509	Mégantic	RRSP contribution to Fonds Solidarité des Travailleurs du Quebec (FTQ)
10	Métallos Local 7065-63	Sept Iles	RRSP contribution to Fonds Solidarité des Travailleurs du Quebec (FTQ)

3. Other Plans Sponsored by Company

1	Supplementary Retirement Allowance Agreement (SERP) for John Fraser, Wayne Mang, Brian Hedges, Bruce Reid and Marion Britton
2	Retirement Compensation Arrangement (RCA) for Brian Hedges (to fund SERP benefits after 2003)
3	Retirement Compensation Arrangement (RCA) for Marion Britton (to fund SERP benefits after 2006)
4	Severance arrangements and retiring allowances in accordance to employee contracts, labour agreement, provincial employment standards and tax guidelines. Due to the current economic conditions we have paid $534,000 in severance and estimate that additional severance costs would be payable if all currently laid-off employees are not recalled to work.
5	Performance Incentive Plan (PIP) for Field Staff (based on RONA)
6	Performance Incentive Plan for Corporate Staff and Senior Executive(based on EPS)
7	Employee Share Purchase Plan

FIL (US) Inc.

1. Canadian Benefit Plans

None.

2. Canadian Pension Plans

None.

Schedule 2.1(17) - US Benefit Plans and US Pension Plans

1. US Benefit Plans

(a) Group Life, Accidental Death, Health, Dental and Long-Term Disability Plans Sponsored by Company

	Policy No.	Description	Provider
1		Group Life, Accidental Death & Dismemberment (AD&D) and Long-Term Disability (LTD) coverage for employees of Fedmet International, Baldwin International, Pioneer Pipe and Spartan Steel	UNUM Provident
2		Group Life, Accidental Death & Dismemberment (AD&D) and Long-Term Disability (LTD) coverage for employees of JMS Russel Metals	UNUM Provident
3		Group Health and Dental coverage for employees of Fedmet International, Baldwin International, Pioneer Pipe, and Spartan Steel	UnitedHealth
4		Group Life & AD & D coverage for Salaried, Non-Union Hourly employees & Milwaukee USWA Union employees of Williams Bahcall	Mutual of Omaha
5		Optional Group Life & Voluntary AD & D coverage for Salaried, Non-Union Hourly employees & Milwaukee USWA Union employees of Williams Bahcall	Mutual of Omaha
6		Group STD coverage for Salaried, Non-Union Hourly employees & Milwaukee USWA Union employees of Williams Bahcall	MetLife
7		Group LTD coverage for Salaried, Non-Union Hourly employees & Milwaukee USWA Union employees of Williams Bahcall	Hartford Life
8		Group Health & Dental coverage for Salaried, Non-Union Hourly employees & Milwaukee USWA Union employees of Williams Bahcall	Humana
9		Optional Visioncare coverage for Salaried, Non-Union Hourly employees & Milwaukee USWA Union employees of Williams Bahcall	Vision Insurance Plan of America
10		Group Health and Dental coverage for employees of JMS Russel Metals	Blue Cross Blue Shield of Tennessee

[ALL POLICY NUMBERS OMITTED INTENTIONLLY]

11		Group Health and Dental coverage for employees of Padukah, KT	Anthem
12		Group Health coverage for employees of Sunbelt Group and Arrow Steel	UnitedHealth
13		Group Dental coverage for employees of Sunbelt Group and Arrow Steel	Mutual of Omaha
14		Group Life, AD & D and LTD coverage for employees of Sunbelt Group and Arrow Steel	Principal Financial
15		Group Health coverage for employees of Norton Metals	AETNA
16		Group Life and AD& D coverage for employees of Norton Metals	Guarantee Life
17		Health Spending Account for employees of Williams Bahcall, Fedmet International, Baldwin International, Pioneer Pipe and Spartan Steel	WageWorks

[ALL POLICY NUMBERS OMITTED INTENTIONLLY]

(b) Contributions to Union Sponsored Benefit Arrangements

	Union	Location (s)	Description
1	Teamsters Local 662	Green Bay	Contribution to Health & Welfare arrangement sponsored by Teamsters (Central States Fund)
2	Teamsters Local 200 (Drivers)	Milwaukee	Contribution to Health & Welfare arrangement sponsored by Teamsters (Central States Fund)

2. US Pension and Retirement Savings Plans

(a) Registered/Qualified Pension Plans

None.

(b) Retirement Savings Plans (401(k)):

1	Retirement Savings Plan for Russel Metals US employees	Fidelity
2	Retirement Savings Plan for Norton Metals employees	Principal Financial

(c) Other Savings Plans:

Employee Share Purchase Plan

3. Other US Benefit and Pension Plans Sponsored by the Company

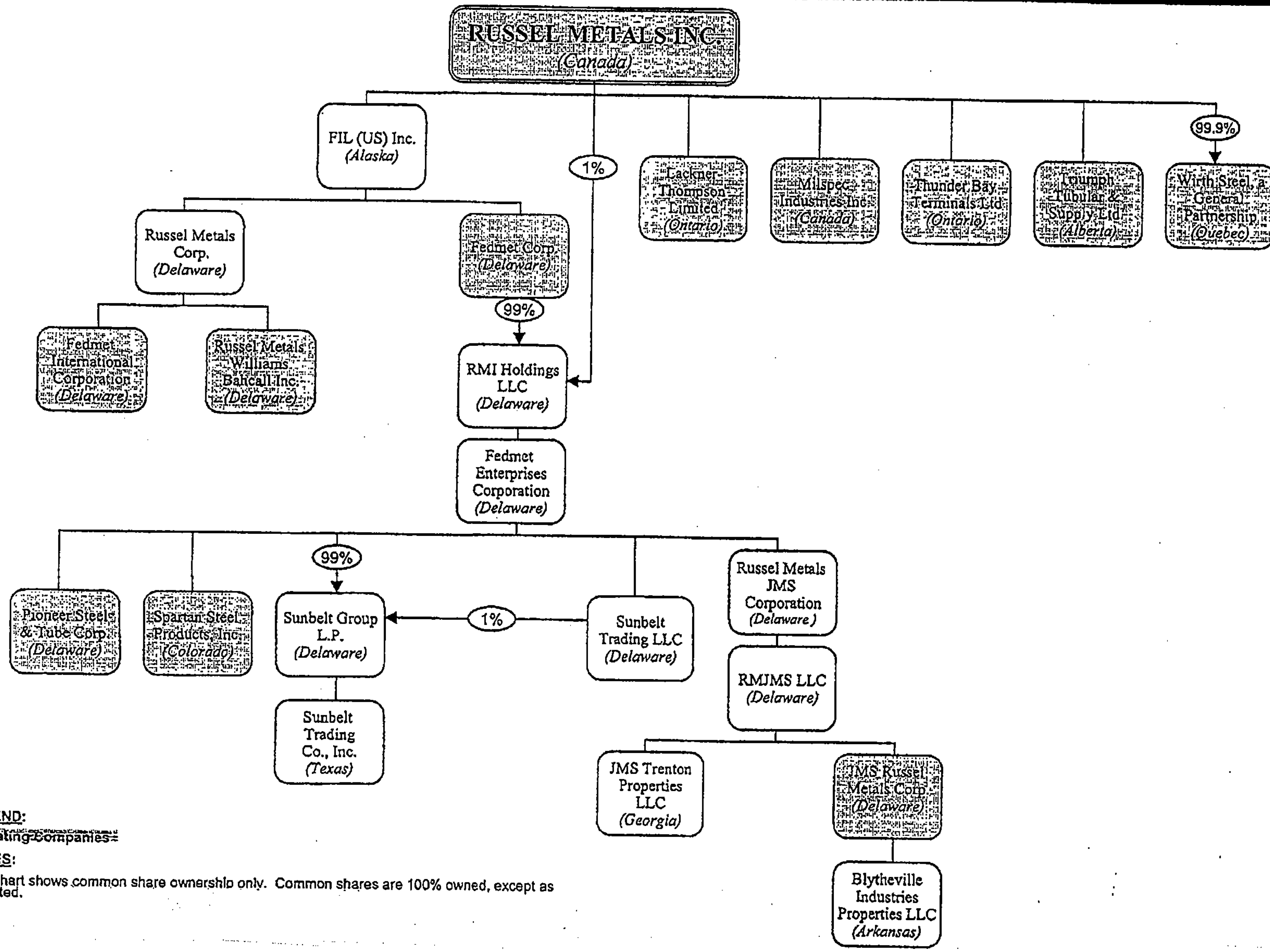
1	Regular severance arrangements in accordance to employee contracts, state guidelines and tax guidelines. There are no material outstanding severances.

Schedule 2.1(20) – Corporate Organization Chart

See attached.

Russel Metals

ACTIVE COMPANIES

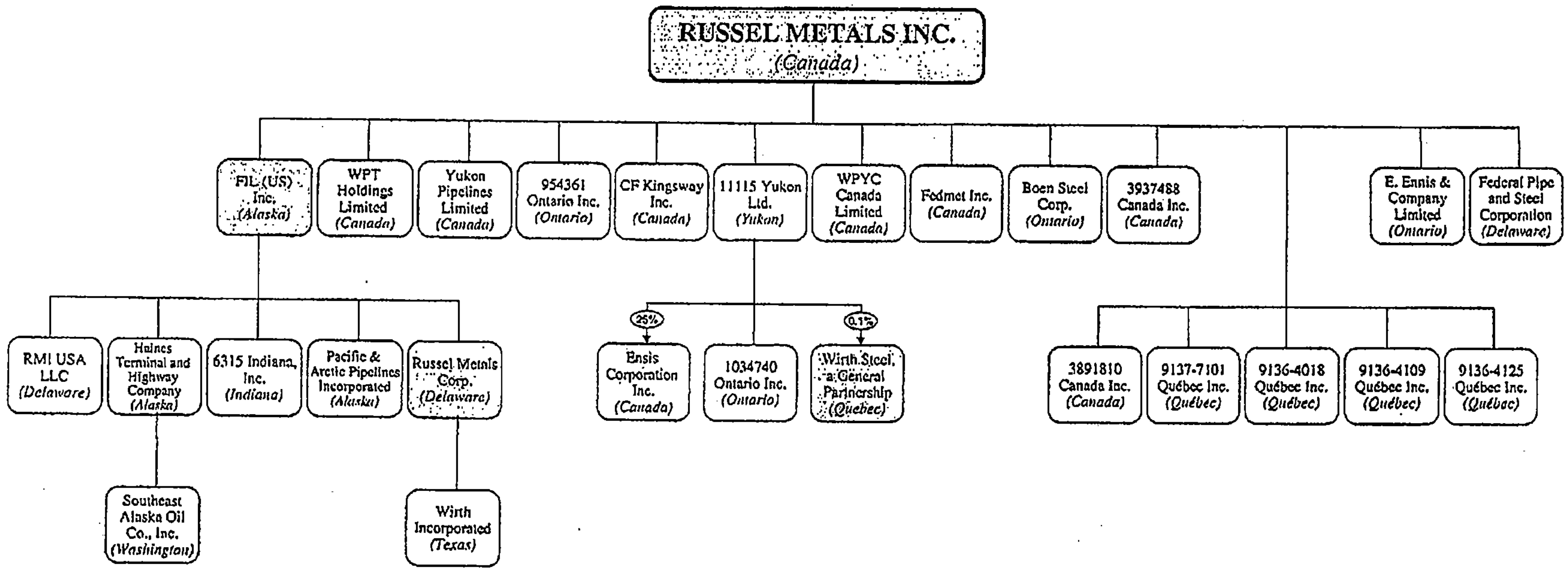


LEGEND:
Operating Companies

NOTES:
This chart shows common share ownership only. Common shares are 100% owned, except as indicated.

Russel Metals

INACTIVE COMPANIES



LEGEND:

Company in course of dissolution

Active Investment Companies

Active Companies

NOTES:

This chart shows common share ownership only. Common shares are 100% owned, except as indicated.

Schedule 3.8 – Notice of Requested Advance

Date

Royal Bank of Canada,
Agency Services Group
Royal Bank Plaza
P.O. Box 50, 200 Bay Street
12th Floor, South Tower
Toronto, Ontario
M5J 2W7

Attention: Manager, Agency
Fax: (416) 842-4023

Dear Sirs/Mesdames:

Re: Russel Metals Inc.

We refer to Section 3.8 of the amended and restated credit agreement made as of May 1, 2009 among Russel Metals Inc., as Canadian Borrower, FIL (US) Inc., as US Borrower, Royal Bank of Canada, as Agent, and the Lenders party thereto, as amended, restated, supplemented or otherwise modified from time to time (the "***Credit Agreement***"). Capitalized terms used and not defined herein have the meanings given to them in the Credit Agreement.

We hereby confirm our request for **[Tranche I Advance/Tranche II Advance]** as follows:

Canadian Borrower

(a) **Prime Loan** for drawdown under Tranche I on ____________ in the amount of Cdn$____.

(b) **USBR Loan** for drawdown under Tranche I on ____________ in the amount of US$__________.

(c) Issue of **Bankers' Acceptances** under Tranche I as follows:

Issue Date ____________
Total Face Amount Cdn$____________
Contract Period of ___**[one/two/three/six]** months terminating on ____________

(d) **Libor (Can) Loan** for drawdown under Tranche I on _________ in the amount of US$_________ for a Contract Period of __________ **[one/two/three/six]** months.

(e) Issue of **Letter of Credit** under **[Tranche I/Tranche II]**
See attached application.

Issue Date _______________
Total Face Amount $____________ (in Cdn$/US$/Euros)
Contract Period of ______________ (maximum 364 days)
Issuing Tranche II Lender __________________ (if applicable)

US Borrower

(a) **US Prime Loan** for drawdown under Tranche I on ____________ in the amount of US$____.

(b) **Libor (US) Loan** for drawdown under Tranche I on _________ in the amount of US$_________ for a Contract Period of __________ **[one/two/three/six]** months.

(c) Issue of **Letter of Credit** under **[Tranche I/Tranche II]**
See attached application.

Issue Date_____________________
Total Face Amount $__________________ (in US$ or Euros)
Contract Period of ____________________ (maximum 364 days)
Issuing Tranche II Lender __________________ (if applicable)

[Insert payment instructions if payment to be made other than by deposit or wire transfer to the applicable Borrower's Account]

We hereby certify that the conditions contained in Section 8.2 of the Credit Agreement applicable to an Advance have been satisfied as of the date hereof and will be satisfied before and after giving effect to the Advance requested herein on the applicable Drawdown Date.

Yours truly,

[RUSSEL METALS INC.]

By: ______________________________
Name:
Title:

[FIL (US) INC.]

By: ______________________________
Name:
Title:

Note: To be signed only by Borrower(s) requesting the Advance(s).

Schedule 3.9(2) – Notice of Rollover or Payment of Libor Loan

Date

Royal Bank of Canada,
Agency Services Group
Royal Bank Plaza
P.O. Box 50, 200 Bay Street
12th Floor, South Tower
Toronto, Ontario
M5J 2W7

Attention: Manager, Agency
Fax: (416) 842-4023

Dear Sirs/Mesdames:

Re: Russel Metals Inc.

We refer to Section 3.9(2) of the amended and restated credit agreement made as of May 1, 2009 among Russel Metals Inc., as Canadian Borrower, FIL (US) Inc., as US Borrower, Royal Bank of Canada, as Agent, and the Lenders party thereto, as amended, restated, supplemented or otherwise modified from time to time (the "***Credit Agreement***"). Capitalized terms used and not defined herein have the meanings given to them in the Credit Agreement.

We hereby confirm that:

(a) we intend to repay the following Libor Loan on the current maturity date:

(i) Amount of Libor Loan US$____________________.

(ii) Current maturity date __________/__________/__________.
Day Month Year

(b) the following Libor Loan is to be rolled over in accordance with Section 3.9(2) of the Credit Agreement for the new Contract Period specified below:

(i) Amount of Libor Loan US$____________________.

(ii) Current maturity date __________/__________/__________.
Day Month Year

(iii) New Contract Period from _________ to ___________.

(iv) New maturity date __________/__________/__________.
Day Month Year

We hereby certify that the conditions contained in Section 8.2 of the Credit Agreement applicable to a Rollover have been satisfied as of the date hereof and will be satisfied before and after giving effect to such Rollover on the applicable Rollover Date.

Yours truly,

[RUSSEL METALS INC.]

By: ______________________________
Name:
Title:

[FIL (US) INC.]

By: ______________________________
Name:
Title:

Note: To be signed only by Borrower(s) requesting the rollover(s).

Schedule 3.10(8) – Notice of Rollover or Payment of Bankers' Acceptances

Date

Royal Bank of Canada,
Agency Services Group
Royal Bank Plaza
P.O. Box 50, 200 Bay Street
12th Floor, South Tower
Toronto, Ontario
M5J 2W7

Attention: Manager, Agency
Fax: (416) 842-4023

Dear Sirs/Mesdames:

Re: Russel Metals Inc.

We refer to Section 3.10(8) of the amended and restated credit agreement made as of May 1, 2009 among Russel Metals Inc., as Canadian Borrower, FIL (US) Inc., as US Borrower, Royal Bank of Canada, as Agent, and the Lenders party thereto, as amended, restated, supplemented or otherwise modified from time to time (the "***Credit Agreement***"). Capitalized terms used and not defined herein have the meanings given to them in the Credit Agreement.

We hereby confirm that:

(a) we intend to repay the following Bankers' Acceptances on the current maturity date:

(i) Aggregate face amount Cdn$____________________.

(ii) Current maturity date __________/__________/__________.
Day Month Year

(b) the following Bankers' Acceptances are to be rolled over in accordance with Section 3.10(8) of the Credit Agreement by the issuance of new Bankers' Acceptances on the current maturity date with the new maturity date specified below:

(i) Aggregate face amount of maturing Bankers' Acceptances Cdn$____________________.

(ii) Current maturity date __________/__________/__________.
Day Month Year

(iii) New Aggregate face amount Cdn$____________________.

(iv) New Contract Period __________ **[one/two/three/six]** months.

(v) New maturity date __________/__________/__________.
Day Month Year

We hereby certify that the conditions contained in Section 8.2 of the Credit Agreement applicable to a Rollover have been satisfied as of the date hereof and will be satisfied before and after giving effect to such Rollover on the applicable Rollover Date.

Yours truly,

RUSSEL METALS INC.

By: ________________________________
Name:
Title:

Schedule 3.13(15) – Letter of Credit Non-Extension Request

Date

Royal Bank of Canada,
Agency Services Group
Royal Bank Plaza
P.O. Box 50, 200 Bay Street
12th Floor, South Tower
Toronto, Ontario
M5J 2W7

Attention: Manager, Agency
Fax: (416) 842-4023

-or-

[Fronting Lender]
[Address]

Dear Sirs/Mesdames:

Re: Russel Metals Inc.

We refer to Section 3.13(15) of the amended and restated credit agreement made as of May 1, 2009 among Russel Metals Inc., as Canadian Borrower, FIL (US) Inc., as US Borrower, Royal Bank of Canada, as Agent, and the Lenders party thereto, as amended, restated, supplemented or otherwise modified from time to time (the "***Credit Agreement***"). Capitalized terms used and not defined herein have the meanings given to them in the Credit Agreement.

We hereby confirm that we do not wish extension(s) of the expiry date(s) of the following Letter(s) of Credit under **[Tranche I/Tranche II]**:

(i) Letter of Credit No. _____________.

(ii) Beneficiary ____________________________________.

(iii) Amount **[Cdn$/US$/Euros]**____________________.

(iv) Expiry Date _____________________

[Repeat for each instrument.]

Yours truly,

[RUSSEL METALS INC.]

By: ______________________________
Name:
Title:

[FIL (US) INC.]

By: ______________________________
Name:
Title:

Note: To be signed only by Borrower(s) at whose request the Letter(s) of Credit were issued.

Schedule 3.14 – Conversion Option Notice

Date

Royal Bank of Canada,
Agency Services Group
Royal Bank Plaza
P.O. Box 50, 200 Bay Street
12th Floor, South Tower
Toronto, Ontario
M5J 2W7

Attention: Manager, Agency
Fax: (416) 842-4023

Dear Sirs/Mesdames:

Re: Russel Metals Inc.

We refer to Section 3.14 of the amended and restated credit agreement made as of May 1, 2009 among Russel Metals Inc., as Canadian Borrower, FIL (US) Inc., as US Borrower, Royal Bank of Canada, as Agent, and the Lenders party thereto, as amended, restated, supplemented or otherwise modified from time to time (the "***Credit Agreement***"). Capitalized terms used and not defined herein have the meanings given to them in the Credit Agreement.

We hereby give notice of our irrevocable request for a conversion of Tranche I Advances in the amount of **[Cdn$/US$]**__________ outstanding by way of **[Prime Loans/USBR Loans/ US Prime Loans/Libor Loans/Bankers' Acceptances]** into corresponding Tranche I Advances by way of **[Prime Loans/USBR Loans/ US Prime Loans/Libor Loans/Bankers' Acceptances]** on the ______ day of __________________, 20 ______. **[The last day of the relevant Contract Period for the Libor Loans/Bankers' Acceptances is the ______ day of ______, 20 ____.]**

We wish to convert the following Advances on: ___/_____/_____.
Day Month Year

Type of Tranche I Advance Outstanding	Amount to be Converted	Type of Tranche I Advance Requested by Conversion
Prime Loans	Cdn$	
USBR Loans	US$	
US Prime Loans	US$	
Libor Loans	US$	
Bankers' Acceptances	Cdn$	

The new Contract Period if converting to a Libor Loan shall be from __________ to __________ (**[one/two/three/six]** months). The new Contract Period if converting to Bankers' Acceptances shall be _____ **[one/two/three/six]** months with a new maturity date of ___/_____/_____.
Day Month Year

We hereby certify that the conditions contained in Section 8.2 of the Credit Agreement applicable to a Conversion have been satisfied as of the date hereof and will be satisfied before and after giving effect to such Conversion on the applicable Conversion Date.

[RUSSEL METALS INC.]

By: ______________________________
Name:
Title:

[FIL (US) INC.]

By: ______________________________
Name:
Title:

Note: Only the Borrower(s) whose Advances are to be converted needs to sign notice.

Schedule 5.4 – Notice of Cancellation of Credit Facility

Date

Royal Bank of Canada,
Agency Services Group
Royal Bank Plaza
P.O. Box 50, 200 Bay Street
12th Floor, South Tower
Toronto, Ontario
M5J 2W7

Attention: Manager, Agency
Fax: (416) 842-4023

Dear Sirs/Mesdames:

Re: Russel Metals Inc.

We refer to Section 5.4 of the amended and restated credit agreement made as of May 1, 2009 among Russel Metals Inc., as Canadian Borrower, FIL (US) Inc., as US Borrower, Royal Bank of Canada, as Agent, and the Lenders party thereto, as amended, restated, supplemented and otherwise modified from time to time (the "***Credit Agreement***"). Capitalized terms used and not defined herein have the meanings given to them in the Credit Agreement.

We hereby give you notice of cancellation and reduction in the amount of Cdn$____________ **[minimum of Cdn$5,000,000 and in multiples of Cdn$1,000,000]** of the **[Tranche I Commitment/Tranche II Commitment]** effective as at ____________________________ **[insert date, which shall be no earlier than three Business Days after the date on which this Notice of Cancellation is received by the Agent]**.

Following such cancellation, the **[Tranche I Commitment/Tranche II Commitment]** shall be Cdn$____________.

RUSSEL METALS INC.

By: ________________________________
Name:
Title:

FIL (US) INC.

By: ________________________________
Name:
Title:

Schedule 9.5 – Environmental Matters

Operations divested between 1991 and 1997 included chrome plating facilities and the transportation and storage of petroleum products. Russel could be responsible for clean up of or damages from releases of hazardous materials on or emanating from the properties where these operations were conducted.

Present Actions

The following paragraphs summarize significant environmental litigation, regulatory action and remediation in which Russel is presently involved. The anticipated expenditures on these sites all relate to previously divested or discontinued operations.

Denton, Maryland

Pursuant to a Consent Order issued by the Maryland Department of the Environment ("MDE") in 1987 and subsequently amended in April 1993, one of Russel's non-operating subsidiaries is treating groundwater contaminated with volatile organic compounds from a former manufacturing facility on its property in Denton, Maryland. The 1993 amendment to the Consent Order allows the subsidiary to focus the remediation project on localized areas of contamination. To date, approximately US$2.7 million has been expended in connection with the investigation and remediation of groundwater on this site. The treatment system has recently undergone repair and upgrade activities to restore the system to optimum operating efficiency; and the recurring annual cost to operate and maintain the treatment system is approximately US$70,000. In addition, Russel may incur an expense of approximately US$130,000 during 2009, as a result of additional activities arising out of ongoing discussions with MDE and United States Protection Agency officials, in pursuit of eventual file closure.

Hamilton, Ontario

A subsidiary of Russel discovered contamination in 1991 on its property in Hamilton, Ontario, resulting from its historic, on-site chrome plating operations. The contamination, which consists primarily of chromium, was reported to the Ontario Ministry of Environment (the "MOE") and the local municipality. The subsidiary retained environmental consultants to determine the extent of contamination on the site and on neighbouring properties and developed a plan to deal with the contamination, which has been reviewed by the MOE. This plan involves the use of a groundwater extraction and treatment system, which has been installed and is presently remediating both contamination on site and that caused by the subsidiary on neighbouring properties. The subsidiary has undertaken certain actions, to upgrade and improve the remediation system, which commenced during 2008 and are continuing in 2009. Discussions continue with the MOE to ensure they remain informed and satisfied with the plan. To date, approximately $3.8 million has been expended and Russel expects that the groundwater extraction and treatment will continue indefinitely at an annual cost including operating and maintenance expenses of approximately $160,000. In addition, Russel may incur an additional expense of approximately $100,000 during 2009, in connection with continuing upgrades and improvements to the remediation system.

Whitehorse, Yukon and Skagway, Alaska

Certain of Russel's subsidiaries operated a petroleum distribution business in Alaska, Yukon and northern British Columbia including a petroleum pipeline between Whitehorse, Yukon and Skagway, Alaska. This business was sold as of June 1, 1995. Russel continues to own a property in Whitehorse formerly used in connection with that business including petroleum tank farms. The petroleum tanks and pipelines have been removed from this property. Remedial work for the property in Whitehorse known as the upper tank farm has been substantially completed and the results are before the Canadian National Energy Board, Environment Canada and the Yukon Territorial government for approval. Russel has expended approximately $0.5 million on this property. Russel does not anticipate any further material costs with respect to the upper tank farm at Whitehorse. In February 2007, Russel sold its former Skagway upper tank farm. The surface clean-up of the former Skagway upper tank farm was substantially completed and the purchaser has assumed responsibility for completing the work on this property. The purchaser has also assumed all liability with respect to the environmental condition of the property except that Russel remains responsible to third parties for migration of contaminants prior to the sale of the property.

The purchasers of the petroleum distribution business have filed a complaint in Alaska and a writ in the Yukon Territory against Russel relating to environmental contamination at the Whitehorse lower tank farm and a historical barrel-washing pit sold with the petroleum distribution business. The actions relate to petroleum hydrocarbons and also lead, zinc and other contaminants. On October 5, 2000, the Yukon Territorial government issued Orders pursuant to the *Environment Act* (Yukon) against Russel and other responsible parties to investigate, establish a plan of restoration and restore this site. The Yukon Territorial government vacated these Orders in 2002; however, it has advised that it remains of the view that investigation and restoration remain necessary. Consequently, Russel and some others, under a cost-sharing agreement entered into in 2005, are continuing the investigation of the property and the development of an acceptable restoration plan. Approximately $1.8 million has been expended to date. A proposed risk-based remedial approach is being developed, for consideration by the Yukon Territorial government and the Government of Canada. Russel's final costs with respect to these issues cannot be determined until a remedial approach has been decided, a restoration plan has been approved, and third party liability, if any, has been taken into account. Russel can make no assurances that costs with respect to this matter will not be material.

Schedule 13.1(3)(b) – Assignment and Assumption Agreement

[FORM OF] ASSIGNMENT AND ASSUMPTION AGREEMENT

This Assignment and Assumption Agreement (the "***Agreement***") is made as of • by and among • (the "***Assigning Lender***") and • (the "***Assignee***") and, to the extent required by the Credit Agreement (as defined below) is acknowledged by and consented to by Royal Bank of Canada, as Agent, the Fronting Lenders and the Borrower. All capitalized terms used in this Agreement and not otherwise defined herein will have the respective meanings set forth in the Credit Agreement as hereinafter defined.

RECITALS:

WHEREAS, Russel Metals Inc., a Canada corporation (the "***Canadian Borrower***"), FIL (US) Inc., an Alaska corporation (the "***US Borrower***"), Royal Bank of Canada, as Agent, the Lenders party thereto, including the Assigning Lender, have entered into that certain amended and restated credit agreement dated as of May 1, 2009 (as amended, restated, supplemented or otherwise modified from time to time, the "***Credit Agreement***") pursuant to which Assigning Lender has agreed to make certain Advances to the **[Canadian/US]** Borrower;

AND WHEREAS, the Assigning Lender desires to assign to Assignee **[100%/___%]** of its rights, title and interest to and in, and its obligations in respect of, its **[Tranche I Commitment/Tranche II Commitment]** and any such **[Tranche I Advances/Tranche II Advances]** and the Documents (the **"Assigned Interest"**);

AND WHEREAS, Assignee desires to accept such assignment of, and to assume, the Assigned Interest and, if not already a **[Canadian/US]** Lender, to become one hereby and to be a part of a Related Lender Group of which [•] is the other Lender;

AND WHEREAS, Assignee desires to appoint Agent to serve as agent for Assignee as a Lender in respect of the Assigned Interest under the Credit Agreement;

AND WHEREAS, Assigning Lender and Assignee are required to enter into this Agreement pursuant to Section 13.1(3)(b) of the Credit Agreement;

NOW, THEREFORE, in consideration of the premises and the agreements, provisions, and covenants herein contained, Assigning Lender and Assignee agree as follows:

1. ASSIGNMENT, DELEGATION, AND ACCEPTANCE

(a) Assignment.

Assigning Lender hereby transfers and assigns to Assignee, without recourse and without representations or warranties of any kind (except as set forth in Section 3 below), the Assigned Interest, so as to result in Assignee having as of the Effective Date (as hereinafter defined) a Commitment in the principal amount of Cdn$______________ and a Rateable Portion equal to ____% of the outstanding **[Tranche I Advances/Tranche II Advances]** to the **[Canadian/US]**

Borrower. As at the Effective Date the Assignee's (i) Rateable Portion of the outstanding **[Tranche I Advances]** and (ii) outstanding **[Tranche II Advances]** to the **[Canadian/US]** Borrower are as follows **[insert amounts as applicable]**:

Tranche I Advance	Principal Amount
Prime Loan	Cdn$_____________
USBR Loan	US$_____________
US Prime Loan	US$_____________
Libor Loan	US$_____________
Bankers' Acceptances	Cdn$_____________
[Tranche I Advance/Tranche II Advance]	
Letters of Credit	Cdn$_____________
Letters of Credit	US$_____________
Letters of Credit	Euros_____________

The Assignee hereby acknowledges that its **[Tranche I Commitment/Tranche II Commitment]** is for the same amount as the Commitment of the Related Lender Group to which it belongs and as the Commitment of the other Lender in such Related Lender Group.

(b) Acceptance by Assignee.

By its execution of this Agreement, Assignee irrevocably purchases and accepts the Assigned Interest and assumes all duties and obligations of the Assignor as a **[Canadian/US]** Lender under the Documents in respect of the Assigned Interest, and Assignee hereby agrees to be a **[Canadian/US]** Lender and part of a Related Lender Group with [●] with respect to, and to be bound by all the terms, conditions and covenants of the Documents with respect to, the Assigned Interest. The rights and obligations assigned and assumed herein shall be in addition to any rights and obligations of the Assignee in respect of any interest heretofore held by it as a **[Canadian/US]** Lender. By its execution of this Agreement, Assigning Lender shall, with respect to the Assigned Interest, to the extent provided herein, relinquish its rights and be released from its obligations and duties under the Credit Agreement, with effect from and after the Effective Date.

(c) Effective Date.

Such assignment by Assigning Lender and acceptance and assumption by Assignee will be effective as of the date on which this Agreement is recorded by the Agent (the "***Effective Date***"), subject to receipt by the Assigning Lender of the purchase price for such Assigned Interest and by the Agent of the assignment fee payable by the Assignee pursuant to Section 13.1(3)(b) of the Credit Agreement in respect of the assignment of the Assigned Interest.

2. - REPRESENTATIONS, WARRANTIES AND COVENANTS

(d) Assignee's Representations, Warranties and Covenants.

Assignee hereby represents, warrants, and covenants the following to Assigning Lender and Agent:

i) This Agreement is a legal, valid, and binding agreement of Assignee, enforceable according to its terms;

ii) The execution and performance by Assignee of its duties and obligations under this Agreement and the Documents will not require any registration with, notice to, or consent or approval by any Governmental Authority;

iii) Assignee is familiar with transactions of the kind and scope reflected in the Documents and in this Agreement;

iv) to the extent required by the Assignee, the Assignee has received copies of the Credit Agreement and the other Documents;

v) Assignee has made its own independent investigation and appraisal of the financial condition and affairs of each party to the Credit Agreement, has conducted its own evaluation of the Commitments, the Advances, the Documents and the creditworthiness of each of the Borrowers and its related parties (including, without limitation, the Restricted Subsidiaries), has made its decision to become a Lender to the Borrower under the Credit Agreement independently and without reliance upon Assigning Lender, the Fronting Lenders or Agent, and will continue to do so; and

vi) Provided no Event of Default has occurred and is continuing, as of the Effective Date, in the case of an assignment by a Canadian Lender, Assignee is a Person that is a resident of Canada for the purposes of Part XIII of the *Income Tax Act* (Canada) and, in the case of an assignment by a US Lender, Assignee, if it is a Non-US Organized Lender, has attached hereto the tax forms required to be delivered by the Assignee pursuant to Section 6.2(8) of the Credit Agreement, and Assignee will indemnify Agent from and against all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, or expenses that result from any inaccuracy in the foregoing.

vii) Assignee, as **[Canadian/US]** Lender and ________________________ as **[Canadian/US]** Lender comprise a Related Lender Group pursuant to the Credit Agreement.

(e) Assigning Lender's Representations, Warranties and Covenants.

Assigning Lender hereby represents, warrants and covenants the following to Assignee:

i) This Agreement is a legal, valid and binding agreement of Assigning Lender, enforceable according to its terms;

ii) The execution and performance by Assigning Lender of its duties and obligations under this Agreement and the Documents will not require any registration with, notice to or consent or approval by any Governmental Authority;

iii) Assigning Lender has full power and authority, and has taken all action necessary to execute and deliver this Agreement and to fulfill the obligations hereunder and to consummate the transactions contemplated hereby; and

iv) Assigning Lender is the legal and beneficial owner of the Assigned Interest, free and clear of any adverse claim, lien, encumbrance, security interest, restriction on transfer, purchase option, call or similar right of a third party created by or known to such Assigning Lender.

3. - LIMITATIONS OF LIABILITY

Neither Assigning Lender (except as provided in Section 3), nor the Fronting Lenders nor the Agent makes any representations or warranties of any kind, nor assumes any responsibility or liability whatsoever, with regard to (a) the Documents or any other document or instrument furnished pursuant thereto or the Advances, or other obligations, (b) the creation, validity, genuineness, enforceability, sufficiency, value or collectibility of any of them, or (c) the financial condition of any party to the Credit Agreement or other obligor or the performance or observance by any party to the Credit Agreement of its obligations under any of the Documents. Neither Assigning Lender nor Agent has or will have any duty, either initially or on a continuing basis, to make any investigation, evaluation, appraisal of, or any responsibility or liability with respect to the accuracy or completeness of, any information provided to Assignee which has been provided to Assigning Lender or the Fronting Lenders or Agent by any party to the Credit Agreement. Nothing in this Agreement or in the Documents shall impose upon the Assigning Lender or Fronting Lenders or Agent any fiduciary relationship in respect of the Assignee.

4. - FAILURE TO ENFORCE

No failure or delay on the part of Agent or the Fronting Lender or the Assigning Lender in the exercise of any power, right, or privilege hereunder or under any Document will impair such power, right, or privilege or be construed to be a waiver of any default or acquiescence therein. No single or partial exercise of any such power, right, or privilege will preclude further exercise thereof or of any other right, power, or privilege. All rights and remedies existing under this Agreement are cumulative with, and not exclusive of, any rights or remedies otherwise available.

5. - NOTICES

Unless otherwise specifically provided herein, any notice or other communication required or permitted to be given will be in writing and addressed to the respective party as set forth below its signature hereunder, or to such other address as the party may designate in writing to the other.

6. - AMENDMENTS AND WAIVERS

No amendment, modification, termination, or waiver of any provision of this Agreement will be effective without the written concurrence of Assigning Lender, Agent, Assignee and, provided no Event of Default has occurred and is continuing, the Borrower.

7. - SEVERABILITY

Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law. In the event any provision of this Agreement is or is held to be invalid, illegal, or unenforceable under applicable law, such provision will be ineffective only to the extent of such invalidity, illegality, or unenforceability, without invalidating the remainder of such provision or the remaining provisions of the Agreement. In addition, in the event any provision of or obligation under this Agreement is or is held to be invalid, illegal, or unenforceable in any jurisdiction, the validity, legality, and enforceability of the remaining provisions or obligations in any other jurisdictions will not in any way be affected or impaired thereby.

8. - SECTION TITLES

Section and Subsection titles in this Agreement are included for convenience of reference only, do not constitute a part of this Agreement for any other purpose, and have no substantive effect.

9. - SUCCESSORS AND ASSIGNS

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

10. - APPLICABLE LAW

This Agreement will be construed in accordance with and governed by the laws of the **[Province of Ontario/State of New York]** applicable to contracts made and performed in that jurisdiction.

11. - COUNTERPARTS

This Agreement and any amendments, waivers, consents, or supplements may be executed in any number of counterparts and by different parties hereto in separate counterparts (including by way of facsimile), each of which, when so executed and delivered, will be deemed an original and all of which shall together constitute one and the same instrument.

[INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, this Agreement has been duly executed as of the date first written above.

[ASSIGNEE]

By:____________________________
Name:
Title:

Notice Address:

[ASSIGNING LENDER]

By:____________________________
Name:
Title:

Notice Address:

ACKNOWLEDGED **[AND CONSENTED TO]*** BY

ROYAL BANK OF CANADA, as Agent

By:____________________________
Name:
Title:

***NOTE TO DRAFT: Include when required.**

ACKNOWLEDGED **[AND CONSENTED TO]*** BY

ROYAL BANK OF CANADA, as Fronting Lender for the Canadian Lenders

By:____________________________
Name:
Title:

***NOTE TO DRAFT: Include when required.**

ACKNOWLEDGED **[AND CONSENTED TO]*** BY

ROYAL BANK OF CANADA, as Fronting Lender for the US Lenders

By:___________________________
Name:
Title:

***NOTE TO DRAFT: Include when required.**

ACKNOWLEDGED **[AND CONSENTED TO]* BY**

RUSSEL METALS INC.

By:___________________________
Name:
Title:

FIL (US) INC.

By:___________________________
Name:
Title:

***NOTE TO DRAFT: Include when required.**