

## UNDERWRITING AGREEMENT

March 5, 2021

Stelco Holdings Inc.  
386 Wilcox Street  
Hamilton, Ontario  
L8L 8K5

Bedrock Industries Coöperatief U.A.  
Strawinskylaan 1033  
Toren C-10  
1077 XX Amsterdam  
Netherlands

Ladies and Gentlemen:

The undersigned and BMO Nesbitt Burns Inc. (the “**Underwriter**”) understand that Bedrock Industries Coöperatief U.A. (the “**Selling Shareholder**”) proposes to sell to the Underwriter 7,000,000 common shares (the “**Initial Shares**”) of Stelco Holdings Inc. (the “**Corporation**”), which Initial Shares and any Optional Shares (as defined below) shall have the material attributes described in and contemplated by the Prospectus (as defined below).

The Underwriter proposes to distribute the Initial Shares and, if any, the Optional Shares in Canada pursuant to the Prospectus and in the United States in compliance with the exemption from registration provided by Rule 144A (as defined below) in the manner contemplated by this Agreement.

Based on the foregoing, and subject to the terms and conditions contained in this Agreement, the Underwriter agrees to purchase from the Selling Shareholder and the Selling Shareholder, by its acceptance hereof, agrees to sell to the Underwriter all but not less than all of the Initial Shares at the Closing Time (as defined below) at a price of \$26.25 per share (the “**Purchase Price**”).

By acceptance of this Agreement, the Selling Shareholder grants to the Underwriter a right (the “**Over-Allotment Option**”) to purchase up to 1,050,000 additional common shares of the Corporation (the “**Optional Shares**”) at the Option Closing Time (as defined below) at a purchase price per share equal to the Purchase Price and otherwise on the same basis as the purchase of the Initial Shares. If the Underwriter elects to exercise the Over-Allotment Option, the Underwriter shall provide written notice (the “**Exercise Notice**”) to the Corporation and the Selling Shareholder not later than the 30<sup>th</sup> day after the Closing Date (as defined below), which Exercise Notice shall specify the number of Optional Shares to be purchased by the Underwriter and the date on which such Optional Shares are to be purchased (the “**Option Closing Date**”). Such date may be the same as the Closing Date but not earlier than the Closing Date and shall be at least two Business Days (as defined below) (or such time closer to the Option Closing Date as agreed to by the Selling Shareholder and the Underwriter), but not more than five Business Days, after the date on which the Exercise Notice is delivered to the Corporation.

The Initial Shares will be offered to the public at the Purchase Price; provided however, after the Underwriter has made a reasonable effort to sell all of the Initial Shares at the Purchase Price, the

Underwriter may decrease the sale price per Initial Share to the public, and such price may be further changed from time to time to an amount not greater than the Purchase Price. Any decrease in the price at which the Initial Shares are offered will not decrease the amount of the net proceeds to the Selling Shareholder.

The Initial Shares and the Optional Shares are hereinafter collectively referred to as the “**Offered Shares**”.

## 1. **Definitions**

In this Agreement:

“**ABL Credit Facility**” means the credit facility in the maximum amount of \$375 million, maturing on August 16, 2023, made available to Stelco Inc., as disclosed in the Prospectus, as amended from time to time;

“**affiliate**” has the meaning given to it in National Instrument 45-106 – *Prospectus Exemptions*;

“**Agreement**” means this underwriting agreement, as it may be amended;

“**AIF**” means the annual information form of the Corporation dated February 17, 2021 for the financial year ended December 31, 2020;

“**Anti-Money Laundering Laws**” has the meaning given in Section 8(eee);

“**Business Day**” means any day, other than: (i) a Saturday or a Sunday; or (ii) a day on which Canadian chartered banks in Toronto, Ontario are not open for commercial banking business during normal banking hours;

“**Canadian Securities Laws**” means all applicable securities laws in each of the Qualifying Jurisdictions and the respective rules, regulations, instruments, blanket orders and blanket rulings under such laws together with applicable published policies, policy statements and notices of the Canadian Securities Regulators;

“**Canadian Securities Regulators**” means the applicable securities commissions and securities regulatory authorities in the Qualifying Jurisdictions;

“**Claim**” has the meaning given in Section 21(a);

“**Closing**” means the completion of the sale by the Selling Shareholder, and the purchase by the Underwriter, of the Initial Shares pursuant to this Agreement;

“**Closing Date**” means March 10, 2021 or such other date as the Selling Shareholder and the Underwriter may agree upon in writing, or as may be changed pursuant to this Agreement, but in any event shall not be later than March 31, 2021;

“**Closing Time**” means 8:00 a.m. (Toronto time) on the Closing Date;

“**Corporation**” has the meaning given above;

“**Corporation Marketing Materials**” means the term sheet dated March 3, 2021, as filed with the Canadian Securities Regulators;

“**COVID-19 Pandemic**” has the meaning given in Section 8(kk);

“**distribution**”, “**material change**”, “**material fact**” and “**misrepresentation**” have the respective meanings given to them in the *Securities Act* (Ontario), except where otherwise specified in this Agreement and shall be interpreted in all cases with respect to both the Corporation and the Stelco Group;

“**Employee Plans**” means any (i) pension, retirement, deferred compensation, savings, profit-sharing, stock option, stock purchase, bonus, incentive, vacation pay, severance pay, supplemental unemployment benefit, employee assistance, death benefit or other employee or post-retirement benefit plan, trust, arrangement, contract, agreement, policy or commitment (including any arrangement to provide pension benefits in excess of the maximum amounts which are allowed under the *Income Tax Act* (Canada) to be provided through a registered pension plan) from which present or former employees, officers and directors, individuals working on contract with the Corporation or the Stelco Group or individuals providing services to the Corporation or the Stelco Group of a kind normally performed by employees benefit or have the potential to benefit, or (ii) group or individual insurance policy or coverage (including self-insured coverage) for accident and sickness or life insurance (including any individual insurance policy under which any present or former employee, officer or director of the Corporation or any member of the Stelco Group, as applicable, is the named insured and as to which the Corporation or any member of the Stelco Group makes premium payments, whether or not the Corporation or any member of the Stelco Group is the owner, beneficiary or both of that policy), or other insured or covered expense reimbursement coverage, from which present or former employees, officers or directors of the Corporation or any member of the Stelco Group benefit or have the potential to benefit;

“**Environmental Laws**” means any federal, state, provincial, territorial, municipal or local law, statute, ordinance, rule, regulation, order, decree, judgment, injunction, permit, license, authorization or other binding requirement, or common law, relating to health, safety or the regulation, protection, cleanup or restoration of the environment or natural resources, including those relating to the distribution, processing, generation, treatment, control, storage, disposal, transportation, other handling or release or threatened release of Hazardous Materials, and “**Hazardous Materials**” means any material, substance (including, without limitation, pollutants, contaminants, hazardous or toxic substances or wastes) that is regulated by or may give rise to liability under any Environmental Laws;

“**ERISA**” has the meaning given in Section 9(c);

“**Exercise Notice**” has the meaning given above;

“**Final Base Shelf Prospectus**” means the final short form base shelf prospectus of the Corporation dated February 11, 2021 (in both the English and French languages unless the context indicates otherwise) relating to the distribution of up to \$1,000,000,000 aggregate offering price of common shares, preference shares, debt securities, warrants,

subscription receipts and units, including, for greater certainty, the documents incorporated by reference therein;

“**Financial Information**” has the meaning given in Section 6(a)(v);

“**Financial Statements**” means the financial statements of the Corporation included or incorporated by reference in the Prospectus;

“**Governmental Authorities**” means governments, regulatory authorities, governmental departments, agencies, commissions, bureaus, officials, arbitrators, ministers, Crown corporations, courts, bodies, boards, tribunals, commercial registers or dispute settlement panels or other law, rule or regulation-making or dispute resolution organizations or entities:

- (a) having or purporting to have jurisdiction on behalf of any nation, province, territory or state or any other geographic or political subdivision of any of them; or
- (b) exercising, or entitled or purporting to exercise, any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power;

“**Governmental Licences**” has the meaning given in Section 8(tt);

“**Indemnified Party**” has the meaning given in Section 21(a);

“**Initial Shares**” has the meaning given above;

“**Intellectual Property**” has the meaning given in Section 8(bbb);

“**IT Systems**” has the meaning given in Section 8(ccc);

“**Joint Ventures**” means, collectively, 742784 Ontario Inc. (an Ontario corporation), Baycoat Limited (a Canadian corporation), Baycoat Limited Partnership (an Ontario limited partnership), D.C. Chrome Limited (an Ontario corporation), and “**Joint Venture**” means any one such person individually;

“**knowledge of the Corporation**” means the actual knowledge of Alan Kestenbaum, Paul Scherzer and Paul Simon after reasonable inquiry;

“**Lien**” means any mortgage, charge, pledge, hypothec, claim, security interest, assignment, lien (statutory or otherwise), defect, charge, title retention agreement or arrangement, restrictive covenant or other encumbrance of any nature, or any other arrangement or condition which, in substance, secures payment or performance of an obligation;

“**LTIP**” means the Long-Term Incentive Plan of the Corporation dated May 25, 2018, as amended;

“**Locked-Up Shareholders**” means the shareholders of the Corporation listed on Schedule A;

“**marketing materials**” has the meaning given in NI 41-101;

“**Material Adverse Effect**” means any fact, effect, change, event, occurrence or any development involving a change, that: (i) is, or is reasonably likely to be, materially adverse to the results of operations, financial condition, assets, properties, capital, liabilities (contingent or otherwise), business or operations of the Corporation and the Stelco Group taken as a whole and as a going concern; or (ii) would result in the Prospectus or any Prospectus Amendment containing a misrepresentation;

“**MI 11-102**” means Multilateral Instrument 11-102 – *Passport System*;

“**NI 41-101**” means National Instrument 41-101 – *General Prospectus Requirements*;

“**NI 44-101**” means National Instrument 44-101 – *Short-Form Prospectus Distributions*;

“**NI 44-102**” means National Instrument 44-102 – *Shelf Distributions*;

“**NI 52-109**” means National Instrument 52-109 – *Certification of Disclosure in Issuers’ Annual and Interim Filings*;

“**notice**” has the meaning given in Section 29;

“**Offered Shares**” has the meaning given above;

“**Optional Shares**” has the meaning given above;

“**Option Closing Date**” has the meaning given above;

“**Option Closing Time**” means 8:00 a.m. (Toronto time) on the Option Closing Date;

“**Over-Allotment Option**” has the meaning given above;

“**person**” includes any individual, sole proprietorship, limited or general partnership or general partner acting on behalf thereof, firm, entity, unincorporated association or organization, trust or trustee acting on behalf thereof, body corporate, company, limited or unlimited liability company or Governmental Authority and, where the context requires, any of the foregoing when they are acting as trustee, executor, administrator or other legal representative;

“**Preliminary Base Shelf Prospectus**” means the preliminary short form base shelf prospectus of the Corporation dated December 30, 2020 (in both the English and French languages unless the context indicates otherwise) relating to the distribution of up to \$1,000,000,000 aggregate offering price of common shares, preference shares, debt securities, warrants, subscription receipts and units, including, for greater certainty, the documents incorporated by reference therein;

“**Prospectus**” means, collectively, the Final Base Shelf Prospectus and the Prospectus Supplement;

**“Prospectus Amendment”** means any amendment to the Prospectus Supplement, any amendment to any document incorporated by reference therein, any amending or supplemental prospectus and any other similar document;

**“Prospectus Supplement”** means the shelf prospectus supplement to the Final Base Shelf Prospectus to be dated March 5, 2021 (in both the English and French languages unless the context indicates otherwise) and to be filed with the Canadian Securities Regulators relating to the distribution of the Offered Shares, including, for greater certainty, the documents incorporated by reference therein;

**“provide”** or **“provided”**, in the context of sending or making available marketing materials to a potential purchaser of Offered Shares, has the meaning given in NI 41-101;

**“Purchase Price”** has the meaning given above;

**“Qualifying Jurisdictions”** means all of the provinces and territories of Canada;

**“Rule 144A”** means Rule 144A adopted by the U.S. Securities and Exchange Commission under the U.S. Securities Act;

**“Sanctioned Country”** has the meaning given in Section 8(ggg);

**“Sanctioned Person”** has the meaning given in Section 8(ggg);

**“Sanctions”** has the meaning given in Section 8(ggg);

**“Selling Firm”** has the meaning given in Section 4(a);

**“Selling Shareholder”** has the meaning given above;

**“Selling Shareholder’s Information”** means information and statements relating solely to the Selling Shareholder which have been provided by the Selling Shareholder to the Corporation in writing specifically for use in the Prospectus Supplement or a Prospectus Amendment, it being understood and agreed that the only such information furnished by the Selling Shareholder consists of information satisfying the foregoing criteria and appearing under the heading “Selling Shareholder” in the Prospectus Supplement or any Prospectus Amendment;

**“Stelco Group”** means Stelco Inc. and its subsidiaries;

**“subsidiary”** has the meaning given to it in National Instrument 45-106 – *Prospectus Exemptions*;

**“template version”** has the meaning given in NI 41-101 and includes any revised template version of marketing materials as contemplated in NI 41-101;

**“TSX”** means The Toronto Stock Exchange;

**“Underwriter”** has the meaning given above;

**“Underwriter’s Information”** means information and statements relating solely to the Underwriter which have been provided by the Underwriter to the Corporation in writing specifically for use in the Prospectus Supplement or the U.S. Placement Memorandum, it being understood and agreed that the only such information furnished by the Underwriter consists of the following information: its name; the second to last paragraph on the face page of the Prospectus Supplement; under the heading “Relationship Between the Underwriter, Our Company and the Selling Shareholder” in the Prospectus Supplement; and under the heading “Plan of Distribution” in the Prospectus Supplement: all of the third paragraph (other than the first two sentences thereof) and the information related to stabilizing transactions, over-allotment transactions and syndicate covering transactions contained under the sub-heading “Price Stabilization, Short Positions and Passive Market Making”;

**“Underwriting Fee”** means an amount equal to \$1.05 per Offered Share;

**“U.S. Affiliate”** has the meaning given in Schedule B hereto;

**“U.S. Exchange Act”** means the United States *Securities Exchange Act of 1934*, as amended, and the rules and regulations promulgated thereunder;

**“U.S. Placement Memorandum”** means the U.S. private placement memorandum (which shall include the Final Base Shelf Prospectus and the Prospectus Supplement as well as any Prospectus Amendment) used to make offers and sales of the Offered Shares in the United States to Qualified Institutional Buyers; and

**“U.S. Securities Act”** means the United States *Securities Act of 1933*, as amended, and the rules and regulations promulgated thereunder.

Capitalized terms used and not otherwise defined in this Agreement have the respective meanings given to them in the Prospectus.

Unless otherwise expressly provided in this Agreement, words importing only the singular number include the plural and vice versa and words importing gender include all genders. References to “**Sections**”, “**paragraphs**” and “**clauses**” are to the appropriate section, paragraph or clause of this Agreement.

All references to dollars or “\$” are to Canadian dollars unless otherwise expressed.

## **2. Compliance with Securities Laws**

The Corporation represents and warrants to the Underwriter and the Selling Shareholder that the Corporation has prepared and filed each of the Preliminary Base Shelf Prospectus and Final Base Shelf Prospectus with the Canadian Securities Regulators and, pursuant to MI 11-102, has obtained, or been deemed to have obtained, a receipt from each of the Canadian Securities Regulators for each of the Preliminary Base Shelf Prospectus and the Final Base Shelf Prospectus and such receipts remain effective. The Corporation covenants with the Underwriter and the Selling Shareholder that the Corporation shall have, by no later than 11:00 p.m. (Toronto time) on March 5, 2021, prepared and filed the Prospectus Supplement in a form approved by the Underwriter (which satisfaction shall be conclusively evidenced by the execution of the

applicable Prospectus Supplement certificate pages by the Underwriter) and the Selling Shareholder, with the Canadian Securities Regulators, along with all other documents required under applicable Canadian Securities Laws to be filed therewith. The Corporation will promptly fulfil and comply with, to the satisfaction of the Underwriter and the Selling Shareholder, each acting reasonably, Canadian Securities Laws required to be fulfilled or complied with by the Corporation to enable the Offered Shares to be lawfully distributed to the public in the Qualifying Jurisdictions through the Underwriter or any other investment dealers registered as such in the Qualifying Jurisdictions, including with respect to the filing of any template version of marketing materials that has been approved by the Corporation, the Selling Shareholder and the Underwriter in the manner permitted by Canadian Securities Laws.

The Selling Shareholder shall take such steps and proceedings as may be necessary to assist the Corporation to comply with the foregoing requirements of this Section 2.

### **3. Due Diligence**

Prior to the filing of the Prospectus Supplement, the Corporation and the Selling Shareholder shall permit the Underwriter to review and participate in the preparation of the Prospectus Supplement and shall allow the Underwriter to conduct any due diligence investigations which it reasonably requires in order to fulfil its obligations as an underwriter under Canadian Securities Laws and in order to enable it to responsibly execute the certificate in the Prospectus Supplement required to be executed by it. Following the filing of the Prospectus Supplement up to the later of the Closing Date and the date of completion of the distribution of the Offered Shares, the Corporation and the Selling Shareholder shall allow the Underwriter and its U.S. Affiliate to conduct any due diligence investigations which it reasonably requires to confirm as at any date that it continues to have reasonable grounds for the belief that the Prospectus and any Prospectus Amendment do not contain a misrepresentation as at such date or as at the date of such Prospectus or any Prospectus Amendment.

### **4. Restrictions on Sale**

- (a) The Corporation and the Selling Shareholder agree that the Underwriter will be permitted to appoint, at its sole expense, other registered dealers as its agents to assist in the distribution of the Offered Shares. The Underwriter shall, and shall require any such dealer other than the Underwriter with which the Underwriter has a contractual relationship in respect of the distribution of the Offered Shares (a “**Selling Firm**”) to, comply with Canadian Securities Laws in connection with the distribution of the Offered Shares and shall offer the Offered Shares for sale to the public directly and through Selling Firms upon the terms and conditions set out in the Prospectus and this Agreement. The Underwriter shall, and shall require any Selling Firm to, offer for sale to the public and sell the Offered Shares only in those jurisdictions where they may be lawfully offered for sale or sold. The Underwriter represents and warrants that it is not a non-resident for purposes of the *Income Tax Act* (Canada).
- (b) The Underwriter shall, and shall require any Selling Firm to agree to, distribute the Offered Shares in a manner that complies with all applicable laws and regulations (including Rule 144A) in each jurisdiction into and from which they may offer to sell the Offered Shares or distribute the Prospectus or the

U.S. Placement Memorandum in connection with the distribution of the Offered Shares and will not, directly or indirectly, offer, sell or deliver any Offered Shares or deliver the Prospectus or the U.S. Placement Memorandum to any person in any jurisdiction other than in the Qualifying Jurisdictions and, in the case of the U.S. Placement Memorandum, the United States, except in a manner which will not require the Corporation or the Selling Shareholder to comply with the registration, prospectus, continuous disclosure, filing or other similar requirements under the applicable securities laws of such other jurisdictions or would otherwise require the Corporation or the Selling Shareholder to appoint an agent for service in such other jurisdiction.

- (c) For the purposes of this Section 4, the Underwriter shall be entitled to assume that: (i) the Corporation's and the Selling Shareholder's representations and warranties made herein are and will remain true and correct, and that the Corporation and the Stelco Group have complied and will continue to comply with all covenants herein, and (ii) the Offered Shares are qualified for distribution in each of the Qualifying Jurisdictions.
- (d) The Corporation, the Selling Shareholder and the Underwriter hereby acknowledge that the Offered Shares have not been and will not be registered under the U.S. Securities Act or any U.S. state securities laws and may not be offered or sold in the United States except to Qualified Institutional Buyers (as defined in Rule 144A) in accordance with Rule 144A and in compliance with the laws of any applicable U.S. states. Accordingly, the Corporation, the Selling Shareholder and the Underwriter hereby agree that offers and sales of the Offered Shares in the United States shall be conducted only in the manner specified in Schedule B hereto, which terms and conditions are hereby incorporated by reference in and form a part of this Agreement.

## **5. Marketing Materials**

- (a) Each of the Corporation, the Selling Shareholder and the Underwriter confirms to the other parties hereto that it has approved in writing a template version of the Corporation Marketing Materials before such Corporation Marketing Materials were first provided to potential investors in the Offered Shares and the Corporation confirms to the Underwriter and the Selling Shareholder that it has filed an English language version of a template version of the Corporation Marketing Materials with the Canadian Securities Regulators on or before the day such Corporation Marketing Materials were first provided to potential investors in the Offered Shares and has filed the French language version of such Corporation Marketing Materials on or prior to the date hereof;

During the period of distribution of the Offered Shares, the Corporation, the Selling Shareholder and the Underwriter, on a several basis, covenant and agree:

- (i) not to provide any potential investor in Offered Shares with any marketing materials other than the Corporation Marketing Materials unless a template version of such marketing materials has been approved in writing by the Corporation, the Selling Shareholder and the Underwriter and filed

by the Corporation with the Canadian Securities Regulators, in each case, on or before the day such marketing materials are first provided to any potential investor in Offered Shares; and

- (ii) not to provide any potential investor in Offered Shares with any materials or information in relation to the distribution of the Offered Shares or the Corporation other than: (A) the Corporation Marketing Materials and such other marketing materials that have been approved and filed in accordance with this Section 5(a); (B) the Prospectus, the U.S. Placement Memorandum, any Prospectus Amendment, and any final prospectus notice; and (C) any “standard term sheet” (as defined in NI 41-101) approved in writing by the Corporation, the Selling Shareholder and the Underwriter.

## 6. Delivery of Documents

- (a) On or prior to the time of filing of the Prospectus Supplement, the Corporation shall deliver to the Underwriter and the Selling Shareholder (except to the extent such documents have been previously delivered to the Underwriter or are available on SEDAR):
  - (i) a copy of each of the Final Base Shelf Prospectus and the Prospectus Supplement in the English language signed and certified by the Corporation to the extent required by Canadian Securities Laws in the Qualifying Jurisdictions;
  - (ii) a copy of each of the Final Base Shelf Prospectus and the Prospectus Supplement in the French language signed and certified by the Corporation to the extent required by Canadian Securities Laws applicable in the Province of Québec;
  - (iii) a copy of the U.S. Placement Memorandum;
  - (iv) a copy of any other document required to be filed by the Corporation under Canadian Securities Laws, including without limitation any marketing materials and template versions thereof;
  - (v) an opinion of McCarthy Tétrault LLP, dated the date of the Prospectus Supplement, in form and substance satisfactory to the Underwriter, acting reasonably, addressed to the Underwriter and its counsel, the board of directors of the Corporation and the Selling Shareholder and its counsel, to the effect that the French language version of the Prospectus Supplement, except for: (A) the Financial Statements; (B) the information under the heading “Consolidated Capitalization” appearing in the Prospectus Supplement; and (C) the management’s discussion and analysis of financial condition and results of operations of the Corporation included or incorporated by reference in the Prospectus (collectively, the “**Financial Information**”), as to which no opinion need be expressed by such

counsel, is, in all material respects, a complete and proper translation of the English language version thereof;

- (vi) an opinion of KPMG LLP dated the date of the Prospectus Supplement, in form and substance satisfactory to the Underwriter, acting reasonably, addressed to the Underwriter and its counsel, the board of directors of the Corporation and the Selling Shareholder and its counsel, to the effect that the French language version of the Financial Information is, in all material respects, a complete and proper translation of the English language version thereof; and
  - (vii) a “long-form” comfort letter of KPMG LLP, dated the date of the Prospectus Supplement (with the requisite procedures to be completed by such auditors no later than two Business Days prior to the date of the Prospectus Supplement), addressed to the Underwriter and the board of directors of the Corporation, in form and substance satisfactory to the Underwriter, acting reasonably, with respect to certain financial and numerical information relating to the Corporation contained in the Prospectus.
- (b) In the event that the Corporation is required by Canadian Securities Laws to prepare and file a Prospectus Amendment, the Corporation shall prepare and deliver promptly to the Underwriter and the Selling Shareholder signed and certified copies of such Prospectus Amendment in the English and French languages. Any Prospectus Amendments shall be in form and substance satisfactory to the Underwriter and the Selling Shareholder, acting reasonably. Concurrently with the delivery of any Prospectus Amendment, the Corporation shall deliver to the Underwriter and the Selling Shareholder, with respect to such Prospectus Amendment, documents similar to those referred to in Sections 6(a)(iv), (v), (vi), and (vii).

## **7. Representations as to Prospectus and Prospectus Amendments**

- (a) Filing of the Prospectus Supplement and any Prospectus Amendment shall constitute a representation and warranty by the Corporation to the Underwriter and the Selling Shareholder that, as at their respective dates and as at their respective dates of filing:
  - (i) the information and statements (excluding the Underwriter’s Information and the Selling Shareholder’s Information) contained in the Prospectus and any Prospectus Amendment contain no misrepresentation and constitute full, true and plain disclosure of all material facts relating to the Corporation, the Stelco Group and the Offered Shares as required by Canadian Securities Laws;
  - (ii) no material fact has been omitted from such information and statements (excluding the Underwriter’s Information and the Selling Shareholder’s Information) that is required to be stated in such information and statements or that is necessary to make a statement contained in such

information and statements not misleading in the light of the circumstances under which it was made;

- (iii) the information and statements (excluding the Underwriter's Information and the Selling Shareholder's Information) contained in the U.S. Placement Memorandum do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, all within the meaning of U.S. securities laws; and
  - (iv) except with respect to the Underwriter's Information and the Selling Shareholder's Information, such documents comply fully with the requirements of Canadian Securities Laws, other than as to non-material matters of form or similar non-material matters or for which an exemption from such requirements has been obtained.
- (b) Filing of the Prospectus Supplement and any Prospectus Amendment shall constitute a representation and warranty by the Selling Shareholder to the Underwriter that, as at their respective dates, the Selling Shareholder's Information contained in the Prospectus Supplement and any Prospectus Amendment is true and correct in all material respects and contains no misrepresentation and does not include any untrue statement of material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances in which they were made, not misleading.
- (c) Filing of the Prospectus Supplement and any Prospectus Amendment shall constitute the Corporation's consent to the Underwriter's use of the Prospectus and any Prospectus Amendment in connection with the distribution of the Offered Shares in the Qualifying Jurisdictions in compliance with this Agreement and Canadian Securities Laws and the use of the U.S. Placement Memorandum for offers and sales of the Offered Shares in the United States to Qualified Institutional Buyers.
- (d) Filing of the Prospectus Supplement or any Prospectus Amendment shall constitute a representation and warranty by the Corporation to the Underwriter that, as at their respective dates, the statistical and market-related data included in the Prospectus or the U.S. Placement Memorandum are based on or derived from sources that are believed by the Corporation to be reliable and accurate in all material respects.

## **8. Additional Representations and Warranties of the Corporation**

The Corporation represents and warrants to the Underwriter and the Selling Shareholder, in addition to its representations and warranties in Schedule B hereto, and acknowledges that the Underwriter is relying upon such representations and warranties (for greater certainty, including those in Schedule B hereto) in purchasing the Initial Shares and the Optional Shares, if any, that:

- (a) except as disclosed in the Prospectus, since December 31, 2020: (i) there has been no material change with respect to the Corporation and the Stelco Group taken as

a whole; (ii) there have been no transactions entered into by the Corporation or any member of the Stelco Group which are material with respect to the Corporation and the Stelco Group taken as a whole, other than those in the ordinary course of business; and (iii) there has been no dividend or distribution of any kind declared, paid or made by the Corporation or any member of the Stelco Group on any class of their respective shares or other interests;

- (b) the Corporation is a corporation existing and in good standing under the federal laws of Canada and is properly registered or licensed to carry on business under the laws of all jurisdictions in which its business is carried on, except where the failure to be so registered or licensed would not have a Material Adverse Effect;
- (c) each member of the Stelco Group is a corporation existing and in good standing under the laws of its jurisdiction of formation and is properly registered or licensed to carry on business under the laws of all jurisdictions in which its business is carried on, except where the failure to be so registered or licensed would not have a Material Adverse Effect;
- (d) each of the Joint Ventures is a corporation (or in the case of Baycoat Limited Partnership, a limited partnership) existing and, to the knowledge of the Corporation, in good standing under the laws of its jurisdiction of formation and, to the knowledge of the Corporation, is properly registered or licensed to carry on business under the laws of all jurisdictions in which its business is carried on, except where the failure to be so registered or licensed would not have a Material Adverse Effect;
- (e) the Corporation has the requisite corporate power, authority and capacity to execute and deliver this Agreement and to perform its obligations hereunder and to execute and file with the Canadian Securities Regulators the Prospectus Supplement and any Prospectus Amendment and the Corporation and each member of the Stelco Group has the requisite power, authority and capacity to own, lease and operate its property and assets and to carry on its business as currently carried on and as proposed to be carried on;
- (f) to the knowledge of the Corporation, each Joint Venture has the requisite power, authority and capacity to own, lease and operate its property and assets and to carry on its business as currently carried on and as proposed to be carried on;
- (g) the Corporation has authorized share capital consisting of an unlimited number of common shares and an unlimited number of preference shares, issuable in series, of which 88,713,289 common shares and no preference shares will be issued and outstanding immediately prior to the Closing Time;
- (h) no person has any agreement or option, or right or privilege (whether pre-emptive or contractual) capable of becoming an agreement or option, for the purchase of any unissued shares or interests of the Corporation, any member of the Stelco Group or a Joint Venture, except as disclosed in the Prospectus;

- (i) all of the issued and outstanding shares or other equity interests in each member of the Stelco Group are 100% owned, directly or indirectly, by the Corporation (free and clear of all Liens other than Liens granted in connection with the ABL Credit Facility); in addition, all of the issued and outstanding shares or other equity interests in each member of the Stelco Group have been duly and validly authorized and issued by such member and are fully paid and non-assessable shares or other equity interests of such member;
- (j) Stelco Inc. owns 50% of the issued and outstanding shares or other equity interests of each of the Joint Ventures (free and clear of all Liens other than Liens granted in connection with the ABL Credit Facility);
- (k) other than the shares or other equity interests in the members of the Stelco Group and the Joint Ventures, the Corporation does not have any equity interest, directly or indirectly, in any person; and no subsidiary of the Corporation other than Stelco Inc. would be required to be disclosed in an annual information form pursuant to item 3.2 of Form 51-102F2;
- (l) the Financial Statements have been prepared in accordance with International Financial Reporting Standards, applied on a consistent basis throughout the periods involved and present fairly in all material respects the financial position of the Corporation as at and for the periods presented;
- (m) there are no business relationships, related-party transactions or off-balance sheet transactions involving the Corporation or any member of the Stelco Group or any other person required to be described in the Prospectus, the U.S. Placement Memorandum or any Prospectus Amendment (including the Financial Statements contained therein) which have not been described therein as required under International Financial Reporting Standards or applicable Canadian Securities Laws;
- (n) no forecast, budget or projection provided by or on behalf of the Corporation or the Stelco Group to the Underwriter contains any misrepresentation and such forecasts, budgets and projections were prepared, as at the date of such forecast, budget or projection, in good faith, disclosed all relevant material assumptions and contain reasonable estimates of the prospects of the business;
- (o) all material accruals for unpaid vacation pay, premiums for unemployment insurance, health premiums, pension plan premiums, accrued wages, salaries and commissions and Employee Plans payments of the Corporation and the Stelco Group have been recorded in conformity, in all material respects, with International Financial Reporting Standards and comply in all material respects as to the applicable accounting requirements of Canadian Securities Laws, and are reflected on the books and records of the Corporation or the Stelco Group, as applicable;
- (p) neither the Corporation nor any member of the Stelco Group has incurred any liabilities or obligations (whether accrued, absolute, contingent or otherwise) that continue to be outstanding except (i) as disclosed or contemplated in the

Prospectus, or (ii) as incurred in the ordinary course of business by the Corporation or members of the Stelco Group, as the case may be, and which do not have a Material Adverse Effect;

- (q) except as disclosed in the Prospectus, no acquisition has been made by the Corporation or any member of the Stelco Group during or since its three most recently completed fiscal years that would be a significant acquisition for the purposes of Canadian Securities Laws or that would require the financial statement disclosure in respect of the acquired business prescribed by item 10 of Form 44-101F1, and no proposed acquisition by the Corporation or any member of the Stelco Group has progressed to a state where a reasonable person would believe that the likelihood of completing the acquisition is high and that: (i) if completed at the date of the Prospectus Supplement, would be a significant acquisition for the purposes of Canadian Securities Laws; or (ii) would require the financial statement disclosure in respect of the acquired business prescribed by item 10 of Form 44-101F1;
- (r) the Corporation has a reasonable basis for disclosing any forward-looking information contained in the Prospectus and such forward looking information contained in the Prospectus reflects reasonable assumptions and the best currently available estimates and good faith judgments of the management of the Corporation and the Stelco Group as to the matters covered thereby;
- (s) the Corporation has established and maintains “disclosure controls and procedures” and “internal control over financial reporting” (each as defined in NI 52-109) as required by NI 52-109 and Canadian Securities Laws, and the Corporation is not aware, or has been advised by its auditors, of any “material weakness” therein (as defined in NI 52-109);
- (t) to the knowledge of the Corporation, none of the Corporation’s directors or officers is now, or has ever been, subject to an order or ruling of any securities regulatory authority or stock exchange prohibiting such individual from acting as a director or officer of a public company or of a company listed on a particular stock exchange;
- (u) no director or officer, former director or officer, or shareholder or employee of, or any other person not dealing at arm’s length with, any of the Corporation, a member of the Stelco Group or predecessor companies, is engaged in any material transaction or arrangement with or be a party to a material contract with, or has any material indebtedness, liability or obligation to, the Corporation or any member of the Stelco Group, except as disclosed in the Prospectus or for employment or consulting arrangements with employees or consultants or those serving as a director or officer of the Corporation or any member of the Stelco Group as described in the Prospectus;
- (v) except as described in the Prospectus, none of the Corporation or any member of the Stelco Group is a party to or bound by, and none of the business, operations, property or assets of the Corporation or any member of the Stelco Group is subject to, any material non-arm’s length agreements or arrangements other than

on terms and at a price that would have applied if the parties had been dealing at arm's length;

- (w) neither the Corporation nor any member of the Stelco Group is in breach or violation of: (i) any term or provision of its constating documents or by-laws; (ii) any resolution of its board of directors or shareholders; or (iii) except as would not have a Material Adverse Effect, any contract, mortgage, deed of trust, note, indenture, joint venture or partnership arrangement, agreement (written or oral), instrument, lease, judgment, decree, order, statute, rule, licence, law or regulation applicable to it or by which it is bound;
- (x) the execution and delivery by the Corporation of this Agreement and the performance by the Corporation of its obligations hereunder, and the sale of the Offered Shares contemplated hereby: (i) will not result in any breach or violation of, or be in conflict with, or constitute a default under, or create a state of facts which, after notice or lapse of time, or both, would constitute a default under: (A) any term or provision of the constating documents or by-laws of the Corporation or any member of the Stelco Group, or to the knowledge of the Corporation, the Joint Ventures; (B) any resolution of the board of directors or shareholders of the Corporation or any member of the Stelco Group; or (C) except as would not have a Material Adverse Effect, any contract, mortgage, note, indenture, joint venture or partnership arrangement, agreement (written or oral), instrument, lease, judgment, decree, order, statute, rule, licence, law or regulation applicable to the Corporation or any member of the Stelco Group or by which the Corporation or any member of the Stelco Group is bound; and (ii) except as would not have a Material Adverse Effect, will not give rise to any Lien in or with respect to the properties or assets now owned or hereafter acquired by the Corporation or any member of the Stelco Group or the acceleration or the maturity of any debt under any indenture, mortgage, lease, agreement or instrument binding or affecting the Corporation or any member of the Stelco Group or any of their properties or assets;
- (y) the Prospectus describes, to the extent required by applicable Canadian Securities Laws, all material contracts (as defined in Canadian Securities Laws) of the Corporation and the members of the Stelco Group;
- (z) all material contracts of the Corporation and the members of the Stelco Group (including, without limitation, those referred to under the heading "Material Contracts" in the AIF) have been made available to the Underwriter or its counsel, and all such material contracts are valid and binding obligations of the Corporation or the relevant member of the Stelco Group, as applicable, and are in good standing; and (i) no event of default or event which after the giving of notice or the lapse of time or both would constitute an event of default, has occurred and is outstanding under any material contracts; (ii) no breach by the Corporation or the Stelco Group has occurred under any of the material contracts that would be considered a material breach; (iii) the Corporation and the Stelco Group have no knowledge of any breach or default by the other parties to any material contract;

and (iv) none of the Corporation or any member of the Stelco Group has waived any material rights under any material contract;

- (aa) no approval, authorization, consent or other order of, and no filing, registration or recording with, any Governmental Authority or other person is required of the Corporation in connection with: (i) the execution and delivery by the Corporation of this Agreement; (ii) the performance by the Corporation of its obligations under this Agreement; and (iii) the sale and distribution of the Offered Shares in the manner contemplated by the Prospectus, except, in each case, as have been or will be obtained or made prior to Closing;
- (bb) except as disclosed in the Prospectus, to the knowledge of the Corporation, there is no pending or contemplated introduction of or change to any law, regulation or position of a Governmental Authority that would have a Material Adverse Effect;
- (cc) this Agreement and the performance of the Corporation's obligations hereunder and the execution and filing with the Canadian Securities Regulators of the Preliminary Base Shelf Prospectus, Final Base Shelf Prospectus, Prospectus Supplement and any Prospectus Amendments have been duly authorized by all necessary corporate action, and this Agreement has been duly executed and delivered by the Corporation and constitutes a legal, valid and binding obligation of the Corporation, enforceable against the Corporation in accordance with its terms; except as enforcement hereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally and by the application of equitable principles when equitable remedies are sought and subject to the fact that rights of indemnity and contribution may be limited by applicable law;
- (dd) except as disclosed in the Prospectus, there are no shareholders' agreements, voting agreements, investors' rights agreements or other agreements in force or effect which in any manner affects or will affect the voting or control of any of the securities of the Corporation or any member of the Stelco Group, the nomination of directors to the board of the Corporation or any member of the Stelco Group or the operations or affairs of the Corporation or any member of the Stelco Group;
- (ee) except as disclosed in the Prospectus, there are no contracts, agreements or understandings between the Corporation and any person granting such person the right to require the Corporation to file a registration statement under the U.S. Securities Act or to file a prospectus under Canadian Securities Laws with respect to any securities of the Corporation owned or to be owned by such person or to require the Corporation to include such securities in the offering of the Offered Shares;
- (ff) the provisions of the common shares of the Corporation conform, in all material respects, with the descriptions of the common shares in the Final Base Shelf Prospectus under the heading "Description of Share Capital" and in the Prospectus Supplement under the heading "Summary Description of Common Shares";

- (gg) the provisions of the preference shares of the Corporation conform, in all material respects, with the description of the preference shares in the Final Base Shelf Prospectus under the heading “Description of Share Capital”;
- (hh) the Offered Shares have been duly and validly authorized and validly issued as fully paid and non-assessable shares of the Corporation and have not been issued in violation of or subject to any pre-emptive rights or contractual rights to purchase securities issued by the Corporation;
- (ii) to the knowledge of the Corporation, no securities commission, stock exchange or other Governmental Authority has issued any order requiring trading in any of the Corporation’s securities to cease, preventing or suspending the use of the Prospectus, the U.S. Placement Memorandum or any Prospectus Amendment or preventing the distribution of the Offered Shares in any Qualifying Jurisdiction or in the United States nor has instituted proceedings for any of such purposes and, to the knowledge of the Corporation, no such proceedings are pending or contemplated;
- (jj) Computershare Investor Services Inc., at its principal office in the City of Toronto, has been duly appointed as registrar and transfer agent for the common shares of the Corporation;
- (kk) Except as disclosed in the Prospectus, (i) there have been no material impacts from the novel coronavirus disease (COVID-19) pandemic (the “**COVID-19 Pandemic**”) on the Corporation’s and the Stelco Group’s business, and (ii) there are currently no closures or suspension of operations of the Corporation or any member of the Stelco Group as a result of COVID-19 Pandemic that are material to the Corporation and the Stelco Group taken as a whole. The Corporation has been monitoring the COVID-19 Pandemic and the potential material impact on its operations and the Corporation and every member of the Stelco Group have complied in all material respects with all orders related to the COVID-19 Pandemic mandated by Governmental Authorities regarding the health of their employees;
- (ll) except: (i) as disclosed in the Prospectus; or (ii) where, if determined adversely to the Corporation or any member of the Stelco Group, such matters would not individually or collectively have a Material Adverse Effect or affect the process or validity of the sale of the Offered Shares under this Agreement, there is no litigation or governmental or other proceeding or investigation at law or in equity by or before any Governmental Authority, domestic or foreign, in progress, pending or, to the Corporation’s knowledge, threatened, against, or involving the assets, properties or business of, the Corporation or any member of the Stelco Group, nor are there any matters under discussion outside of the ordinary course of business with any Governmental Authority relating to taxes, governmental charges, orders or assessments asserted by any such authority, and to the knowledge of the Corporation there are no facts or circumstances which would reasonably be expected to form the basis for any such litigation, governmental or

other proceeding or investigation, taxes, governmental charges, orders or assessments;

- (mm) the Offered Shares are listed for trading on the TSX;
- (nn) KPMG LLP is independent with respect to the Corporation within the meaning of the rules of professional conduct applicable to auditors in each of the provinces and territories of Canada, and there has not been any “reportable event” (within the meaning of National Instrument 51-102 – *Continuous Disclosure Obligations*) with such firm or any other prior auditor of the Corporation or any member of the Stelco Group;
- (oo) except as would not have a Material Adverse Effect, all tax returns required to be filed by the Corporation and the Stelco Group on or prior to the date hereof have been filed, and all taxes and other assessments of a similar nature (whether imposed directly or through withholding), including any interest, additions to tax or penalties applicable thereto, due or claimed to be due have been paid, and neither the Corporation nor any member of the Stelco Group is a party to any agreement, waiver or arrangement with any taxing authority which relates to any extension of time with respect to the filing of any tax returns, any payment of taxes or any assessment thereof;
- (pp) there is no tax deficiency which has been asserted against the Corporation or any member of the Stelco Group which would have a Material Adverse Effect, and all material tax liabilities are adequately provided for in accordance with International Financial Reporting Standards in the Financial Statements for all periods up to December 31, 2020;
- (qq) there are no stamp or other issuance, withholding or transfer taxes or duties or other similar fees or charges required to be paid by the Corporation or any member of the Stelco Group or by or on behalf of the Underwriter to any jurisdiction in which the Corporation is organized or otherwise resident for tax purposes or any political subdivision or taxing authority thereof or therein in connection with (i) the execution and delivery and performance of this Agreement or (ii) the offer and sale of the Offered Shares by the Underwriter in the manner contemplated herein, in particular, in Section 4 hereof;
- (rr) there are no assessments or investigations in progress, pending or, to the knowledge of the Corporation, threatened, against the Corporation or the Stelco Group in respect of taxes; and there are no Liens for taxes upon the assets of the Corporation or the Stelco Group.;
- (ss) except where non-compliance does not have and would not reasonably be expected to have a Material Adverse Effect, the Corporation and each member of the Stelco Group has conducted and is conducting its business or activities in compliance, and its manufacturing facilities and their operations have complied and do comply, with all applicable laws, rules and regulations of each jurisdiction in which it carries on such business or activities and neither the Corporation nor

any member of the Stelco Group has received any notice of any alleged violation of any such laws, rules or regulations;

- (tt) the Corporation and the Stelco Group collectively possess such permits, licences, approvals, consents and other authorizations (collectively, “**Governmental Licences**”) issued by Governmental Authorities necessary to conduct the business and activities now conducted by them, except where the failure to so possess would not, individually or in the aggregate, have a Material Adverse Effect, and all such Governmental Licences are valid and existing and in good standing in all material respects. The Corporation and each member of the Stelco Group is in compliance with the terms and conditions of all such Governmental Licences, except where the failure to so comply would not, individually or in the aggregate, have a Material Adverse Effect;
- (uu) except as described in the Prospectus or for such matters as would not, individually or in the aggregate, have a Material Adverse Effect, (i) neither the Corporation nor any member of the Stelco Group is in violation of any Environmental Laws, (ii) the Corporation and the Stelco Group have all permits, authorizations and approvals required under any applicable Environmental Laws and are each in compliance with their requirements, (iii) there is no pending civil, administrative, regulatory or judicial action, suit, demand, demand letter, claim, lien, order, direction, notice of non-compliance or violation, investigation or proceeding relating to any Environmental Law or Hazardous Materials against the Corporation or any member of the Stelco Group, and, to the knowledge of the Corporation, none are threatened and there are no facts or circumstances which would reasonably be expected to form the basis for any such civil, administrative, regulatory or judicial action, suit, demand, demand letter, claim, lien, order, direction, notice of non-compliance or violation, investigation or proceeding, and (iv) there has been no discharge, deposit, leak, emission, spill or other release of Hazardous Materials at any property currently owned, leased or otherwise used by the Corporation or any member of the Stelco Group or to the knowledge of the Corporation, at any property previously owned, leased or otherwise used by the Corporation or any member of the Stelco Group;
- (vv) each Employee Plan has been maintained in all material respects in accordance with its terms and with the requirements prescribed by any and all statutes, orders, rules and regulations that are applicable to such Employee Plan;
- (ww) (i) the Corporation and each member of the Stelco Group is in compliance with the provisions of all applicable federal, provincial, local and other laws and regulations respecting employment and employment practices, terms and conditions of employment and wages and hours except where the failure to do so would not, individually or in the aggregate, have a Material Adverse Effect; (ii) no collective labour dispute, grievance, arbitration or legal proceeding is ongoing, pending or, to the knowledge of the Corporation, threatened and no individual labour dispute, grievance, arbitration or legal proceeding is ongoing, pending or, to the knowledge of the Corporation, threatened with any employee of the Corporation or any member of the Stelco Group that would have a Material

Adverse Effect, and, to the knowledge of the Corporation, no such collective labour dispute, grievance, arbitration or legal proceeding has occurred during the past year; and (iii) except as disclosed in the Prospectus, no union has been accredited or otherwise designated to represent any employees of the Corporation or any member of the Stelco Group and, except as disclosed in the Prospectus, to the knowledge of the Corporation, no accreditation request or other representation question is pending with respect to the employees of the Corporation or any member of the Stelco Group, and no collective agreement or collective bargaining agreement or modification thereof has expired or is in effect in any of the Corporation or any of member of the Stelco Group's facilities and none is currently being negotiated by the Corporation or any member of the Stelco Group;

- (xx) except for such matters as would not, individually or in the aggregate, have a Material Adverse Effect, no existing supplier, distributor, service provider, manufacturer, contractor or third-party partner of the Corporation or any member of the Stelco Group has indicated that it intends to terminate its relationship with the Corporation or such member of the Stelco Group or that it will be unable to meet the Corporation's or such member of the Stelco Group's supply, distribution, service, manufacturing or contracting requirements;
- (yy) except for such matters as would not, individually or in the aggregate, have a Material Adverse Effect, neither the Corporation nor any member of the Stelco Group is in default or breach of any real property lease, and neither the Corporation nor any member of the Stelco Group has received any notice or other communication from the owner or manager of any real property leased by the Corporation or any member of the Stelco Group that the Corporation or such member of the Stelco Group is not in compliance with any real property lease, and to the knowledge of the Corporation, no such notice or other communication is pending or has been threatened;
- (zz) the Corporation and the Stelco Group maintain such policies of insurance with commercial providers of insurance as are appropriate for their operations, activities, properties and assets, in such amounts and against such risks as are customarily carried and insured against by entities engaged in the same or similar businesses, and all such policies of insurance are in full force and effect; and neither the Corporation nor any member of the Stelco Group is in default as to the payment of premiums or otherwise, under the terms of any such policy, except as would not, individually or collectively, have a Material Adverse Effect;
- (aaa) the Corporation and each member of the Stelco Group has good and marketable title to all of its assets and property except for such matters as would not, individually or in the aggregate, have a Material Adverse Effect and, except for the sale of inventory in the ordinary course of business and otherwise as described in the Prospectus, no person has any contract or any right or privilege capable of becoming a right to purchase any asset or property from the Corporation or any member of the Stelco Group;

- (bbb) except for such matters as would not, individually or in the aggregate, have a Material Adverse Effect: (i) the Corporation and each member of the Stelco Group owns all rights in or has obtained valid and enforceable licenses or other rights to use, the systems, recipes, know how (including trade secrets and other proprietary or confidential information), trade-marks (both registered and unregistered), trade names, patents, patent applications, inventions, copyrights and any other intellectual property (collectively, “**Intellectual Property**”) described in the Prospectus as being owned or licensed by the Corporation or a member of the Stelco Group or which are used for the conduct of the Corporation’s and the Stelco Group’s business as currently carried on and proposed to be carried on, free and clear of any Lien or other adverse claim or interest of any kind or nature affecting the assets of the Corporation and the Stelco Group (other than Liens granted in connection with the ABL Credit Facility); (ii) to the knowledge of the Corporation, there is no infringement by third parties of any Intellectual Property owned, licensed or commercialized by the Corporation or any member of the Stelco Group; (iii) there is no action, suit, proceeding or claim pending or, to the knowledge of the Corporation, threatened by others challenging the Corporation’s and the Stelco Group’s rights in or to any Intellectual Property or the validity or scope of any Intellectual Property owned, licensed or commercialized by the Corporation and the Stelco Group, and the Corporation is unaware of any fact which could form a reasonable basis for any such action, suit, proceeding or claim; (iv) to the knowledge of the Corporation, all trade secrets and other confidential proprietary information forming part of or in relation to the Intellectual Property being owned or licensed by the Corporation or any member of the Stelco Group is and remains confidential to the Corporation or such member of the Stelco Group, as the case may be;
- (ccc) the Corporation and each member of the Stelco Group’s information technology assets and equipment, computers, systems, networks, hardware, software, websites, applications, and databases (collectively, “**IT Systems**”) are adequate for, and operate and perform in all material respects as required in connection with the operation of the Corporation and each member of the Stelco Group as currently conducted, and to the knowledge of the Corporation, free and clear of all material bugs, errors, defects, trojan horses, time bombs, malware and other corruptants. The Corporation and each member of the Stelco Group have implemented, maintained or have developed plans in respect of commercially reasonable controls, policies, procedures, and safeguards to maintain and protect their material confidential information and the integrity, continuous operation, redundancy and security of all IT Systems and data (including all personal, personally identifiable, sensitive, confidential or regulated data used in connection with their businesses). Except as described in the Prospectus or such matters as would not, individually or in the aggregate, have a Material Adverse Effect, there have been (i) no breaches, violations, outages or unauthorized uses of or accesses to the same, except for those that have been remedied without material cost or liability or the duty to notify any other person, and (ii) no incidents under internal review or investigations relating to the same;

- (ddd) other than minutes of board and board committee meetings held on February 15 and 16, 2021 which are not yet drafted, the minute books and corporate records of the Corporation made available to Torys LLP, counsel to the Underwriter, in connection with the Underwriter's due diligence investigations are the original minute books and corporate records or true and complete copies thereof and contain copies of all proceedings of the shareholders, the board of directors and all committees of the board of directors of the Corporation that have been minuted or resolved since December 31, 2019 and there have been no other meetings, resolutions or proceedings of the shareholders, the board of directors or any committee thereof from such date to the date hereof not reflected in such minute books and other corporate records, other than those which are not material in the context of the Offering;
- (eee) the operations of the Corporation and the Stelco Group are and have been conducted at all times in compliance with the anti-money laundering laws of all applicable jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines issued, administered or enforced by any Governmental Authority to which they are subject (collectively, the "**Anti-Money Laundering Laws**") and no action, suit or proceeding by or before any Governmental Authority or any arbitrator involving the Corporation or any member of the Stelco Group with respect to Anti-Money Laundering Laws is pending or, to the knowledge of the Corporation, threatened;
- (fff) neither the Corporation nor any member of the Stelco Group nor, to the knowledge of the Corporation, any director, officer, agent or employee of the Corporation or any member of the Stelco Group is aware of or has taken any action, directly or indirectly, that could result in a sanction for violation by such persons of the United States Foreign Corrupt Practices Act of 1977, the United Kingdom Bribery Act of 2010 or the Corruption of Foreign Public Officials Act (Canada), each as may be amended, any similar law of any other relevant jurisdiction, or the rules or regulations thereunder; and the Corporation and the Stelco Group have instituted and maintain policies and procedures designed to ensure compliance therewith;
- (ggg) neither the Corporation nor any member of the Stelco Group nor, to the knowledge of the Corporation, any director, officer, agent or employee of the Corporation or any member of the Stelco Group (i) is, or is controlled by or is acting on behalf of, an individual or entity that is currently the subject of any sanctions administered or enforced by the United States (including any sanctions administered or enforced by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State or the Bureau of Industry and Security of the U.S. Department of Commerce), Canada (including sanctions administered or enforced by Global Affairs Canada and the Royal Canadian Mounted Police or other relevant sanctions authority) (collectively, "**Sanctions**" and such persons, "**Sanctioned Persons**" and each such person, a "**Sanctioned Person**"), (ii) is located, organized or resident in a country or territory that is, or whose government is, the subject of Sanctions that broadly prohibit dealings with that country or territory, including Crimea, Cuba, Sudan,

Syria, Iran and North Korea (collectively, the “**Sanctioned Countries**” and each, a “**Sanctioned Country**”) or (iii) intends to, directly or indirectly, use the proceeds of the offering of the Offered Shares, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other individual or entity in any manner that would result in a violation of any applicable Sanctions by, or could result in the imposition of applicable Sanctions against, any individual or entity (including any individual or entity participating in the offering, whether as underwriter, advisor, investor or otherwise);

- (hhh) neither the Corporation nor any member of the Stelco Group is party to or bound by any agreement or undertaking entered into pursuant to the *Competition Act* (Canada) or the *Investment Canada Act* (Canada);
- (iii) neither the Corporation nor any member of the Stelco Group has taken, and the Corporation and the Stelco Group will not take, any action which constitutes stabilization or manipulation of the price of any security of the Corporation;
- (jjj) other than as contemplated hereby, there is no person acting at the request of the Corporation who is entitled to any commission, finder’s fee, advisory fee, underwriting fee or agency fee in connection with or as a result of the sale of the Offered Shares;
- (kkk) the U.S. Placement Memorandum has been prepared in a form customary for a Rule 144A offering of equity securities of a Canadian issuer into the United States concurrent with a public offering in Canada, and does not and will not contain any material disclosures regarding the Corporation or the Stelco Group other than as set forth in the Prospectus or in any Prospectus Amendment, in each case, that is included therein;
- (lll) the Corporation is a “reporting issuer” in each of the Qualifying Jurisdictions, is not in default in any material respect under any Canadian Securities Laws applicable in such jurisdictions and is in compliance, in all material respects, with the by-laws, rules, policies and regulations of the TSX. In particular, without limiting the generality of the foregoing, the Corporation is, and at all times has been, in compliance with its obligations to make timely disclosure of all material changes relating to it (other than in respect of material change reports filed on a confidential basis and thereafter made public and material change reports filed on a confidential basis and in respect of which the material change never came to fruition), no such disclosure has been made on a confidential basis and there is no material change relating to the Corporation which has occurred and with respect to which the requisite material change report has not been filed; and
- (mmm) the Corporation is qualified under NI 44-102 to file the Prospectus in the form of a base shelf prospectus and a prospectus supplement;

## 9. Additional Representations and Warranties of the Selling Shareholder

The Selling Shareholder represents and warrants to the Underwriter and the Corporation and acknowledges that the Underwriter is relying upon such representations and warranties in purchasing the Initial Shares and the Optional Shares, if any, that:

- (a) the Selling Shareholder is a cooperative with excluded liability (coöperatief met uitgesloten aansprakelijkheid), organized and existing under the laws of the Netherlands and has the power and authority to own, lease and operate its properties and assets;
- (b) the Selling Shareholder has the requisite power, authority and capacity to enter into and deliver this Agreement and to perform its obligations hereunder;
- (c) the Selling Shareholder is not (1) an employee benefit plan subject to Title I of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), (2) a plan or account subject to Section 4975 of the Internal Revenue Code of 1986, as amended or (3) an entity deemed to hold “plan assets” of any such plan or account under Section 3(42) of ERISA, 29 C.F.R. 2510.3-101, or otherwise.
- (d) this Agreement has been duly authorized, executed and delivered by the Selling Shareholder and constitutes a legal, valid and binding obligation of the Selling Shareholder, enforceable against it in accordance with its terms; except as enforcement hereof and thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally and except as limited by the application of equitable principles when equitable remedies are sought and subject to the fact that rights of indemnity and contribution may be limited by applicable law;
- (e) the Selling Shareholder is the sole beneficial owner of 41,172,315 common shares of the Corporation, including the Offered Shares, with good and marketable title to the Offered Shares, free and clear of any and all Liens and it has the sole right to sell, assign, transfer and otherwise dispose of such Offered Shares. No person has any agreement or option, or any right or privilege (whether by law, preemptive, contractual or otherwise) capable of becoming an agreement or option, for the purchase, acquisition or transfer from it of any Offered Shares or has any interest in such Offered Shares or right to such Offered Shares;
- (f) the Selling Shareholder is a ‘Permitted Holder’ as such term is defined in the investor rights agreement between the Corporation and Bedrock Industries B.V., dated November 10, 2017, as may be amended or supplemented from time to time;
- (g) except as would not, individually or in the aggregate, adversely affect the consummation of the transactions contemplated by this Agreement, or the performance by the Selling Shareholder of its obligations hereunder, the Selling Shareholder is not in violation or default of, nor will the execution and delivery of this Agreement, and the performance by the Selling Shareholder of its obligations hereunder and thereunder, result in any breach or violation of, or be in conflict

with, or constitute a default under, or create a state of facts which after notice or lapse of time, or both, would constitute a default under, or give rise to any right to accelerate the maturity or require the prepayment of any indebtedness under, or result in the imposition of any Lien (other than those arising mandatorily by law) upon any property or assets of it pursuant to: (i) any term or provision of the Selling Shareholder's constating documents or any resolution of the directors or shareholders of the Selling Shareholder; (ii) any material contract, note, indenture, joint venture or partnership arrangement, agreement (written or oral), instrument, lease (including for real property) or license to which the Selling Shareholder is a party or bound or to which any of the business, operations, property or assets of it is subject; or (iii) any statute, law, rule, regulation, judgment, order or decree applicable to the Selling Shareholder or its business, operations or assets, of any court, regulatory body, administrative agency, governmental body, arbitrator or other authority having jurisdiction over it;

- (h) neither the Selling Shareholder nor any affiliate of the Selling Shareholder has taken, nor will the Selling Shareholder or any affiliate take, any action which is designed to or which constitutes or might reasonably be expected to cause or result in stabilization or manipulation of the price of any security of the Corporation to facilitate the sale or resale of the Offered Shares as provided for herein;
- (i) no approval, authorization, consent or other order of, permit, qualification, license, decree, and no filing, registration or recording with, any government, governmental instrumentality, authority, agency or court having jurisdiction over the Selling Shareholder is required of the Selling Shareholder for the performance by it of its obligations under this Agreement or the consummation of the transactions contemplated by this Agreement, except as have been or will be obtained or made prior to Closing;
- (j) there is no litigation or governmental or other proceeding or investigation at law or in equity before any court or before or by any federal, provincial, state, municipal or other governmental or public department, commission, board, agency or body, domestic or foreign, in progress or pending or, to the knowledge of the Selling Shareholder, threatened against, or including the assets, properties or business of, the Selling Shareholder which if determined adversely to the Selling Shareholder would adversely affect the consummation of the transactions contemplated by this Agreement, or the performance by the Selling Shareholder of its obligations hereunder;
- (k) the Selling Shareholder has not solicited offers to purchase common shares of the Corporation from, or sell common shares of the Corporation to, any person, except in a manner that is exempt from registration and prospectus requirements under applicable securities laws;
- (l) the Selling Shareholder did not determine to dispose of the Offered Shares on the basis of a material fact or material change with respect to the Corporation that has

not been publicly disclosed or which is not disclosed in the Prospectus and it is not aware of such a material fact or material change;

- (m) (i) no part of the proceeds of the offering of the Offered Shares will be used, directly or indirectly, in violation of the United States Foreign Corrupt Practices Act of 1977, the United Kingdom Bribery Act of 2010 or the Corruption of Foreign Public Officials Act (Canada), each as may be amended, or similar law of any other relevant jurisdiction, or the rules or regulations thereunder and (ii) the Selling Shareholder does not intend to, directly or indirectly, use the proceeds of the offering of the Offered Shares, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other individual or entity in any manner that would result in a violation of any applicable Sanctions by, or could result in the imposition of applicable Sanctions against, any individual or entity (including any individual or entity participating in the offering, whether as underwriter, advisor, investor or otherwise);
- (n) the Selling Shareholder's Information contained in the Prospectus Supplement is true and correct in all material respects and contains no misrepresentation and does not include any untrue statement of material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances in which they were made, not misleading; and
- (o) the Selling Shareholder makes the representations, warranties and covenants applicable to it in Schedule B to this Agreement, which forms part of this Agreement.

## **10. Covenants of the Corporation**

The Corporation covenants with the Underwriter and the Selling Shareholder that:

- (a) it will advise the Underwriter and the Selling Shareholder, promptly after receiving notice thereof, of the time when the Prospectus Supplement or any Prospectus Amendment has been filed and when the receipts in respect thereof, if applicable, have been obtained and will provide evidence satisfactory to the Underwriter and the Selling Shareholder of each such filing and the issuance or deemed issuance of receipts in respect thereof from all of the Canadian Securities Regulators; and
- (b) it will advise the Underwriter and the Selling Shareholder, promptly after receiving notice or obtaining knowledge, of: (i) the issuance by any Canadian Securities Regulator or U.S. securities regulator of any order suspending or preventing the use of the Prospectus, the U.S. Placement Memorandum or any Prospectus Amendment; (ii) the suspension of the qualification of the Offered Shares for distribution or sale in any of the Qualifying Jurisdictions; (iii) the institution or threatening of any proceeding for any of those purposes; or (iv) any requests made by any Canadian Securities Regulator for amending or supplementing the Prospectus, or for additional information, and will use its commercially reasonable best efforts to prevent the issuance of any such order and, if any such order is issued, to obtain the withdrawal of the order promptly.

## **11. Commercial Copies**

The Corporation shall cause commercial copies of the Final Base Shelf Prospectus and Prospectus Supplement, each in the English and French languages, and the U.S. Placement Memorandum to be delivered to the Underwriter without charge, in such quantities and in such cities as the Underwriter may reasonably request by written or oral instructions to the printer of such documents. Such delivery of the Final Base Shelf Prospectus, the Prospectus Supplement and the U.S. Placement Memorandum shall be effected as soon as possible after filing of the Prospectus Supplement with the Canadian Securities Regulators, but in any event on or before (i) 12:00 noon (Toronto time) on the Business Day following the filing of the Prospectus Supplement within the City of Toronto and (ii) 12:00 noon (local time) on the second Business Day following the filing of the Prospectus Supplement in the case of such cities in the Qualifying Jurisdictions and in the United States). Such deliveries shall constitute the consent of the Corporation and the Selling Shareholder to the Underwriter's use of the Final Base Shelf Prospectus and Prospectus Supplement for the distribution of the Offered Shares in the Qualifying Jurisdictions in compliance with the provisions of this Agreement and Canadian Securities Laws and the use of the U.S. Placement Memorandum for the purposes of confirming sales in the United States to Qualified Institutional Buyers in accordance with Rule 144A. The Corporation shall similarly cause to be delivered commercial copies of any Prospectus Amendment or any amendment to the U.S. Private Placement Memorandum.

## **12. Change of Closing Date**

Subject to the termination provisions contained in Section 20, if a material change or a change in a material fact occurs prior to the Closing Date or the Option Closing Date, if the Over-Allotment Option is exercised, the Closing Date or the Option Closing Date, as applicable, shall be, unless the Corporation, the Selling Shareholder and the Underwriter otherwise agree in writing or unless otherwise required under Canadian Securities Laws, the fifth Business Day following the later of:

- (a) the date on which all applicable filings or other requirements of Canadian Securities Laws with respect to such material change or change in a material fact have been complied with in all Qualifying Jurisdictions and any appropriate receipts obtained for such filings and notice of such filings from the Corporation or its counsel have been received by the Underwriter and the Selling Shareholder; and
- (b) the date upon which the commercial copies of any Prospectus Amendment has been delivered in accordance with Section 11.

## **13. Completion of Distribution**

The Underwriter shall, and shall cause each Selling Firm to, after the Closing Time or the Option Closing Time, as applicable:

- (a) use commercially reasonable efforts to complete the distribution of the Offered Shares as promptly as possible; and

- (b) give prompt written notice to the Corporation when, in the opinion of the Underwriter, it has completed distribution of the Offered Shares, including notice of the total proceeds realized or number of Offered Shares sold in each of the Qualifying Jurisdictions and any other jurisdiction from such distribution.

**14. Material Change or Change in Material Fact During Distribution**

- (a) During the period from the date of this Agreement to the later of the Closing Date and the date of completion of distribution of the Offered Shares under the Prospectus Supplement, the U.S. Placement Memorandum and any Prospectus Amendment, the Corporation and the Selling Shareholder (but in the case of the Selling Shareholder only with respect to subparagraphs (iii) and (iv) below, and with respect to subparagraph (iii) below, only with respect to facts that would have been required to have been stated in the Prospectus or the U.S. Placement Memorandum as Selling Shareholder's Information, and with respect to subparagraph (iv) below, only with respect to the Selling Shareholder's Information) shall promptly notify the Underwriter and the Selling Shareholder in writing of:
  - (i) any filing made by the Corporation or the Stelco Group of information relating to the offering of the Offered Shares with any securities exchange or Governmental Authority in Canada or the United States or any other jurisdiction;
  - (ii) any material change (actual, anticipated, contemplated, proposed by or threatened, financial or otherwise) or development that would be likely to result in a material change in the results of operations, financial condition, business, affairs, assets, properties, capital, liabilities (contingent or otherwise), cash flows, income or business operations of the Corporation and the Stelco Group, taken as a whole, whether or not arising from transactions in the ordinary course of business;
  - (iii) any material fact which has arisen or has been discovered and would have been required to have been stated in the Prospectus or the U.S. Placement Memorandum had the fact arisen or been discovered on or prior to the date of such document; and
  - (iv) any change in any material fact (which for the purposes of this Agreement shall be deemed to include the disclosure of any previously undisclosed material fact) contained in the Prospectus, the U.S. Placement Memorandum or any Prospectus Amendment which fact or change is, or may be, of such a nature as to render any statement in the Prospectus, the U.S. Placement Memorandum or any Prospectus Amendment misleading or untrue in any material respect or which would result in a misrepresentation in the Prospectus or any Prospectus Amendment (or which would result in the U.S. Placement Memorandum containing any untrue statement of a material fact or omission of any material fact that is necessary to make a statement contained in the U.S. Placement Memorandum not misleading in light of the circumstances under which it

was made, within the meaning of U.S. securities laws) or which would result in the Prospectus or any Prospectus Amendment not complying (to the extent that such compliance is required) with Canadian Securities Laws, in each case, as at any time up to and including the later of the Closing Date and the date of completion of the distribution of the Offered Shares.

- (b) The Corporation shall promptly, and in any event within any applicable time limitation, comply, to the satisfaction of the Underwriter and the Selling Shareholder, acting reasonably, with all applicable filings and other requirements under Canadian Securities Laws as a result of any event, fact or change referred to in Section 14(a), provided that the Corporation shall not file any Prospectus Amendment or other document without first obtaining the approval of the Underwriter, after consultation with the Underwriter with respect to the form and content thereof, which approval will not be unreasonably withheld. The Selling Shareholder shall promptly, and in any event within any applicable time limitation, comply, to the satisfaction of the Underwriter and the Corporation, acting reasonably, with all applicable filings or other requirements under Canadian Securities Laws as a result of any event, fact or change referred to in Section 14(a) pursuant to which the Selling Shareholder is under a notification obligation pursuant to the terms of Section 14(a), provided that the Corporation shall not file any Prospectus Amendment or other document without first obtaining the approval of the Selling Shareholder, after consultation with the Selling Shareholder with respect to the form and content thereof, which approval will not be unreasonably withheld. The Corporation shall in good faith discuss with the Underwriter and the Selling Shareholder any fact or change in circumstances (actual, anticipated, contemplated or threatened, financial or otherwise) which is of such a nature that there is reasonable doubt whether written notice need be given under this Section 14.
- (c) The Corporation will or, if applicable, will cause any member of the Stelco Group to, promptly provide to the Underwriter and the Selling Shareholder, during the period commencing on the date hereof and until completion of the distribution of the Offered Shares, drafts of any press releases and other public documents of the Corporation or the Stelco Group relating to the Corporation, the Stelco Group, the Offered Shares or the offering of the Offered Shares for review by the Underwriter, the Selling Shareholder and each of their respective counsel prior to issuance, provided that any such review will be completed in a timely manner.

## **15. Change in Canadian Securities Laws**

If during the period of distribution of the Offered Shares there shall be any change in Canadian Securities Laws which requires the filing of a Prospectus Amendment, the Corporation shall, to the satisfaction of the Underwriter and the Selling Shareholder, acting reasonably, promptly prepare and file such Prospectus Amendment with the appropriate regulator in each of the Qualifying Jurisdictions where such filing is required.

## **16. Underwriting Fee**

In consideration of the Underwriter's purchase of: (i) the Initial Shares pursuant to this Agreement, the Selling Shareholder agrees to pay to the Underwriter, the Underwriting Fee per Initial Share purchased by the Underwriter from the Selling Shareholder; and (ii) the Optional Shares, if any, pursuant to this Agreement, the Selling Shareholder agrees to pay to the Underwriter, the Underwriting Fee per Optional Share purchased by the Underwriter from the Selling Shareholder. The Underwriting Fee shall be payable as provided for in Section 17.

## **17. Delivery of Purchase Price, Underwriting Fee and Offered Shares**

The purchase and sale of the Initial Shares and any Optional Shares shall be completed at the Closing Time or Option Closing Time, as the case may be, at the offices of McCarthy Tétrault LLP, 66 Wellington St. West, Suite 5300, Toronto, Ontario, or at such other place as the Underwriter and the Corporation may agree upon.

At the Closing Time, the Selling Shareholder shall duly and validly deliver instructions to transfer the Initial Shares and at the Option Closing Time, if applicable, the Selling Shareholder shall duly and validly deliver instructions to transfer the Optional Shares, in each case in uncertificated form held in the account of the Selling Shareholder, to the Underwriter as an "instant" or electronic deposit through the systems of CDS Clearing and Depository Services Inc., or in the manner directed by the Underwriter in writing, in each case registered in the name of "CDS & CO." or in such other name or names as the Underwriter may direct the Selling Shareholder in writing not less than 48 hours prior to the Closing Time or the Option Closing Time, as the case may be.

Delivery by the Selling Shareholder of the Initial Shares or the Optional Shares shall be against payment by the Underwriter to the Selling Shareholder of the aggregate Purchase Price for the Initial Shares or the Optional Shares, as the case may be, net of the portion of the Underwriting Fee applicable to the purchase of the Initial Shares or the Optional Shares, as the case may be, by wire transfer of immediately available funds together with a receipt signed by the Underwriter for the Initial Shares or Optional Shares, as the case may be, with the Selling Shareholder delivering a receipt for the aggregate Purchase Price for the Initial Shares or Optional Shares, as the case may be, net of the applicable portion of the Underwriting Fee.

## **18. Delivery of Offered Shares**

The Selling Shareholder shall, prior to the Closing Date and the Option Closing Date, as the case may be, make all necessary arrangements for the preparation and delivery of the Initial Shares or the Optional Shares, as the case may be, on the Closing Date or the Option Closing Date, as the case may be.

The Corporation shall pay all fees and expenses payable to Computershare Investor Services Inc. in connection with the preparation and delivery of the Initial Shares or Optional Shares contemplated by this Section 18 and the fees and expenses payable to Computershare Investor Services Inc. as may be required in the course of the distribution of the Initial Shares and the Optional Shares.

## **19. Conditions to Underwriter's Obligation to Purchase**

The Underwriter's obligation to purchase the Initial Shares at the Closing Time shall be subject to the representations and warranties of each of the Corporation and the Selling Shareholder contained in this Agreement being accurate as of the date of this Agreement and as of the Closing Date, to each of the Corporation and the Selling Shareholder having performed all of its obligations under this Agreement and to the following additional conditions (which for the purposes of Section 20(e) shall be deemed to be obligations to be performed by the Corporation):

### **(a) Delivery of Opinions**

- (i) The Underwriter and the Selling Shareholder shall have received at the Closing Time a legal opinion dated the Closing Date, in form and substance satisfactory to the Underwriter and the Selling Shareholder, each acting reasonably, addressed to the Underwriter (and, if required for opinion purposes, counsel to the Underwriter) from McCarthy Tétrault LLP, counsel to the Corporation, as to the laws of Canada and the Qualifying Jurisdictions, which counsel in turn may rely upon the opinions of local counsel where it deems such reliance proper as to the laws of Provinces other than Ontario, British Columbia, Alberta and Québec (or alternatively make arrangements to have such opinions directly addressed to the Underwriter) and as to matters of fact, on certificates of Governmental Authorities and officers of the Corporation and letters from stock exchange representatives and transfer agents, with respect to the following matters:
  - (A) as to the existence of the Corporation under the laws of its jurisdiction of incorporation, formation or continuance and as to the corporate power and capacity of the Corporation to own and lease assets and to carry on business, in each case as described in the Prospectus and to execute, deliver and perform its obligations under this Agreement;
  - (B) as to the existence of Stelco Inc. under the laws of its jurisdiction of incorporation, formation or continuance and as to the corporate power and capacity of Stelco Inc. to own and lease assets and to carry on business, in each case, as described in the Prospectus;
  - (C) as to the authorized and issued capital of the Corporation and that the outstanding common shares (including the Offered Shares) have been validly issued by the Corporation and are outstanding as fully paid and non-assessable common shares of the Corporation;
  - (D) that all necessary corporate action has been taken by the Corporation to authorize the execution of each of the Preliminary Base Shelf Prospectus, Final Base Shelf Prospectus, Prospectus Supplement and, if applicable, any Prospectus Amendment, and the filing of such documents under Canadian Securities Laws in each of the Qualifying Jurisdictions;

- (E) that all necessary corporate action has been taken by the Corporation to authorize the execution and delivery of this Agreement and the performance of its obligations hereunder;
- (F) that this Agreement has been duly executed and delivered by the Corporation and constitutes a legal, valid and binding obligation of the Corporation and is enforceable against the Corporation in accordance with its terms, subject to customary qualifications for enforceability opinions;
- (G) that no approval, authorization, consent or other order of, and no filing, registration or recording with, any Governmental Authority is required of the Corporation under the laws of the Province of Ontario and the federal laws of Canada applicable therein in connection with the execution and delivery of this Agreement and the performance of its obligations hereunder, including the transfer of the Offered Shares by the Selling Shareholder to the Underwriter, other than filings under the securities laws of the Province of Ontario which have been duly made by or on behalf of the Corporation (other than the filing of a report as to the geographic distribution of the Offered Shares);
- (H) that the execution and delivery of each of this Agreement and the performance of the Corporation's obligations hereunder do not and will not (whether after notice or lapse of time or both) contravene or result in a breach of or constitute a default under any of the provisions of the articles or by-laws of the Corporation or contravene any laws of the Province of Ontario or the federal laws of Canada applicable therein binding on or applicable to the Corporation;
- (I) that the attributes of the common shares of the Corporation are consistent, in all material respects, with the descriptions of the common shares in the Final Base Shelf Prospectus under the heading "Description of Share Capital" and in the Prospectus Supplement under the heading "Summary Description of Common Shares";
- (J) that the attributes of the preference shares of the Corporation are consistent, in all material respects, with the description of the preference shares in the Final Base Shelf Prospectus under the heading "Description of Share Capital";
- (K) that the statements in the Prospectus Supplement under the heading "Eligibility for Investment" are accurate, subject to the assumptions, qualifications, limitations and restrictions set out therein;

- (L) that all necessary documents have been filed by the Corporation, all requisite proceedings have been taken by the Corporation and all legal requirements have been fulfilled by the Corporation under applicable securities laws of the Qualifying Jurisdiction to qualify the distribution and sale of the Offered Shares to the public in each of the Qualifying Jurisdictions through persons who are duly registered in an appropriate category of dealer registration under the applicable securities laws of the Qualifying Jurisdictions in which such person has engaged in the distribution of the Offered Shares and who have complied with the relevant provisions of such applicable securities laws;
  - (M) that all laws of the Province of Québec (other than those relating to verbal communications) will have been complied with in connection with the sale of the Offered Shares to purchasers in the Province of Quebec provided such purchasers receive copies of the Final Base Shelf Prospectus, the Prospectus Supplement and, if applicable, any Prospectus Amendment in the French language alone, or in the English and French languages simultaneously, and that such purchasers receive forms of order and confirmation drawn solely in the French language or in a bilingual format (on the assumption that no documents other than the Final Base Shelf Prospectus, Prospectus Supplement and, if applicable, any Prospectus Amendment and the forms of order and confirmation constitute the contract for purchase of Offered Shares); and
  - (N) that the Offered Shares have been approved for listing by the TSX.
- (ii) The Underwriter shall have received at the Closing Time a legal opinion dated the Closing Date, in form and substance satisfactory to counsel to the Underwriter, acting reasonably, addressed to the Underwriter (and if required for opinion purposes, counsel to the Underwriter) from NautaDutilh N.V., Dutch counsel to the Selling Shareholder, or such other firm acceptable to the Underwriter, acting reasonably, as to the laws of The Netherlands, which counsel in turn may rely upon, as to matters of fact, certificates of the officers of the Selling Shareholder, with respect to the following matters:
- (A) existence of the Selling Shareholder under the laws of its jurisdiction of incorporation and as to the power and capacity of the Selling Shareholder to execute, deliver and perform its obligations under this Agreement;
  - (B) that all necessary action has been taken by the Selling Shareholder to authorize the execution and delivery of this Agreement and the performance by the Selling Shareholder of its obligations hereunder;

- (C) that this Agreement has been duly executed and delivered by the Selling Shareholder and constitutes a legal, valid and binding obligation of the Selling Shareholder;
  - (D) that the execution and delivery of this Agreement by the Selling Shareholder and the performance of its obligations hereunder do not and will not result in a breach (whether after notice or lapse of time or both) of any of the terms, conditions or provisions of the articles or by-laws of the Selling Shareholder; and
  - (E) such other matters as the Underwriter may reasonably request.
- (iii) The Underwriter shall have received at the Closing Time a legal opinion dated the Closing Date, in form and substance satisfactory to counsel to the Underwriter, acting reasonably, addressed to the Underwriter (and if required for opinion purposes, counsel to the Underwriter) from Blake, Cassels & Graydon LLP, Canadian counsel to the Selling Shareholder, as to the laws of Canada and the Province of Ontario, which counsel in turn may rely upon the opinion of Dutch counsel to the Selling Shareholder being delivered pursuant to Section 19(a)(ii) and, as to matters of fact, certificates of the officers of the Selling Shareholder, with respect to the following matters:
- (A) that no approval, authorization, consent or other order of, and no filing, registration or recording with, any governmental authority is required of the Selling Shareholder under the laws of the Province of Ontario and the federal laws of Canada applicable therein in connection with the execution and delivery of this Agreement by the Selling Shareholder and the performance of its obligations hereunder, except as have been obtained or made and are in full force and effect;
  - (B) that this Agreement has been delivered, to the extent governed by Ontario law, by the Selling Shareholder and constitutes a legal, valid and binding obligation of the Selling Shareholder and is enforceable against the Selling Shareholder in accordance with its terms, subject to customary qualifications for enforceability opinions;
  - (C) that the execution and delivery of this Agreement by the Selling Shareholder and the performance of its obligations hereunder do not and will not result in a breach (whether after notice or lapse of time or both) of any laws of the Province of Ontario or the federal laws of Canada applicable therein; and
  - (D) such other matters as the Underwriter may reasonably request.
- (iv) The Underwriter shall have received at the Closing Time a legal opinion of Torys LLP, dated the Closing Date, addressed to the Underwriter with

respect to certain of the matters in Section 19(a)(i); provided that counsel to the Underwriter shall be entitled to rely on the opinions of local counsel as to matters governed by the laws of jurisdictions other than the laws of the Province of Ontario.

- (v) The Underwriter and its U.S. Affiliate shall have received at the Closing Time an opinion of U.S. counsel to the Corporation, Arent Fox LLP, in form and substance satisfactory to the Underwriter and its U.S. Affiliate, to the effect that it is not necessary in connection with (i) the offer, sale and delivery of the Offered Shares by the Selling Shareholder, or (ii) the initial re-offer and resale of the Offered Shares by the Underwriter, through its U.S. Affiliate in the United States, to register the Offered Shares under the U.S. Securities Act, provided, in each case, that such offers, sales and deliveries are made in accordance with this Agreement (it being understood that no opinion needs to be given by such counsel as to subsequent resale of the Offered Shares).

**(b) Delivery of Comfort Letter**

The Underwriter and the Selling Shareholder shall have received at the Closing Time a letter dated the Closing Date, in form and substance satisfactory to the Underwriter, acting reasonably, addressed to the Underwriter and the directors of the Corporation from KPMG LLP, confirming the continued accuracy of the comfort letter to be delivered to the Underwriter and the Selling Shareholder pursuant to Section 6(a)(vii) with such changes as may be necessary to bring the information in such letter forward to a date not more than two Business Days prior to the Closing Date, provided such changes are acceptable to the Underwriter and the Selling Shareholder, each acting reasonably.

**(c) Delivery of Certificates**

- (i) The Underwriter shall have received at the Closing Time a certificate dated the Closing Date, addressed to the Underwriter and its U.S. Affiliate (and, if necessary for opinion purposes, counsel to the Underwriter) and signed by an officer of the Corporation acceptable to the Underwriter and its U.S. Affiliate, acting reasonably, with respect to the constating documents of the Corporation, the absence of proceedings taken regarding dissolution, all resolutions of the board of directors of the Corporation relating to this Agreement and related matters, the incumbency and specimen signatures of signing officers of the Corporation and such other matters as the Underwriter and/or its U.S. Affiliate may reasonably request.
- (ii) The Underwriter shall have received at the Closing Time a certificate dated the Closing Date, addressed to the Underwriter, its U.S. Affiliate and counsel to the Underwriter and signed on behalf of the Corporation by the Chief Executive Officer and the Chief Financial Officer or other officers of the Corporation acceptable to the Underwriter and its U.S. Affiliate, acting reasonably, certifying for and on behalf of the

Corporation and without personal liability, after having made due enquiry and after having carefully examined the Prospectus, the U.S. Placement Memorandum and any Prospectus Amendment:

- (A) that since the respective dates as of which information is given in the Prospectus, as amended by any Prospectus Amendment, and the U.S. Placement Memorandum (i) there has been no material change with respect to the Corporation and the Stelco Group taken as a whole, and (ii) no transaction has been entered into by the Corporation or any member of the Stelco Group which is material to the Corporation and the Stelco Group taken as a whole, other than as disclosed in the Prospectus, the U.S. Placement Memorandum or any Prospectus Amendment, as the case may be;
  - (B) that the Prospectus and the U.S. Placement Memorandum (excluding the Underwriter's Information and any Selling Shareholder's Information) do not contain a misrepresentation and contain full, true and plain disclosure of all material facts relating to the Corporation and the common shares of the Corporation;
  - (C) that no order, ruling or determination having the effect of suspending the sale or ceasing the trading of the common shares or any other securities of the Corporation has been issued by any Governmental Authority and is continuing in effect and no proceedings for that purpose have been instituted or are pending or, to the knowledge of such officers, contemplated or threatened under any Canadian Securities Laws or by any Governmental Authority;
  - (D) that the Corporation has complied in all material respects with the terms and conditions of this Agreement on its part to be complied with up to the Closing Time; and
  - (E) that the representations and warranties of the Corporation contained in this Agreement are true and correct as of the Closing Time in all material respects (except for such representations and warranties of the Corporation qualified by materiality or which refer to a Material Adverse Effect, which shall be true and correct in all respects) with the same force and effect as if made at and as of the Closing Time after giving effect to the transactions contemplated by this Agreement, except in respect of any representations and warranties that are to be true and correct as of a specified date, in which case they will be true and correct in all respects as of that date only.
- (iii) The Underwriter shall have received at the Closing Time, a certificate dated the Closing Date from the Selling Shareholder, addressed to the Underwriter and its U.S. Affiliate (and, if necessary for opinion purposes, counsel to the Underwriter) and signed by an officer of the Selling

Shareholder acceptable to the Underwriter and its U.S. Affiliate, acting reasonably, with respect to the constating documents of the Selling Shareholder, the absence of proceedings taken regarding dissolution, all resolutions of the Selling Shareholder relating to this Agreement and related matters, the incumbency and specimen signatures of signing officers of the Selling Shareholder and such other matters as the Underwriter and/or its U.S. Affiliate may reasonably request.

- (iv) The Underwriter shall have received at the Closing Time a certificate dated the Closing Date, addressed to the Underwriter and its U.S. Affiliate (and, if necessary for opinion purposes, counsel to the Underwriter) and signed by an officer of the Selling Shareholder acceptable to the Underwriter and its U.S. Affiliate, acting reasonably, certifying for and on behalf of the Selling Shareholder, and without personal liability, after having made due enquiry and after having carefully examined the Prospectus, that:
- (A) the Selling Shareholder has complied in all material respects with the terms and conditions of this Agreement on its part to be complied with up to the Closing Time;
  - (B) the representations and warranties of the Selling Shareholder contained in this Agreement are true and correct in all material respects as of the Closing Time (except for such representations and warranties of the Selling Shareholder qualified by materiality or which refer to a Material Adverse Effect, which shall be true and correct in all respects) with the same force and effect as if made at and as of the Closing Time after giving effect to the transactions contemplated by this Agreement; and
  - (C) the Selling Shareholder's Information contained in the Prospectus Supplement is true and correct in all respects and contains no misrepresentation.

(d) **Listing Approval**

The TSX shall not have announced or commenced any de-listing review or other action that could result in the de-listing of the Offered Shares.

(e) **Lock-Up Agreements with Shareholders, Directors and Officers**

The Underwriter shall have received, prior to the Closing Time, an executed lock-up agreement, substantially in the form of Schedule C, from each of the Locked-Up Shareholders.

(f) **Receipt of Additional Documents**

The Underwriter shall have received such other customary closing certificates, opinions, receipts, agreements or documents as the Underwriter may reasonably request.

(g) **Over-Allotment Closing Documents**

The obligations of the Underwriter to purchase the Optional Shares, if any, hereunder are subject to the delivery to the Underwriter on the Option Closing Date of (i) a customary “bring-down” comfort letter from KPMG LLP relating to the comfort letter delivered pursuant to Section 19(b), (ii) certificates dated the Option Closing Date substantially similar to the officer’s certificates referred to in Section 19(c) and (iii) such other customary closing certificates and documents as the Underwriter may reasonably request with respect to the good standing of the Corporation and other matters related to the sale of the Optional Shares.

**20. Rights of Termination**

(a) **Regulatory Proceedings Out**

If, after the date hereof and prior to the Closing Time, any enquiry, action, suit, investigation, order, ruling or other proceeding, whether formal or informal, is instituted or announced by or before any Governmental Authority in relation to the Corporation or the Selling Shareholder which, in the opinion of the Underwriter, acting reasonably, operates to prevent or suspend, or to materially inhibit, restrict or otherwise adversely affect the distribution of, or trading in, the Offered Shares, then the Underwriter shall be entitled, at its option and in accordance with Section 20(e), to terminate its obligations under this Agreement by notice to that effect given to the Corporation and the Selling Shareholder at any time at or prior to the Closing Time.

(b) **Disaster Out**

If, after the date hereof and prior to the Closing Time, there should develop, occur or come into effect or existence any event, action, state, condition or major financial occurrence of national or international consequence or any outbreak or escalation of national or international hostilities or any crisis or calamity (including as a result of the COVID-19 Pandemic or similar event or escalation thereof, but only to the extent that there is a material adverse development related thereto occurring after the date hereof) or any governmental action, law or regulation which, in the reasonable opinion of the Underwriter, seriously adversely affects or will seriously adversely affect the financial markets in Canada or the United States or the business, operations or affairs of the Corporation and the Stelco Group taken as a whole, then the Underwriter shall be entitled, at its option and in accordance with Section 20(e), to terminate its obligations under this Agreement by written notice to that effect given to the Corporation and the Selling Shareholder at any time at or prior to the Closing Time.

(c) **Material Change or Change in Material Fact Out**

If, after the date hereof and prior to the Closing Time, there shall occur, be discovered by the Underwriter or be announced by the Corporation or any material change or change in a material fact or a new material fact arises or is discovered (other than a change or fact related solely to the Underwriter) which, in the reasonable opinion of the Underwriter, would result in the purchasers of a material number of Offered Shares exercising their right under applicable Canadian Securities Laws to withdraw from their purchase of Offered Shares, or would be expected to have a significant adverse effect on the market price or value of the Offered Shares, then the Underwriter shall be entitled, at its option, in accordance with Section 20(e), to terminate its obligations under this Agreement by written notice to that effect given to the Corporation and the Selling Shareholder at any time at or prior to the Closing Time.

(d) **Non-Compliance with Conditions**

Each of the Corporation and the Selling Shareholder agrees that all terms and conditions in Section 19 shall be construed as conditions and complied with so far as they relate to acts to be performed or caused to be performed by it, that it will use its commercially reasonable efforts to cause such conditions to be complied with, and that any breach or failure by the Corporation or the Selling Shareholder to comply with any such conditions in all material respects shall entitle the Underwriter to terminate its obligations to purchase the Offered Shares by notice to that effect given to the Corporation and the Selling Shareholder at any time at or prior to the Closing Time, unless otherwise expressly provided in this Agreement. The Underwriter may waive, in whole or in part, or extend the time for compliance with, any terms and conditions without prejudice to its rights in respect of any other terms and conditions or any other or subsequent breach or non-compliance, provided that any such waiver or extension shall be binding upon the Underwriter only if such waiver or extension is in writing and signed by the Underwriter.

(e) **Exercise of Termination Rights**

The rights of termination contained in Sections 20(a), (b), (c), (d) or (e) may be exercised by the Underwriter with respect to the obligation of the Underwriter and are in addition to any other rights or remedies the Underwriter may have in respect of any default, act or failure to act or non-compliance by the Corporation or the Selling Shareholder in respect of any of the matters contemplated by this Agreement or otherwise. In the event of any such termination, there shall be no further liability on the part of the Underwriter to the Corporation or the Selling Shareholder or on the part of the Corporation or the Selling Shareholder to the Underwriter except in respect of any liability which may have arisen prior to or after such termination under Sections 21, 22 and 24.

## 21. Indemnity

### (a) Rights of Indemnity from the Corporation

The Corporation agrees to indemnify and save harmless the Underwriter and its affiliates and persons controlling (or deemed to be controlling) the Underwriter, and each of the respective directors, officers, partners, employees and agents of the foregoing (collectively, the “**Indemnified Parties**” and individually an “**Indemnified Party**”) from and against all liabilities, claims, actions, losses, costs, damages and expenses of any nature (including without limitation any legal fees or other expenses reasonably incurred by such persons in connection with defending or investigating any of the above, which legal fees and other expenses the Corporation shall reimburse such persons for forthwith upon demand), but excluding any loss of profits of the Indemnified Parties (as defined herein) (any such matter being referred to as a “**Claim**”), in any way caused by, or arising directly or indirectly from, or in consequence of:

- (i) any information or statement (excluding the Underwriter’s Information and the Selling Shareholder’s Information) contained in the Prospectus, the U.S. Placement Memorandum or any Prospectus Amendment or in any certificate of the Corporation delivered pursuant to this Agreement which at the time and in the light of the circumstances under which it was made contains or is alleged to contain a misrepresentation or an untrue statement of a material fact;
- (ii) any omission or alleged omission to state in the Prospectus, the U.S. Placement Memorandum, any Prospectus Amendment or any certificate of the Corporation delivered pursuant to this Agreement any material fact (excluding the Underwriter’s Information and the Selling Shareholder’s Information) required to be stated in such document or necessary to make any statement in such document not misleading in light of the circumstances under which it was made;
- (iii) any order made or enquiry, investigation or proceedings commenced or threatened by any securities commission or other competent authority based upon any actual or alleged untrue statement of a material fact or omission or alleged omission to state a material fact required to be stated or necessary to make any statement not misleading in light of the circumstances under which it was made or any misrepresentation or alleged misrepresentation (excluding the Underwriter’s Information and the Selling Shareholder’s Information) contained in the Prospectus, the U.S. Placement Memorandum or any Prospectus Amendment, preventing or restricting the trading in or the sale or distribution of the Offered Shares in any of the Qualifying Jurisdictions or in the United States;
- (iv) the non-compliance or alleged non-compliance by the Corporation with any Canadian Securities Laws or any U.S. federal or state securities laws (including the U.S. Securities Act) in connection with the transactions contemplated by this Agreement; or

- (v) any breach by the Corporation of its representations, warranties, covenants or obligations to be complied with under this Agreement (including those in Schedule B hereto).

In the event that a person asserting a claim was not provided a copy of the Prospectus (as then amended or supplemented, if the Corporation shall have furnished any amendments or supplements thereto) required under Canadian Securities Laws to be provided to that person by the Underwriter, the rights of indemnity contained in this Section 21(a) shall not enure to the benefit of the Indemnified Parties in respect of any Claim to the extent that the Prospectus corrects the untrue statement or information, misrepresentation or omission which forms the basis of the Claim.

Other than with respect to clause (i), (ii) or (iii) above, if and to the extent that a court of competent jurisdiction in a final judgment from which no appeal can be made shall determine that the losses, costs, expenses, claims, actions, damages and liabilities resulted from the fraud, fraudulent misrepresentation, wilful misconduct or gross negligence of an Indemnified Party claiming indemnity, such Indemnified Party shall promptly reimburse to the Corporation any funds advanced to the Indemnified Party in respect of such Claim and the indemnity provided for in this Section 21(a) shall cease to apply to such Indemnified Party in respect of such Claim. For greater certainty, the Corporation and the Underwriter agree that they do not intend that any failure by the Underwriter to conduct such reasonable investigation as necessary to provide the Underwriter with reasonable grounds for believing the Prospectus, the U.S. Placement Memorandum or any Prospectus Amendment contained no misrepresentation shall constitute “willful misconduct” or “gross negligence” for the purposes of this Section 21(a) or otherwise disentitle the Underwriter from indemnification.

(b) **Rights of Indemnity from the Selling Shareholder**

The Selling Shareholder agrees to indemnify and save harmless each of the Indemnified Parties from and against all Claims, in any way caused by, or arising directly or indirectly from, or in consequence of:

- (i) any information or statement in any Selling Shareholder’s Information contained in the Prospectus Supplement, the U.S. Placement Memorandum or any Prospectus Amendment or in any certificate of the Selling Shareholder delivered pursuant to this Agreement which at the time and in the light of the circumstances under which it was made contains or is alleged to contain a misrepresentation or an untrue statement of a material fact;
- (ii) any omission or alleged omission to state in any Selling Shareholder’s Information contained in the Prospectus Supplement, the U.S. Placement Memorandum, any Prospectus Amendment or any certificate of the Selling Shareholder delivered pursuant to this Agreement any material fact required to be stated in such document or necessary to make any such

Selling Shareholder's Information in such document not misleading in light of the circumstances under which it was made;

- (iii) any order made or enquiry, investigation or proceedings commenced or threatened by any securities commission or other competent authority based upon any actual or alleged untrue statement of a material fact or omission or alleged omission to state a material fact required to be stated or necessary to make any statement not misleading in light of the circumstances under which it was made or any misrepresentation or alleged misrepresentation in the Selling Shareholder's Information contained in the Prospectus Supplement, the U.S. Placement Memorandum or any Prospectus Amendment, preventing or restricting the trading in or the sale or distribution of the Offered Shares in any of the Qualifying Jurisdictions or in the United States;
- (iv) the non-compliance or alleged non-compliance by the Selling Shareholder with any Canadian Securities Laws or any U.S. federal or state securities laws (including the U.S. Securities Act) in connection with the transactions contemplated by this Agreement; or
- (v) any breach by the Selling Shareholder of its representations, warranties, covenants or obligations to be complied with under this Agreement (including those in Schedule B hereto).

Other than with respect to clause (i), (ii) or (iii) above, if and to the extent that a court of competent jurisdiction in a final judgment from which no appeal can be made shall determine that the losses, costs, expenses, claims, actions, damages and liabilities resulted from the fraud, fraudulent misrepresentation, wilful misconduct or gross negligence of an Indemnified Party claiming indemnity, such Indemnified Party shall promptly reimburse to the Selling Shareholder any funds advanced to the Indemnified Party in respect of such Claim and the indemnity provided for in this Section 21(b) shall cease to apply to such Indemnified Party in respect of such Claim. For greater certainty, the Selling Shareholder and the Underwriter agree that they do not intend that any failure by the Underwriter to conduct such reasonable investigation as necessary to provide the Underwriter with reasonable grounds for believing the Prospectus, the U.S. Placement Memorandum or any Prospectus Amendment contained no misrepresentation shall constitute "willful misconduct" or "gross negligence" for the purposes of this Section 21(b) or otherwise disentitle the Underwriter from indemnification.

(c) **Applicable Indemnifier**

As used in this Section 21 and Section 22 "**Applicable Indemnifier**" means: (i) the Corporation in respect of a claim for indemnification under Section 21(a); or (ii) the Selling Shareholder in respect of a claim for indemnification under Section 21(b), as applicable.

(d) **Notification of Claims**

If any Claim is asserted against any Indemnified Party in respect of which indemnification is or might reasonably be considered to be provided hereunder, such Indemnified Party will notify the Applicable Indemnifier, in the event of an asserted Claim as soon as possible of the particulars of such Claim (but the omission so to notify the Applicable Indemnifier of any Claim shall not affect the Applicable Indemnifier's liability except to the extent that the Applicable Indemnifier is materially prejudiced by that failure, and then only to such extent). The Applicable Indemnifier shall assume the defence of any suit brought to enforce such Claim, provided, however, that:

- (i) the defence shall be conducted through legal counsel acceptable to the Indemnified Party, acting reasonably; and
- (ii) no settlement of any such Claim or admission of liability may be made by the Applicable Indemnifier without the prior written consent of the Indemnified Party, acting reasonably, unless such settlement includes an unconditional release of the Indemnified Party from all liability arising out of such action or claim and does not include a statement as to or an admission of negligence, fault, culpability or failure to act, by or on behalf of any Indemnified Party.

(e) **Right of Indemnity in Favour of Others**

With respect to any Indemnified Party who is not a party to this Agreement, the Underwriter shall obtain and hold the rights and benefits of Section 21 in trust for and on behalf of such Indemnified Party.

(f) **Retaining Counsel**

In any such Claim, the Indemnified Party shall have the right to retain other counsel to act on his, her or its behalf, provided that the fees and disbursements of such counsel shall be paid by the Indemnified Party unless:

- (i) the Applicable Indemnifier and the Indemnified Party shall have mutually agreed to the retention of the other counsel;
- (ii) the named parties to any such Claim (including any added third or impleaded party) include (x) the Applicable Indemnifier, and (y) the Indemnified Party, and the Indemnified Party shall have been advised in writing by legal counsel that the representation of both parties by the same counsel would be inappropriate due to the actual or potential differing interests between them; or
- (iii) the Applicable Indemnifier has not retained counsel within 15 Business Days following receipt by the Applicable Indemnifier of notice of any such Claim from the Indemnified Party.

Notwithstanding any other provision of this Agreement, the Applicable Indemnifier shall only be liable for the reasonable fees and expenses of one separate law firm (in addition to any local counsel) at any time for all Indemnified Parties not having actual or potential differing interests in respect of a particular Claim.

The indemnity provided for in this Section 21 shall apply to a settlement of a Claim by the Underwriter where such settlement has been consented to by the Applicable Indemnifier, acting reasonably. Notwithstanding anything in this Agreement, the Underwriter shall have the right to settle any Claim at any time without the consent of the Applicable Indemnifier, and in such case the indemnity provided for in this Section 21 (a) shall apply if the Applicable Indemnifier unreasonably delayed or withheld consent to such settlement or (b) shall not apply if the Applicable Indemnifier acted reasonably in delaying or withholding consent to such settlement.

## **22. Contribution**

### **(a) Rights of Contribution**

In order to provide for a just and equitable contribution in circumstances in which the indemnity provided in Section 21 would otherwise be available in accordance with its terms but is, for any reason, held to be unavailable to or unenforceable by the Underwriter or enforceable otherwise than in accordance with its terms, the Applicable Indemnifier and the Underwriter shall contribute to the aggregate of all claims, expenses, costs, liabilities and losses of a nature contemplated by Section 21 in such proportions as are appropriate to reflect the relative benefits received by (x) the Applicable Indemnifier, on the one hand, and (y) the Underwriter, on the other hand, from the offering of the Offered Shares, as contemplated by this Agreement as well as the relative fault of (x) the Applicable Indemnifier, on the one hand, and (y) the Underwriter, on the other hand, with respect to such Claim. The relative benefits received by (x) the Selling Shareholder, on the one hand, and (y) the Underwriter, on the other hand, shall be deemed to be in the same ratio as (A) the total proceeds from the offering of the Initial Shares and the Optional Shares, if any (net of the aggregate Underwriting Fee but before deducting expenses), received by the Selling Shareholder to (B) the aggregate Underwriting Fee. The relative fault shall be determined by reference to, among other things, whether the matters or things referred to in Section 21, as applicable, which resulted in the Claim relates to information supplied by or steps or actions taken or done or not taken or done by or on behalf of (x) the Applicable Indemnifier, on the one hand, or (y) the Underwriter, on the other hand, and the relative intent, knowledge, access to information and opportunity to correct or prevent such statement, omission or misrepresentation or other matter or thing referred to in Section 21, as applicable, and any other equitable considerations, whether or not the Applicable Indemnifier has been sued together with the Underwriter or sued separately from the Underwriter. In the event of any such contribution:

- (i) the Underwriter shall not in any event be liable to contribute, in the aggregate, any amounts in excess of the aggregate Underwriting Fee calculated pursuant to the terms of this Agreement; and
- (ii) no party who has been determined by a court of competent jurisdiction in a final judgment (which is not appealable) to have engaged in any fraud, fraudulent misrepresentation, wilful misconduct or gross negligence shall be entitled to claim contribution from any person who has not been so determined to have engaged in such fraud, fraudulent misrepresentation, wilful misconduct or gross negligence. For greater certainty, the Corporation, the Selling Shareholder and the Underwriter agree that they do not intend that any failure by the Underwriter to conduct such reasonable investigation as necessary to provide the Underwriter with reasonable grounds for believing the Prospectus, the U.S. Placement Memorandum or any Prospectus Amendment contained no misrepresentation shall constitute “willful misconduct” or “gross negligence” for the purposes of this Section 22 or otherwise disentitle the Underwriter from contribution hereunder.

**(b) Calculation of Contribution**

In the event that the Corporation or the Selling Shareholder may be held to be entitled to contribution from the Underwriter under the provisions of any statute or at law, the Corporation and the Selling Shareholder shall collectively be limited to contribution in an amount not exceeding the lesser of:

- (i) the portion of the full amount of the loss or liability giving rise to such contribution for which the Underwriter is responsible, as determined in Section 22(a); and
- (ii) the amount of the aggregate Underwriting Fee calculated pursuant to the terms of this Agreement, and the Underwriter shall in no event be liable to contribute, individually, any amount in excess of the Underwriter’s portion of the aggregate Underwriting Fee calculated pursuant to the terms of this Agreement.

**(c) Notice**

If the Underwriter has reason to believe that a claim for contribution may arise, they shall give the Applicable Indemnifier notice of such claim in writing, as soon as reasonably possible, but failure to notify the Applicable Indemnifier shall not relieve the Applicable Indemnifier of any obligation which it may have to the Underwriter under this Section 22.

**(d) Right of Contribution in Favour of Others**

With respect to any party entitled to contribution who is not a party to this Agreement, the Underwriter shall obtain and hold the rights and benefits of Section 22 in trust for and on behalf of such party.

For purposes of this Section 22, each of the Indemnified Parties shall have the same rights to contribution hereunder.

(e) **Remedy Not Exclusive**

The remedies provided for in this Section 22 are not exclusive and shall not limit (except as provided for herein) any rights or remedies which may otherwise be available to any party at law or in equity.

(f) **Rights of Indemnity and Contribution in Addition to Other Rights**

The rights to indemnity and contribution provided in Sections 21 and 22 shall be in addition to and not in derogation of any other right to indemnity or contribution which the Underwriter or any other Indemnified Party may have by law, statute or otherwise, provided, however, that as between the Corporation and the Selling Shareholder, none of the terms of Section 22 shall affect the terms of the indemnity agreement entered into between the Corporation and the Selling Shareholder, in respect of the matters contemplated by this Agreement, which supersede the terms of this Agreement.

**23. Severability**

If any provision of this Agreement is determined to be void or unenforceable in whole or in part, it shall be deemed not to affect or impair the validity of any other provision of this Agreement and such void or unenforceable provision shall be severable from this Agreement.

**24. Expenses**

(a) **Fees and Expenses of the Offering**

(i) Unless otherwise agreed, whether or not the offering of the Offered Shares is completed, all expenses incurred in connection with the sale and delivery of the Offered Shares (excluding the Underwriting Fee and the fees and disbursements of counsel to the Selling Shareholder, which shall be borne by the Selling Shareholder) and all expenses of or incidental to all other matters in connection with the offering of the Offered Shares pursuant to the Prospectus incurred by the Corporation, including the fees and disbursements of legal counsel for the Corporation, the fees and disbursements of technical and industry consultants, investor relations firms, accountants and auditors, the fees and disbursements of “road show” consultants, prospectus filing fees, any Investment Industry Regulatory Organization of Canada fees levied against the Underwriter as a result of the offering of Offered Shares, stock exchange listing fees, all costs incurred in connection with preparing, printing, translating and providing commercial copies of the Prospectus, rating agency fees (if applicable) and the expenses incurred by the Corporation related to road shows, marketing activities, information meetings and the preparation of audio-visual and other meeting materials shall be borne by the Corporation.

**(b) Fees and Expenses of Underwriter**

- (i) The Underwriter will be responsible for (a) the fees and disbursements of the Underwriter's legal counsel and (b) the out-of-pocket expenses of the Underwriter; provided, however, that if the Offering is not completed for any reason, the Corporation will reimburse the Underwriter for all of its costs and expenses, including, for greater certainty, those of the Underwriter's legal counsel.

**25. Lock-Up**

During the period beginning on the Closing Date and ending on the date that is 90 days after the Closing Date, the Corporation agrees that it shall not, directly or indirectly, without the prior written consent of the Underwriter, acting reasonably, sell, offer to sell, issue, grant any option, warrant or other right for the sale or issuance of, or otherwise lend, transfer, assign or dispose of (including without limitation by making any short sale, engaging in any hedging, monetization or derivative transaction or entering into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of common shares or other equity securities of the Corporation or securities convertible into, exchangeable for, or otherwise exercisable into common shares or other equity securities of the Corporation, whether or not cash settled), in a public offering or by way of private placement or otherwise, any common shares or other equity securities of the Corporation or any securities convertible into, exchangeable for, or otherwise exercisable into common shares or other equity securities of the Corporation, or agree to do any of the foregoing or publicly announce any intention to do any of the foregoing other than the sale of the Optional Shares in connection with the Over-Allotment Option or common shares or other equity securities of the Corporation or securities convertible into, exchangeable for, or otherwise exercisable into common shares or other equity securities of the Corporation issued pursuant to the LTIP.

**26. Survival of Representations and Warranties**

The representations, warranties, obligations and agreements of the Corporation and the Selling Shareholder contained in this Agreement and in any certificate delivered pursuant to this Agreement or in connection with the purchase and sale of the Offered Shares shall survive the purchase of the Offered Shares and shall continue in full force and effect unaffected by any subsequent disposition of the Offered Shares by the Underwriter or the termination of the Underwriter's obligations and shall not be limited or prejudiced by any investigation made by or on behalf of the Underwriter in connection with the preparation of the Prospectus, any Prospectus Amendments or the distribution of the Offered Shares.

**27. Time**

Time is of the essence in the performance of the parties' respective obligations under this Agreement.

**28. Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable in the Province of Ontario.

## 29. Notice

Unless otherwise expressly provided in this Agreement, any notice or other communication to be given under this Agreement (a “**notice**”) shall be in writing addressed as follows:

If to the Corporation, addressed and sent to:

Stelco Holdings Inc.  
386 Wilcox Street  
Hamilton, Ontario  
L8L 8K5

Attention: Paul D. Scherzer  
E-mail: Paul.Scherzer@stelco.com

with a copy to:

Attention: Paul Simon  
E-mail: Paul.Simon@stelco.com

If to the Selling Shareholder, addressed and sent to:

Bedrock Industries Coöperatief U.A.  
Strawinskylaan 1033  
Toren C-10  
1077 XX Amsterdam  
Netherlands

Attention: Michael Dees/Tijn van Hooven  
E-mail: dees@lindsaygoldberglc.com/  
tijn.vanhooven@amsterdamconsultingbv.com

If to BMO Nesbitt Burns Inc., addressed and sent to:

BMO Nesbitt Burns Inc.  
100 King Street West, 4th Floor  
Toronto, Ontario M5X 1H3

Attention: Brad Fraser  
Email: Brad.Fraser@bmo.com

or to such other address as any of the parties may designate by giving notice to the others in accordance with this Section 29. Each notice shall be personally delivered to the addressee or sent by e-mail to the addressee. A notice which is personally delivered or delivered by e-mail shall, if delivered prior to 5:00 p.m. (Toronto time) on a Business Day, be deemed to be given and received on that day and, in any other case, be deemed to be given and received on the first Business Day following the day on which it is delivered.

### **30. Underwriter's Activities**

Nothing in this Agreement or the nature of the services to be provided by the Underwriter will be deemed to create a fiduciary or agency relationship between the Underwriter and the Corporation or the Selling Shareholder, or their respective security holders, creditors, employees or any other person, as applicable. The Corporation and the Selling Shareholder acknowledge and understand that: (a) the Underwriter may act as a trader of, and dealer in, securities both as principal and on behalf of clients and that in the ordinary course of its trading and dealing activities, the Underwriter and its affiliates at any time may hold long or short positions in the securities of the Corporation or any of its respective related entities and, from time to time, may have executed or may execute transactions on behalf of such persons; (b) the Underwriter may conduct research on securities and may, in the ordinary course of business, provide research reports and investment advice to clients on investment matters, including with respect to any such person and/or the offering of the Offered Shares; and (c) the Underwriter or its affiliates may extend loans or provide other financial services in the ordinary course of business to any such person (collectively, "**Bank Business**"). The Corporation and the Selling Shareholder agree not to seek to restrict or challenge the ability of the Underwriter or its affiliates to conduct Bank Business.

The Corporation and the Selling Shareholder acknowledge that none of the Underwriter is advising the Corporation, the Selling Shareholder or any other person related to them as to any legal, tax, investment, accounting or regulatory matters in any jurisdiction. The Corporation and the Selling Shareholder should consult with their own advisors concerning such matters and are responsible for making their own independent investigation and appraisal of the transactions contemplated hereby, and the Underwriter has no liability to the Corporation or the Selling Shareholder with respect thereto.

In performing its responsibilities under this agreement, the Underwriter may use the services of its affiliates provided that it will be responsible for ensuring that its affiliates comply with the terms of this Agreement and provided that in the case of any affiliate which is a non-resident for purposes of the *Income Tax Act* (Canada), such services are not rendered in Canada.

### **31. No Advisory or Fiduciary Responsibility**

The Corporation and the Selling Shareholder acknowledge and agree that: (i) the purchase and sale of the Offered Shares pursuant to this Agreement is an arm's-length commercial transaction between the Selling Shareholder, on the one hand, and the Underwriter, on the other; (ii) in connection therewith the Underwriter is acting solely as a principal and not the agent or fiduciary of the Corporation or the Selling Shareholder; (iii) no Underwriter has assumed an advisory or fiduciary responsibility in favour of the Corporation or the Selling Shareholder with respect to the purchase and sale of the Offered Shares pursuant to this Agreement or any other obligation to the Corporation or the Selling Shareholder except the obligations expressly set forth in this Agreement; and (iv) each of the Corporation and the Selling Shareholder has consulted or had the opportunity to consult with its own legal and other advisors to the extent it deemed appropriate. Each of the Corporation and the Selling Shareholder agrees that it will not claim that the Underwriter has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to the Corporation or the Selling Shareholder, as applicable, in connection with the purchase and sale of the Offered Shares pursuant to this Agreement.

**32. Counterparts**

This Agreement may be executed by the parties to this Agreement in counterpart and may be executed and delivered by facsimile or by electronic copy or other similar format and all such counterparts and electronic copies shall together constitute one and the same agreement.

**33. Entire Agreement**

The terms and conditions of this Agreement supersede any previous verbal or written agreement between the Underwriter, the Corporation and the Selling Shareholder with respect to the subject matter hereof.

*[The remainder of this page has been left blank intentionally.]*

If the foregoing is in accordance with your understanding and is agreed to by you, please signify your acceptance by executing the enclosed copies of this Agreement where indicated below and returning the same to the Underwriter upon which this Agreement as so accepted shall constitute an agreement among us.

**BMO NESBITT BURNS INC.**

By: “Brad Fraser”  
Name: Brad Fraser  
Title: Managing Director

The foregoing offer is accepted and agreed to as of the date first above written.

**STELCO HOLDINGS INC.**

By: “Paul D. Scherzer”  
Name: Paul D. Scherzer  
Title: Authorized Signatory

**BEDROCK INDUSTRIES  
COÖPERATIEF U.A.**

By: “Michael Dees”  
Name: Michael Dees  
Title: Director

By: “Tijn van Hooven”  
Name: Tijn van Hooven  
Title: Director

**SCHEDULE A**  
**LOCKED-UP SHAREHOLDERS**

Alan Kestenbaum

Paul D. Scherzer

Indira Samarasekera

Paul Simon

AK Bedrock LLC

**SCHEDULE B**  
**UNITED STATES OFFERS AND SALES**

**1. Definitions**

As used in this Schedule and related exhibits, the following terms shall have the meanings indicated:

**“Directed Selling Efforts”** means “directed selling efforts” as that term is defined in Rule 902(c) of Regulation S, which, without limiting the foregoing, but for greater clarity in this Schedule, includes, subject to the exclusions from the definition of directed selling efforts contained in Regulation S, any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for the Shares and includes the placement of any advertisement in a publication with a general circulation in the United States that refers to the offering of the Shares;

**“Foreign Issuer”** means “foreign issuer” as that term is defined in Rule 902(e) of Regulation S;

**“General Solicitation”** and **“General Advertising”** mean “general solicitation” and “general advertising”, respectively, as used in Rule 502(c) under the U.S. Securities Act, including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or broadcast over radio or television or the internet, or any seminar or meeting whose attendees had been invited by general solicitation or general advertising;

**“Investment Company Act”** means the United States *Investment Company Act of 1940*, as amended, and the rules and regulations promulgated thereunder;

**“Qualified Institutional Buyer”** means a “qualified institutional buyer” as such term is defined in Rule 144A;

**“Regulation S”** means Regulation S adopted by the SEC under the U.S. Securities Act;

**“SEC”** means the United States Securities and Exchange Commission;

**“Shares”** means the Offered Shares;

**“Substantial U.S. Market Interest”** means “substantial U.S. market interest” as that term is defined in Rule 902(j) of Regulation S;

**“United States”** means the United States of America, its territories and possessions, any state of the United States and the District of Columbia; and

**“U.S. Affiliate”** the U.S. registered broker-dealer affiliate of the Underwriter.

All other capitalized terms used but not otherwise defined in this Schedule shall have the meanings given to them in the Underwriting Agreement to which this Schedule is attached and of which this Schedule forms a part.

## **2. Representations, Warranties and Covenants of the Corporation**

The Corporation represents, warrants and covenants to the Selling Shareholder, the Underwriter and its U.S. Affiliate that:

- (a) it is a Foreign Issuer and reasonably believes that there is no Substantial U.S. Market Interest with respect to the Shares;
- (b) in connection with offers and sales of the Shares outside the United States, the Corporation, each of its affiliates, and any person acting on its or their behalf (other than the Underwriter and its U.S. Affiliate or any person acting on its behalf, as to which no representation or warranty is made) have complied and will comply with the requirements for an “offshore transaction” (as that term is defined in Rule 902(h) of Regulation S);
- (c) neither the Corporation nor any of its affiliates, nor any person acting on its or their behalf (other than the Underwriter, its U.S. Affiliate or any members of the banking and selling group formed by them, as to whom the Corporation makes no representation), has engaged or will engage in any Directed Selling Efforts in the United States with respect to the Shares, or has taken or will take any action that would cause the applicable exemption or exclusion from registration under the U.S. Securities Act afforded by Rule 144A or Rule 903 of Regulation S to be unavailable for offers and sales of the Shares pursuant to this Agreement;
- (d) none of the Corporation or any of its affiliates or any person acting on its or their behalf (other than the Underwriter, the U.S. Affiliate or any members of the banking and selling group formed by them, as to whom the Corporation makes no representation) has offered or will offer to sell, or has solicited or will solicit offers to buy, any of the Shares in the United States by means of any form of General Solicitation or General Advertising or in any manner involving a public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act;
- (e) the Shares are not, and as of the Closing will not be, and no securities of the same class as the Shares are: (i) listed on a national securities exchange in the United States registered under Section 6 of the U.S. Exchange Act; (ii) quoted in an “automated inter-dealer quotation system”, as such term is used in the U.S. Exchange Act; or (iii) convertible or exchangeable at an effective conversion premium (calculated as specified in paragraph (a)(6) of Rule 144A) of less than ten percent for securities so listed or quoted;
- (f) in connection with the initial resale of the Shares to Qualified Institutional Buyers in the offering of the Shares, the Corporation shall make available to such Qualified Institutional Buyers the information required to be provided pursuant to Rule 144A(d)(4) under the U.S. Securities Act; and

- (g) the Corporation is not, and after giving effect to the offering of the Shares and the application of the proceeds as contemplated herein and the U.S. Placement Memorandum will not be, registered as an investment company nor will it be required to register as an investment company within the meaning of the Investment Company Act.

### **3. Representations, Warranties and Covenants of the Selling Shareholder**

- (a) The Selling Shareholder represents, warrants and covenants to the Corporation, the Underwriter and its U.S. Affiliate that neither the Selling Shareholder, nor any of its respective affiliates, nor any person acting on any of their behalf, has engaged or will engage in any Directed Selling Efforts in the United States or has engaged or will engage in any form of General Solicitation or General Advertising or any other conduct involving a public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act, or will take any actions that would cause the applicable exemption or exclusion from registration under the U.S. Securities Act afforded by Rule 144A or Rule 903 of Regulation S to be unavailable in connection with the offer or sale of the Shares, provided, however, that no representation, warranty, covenant or agreement is made with respect to the Underwriter, its U.S. Affiliate or any person acting on their behalf or any member of the banking and selling group formed by them.

### **4. Representations, Warranties and Covenants of the Underwriter**

The Underwriter and its U.S. Affiliate jointly and not severally, acknowledges, represents, warrants and covenants to the Corporation and the Selling Shareholder that:

- (a) the Shares have not been and will not be registered under the U.S. Securities Act or any U.S. state securities laws and may be offered and sold only in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act and applicable state securities laws. It has not offered and sold, and will not offer and sell, any Shares except in an “offshore transaction” in accordance with Rule 903 of Regulation S or in the United States to persons it reasonably believes to be Qualified Institutional Buyers as defined in Rule 144A under the U.S. Securities Act;
- (b) it and its affiliates, including its U.S. Affiliate, have not, either directly or through a person acting on its or their behalf, solicited and will not solicit offers for, and have not offered to sell and will not offer to sell, any of the Shares in the United States by any form of General Solicitation or General Advertising, Directed Selling Efforts or in any manner involving a public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act;
- (c) it has not entered and will not enter into any contractual arrangement with respect to the distribution of the Shares, except with its U.S. Affiliate, any selling group members or with the prior written consent of the Corporation and the Selling Shareholder;

- (d) it shall require each selling group member to agree, for the benefit of the Corporation and the Selling Shareholder, to comply with, and shall use its commercially reasonable efforts to ensure that each selling group member complies with, the provisions of this Schedule B applicable to the Underwriter as if such provisions applied to such selling group member;
- (e) all offers and sales of Shares in the United States shall be made by the Underwriter through its U.S. Affiliate (which on the dates of such offers and sales was and will be duly registered as a broker-dealer under the U.S. Exchange Act and under all applicable state securities laws and a member of, and in good standing with, the Financial Industry Regulatory Authority, Inc.) or otherwise pursuant to Rule 15a-6 under the U.S. Exchange Act in accordance with all applicable broker-dealer laws and in compliance with this Schedule B;
- (f) each U.S. Affiliate selling the Shares in the United States is a Qualified Institutional Buyer;
- (g) it will solicit (and will cause its U.S. Affiliate to solicit, as applicable) offers for the Shares in the United States only from, and will offer the Shares only to persons whom it reasonably believes to be Qualified Institutional Buyers in accordance with Rule 144A;
- (h) it will inform (and will cause its U.S. Affiliate to inform, as applicable) all purchasers of the Shares in the United States or who were offered Shares in the United States that the Shares have not been and will not be registered under the U.S. Securities Act and are being offered and sold to such purchasers without registration in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Rule 144A;
- (i) at Closing, its U.S. Affiliate offering or selling Shares in the United States will provide a certificate, substantially in the form of Exhibit I to this Schedule B, relating to the manner of the offer and sale of the Shares in the United States, or will be deemed to have represented and warranted for the benefit of the Corporation and the Selling Shareholder that neither it nor its U.S. Affiliate offered or sold Shares in the United States; and
- (j) prior to the Closing Time, it will deliver signed copies of the U.S. Purchaser's Letter, in substantially the same form appended to the U.S. Placement Memorandum, from all persons in the United States to which it has sold Shares.

**EXHIBIT I**

**UNDERWRITER'S CERTIFICATE**

In connection with the offer and sale of common shares (the “**Shares**”) of Stelco Holdings Inc. (the “**Corporation**”) in the United States pursuant to the Underwriting Agreement dated as of March 5, 2021 among the Corporation, Bedrock Industries Coöperatief U.A. and the underwriter party thereto (the “**Underwriting Agreement**”), the undersigned [**name of U.S. affiliate of Underwriter**], in its capacity as placement agent in the United States (the “**U.S. Affiliate**”) for the Underwriter [**name of Underwriter**] (the “**Underwriter**”), hereby certifies that:

- (a) all offers to sell, solicitations of offers to buy and sales of the Shares in the United States were made only through the U.S. Affiliate in compliance with all applicable United States state and federal broker-dealer requirements or pursuant to the exemption provided under Rule 15a-6 of the U.S. Exchange Act. The U.S. Affiliate is a Qualified Institutional Buyer, a duly registered broker or dealer with the SEC and in each state applicable to the U.S. Affiliate (unless exempt therefrom) and is a member of the Financial Industry Regulatory Authority, Inc. on the date hereof and at the time of such offer and sale by it of Shares;
- (b) all offers and sales of the Shares in the United States have been conducted by us in accordance with the terms of Schedule B to the Underwriting Agreement;
- (c) immediately prior to our transmitting the U.S. Placement Memorandum to offerees in the United States, we had reasonable grounds to believe and did believe that each such offeree was a Qualified Institutional Buyer and, on the date hereof, we have reasonable grounds to believe and continue to believe that each purchaser of Shares in the United States or who was offered Shares in the United States is a Qualified Institutional Buyer;
- (d) no form of General Solicitation or General Advertising was used by us in connection with the offer or sale of the Shares in the United States and we did not engage in any Directed Selling Efforts in the United States in connection with the offer or sale of the Shares; and
- (e) prior to any sale of Shares by us in the United States, we caused each purchaser to execute and deliver a U.S. Purchaser's Letter in substantially the same form appended to the U.S. Placement Memorandum.

Terms used in this certificate have the meanings given to them in the Underwriting Agreement unless otherwise defined herein.

**DATED** this \_\_\_\_ day of \_\_\_\_\_, 2021.

**[INSERT NAME OF U.S. AFFILIATE]**

By: \_\_\_\_\_  
Name:  
Title:

**SCHEDULE C**  
**FORM OF LOCK-UP AGREEMENT**

■, 2021

BMO Nesbitt Burns Inc.  
(the “**Underwriter**”)

100 King Street West, 4<sup>th</sup> Floor  
P.O. Box 38  
Toronto, Ontario M5K 1H3

Attention: Brad Fraser

Ladies and Gentlemen:

**Stelco Holdings Inc. (the “Corporation”)**

The undersigned understands that the Underwriter has entered into an underwriting agreement (the “**Underwriting Agreement**”) with Bedrock Industries Coöperatief U.A. and the Corporation providing for the offering (the “**Offering**”) of common shares of the Corporation (“**Common Shares**”). The undersigned understands that it is a condition of the completion of the purchase of Common Shares pursuant to the Underwriting Agreement that certain shareholders and other persons enter into an agreement in the form of this letter. The undersigned acknowledges that the Underwriter is relying on the covenants of the undersigned contained in this letter in having decided to participate in the Offering and to enter into the Underwriting Agreement with Bedrock Industries Coöperatief U.A. and the Corporation with respect to the Offering.

In consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned hereby agrees that, during the period beginning on the date of this letter and ending on the day that is the 90<sup>th</sup> calendar day following the closing date of the Offering (the “**Restricted Period**”), the undersigned will not, directly or indirectly, without the prior written consent of the Underwriter, acting reasonably:

- (a) sell, offer to sell, grant any option, right or warrant for the sale of, or otherwise lend, transfer, assign or dispose of (including, without limitation, by making any short sale, engaging in any hedging, monetization or derivative transaction or entering into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Common Shares or securities convertible or exchangeable into Common Shares, whether or not cash settled), in a public offering or by way of private placement or otherwise, any Common Shares or any securities convertible, exchangeable or exercisable into Common Shares;

- (b) secure or pledge any Common Shares or any securities convertible or exchangeable into Common Shares; or
- (c) agree to or announce any intention to do any of the foregoing things.

The foregoing paragraph shall not apply to:

- (A) *bona fide* gifts to the immediate family of the undersigned, provided the recipient thereof agrees in writing with the Underwriter to be bound by the terms of this agreement;
- (B) dispositions to any trust for the direct or indirect benefit of the undersigned and/or the immediate family of the undersigned, provided that such trust agrees in writing with the Underwriter to be bound by the terms of this agreement;
- (C) the exercise of stock options or other similar awards granted pursuant to the LTIP or any other equity incentive plans of the Corporation or the vesting or settlement of awards granted pursuant to the LTIP or any other equity incentive plans of the Corporation (including the delivery and receipt of Common Shares, other awards or any securities convertible, exchangeable or exercisable into Common Shares in connection with such vesting or settlement), provided that the foregoing restrictions shall apply to any of the undersigned's Common Shares or any security convertible, exercisable or exchangeable into Common Shares issued or received upon such exercise, vesting or settlement;
- (D) transfers of Common Shares or any securities convertible, exercisable or exchangeable into Common Shares from the undersigned to the Corporation (or the purchase and cancellation of same by the Corporation) upon a vesting event of the Corporation's securities or upon the exercise of options to purchase Common Shares by the undersigned, in each case on a "cashless" or "net exercise" basis, or to cover tax withholding obligations of the undersigned in connection with such vesting or exercise;
- (E) transfers of Common Shares or any security convertible into or exercisable or exchangeable for Common Shares:
  - (i) if the undersigned is a corporation, partnership, limited liability company or other entity, to any trust or other like entity for the direct or indirect benefit of the undersigned or any affiliate as defined in National Instrument 45-106 – *Prospectus Distributions* (an "Affiliate"), limited partner, member or stockholder of the undersigned;
  - (ii) if the undersigned is a corporation, partnership, limited liability company or other entity, to any Affiliate thereof; or
  - (iii) if the undersigned is a corporation, partnership, limited liability company or other entity, to any Affiliate, wholly-owned subsidiary, limited partner,

member or securityholder of the undersigned or to any investment fund or other entity controlled or managed by the undersigned,

provided that any such transferee first agrees in writing with the Underwriter to be bound by the terms of this agreement;

- (F) pursuant to a *bona fide* third party take-over bid for all of the outstanding Common Shares made to all shareholders of the Corporation or an arrangement, amalgamation or similar transaction involving the acquisition by a third party of 50% or more of the outstanding Common Shares of the Corporation, provided that in the event that the take-over bid or such other transaction is not completed, any Common Shares held by the undersigned shall remain subject to the restrictions contained in this agreement; or
- (G) solely with respect to paragraph (a) above, the exercise of any right with respect to, or the taking of any other action in preparation for, a registration by the Corporation of Common Shares or any securities convertible into or exercisable or exchangeable for Common Shares, provided that no transfer of the undersigned's Common Shares proposed to be registered pursuant to the exercise of such rights under this clause (G) shall occur, and no prospectus or registration statement shall be filed and no public announcement made, during the Restricted Period.

For purposes of clause (A) of this paragraph, "immediate family" shall mean the undersigned and the spouse, any lineal descendent, father, mother, brother or sister of the undersigned.

The obligations of the undersigned under this letter may be waived in writing in whole or in part by the Underwriter in its sole discretion acting reasonably.

This agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable in the Province of Ontario. The undersigned hereby represents and warrants that the undersigned has full power and authority to enter into this agreement. This agreement is irrevocable and will be binding on the undersigned and its successors, heirs, personal representatives and assigns, and will enure to the benefit of the Underwriter and its legal representatives, successors and assigns.

**DATED** \_\_\_\_\_, 2021.

---

**Name of shareholder**  
(please print)

---

**Signature of shareholder**  
or authorized representative

---

**Name of authorized representative**  
(if applicable) (please print)