As filed with the Securities and Exchange Commission on July 6, 2021.

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM F-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

ALGOMA STEEL GROUP INC.
(Exact Name of Registrant as Specified in Its Charter)

British Columbia	**3312**	**Not Applicable**
(State or Other Jurisdiction of Incorporation or Organization)	**(Primary Standard Industrial Classification Code Number)**	**(I.R.S. Employer Identification Number)**

105 West Street
Sault Ste. Marie, Ontario
P6A 7B4, Canada
(705) 945-2351
(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

Algoma Steel USA Inc.
1209 Orange Street
Wilmington, Delaware 19801
(302) 658-7581
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

John Naccarato Algoma Steel Inc. 105 West Street Sault Ste. Marie, Ontario P6A 7B4, Canada Tel: (705) 945-2351	Adam M. Givertz Paul, Weiss, Rifkind, Wharton & Garrison LLP 1285 Avenue of the Americas New York, New York 10019-6064 Tel: (212) 373-3000	Robert Chadwick Michael Partridge Goodmans LLP Bay Adelaide Centre 333 Bay Street, Suite 3400 Toronto, Ontario M5H 2S7, Canada Tel: (416) 863-2400	David A. Miller Jeffrey M. Gallant Graubard Miller The Chrysler Building 405 Lexington Avenue, 11th Floor New York, New York 10174 Tel: (212) 818-8800

Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after the effective date of this registration statement and all other conditions to the proposed Merger described herein have been satisfied or waived.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer) ☐

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer) ☐

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933.

Emerging growth company ☐

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act ☐

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered[1]	Proposed maximum offering price per unit[2]	Proposed maximum aggregate offering price[2]	Amount of registration fee
Common Shares[3][6]	30,307,036	$ 11.86	$359,441,447	$39,215.06
Warrants[4][6]	24,179,000	$ —	$ —	$ —
Common Shares issuable on exercise of Warrants[5][6]	24,179,000	$ 13.36	$323,031,440	$35,242.73
Total			$682,472,887	$74,457.79

(1) All securities being registered will be issued by Algoma Steel Group Inc. (formerly known as 1295908 B.C. Ltd.), a corporation organized under the laws of British Columbia ("Algoma"), in connection with the Merger Agreement described in this registration statement and the proxy statement/prospectus included herein, which provides for, among other things, the merger of Algoma Merger Sub, Inc., a Delaware corporation and a direct, wholly-owned subsidiary of Algoma ("Merger Sub") with and into Legato Merger Corp., a Delaware corporation ("Legato"), with Legato surviving as a wholly-owned subsidiary of Algoma (the "Merger"). As a result of the Merger, (i) each outstanding unit of Legato will be separated immediately prior to the Effective Time (as defined below) into one share of common stock, par value $0.0001 per share, of Legato ("Legato Common Stock") and one warrant exercisable for one share of Legato Common Stock ("Legato Warrant"), (ii) at the Effective Time each outstanding share of Legato Common Stock will be converted into and exchanged for the right to receive one newly issued common share, without par value, of Algoma (an "Algoma Common Share") and (iii) at the Effective Time, pursuant to the terms of the Warrant Agreement, each Legato Warrant will be converted into an equal number of warrants (the "Algoma Warrants"), with each warrant exercisable for one Algoma Common Share, with the exercise period beginning 30 days following Closing (as defined below).

(2) In accordance with Rule 457(f)(1), Rule 457(c), and Rule 457(i), as applicable, based on (i) in respect of Algoma Common Shares issued to Legato security holders, the average of the high ($11.88) and low ($11.83) prices of the Legato Common Stock on the Nasdaq Stock Market ("Nasdaq") on July 1, 2021 and (ii) in respect of the Algoma Common Shares issuable upon the exercise of Algoma Warrants issued to Legato security holders, the sum of (x) the average of the high ($1.95) and low ($1.77) prices for the Legato Warrants on Nasdaq on July 1, 2021 and (y) the $11.50 exercise price of the Legato Warrants. Pursuant to Rule 457 (i), no separate fee is required for the registration of Algoma Warrants.

(3) Represents Algoma Common Shares issuable in exchange for outstanding Legato Common Stock upon the merger of Merger Sub with and into Legato pursuant to the Merger.

(4) Represents Algoma Warrants, which are the Legato Warrants that will become exercisable for Algoma Common Shares in accordance with the terms of the Warrant Agreement.

(5) Represents Algoma Common Shares underlying Algoma Warrants.

(6) Pursuant to Rule 416(a), there are also being registered an indeterminable number of additional securities as may be issued to prevent dilution resulting from share splits, share dividends or similar transactions.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

The information in this proxy statement/prospectus is not complete and may be changed. We may not issue these securities until the registration statement filed with the Securities and Exchange Commission is effective. This proxy statement/prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

PRELIMINARY COPY – SUBJECT TO COMPLETION, DATED JULY 6, 2021

PROXY STATEMENT FOR SPECIAL MEETING OF STOCKHOLDERS OF LEGATO MERGER CORP. and PROSPECTUS FOR UP TO 30,307,036 COMMON SHARES, 24,179,000 WARRANTS AND 24,179,000 COMMON SHARES ISSUABLE UPON EXERCISE OF WARRANTS OF ALGOMA STEEL GROUP INC.

Legato Merger Corp., a Delaware corporation ("Legato"), has approved the Agreement and Plan of Merger, dated as of May 24, 2021 (the "Merger Agreement"), by and among Algoma Steel Group Inc. (formerly known as 1295908 B.C. Ltd.), a corporation organized under the laws of the Province of British Columbia ("Algoma"), Algoma Merger Sub, Inc., a Delaware corporation and a direct, wholly-owned subsidiary of Algoma ("Merger Sub"), and Legato, which provides for, among other things, the merger of Merger Sub with and into Legato, with Legato surviving as a wholly-owned subsidiary of Algoma, and with the securityholders of Legato becoming securityholders of Algoma (the "Merger").

Pursuant to the Merger Agreement, prior to the effective time of the Merger (the "Effective Time"), (i) Algoma will effectuate a reverse stock split ("Stock Split"), such that each outstanding common share in the capital of Algoma will become such number of common shares of Algoma ("Algoma Common Shares"), each valued at $10.00 per share, as determined by the Conversion Factor (as defined in the Merger Agreement), and (ii) each outstanding LTIP Award that has vested will be exchanged for the right to acquire a number of Algoma Common Shares as determined by reference to the Conversion Factor ("Replacement LTIP Awards"), subject to the holder of such LTIP Award executing an exchange agreement and joinder to the Lock-up Agreement, such that after giving effect to the Stock Split and the LTIP Exchange, it is expected that immediately prior to the Merger (and prior to the completion of the PIPE Investment), there will be 75.0 million Algoma Common Shares outstanding on a fully-diluted basis.

As a result of the Merger, (i) each outstanding unit of Legato will be separated immediately prior to the Effective Time into one share of common stock, par value $0.0001 per share, of Legato ("Legato Common Stock") and one warrant exercisable for one share of Legato Common Stock ("Legato Warrant"), (ii) at the Effective Time each outstanding share of Legato Common Stock will be converted into and exchanged for the right to receive one newly issued Algoma Common Share and (iii) at the Effective Time, pursuant to the Warrant Agreement, each Legato Warrant shall be converted into an equal number of Algoma Warrants, with each warrant exercisable for one Algoma Common Share for $11.50 per share, subject to adjustment, with the exercise period beginning 30 days following Closing.

In addition, pursuant to the Merger Agreement, holders of Algoma Common Shares prior to the Transactions and each holder of Replacement LTIP Awards (collectively, the "Existing Algoma Investors") will be granted or issued the contingent right to receive their pro rata portion of up to 37.5 million Algoma Common Shares if certain targets based on Earnout Adjusted EBITDA (as defined below) and the trading price of the Algoma Common Shares are met (the "Earnout Rights").

The registration statement of which this proxy statement/prospectus is a part covers the Algoma Common Shares and Algoma Warrants issuable to the securityholders of Legato as described above. Accordingly, we are registering up to an aggregate of 30,307,036 Algoma Common Shares, 24,179,000 Algoma Warrants, and 24,179,000 Algoma Common Shares issuable upon the exercise of the Algoma Warrants. We are not registering the Algoma Common Shares issued or issuable to the Existing Algoma Investors, including up to 37.5 million Algoma Common Shares that may be issuable after consummation of the Merger pursuant to the Earnout Rights (as described above), or Algoma Common Shares issuable to the PIPE Investors (as defined below).

Proposals to approve the Merger Agreement and the other matters discussed in this proxy statement/prospectus will be presented at the Special Meeting of Legato securityholders scheduled to be held virtually at a.m., Eastern Time, on , 2021.

Although Algoma is not currently a public reporting company in any jurisdiction, following the effectiveness of the registration statement of which this proxy statement/prospectus is a part and the closing of the Merger ("Closing"), Algoma will become subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Algoma has applied to list the Algoma Common Shares and Algoma Warrants on The Nasdaq Stock Market ("Nasdaq") under the proposed symbols "ASTL" and "ASTLW," respectively, to be effective at the consummation of the Merger. In addition, Algoma expects that it will become a reporting issuer in Canada under applicable Canadian securities laws following the closing of the Merger and intends to apply for listing of the Algoma Common Shares and Algoma Warrants on the Toronto Stock Exchange (the "TSX") under the proposed symbols "ASTL" and "ASTL.WT," respectively, to be effective upon the consummation of the Merger. It is a condition of the consummation of the Merger that the Algoma Common Shares and the Algoma Warrants are approved for listing on Nasdaq, subject only to official notice of issuance thereof and the satisfaction of customary conditions, and conditionally approved for listing on the TSX, subject to the satisfaction of customary conditions. While trading of the Algoma Common Shares and the Algoma Warrants on Nasdaq and the TSX is expected to begin on the first business day following the date of completion of the Merger, there can be no assurance that Algoma's securities will be listed on Nasdaq or the TSX or that a viable and active trading market will develop. See "*Risk Factors*" beginning on page 38 for more information.

Algoma will be a "foreign private issuer" as defined in the Exchange Act and will be exempt from certain rules under the Exchange Act that impose certain disclosure obligations and procedural requirements for proxy solicitations under Section 14 of the Exchange Act. In addition, Algoma's officers, directors and principal shareholders will be exempt from the reporting and "short-swing" profit recovery provisions under Section 16 of the Exchange Act. Moreover, Algoma will not be required to file periodic reports and financial statements with the U.S. Securities and Exchange Commission as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act. Additionally, Nasdaq rules allow foreign private issuers to follow home country practices in lieu of certain of Nasdaq's corporate governance rules. As a result, its shareholders may not have the same protections afforded to shareholders of companies that are subject to all Nasdaq corporate governance requirements.

The accompanying proxy statement/prospectus provides Legato stockholders with detailed information about the Merger and other matters to be considered at the Special Meeting of Legato. We encourage you to read the entire accompanying proxy statement/prospectus, including the Annexes and other documents referred to therein, carefully and in their entirety. You should also carefully consider the risk factors described in "*Risk Factors*" beginning on page 38 of the accompanying proxy statement/prospectus.

None of the Securities and Exchange Commission, any state securities commission or the securities commission of any Canadian province or territory has approved or disapproved of the securities to be issued in connection with the Merger, or determined if this proxy statement/prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.

This proxy statement/prospectus is dated , 2021, and is first being mailed to Legato stockholders on or about , 2021.

LEGATO MERGER CORP.
777 Third Avenue, 37th Floor
New York, NY 10017

NOTICE OF SPECIAL MEETING
IN LIEU OF 2021 ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON , 2021

TO THE STOCKHOLDERS OF LEGATO MERGER CORP.:

NOTICE IS HEREBY GIVEN that a special meeting of stockholders of Legato Merger Corp., a Delaware corporation ("Legato"), will be held virtually at a.m., Eastern Time, on , 2021, accessible at or at such other time, on such other date and at such other place to which the meeting may be adjourned or postponed (the "Special Meeting"). You are cordially invited to attend the Special Meeting, which will be held for the following purposes:

(1) to consider and vote upon a proposal to adopt the Agreement and Plan of Merger, dated as of May 24, 2021 (the "Merger Agreement"), by and among Algoma Steel Group Inc. (formerly known as 1295908 B.C. Ltd.), a corporation organized under the laws of the Province of British Columbia ("Algoma"), Algoma Merger Sub, Inc., a Delaware corporation and a direct, wholly-owned subsidiary of Algoma ("Merger Sub"), and Legato, and to approve the merger of Merger Sub with and into Legato, with Legato surviving as a wholly-owned subsidiary of Algoma (the "Merger" and together with the other transactions contemplated by the Merger Agreement, including the adoption of the restated articles of Algoma, to be effective upon consummation of the Merger, the "Transactions"). We refer to this proposal as the "Merger Proposal" and a copy of the Merger Agreement is attached to this proxy statement/prospectus as *Annex A*; and

(2) to consider and vote upon a proposal to adjourn the Special Meeting to a later date or dates, if determined by the applicable parties to the Merger Agreement in accordance with the Merger Agreement – we refer to this proposal as the "Adjournment Proposal."

These items of business are described in the attached proxy statement/prospectus, which we encourage you to read in its entirety before voting. Only holders of record of common stock, par value $0.0001 per share, of Legato ("Legato Common Stock"), at the close of business on , 2021, are entitled to notice of the Special Meeting and to vote and have their votes counted at the Special Meeting and any adjournments or postponements of the Special Meeting.

After careful consideration, the Legato board of directors has determined that the Merger Proposal and the Adjournment Proposal are advisable and fair to and in the best interest of Legato and its stockholders and recommends that you vote or give instruction to vote "**FOR**" the Merger Proposal and "**FOR**" the Adjournment Proposal, if presented.

The Merger is conditioned on the approval of the Merger Proposal at the Special Meeting. The proposals are more fully described in the accompanying proxy statement/prospectus, which each stockholder is encouraged to read carefully and in its entirety. If the Merger Proposal is not approved by Legato's stockholders, the Merger will not be consummated.

All of Legato's stockholders are cordially invited to attend the Special Meeting virtually. To ensure your representation at the Special Meeting, however, you are urged to complete, sign, date and return the enclosed proxy card as soon as possible. If you are a stockholder of record of Legato Common Stock, you may also cast your vote virtually at the Special Meeting. If your shares are held in an account at a brokerage firm or bank, you must instruct your broker or bank on how to vote your shares or, if you wish to attend the Special Meeting and vote in person, you must obtain a proxy from your broker or bank. If you do not vote or do not instruct your broker or bank how to vote, it will have the same effect as voting against the Merger Proposal, but will have no effect on the Adjournment Proposal. Abstentions will be counted as present for purposes of establishing a quorum for the Special Meeting; Broker Non-Votes will not.

A complete list of Legato stockholders of record entitled to vote at the Special Meeting will be available for ten (10) days before the Special Meeting at the principal executive offices of Legato for inspection by stockholders during ordinary business hours for any purpose germane to the Special Meeting.

Your vote is important regardless of the number of shares you own. Whether you plan to attend the Special Meeting or not, please sign, date and return the enclosed proxy card as soon as possible in the envelope provided. If your shares are held in "street name" or are in a margin or similar account, you should contact your broker or bank to ensure that votes related to the shares you beneficially own are properly counted. The Merger is conditioned on the approval of the Merger Proposal at the Special Meeting. Each of the proposals is more fully described in the accompanying proxy statement/prospectus, which each stockholder is encouraged to read carefully and in its entirety.

Thank you for your participation. We look forward to your continued support.

This proxy statement/prospectus is dated, , 2021 and is first being mailed to Legato stockholders on or about , 2021.

By Order of the Board of Directors

David D. Sgro
Chief Executive Officer

New York, New York
, 2021

IF YOU RETURN YOUR PROXY CARD WITHOUT AN INDICATION OF HOW YOU WISH TO VOTE, YOUR SHARES WILL BE VOTED IN FAVOR OF EACH OF THE PROPOSALS. PUBLIC SHAREHOLDERS ARE NOT REQUIRED TO AFFIRMATIVELY VOTE FOR OR AGAINST THE MERGER PROPOSAL OR AT ALL OR TO BE A HOLDER OF RECORD ON THE RECORD DATE IN ORDER TO HAVE THEIR SHARES REDEEMED FOR CASH. TO EXERCISE REDEMPTION RIGHTS, HOLDERS MUST TENDER THEIR SHARES TO CONTINENTAL STOCK TRANSFER & TRUST COMPANY, LEGATO'S TRANSFER AGENT, NO LATER THAN TWO (2) BUSINESS DAYS PRIOR TO THE SPECIAL MEETING. YOU MAY TENDER YOUR SHARES BY EITHER DELIVERING YOUR SHARE CERTIFICATE TO THE TRANSFER AGENT OR BY DELIVERING YOUR SHARES ELECTRONICALLY USING CONTINENTAL STOCK TRANSFER & TRUST COMPANY'S DWAC (DEPOSIT WITHDRAWAL AT CUSTODIAN) SYSTEM. IF THE TRANSACTIONS ARE NOT COMPLETED, THEN THESE SHARES WILL NOT BE REDEEMED FOR CASH. IF YOU HOLD THE SHARES IN STREET NAME, YOU WILL NEED TO INSTRUCT THE ACCOUNT EXECUTIVE AT YOUR BANK OR BROKER TO WITHDRAW THE SHARES FROM YOUR ACCOUNT IN ORDER TO EXERCISE YOUR REDEMPTION RIGHTS. SEE "SPECIAL MEETING OF LEGATO STOCKHOLDERS – REDEMPTION RIGHTS" FOR MORE SPECIFIC INSTRUCTIONS.

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to Be Held on , 2021: Legato's proxy statement/prospectus is available at https:// .

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ABOUT THIS PROXY STATEMENT/PROSPECTUS

This proxy statement/prospectus, which forms part of a registration statement on Form F-4 filed with the U.S. Securities and Exchange Commission (the "SEC") by Algoma, constitutes a prospectus of Algoma under Section 5 of the U.S. Securities Act of 1933, as amended (the "Securities Act"), with respect to the Algoma Common Shares to be issued to Legato stockholders, the Legato Warrants that will become exercisable for Algoma Common Shares in accordance with the terms of the Warrant Agreement, which we refer to as the Algoma Warrants, and the Algoma Common Shares underlying the Algoma Warrants, if the Merger described herein is consummated. This document also constitutes a notice of meeting and a proxy statement under Section 14(a) of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), with respect to the Special Meeting of Legato stockholders at which Legato stockholders will be asked to consider and vote upon a proposal to approve the Merger by the adoption of the Merger Agreement, among other matters.

All references in this proxy statement/prospectus to "Legato" refer to Legato Merger Corp. Unless otherwise indicated or the context otherwise requires, all references in this proxy statement/prospectus to the terms "Algoma" and the "Company" refer to Algoma Steel Group Inc., together with its subsidiaries. Algoma is the parent holding company of Algoma Steel Inc. Algoma Steel Inc. was incorporated in 2016 solely for the purpose of purchasing substantially all of the operating assets and liabilities of Essar Steel Algoma Inc. ("Old Steelco") and its subsidiaries in connection with a restructuring under the Canadian Companies' Creditors Arrangement Act ("CCAA"). The purchase transaction (the "Purchase Transaction") was completed on November 30, 2018. Prior to November 30, 2018, Algoma Steel Inc. had no operations, and was capitalized with one common share with a nominal value. All references in this proxy statement/prospectus to "Old Steelco" means Essar Steel Algoma Inc. and its consolidated subsidiaries.

PRESENTATION OF ALGOMA'S FINANCIAL INFORMATION

Algoma's functional currency is the United States dollar and its presentation currency is the Canadian dollar. Old Steelco's functional currency was the United States dollar and its presentation currency was the Canadian dollar.

All of Algoma's financial information included in this proxy statement/prospectus is presented in Canadian dollars, except as otherwise indicated. Algoma's financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"). IFRS differs in certain material respects from U.S. generally accepted accounting principles ("U.S. GAAP") and, as such, Algoma's financial statements are not comparable to the financial statements of U.S. companies prepared in accordance with U.S. GAAP. This proxy statement/prospectus does not include any explanation of the principal differences or any reconciliation between IFRS and U.S. GAAP.

Unless otherwise indicated, the historical financial information of Algoma included in this proxy statement/prospectus derives from, and should be read together with the audited consolidated financial statements of Algoma Steel Group Inc. as at March 31, 2021 and 2020 and for the years ended March 31, 2021, 2020 and for the four-month period ended March 31, 2019 and for the eight-month period ended November 30, 2018 for Old Steelco.

EXCHANGE RATE INFORMATION

In this proxy statement/prospectus, all dollar amounts referenced, unless otherwise indicated, are expressed in United States dollars and are referred to as "$" or " US$". Canadian dollars are referred to as "C$". The high, low, closing and average exchange rates for Canadian dollars in terms of the United States dollar for each of the indicated periods, as quoted by the Bank of Canada, were as follows:

	Year ended March 31, 2021	Year ended March 31, 2020 (expressed in C$)	Year ended March 31, 2019
High	1.2628	1.4346	1.3441
Low	1.2540	1.4095	1.3343
Closing	1.2621	1.4179	1.3431
Average	1.2574	1.3953	1.3368

On July 5, 2021 the daily average exchange rate for Canadian dollars in terms of the United States dollar, as quoted by the Bank of Canada, was US$1.00 = C$1.2343.

NON-IFRS FINANCIAL MEASURES

In this proxy statement/prospectus we use certain non-IFRS measures to evaluate the performance of Algoma. These terms do not have any standardized meaning prescribed within IFRS and, therefore, may not be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing a further understanding of our financial performance from management's perspective. Accordingly, they should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS. The terms "EBITDA" and "Adjusted EBITDA" are financial measures utilized by Algoma in reporting its financial results that are not defined by IFRS. In addition, "Earnout Adjusted EBITDA" is a financial measure utilized by Algoma and Legato solely for the purposes of calculating whether the targets with respect to the Earnout Rights are met pursuant the Merger Agreement and for developing certain projections (see "*Proposal No. 1 – The Merger Proposal – General – Certain Unaudited Prospective Financial Information Regarding Algoma*" and " *– Certain Updated Unaudited Prospective Financial Information Regarding Algoma*"). The terms "Net Sales Realization" and "Cost Per Ton of Steel Products Sold" are financial measures utilized by Algoma in reporting its financial results that are not defined by IFRS. Net Sales Realization, as defined by Algoma, refers to steel revenue less freight per steel tons shipped. Cost Per Ton of Steel Products Sold, as defined by Algoma, refers to cost of steel revenue less freight, amortization, carbon tax and exceptional items (included in cost of steel revenue) per steel tons shipped. The terms "Run-Rate EBITDA" and "Run-Rate EBITDA less Capex" are financial measures utilized by Algoma in reporting its financial results that are not defined by IFRS. Run-Rate EBITDA, as defined by Algoma, is the average EBITDA from fiscal years 2020, 2019 and 2018. Run-Rate EBITDA less Capex, as defined by Algoma, is Run-Rate EBITDA less Sustaining Capex. We consider Run-Rate EBITDA and Run-Rate EBITDA less Capex to be meaningful measures to assess our operating performance in addition to IFRS measures. Run-Rate EBITDA is included because we believe it can be useful to show the sensitivity of EBITDA to price variations in hot rolled coil ("HRC"). Run-Rate EBITDA less Capex is included because we believe it can be useful to show amounts available for reinvestment in the Company.

EBITDA, as defined by Algoma, refers to net (loss) income before amortization of property, plant, equipment and amortization of assets, finance costs, interest on pension and other post-employment benefit obligations, income taxes, reorganization costs, foreign exchange loss (gain), finance income, inventory write-downs, carbon tax and certain exceptional items. Adjusted EBITDA is defined as EBITDA before tariff expense and capacity utilization adjustment. Earnout Adjusted EBITDA is defined as Adjusted EBITDA before non-cash adjustments and write-downs, loss (gain) on commodity hedging and loss (gain) associated with the Algoma Warrants. Earnout Adjusted EBITDA is calculated on a consolidated basis at the Algoma Steel Inc. level and does not include certain expenses of Algoma Steel Inc.'s parent companies such as equity incentives issued under the Algoma Steel Holdings Inc. Long-Term Incentive Plan. EBITDA and Adjusted EBITDA are not intended to represent cash flow from operations, as defined by IFRS, and should not be considered as alternatives to net earnings, cash flow from operations, or any other measure of performance prescribed by IFRS. EBITDA and Adjusted EBITDA, as defined and used by Algoma, may not be comparable to EBITDA and Adjusted EBITDA as defined and used by other companies. We consider EBITDA and Adjusted EBITDA to be meaningful measures to assess our operating performance in addition to IFRS measures. They are included because we believe they can be useful in measuring our operating performance and our ability to expand our business and provide management and investors with additional information for comparison of our operating results across different time periods and to the operating results of other companies. EBITDA and Adjusted EBITDA are also used by analysts and our lenders as a measure of our financial performance.

EBITDA, Adjusted EBITDA, Earnout Adjusted EBITDA, Run-Rate EBITDA, Run-Rate EBITDA less Capex, Net Sales Realization and Cost Per Ton of Steel Products Sold have limitations as analytical tools and should not be considered in isolation from, or as alternatives to, net income, cash flow from operations or other data prepared in accordance with IFRS. Some of these limitations are:

- they do not reflect cash outlays for capital expenditures or contractual commitments;
- they do not reflect changes in, or cash requirements for, working capital;
- they do not reflect the finance costs, or the cash requirements necessary to service interest or principal payments on indebtedness;

- they do not reflect income tax expense or the cash necessary to pay income taxes;
- they do not reflect interest on pension and other post-employment benefit obligations;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and EBITDA and Adjusted EBITDA do not reflect cash requirements for such replacements;
- they do not reflect the impact of earnings or charges resulting from matters we believe not to be indicative of our ongoing operations; and
- other companies, including other companies in our industry, may calculate this measure differently than as presented in by us, limiting their usefulness as a comparative measure.

Because of these limitations, EBITDA and Adjusted EBITDA and the related ratios such as EBITDA margin and EBITDA per ton should not be considered as measures of discretionary cash available to invest in business growth or to reduce indebtedness. We compensate for these limitations by relying primarily on our IFRS results using EBITDA and Adjusted EBITDA only as a supplement.

For a reconciliation of EBITDA and Adjusted EBITDA to their most comparable IFRS financial measures or to other non- IFRS financial measures see "*Algoma's Management's Discussion and Analysis of Financial Condition and Results of Operations – EBITDA*."

INDUSTRY AND MARKET DATA

In this proxy statement/prospectus, we present industry data, information and statistics regarding the markets in which Algoma competes as well as publicly available information, industry and general publications and research and studies conducted by third parties. This information is supplemented where necessary with Algoma's own internal estimates and information obtained from discussions with its customers, taking into account publicly available information about other industry participants and Algoma's management's judgment where information is not publicly available. This information appears in "*Summary of the Proxy Statement/Prospectus,*" "*Algoma's Management's Discussion and Analysis of Financial Condition and Results of Operation,*" "*Information About the Companies – Algoma's Business*" and other sections of this proxy statement/prospectus.

Industry publications, research, studies and forecasts generally state that the information they contain has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. Forecasts and other forward-looking information obtained from these sources are subject to the same qualifications and uncertainties as the other forward-looking statements in this proxy statement/prospectus. These forecasts and forward-looking information are subject to uncertainty and risk due to a variety of factors, including those described under "*Risk Factors.*" These and other factors could cause results to differ materially from those expressed in any forecasts or estimates.

TRADEMARKS, TRADE NAMES AND SERVICE MARKS

Legato, Merger Sub and Algoma own or have rights to trademarks, trade names and service marks that they use in connection with the operation of their businesses. In addition, their names, logos and website names and addresses are their trademarks or service marks. Other trademarks, trade names and service marks appearing in this proxy statement/prospectus are the property of their respective owners. Solely for convenience, in some cases, the trademarks, trade names and service marks referred to in this proxy statement/prospectus are listed without the applicable ®, ™ and SM symbols, but they will assert, to the fullest extent under applicable law, their rights to these trademarks, trade names and service marks.

FREQUENTLY USED TERMS

Unless otherwise stated or unless the context otherwise requires, the term "Algoma" refers to Algoma Steel Group Inc., a corporation organized under the laws of the Province of British Columbia, together with its subsidiaries, the term "Legato" refers to Legato Merger Corp., a Delaware corporation, and "Merger Sub" refers to Algoma Merger Sub, Inc., a Delaware corporation and a direct, wholly-owned subsidiary of Algoma.

In addition, in this document:

"Adjournment Proposal" means the proposal to adjourn the Special Meeting of the stockholders of Legato to a later date or dates, if determined by the applicable parties to the Merger Agreement in accordance with the Merger Agreement.

"Algoma Common Shares" means the common shares, without par value, of Algoma.

"Algoma Warrants" means the Legato Warrants, each of which will be converted into and become exercisable for one Algoma Common Share for $11.50 per share, in accordance with the terms of the Warrant Agreement, with the exercise period beginning 30 days following Closing.

"BCA" means Business Corporations Act (British Columbia).

"Broker Non-Vote" means the failure of a Legato stockholder, who holds his or her shares in "street name" through a broker or other nominee, to give voting instructions to such broker or other nominee.

"C$" means the legal currency of Canada.

"Closing" means the closing of the transactions contemplated by the Merger Agreement and the PIPE Subscription Agreements, and "Closing Date" means the date on which the Closing is completed.

"Code" means the Internal Revenue Code of 1986, as amended.

"DGCL" means the Delaware General Corporation Law.

"DTC" means The Depository Trust Company.

"EBC" means EarlyBirdCapital, Inc., the representative of the underwriters of the IPO.

"Effective Time" means the effective time of the Merger pursuant to the Merger Agreement and the DGCL.

"Exchange Act" means the U.S. Securities Exchange Act of 1934, as amended.

"Existing Legato Charter" means Legato's amended and restated certificate of incorporation.

"Founder Shares" means the shares of Legato Common Stock sold by Legato prior to the IPO (but not including the Representative Shares).

"Founders" means the holders of Founder Shares.

"Investor Rights Agreement" means the investor rights agreement to be entered into by Algoma, the Founders and the shareholders of Algoma Steel Parent S.C.A.

"IPO" means the initial public offering of Units of Legato, consummated on January 22, 2021.

"Legato Common Stock" means the common stock, par value $0.0001 per share, of Legato.

"Legato Warrant" means a warrant to purchase one share of Legato Common Stock at a price of $11.50 per share, which may be either a Public Warrant or a Private Warrant.

"Lock-Up Agreement" means the lock-up agreement entered into concurrently with the execution of the Merger Agreement by Algoma's sole shareholder and the Founders.

"LTIP Awards" means equity incentives granted to certain directors, officers and other employees of Algoma Steel Holdings Inc., a direct wholly-owned subsidiary of Algoma, and/or its subsidiaries, under the Algoma Steel Holdings Inc. Long-Term Incentive Plan.

"LTIP Exchange" means the exchange of vested LTIP Awards for Replacement LTIP Awards, as contemplated by and subject to the terms and conditions of the Merger Agreement.

"Maximum Redemption Scenario" means that all Legato Public Stockholders holding approximately 23,575,000 Public Shares will exercise their redemption rights for the $235,787,065 of funds in the Trust Account as of March 31, 2021.

"Merger" means the merger of Merger Sub with and into Legato, with Legato surviving the merger and becoming a wholly-owned subsidiary of Algoma.

"Merger Agreement" means the Agreement and Plan of Merger, dated as of May 24, 2021, by and among Legato, Algoma and Merger Sub, as such agreement may be amended or otherwise modified from time to time in accordance with its terms.

"Merger Proposal" means the proposal to adopt the Merger Agreement and approve the transactions contemplated thereby.

"Minimum Cash Condition" is a closing condition set forth in the Merger Agreement that provides that Algoma will not be required to consummate the Merger if the funds contained in the Trust Account (after giving effect to the Redemptions and payment of Legato's transaction costs), together with (i) the aggregate amount of proceeds from the PIPE Investment and (ii) the cash on Legato's balance sheet, do not, at or prior to consummation of the Merger, equal or exceed Two Hundred Million Dollars ($200,000,000). The Minimum Cash Condition may be waived by Algoma in its sole discretion.

"Nasdaq" means the Nasdaq Stock Market.

"No Redemption Scenario" means no holder of Public Shares elects to have such shares redeemed in connection with the Merger.

"PIPE Investment" means the purchases of PIPE Shares pursuant to the PIPE Subscription Agreements, such purchases to be consummated substantially concurrently with, and contingent upon, the consummation of the Merger.

"PIPE Investors" means certain U.S. and Canadian accredited investors within the meaning of applicable securities laws, including certain of the Founders and their affiliates.

"PIPE Shares" means an aggregate of 10,000,000 Algoma Common Shares and shares of Legato Common Stock subscribed for and to be purchased by the PIPE Investors pursuant to the PIPE Subscription Agreements.

"PIPE Subscription Agreements" means the subscription agreements entered into by the PIPE Investors with Algoma and Legato, pursuant to which the PIPE Investors have committed to subscribe for and purchase the PIPE Shares at a purchase price per share of $10.00.

"Private Units" means the Units sold to the Founders and EBC and its affiliates in a private placement in connection with the IPO, such Units being comprised of one share of Legato Common Stock and one Legato Warrant.

"Private Warrants" means Legato Warrants included in Private Units.

"Prospectus" means the prospectus included in the Registration Statements on Form S-1 (Registration No. 333-248997) filed with the SEC in connection with the IPO.

"Public Shares" means shares of Legato Common Stock issued as part of the Units sold in the IPO.

"Public Stockholders" means the holders of Public Shares of Legato.

"Public Warrants" means Legato Warrants included in Units sold in the IPO.

"Redemption" means Legato's acquisition of Public Shares in connection with the Merger pursuant to the right of the holders of Public Shares to have their shares redeemed in accordance with the procedures set forth in this proxy statement/prospectus.

"Representative Shares" means an aggregate of 234,286 shares of Legato Common Stock issued to EBC and its designees prior to the IPO.

"Restated Articles" means the restated articles of Algoma, to be effective upon consummation of the Merger.

"SEC" means the U.S. Securities and Exchange Commission.

"Securities Act" means the U.S. Securities Act of 1933, as amended.

"Special Meeting" means the Special Meeting of the stockholders of Legato, to be held virtually on , 2021 at a.m., Eastern Time, accessible at or at such other time, on such other date and at such other place to which the meeting may be adjourned or postponed.

"Support Agreement" means the Support Agreement pursuant to which the Founders have agreed, among other things, to vote their shares of Legato Common Stock and take certain other actions, in support of the Merger.

"TSX" means the Toronto Stock Exchange.

"Transaction" or "Transactions" means the transactions contemplated by the Merger Agreement and the other Transaction Agreements, including the Merger.

"Transaction Agreements" means the Merger Agreement, the Lock-Up Agreement, the Support Agreement, the PIPE Subscription Agreements and the Investor Rights Agreement.

"Treasury" means the U.S. Department of the Treasury.

"Trust Account" means the trust account that holds a portion of the proceeds of the IPO and the concurrent sale of the Private Units.

"Units" means Units issued in the IPO, each consisting of one share of Legato Common Stock and one Public Warrant.

"U.S." means the United States of America.

"U.S. dollar," "US$" and "$" mean the legal currency of the United States.

"U.S. GAAP" means generally accepted accounting principles in the United States.

"Warrant Agreement" means that certain Warrant Agreement, dated as of January 19, 2021, between Legato and Continental Stock Transfer & Trust Company.

SUMMARY OF THE MATERIAL TERMS OF THE MERGER

The descriptions below of the material terms of the Merger are intended to be summaries of such terms. Such descriptions do not purport to be complete and are qualified in their entirety by reference to the terms of the agreements themselves.

The parties to the Merger Agreement are Legato, Algoma and Merger Sub. Pursuant to the Merger Agreement, Merger Sub, a wholly-owned subsidiary of Algoma, will merge with and into Legato, with Legato being the surviving corporation and a direct, wholly-owned subsidiary of Algoma, and with the stockholders of Legato becoming stockholders of Algoma.

Algoma has applied to list the Algoma Common Shares and Algoma Warrants on Nasdaq under the proposed symbols "ASTL" and "ASTLW," respectively, to be effective at the consummation of the Merger. In addition, Algoma expects that it will become a reporting issuer in Canada under applicable Canadian securities laws following the closing of the Merger and intends to apply for listing of the Algoma Common Shares and Algoma Warrants on the TSX under the proposed symbols "ASTL" and "ASTL.WT," respectively, to be effective upon the consummation of the Merger.

Pursuant to the Merger Agreement, (i) prior to the Effective Time, Algoma will effectuate a Stock Split, such that each outstanding Algoma Common Share will become such number of Algoma Common Shares, each valued at $10.00 per share, as determined by the Conversion Factor (as defined in the Merger Agreement); (ii) prior to the Effective Time, each outstanding LTIP Award that has vested and that is held by an executive officer or director of Algoma who has executed an exchange agreement and joinder to the Lock-up Agreement will be exchanged for Replacement LTIP Awards, which is referred to as the LTIP Exchange; (iii) immediately prior to the Effective Time, each outstanding Legato Unit will be separated into one share of Legato Common Stock and one Legato Warrant, (iv) at the Effective Time, each outstanding share of Legato Common Stock (other than shares of Legato Common Stock held in Legato's treasury or owned by Algoma or Merger Sub or any other wholly-owned subsidiary of Algoma or Legato) will be exchanged for one Algoma Common Share; and (v) at the Effective Time, each outstanding Legato Warrant shall be converted into an equal number of Algoma Warrants, with each warrant exercisable for one Algoma Common Share for $11.50 per share, subject to adjustment, with the exercise period beginning 30 days following Closing.

In connection with the listing of the Algoma Warrants on the TSX, in accordance with the TSX's listing requirements in respect of warrants, Algoma will provide certain undertakings to the TSX to the effect that Algoma will not exercise certain of its rights under the Warrant Agreement, including, notably, (i) lowering of the exercise price of the Algoma Warrants and (ii) extending the duration of the Algoma Warrants by delaying the expiration date thereof.

In addition, pursuant to the Merger Agreement, holders of Algoma Common Shares prior to the Transactions and the Existing Algoma Investors will be granted or issued Earnout Rights.

The Merger Agreement defines "Earnout Adjusted EBITDA" (referenced as "Adjusted EBITDA" in the Merger Agreement) as the consolidated net income (loss) of Algoma Steel Inc. for the twelve-month period ending December 31, 2021 before amortization of property, plant, equipment and amortization of assets, finance costs, interest on pension and other post-employment benefit obligations, income taxes, reorganization costs, finance income, inventory write-downs, carbon tax, certain exceptional items, tariff expense, non-cash adjustments and write-downs, loss (gain) on commodity hedging, loss (gain) on foreign exchange and loss (gain) associated with the Algoma Warrants.

The Earnout Rights granted or issued to Existing Algoma Investors will be converted into the following aggregate number of Algoma Common Shares upon the satisfaction of the following targets (each, an "Earnout Event"):

(i) 15,000,000 Algoma Common Shares if Earnout Adjusted EBITDA (as calculated by Algoma's management and accepted by its board of directors, including a majority of disinterested directors), is equal to or greater than $674,000,000 (the "First Earnout Event"). Additionally, the Earnout Rights will entitle Existing Algoma Investors to acquire up to an additional 22,500,000 Algoma Common Shares in connection with the First Earnout Event if Earnout Adjusted EBITDA exceeds $674,000,000, as follows: (x) a percentage (not to exceed 100.0%) of 7,500,000 additional

Algoma Common Shares based on the linear interpolation between Earnout Adjusted EBITDA of $674,000,000 and $750,000,000 (the "Second EBITDA Issuance"); (y) a percentage (not to exceed 100.0%) of 7,500,000 additional Algoma Common Shares based on the linear interpolation between Earnout Adjusted EBITDA of $750,000,000 and $825,000,000 (the "Third EBITDA Issuance"); and (z) a percentage (not to exceed 100.0%) of 7,500,000 additional Algoma Common Shares based on the linear interpolation between Earnout Adjusted EBITDA of $825,000,000 and $900,000,000 (the "Fourth EBITDA Issuance").

(ii) 7,500,000 Algoma Common Shares, less the number of shares issued in connection with the Second EBITDA Issuance, if the volume weighted average price ("VWAP") of Algoma Common Shares on Nasdaq or other primary stock exchange exceeds $12.00 per share (as adjusted appropriately in light of any stock dividend, share capitalization, reclassification, recapitalization, split, combination, consolidation or exchange of shares, or any similar event related thereto) for 20 consecutive trading dates at any time between the Closing and the five-year anniversary of the Closing (the "Second Earnout Event").

(iii) 7,500,000 Algoma Common Shares, less the number of shares issued in connection with the Third EBITDA Issuance, if the VWAP exceeds $15.00 per share (as adjusted appropriately in light of any stock dividend, share capitalization, reclassification, recapitalization, split, combination, consolidation or exchange of shares, or any similar event related thereto) for 20 consecutive trading dates at any time between the Closing and the five-year anniversary of the Closing (the "Third Earnout Event").

(iv) 7,500,000 Algoma Common Shares, less the number of shares issued in connection with the Fourth EBITDA Issuance, if the VWAP exceeds $18.00 per share (as adjusted appropriately in light of any stock dividend, share capitalization, reclassification, recapitalization, split, combination, consolidation or exchange of shares, or any similar event related thereto) for 20 consecutive trading dates at any time between the Closing and the five-year anniversary of the Closing (the "Fourth Earnout Event").

Algoma Common Shares will be issuable in connection with each Earnout Event; provided, however, the maximum number of Algoma Common Shares issuable in connection with (i) the Second EBITDA Issuance and the Second Earnout Event, together, shall be 7,500,000, (ii) the Third EBITDA Issuance and the Third Earnout Event, together, shall be 7,500,000, and (iii) the Fourth EBITDA Issuance and the Fourth Earnout Event, together, shall be 7,500,000.

Based on the current estimates of Algoma's Earnout Adjusted EBITDA, it is currently expected that the Existing Algoma Investors will acquire all of the 37.5 million Algoma Common Shares issuable under the Earnout Rights. However, we cannot assure you that any or all of the Earnout Events will occur.

Additionally, in connection with the consummation of the Merger, the following will occur:

- the PIPE Investors have subscribed for and will purchase an aggregate of 10,000,000 Algoma Common Shares and shares of Legato Common Stock for $10.00 per share and an aggregate purchase price of $100.0 million;
- the Algoma Investors and Founders have entered into the Lock-Up Agreement, pursuant to which the Algoma Common Shares to be issued to the Founders in exchange for their Founder Shares (and, in the case of Eric S. Rosenfeld, David Sgro, and Brian Pratt, the Algoma Common Shares and Algoma Warrants to be issued to them in exchange for their Private Units), but not including any PIPE Shares, will be subject to transfer restrictions until the earlier of (a) the six-month anniversary of the Closing, in the case of the Algoma Investors, or the twelve-month anniversary of the Closing, in the case of the Founders and (b) the date on which the closing share price of the Algoma Common Shares equals or exceeds $12.50 per share (as adjusted for share splits, share dividends, reorganizations, recapitalizations and the like) for any 20 trading days within any 30-trading day period following the Closing;
- prior to the Effective Time, the Founders and the shareholders of Algoma Steel Parent S.C.A. will enter into the Investor Rights Agreement, pursuant to which the Algoma Warrants and Algoma Common Shares held by them and their permitted transferees, including the Algoma Common Shares issuable upon the exercise of Algoma Warrants and other derivative securities, shall bear customary registration rights, and certain parties to the Investor Rights Agreement will have the right to nominate, in the aggregate, four directors to the Algoma board for so long as they maintain % of outstanding Algoma Common Shares; and

- prior to the Effective Time, Algoma will adopt Restated Articles substantially in the form attached hereto as *Annex B*.

The Merger Agreement may be terminated under certain customary and limited circumstances at any time prior the Closing, including, among other reasons:

- by mutual written consent of Legato and Algoma;
- by either Legato or Algoma if the Transactions are not consummated on or before December 31, 2021 (provided that the right to terminate the Merger Agreement shall not be available to any party whose action or failure to act has been a principal cause of or resulted in the failure of the Transactions to occur on or before such date and such action or failure to act constitutes a material breach of the Merger Agreement);
- by either Legato or Algoma if a governmental entity shall have issued a final, non-appealable governmental order, rule or regulation permanently enjoining or prohibiting the consummation of the Transactions;
- by either Legato or Algoma if the other party has breached any of its covenants or representations and warranties such that the party's closing conditions would not be satisfied at the Closing (subject to a thirty-day cure period);
- by either Legato or Algoma if the Merger Proposal is not approved by Legato stockholders (the "Legato Stockholder Approval");
- by Algoma if Legato's board of directors or any committee thereof changes its recommendation to Legato's stockholders prior to the receipt of the Legato Stockholder Approval; or
- by Algoma if the Minimum Cash Condition is not satisfied within ten days following the meeting called for the purpose of obtaining the Legato Stockholder Approval (including any permitted adjournments) or at any time thereafter.

Algoma has agreed to use reasonable best efforts to increase the size of Algoma's board of directors to ten members, of which three will be appointed by Legato (who will initially be Eric S. Rosenfeld, David Sgro, and Brian Pratt, each an officer and/or director of Legato), six will be appointed by Algoma, and Legato and Algoma will use reasonable efforts to mutually appoint the final director. Algoma and Legato expect that the remaining unnamed director will be considered an independent director under the rules of Nasdaq.

Upon completion of the Merger, Legato and Algoma anticipate that the current officers of Algoma Steel Inc., as of March 31, 2021, will become officers of Algoma, holding the same positions as held by them with Algoma Steel Inc. prior to the Merger. See the section entitled "*Management of Algoma Following the Merger*."

QUESTIONS AND ANSWERS ABOUT THE PROPOSALS

Q. Why am I receiving this proxy statement/prospectus?	A. Legato and Algoma have agreed to a merger under the terms of the Merger Agreement that is described in this proxy statement/prospectus. A copy of the Merger Agreement is attached to this proxy statement/prospectus as *Annex A* and Legato encourages its stockholders to read it in its entirety. Legato's stockholders are being asked to consider and vote upon a proposal to approve the Merger Agreement, which, among other things, provides for Merger Sub to be merged with and into Legato with Legato being the surviving corporation in the Merger and becoming a wholly-owned subsidiary of Algoma, and the other transactions contemplated by the Merger Agreement. See "*Proposal No. 1 – The Merger Proposal.*"
Q. What is being voted on at the Special Meeting?	A. Legato's stockholders are being asked to vote to adopt a proposal to approve the Merger Agreement and the transactions contemplated thereby. See the section entitled "*Proposal No. 1 – The Merger Proposal.*" The stockholders may also be asked to consider and vote upon a proposal to adjourn the meeting to a later date, if determined by the applicable parties to the Merger Agreement in accordance with the Merger Agreement. See the section entitled "*Proposal No. 2 – The Adjournment Proposal*." Legato will hold the Special Meeting of its stockholders to consider and vote upon these proposals. This proxy statement/prospectus contains important information about the proposed Merger and the other matters to be acted upon at the Special Meeting. Stockholders should read it carefully. The vote of stockholders is important. Stockholders are encouraged to submit their completed proxy card as soon as possible after carefully reviewing this proxy statement/prospectus.
Q. Why is Legato proposing the Merger?	A. Legato was organized to effect a merger, share exchange, asset acquisition, stock purchase, recapitalization, reorganization or other similar business combination or other transaction similar to the Merger with one or more businesses or entities. Legato completed its IPO of 20,500,000 Units on January 22, 2021, with each Unit consisting of one share of Legato Common Stock and one Public Warrant, concurrently with a private placement of 542,500 Private Units. Each Legato Warrant entitles the holder to purchase one share of Legato Common Stock at a price of $11.50. On January 25, 2021, the underwriters exercised in full their over-allotment option to purchase 3,075,000 Units, and Legato completed the sale of an additional 61,500 Private Units pursuant to the subscription agreements for such Private Units. Of the gross proceeds of the IPO and private placement, an aggregate of $235,750,000 was deposited into the Trust Account. Since the IPO, Legato's activity has been limited to the evaluation of Merger candidates. Algoma is a fully integrated steel producer of hot and cold rolled steel products including sheet and plate. With a current production capacity of an estimated 2.8 million tons per year, Algoma's size and diverse capabilities enable it to deliver responsive, customer-driven product solutions straight from the ladle to direct applications in the automotive, construction, energy, defense, and manufacturing sectors. Algoma has been engaging in transformative investments that are expected to drive improved financial performance and sustainable returns through the steel pricing cycle, and there is potential for a substantial investment in electric arc furnace ("EAF") steelmaking.

In considering whether to recommend the Merger to Legato's stockholders, Legato's board of directors considered qualitative factors such as: (1) management strength and depth, (2) currently favorable supply/demand dynamics, (3) expected tailwinds from infrastructure spending, (4) Algoma's position as a low-cost manufacturer, (5) limited environmental liabilities, and (6) plans for a possible conversion to EAF steelmaking, as well as quantitative factors such as: (a) Algoma's current and expected future free cash flow generation, (b) the current and expected future price of steel, (c) low relative level of debt, and (d) intrinsic value of Algoma based on both discounted cash flow ("DCF") and comparable company valuation metrics. In addition, Legato's board of directors considered the financial analysis reviewed by Cassel Salpeter & Co., LLC ("Cassel Salpeter") with the Legato board, and the oral opinion of Cassel Salpeter to the Legato board (which was subsequently confirmed in writing by delivery of Cassel Salpeter's written opinion dated the same date, May 24, 2021), as to the fairness, from a financial point of view, to Legato's stockholders (other than the Excluded Holders) of the merger consideration to be received by such holders in the Merger pursuant to the Merger Agreement. Legato's board of directors also considered a variety of uncertainties and risks and other potentially negative factors concerning the Merger, including, but not limited to, the risks described in the section of this proxy statement/prospectus titled "Risk Factors". Overall, Legato's board of directors determined that the positive aspects of the Merger outweighed the potential risk factors. See "*Proposal No. 1 – The Merger Proposal – The Legato Board of Directors' Reasons for the Merger*."

Q. What will happen to Legato's securities upon consummation of the Merger?

A. The Legato Units, the Legato Common Stock and the Legato Warrants are currently listed on Nasdaq under the symbols "LEGOU," "LEGO" and "LEGOW," respectively. Legato's securities will cease trading following the consummation of the Merger. Algoma has applied for listing of the Algoma Common Shares and the Algoma Warrants on Nasdaq under the proposed symbols "ASTL" and "ASTLW," respectively, and intends to apply for the listing of the Algoma Common Shares and the Algoma Warrants on the TSX under the proposed symbols "ASTL" and "ASTL.WT," respectively, to be effective upon consummation of the Merger. While trading of the Algoma Common Shares and the Algoma Warrants on Nasdaq and the TSX is expected to begin on the first business day following the consummation of the Merger, there can be no assurance that Algoma's securities will be listed on Nasdaq or the TSX or that a viable and active trading market will develop. See "*Risk Factors – Risks Related to the Merger*" for more information.

Q. What will happen in the Merger?

A. At the Closing, Merger Sub will merge with and into Legato, with Legato surviving as a wholly-owned subsidiary of Algoma. By virtue of the Merger, (i) each outstanding Legato Unit will be separated immediately prior to the Effective Time into one share of Legato Common Stock and one Legato Warrant, (ii) at the Effective Time each outstanding share of Legato Common Stock will be converted into and exchanged for the right to receive one newly issued Algoma Common Share and (iii) at the Effective Time each Legato Warrant will be converted into an equal number of Algoma Warrants, with each warrant exercisable for one Algoma Common Share, with the exercise period beginning 30 days following Closing. Assuming the No Redemption Scenario (a) all outstanding shares of Legato Common Stock, consisting of (i) 23,575,000 Public Shares and (ii) 6,732,036 shares held by the Founders and EBC (including the Founder Shares, Representative Shares, and shares of Legato Common Stock underlying Private Units) will be converted into Algoma Common Shares on a one-for-one basis, and (b) all outstanding Legato Warrants, consisting of (i) 23,575,000 Public Warrants and (ii) 604,000 Private Warrants will become Algoma Warrants, each of which will entitle the holder thereof to purchase one Algoma Common Share for $11.50 per share, subject to adjustment, and exercisable beginning 30 days after Closing.

Q. What will be the relative equity stakes of Legato's Public Stockholders, the Founders, the PIPE Investors and Algoma's existing shareholders in Algoma upon completion of the Merger?

A. Upon consummation of the Merger, Algoma will become a public company and Legato will become a wholly-owned subsidiary of Algoma. The former security holders of Legato and the PIPE Investors will all become security holders of Algoma.

Upon consummation of the Merger, assuming the No Redemption Scenario and prior to the issuance of any additional Algoma Common Shares pursuant to the Earnout Rights, the post-Closing share ownership of Algoma Common Shares would be as follows:

	Algoma Common Shares[1] (%)
Legato Public Stockholders	23,575,000 (20.4)%
Founders & EBC	6,732,036 (5.8)%
PIPE Investors	10,000,000 (8.7)%
Existing Algoma Investors[2][3]	75,000,000 (65.0)%
Total	**115,307,036 (100)%**

(1) Excludes all 24,179,000 Legato Warrants.
(2) Assumes the consummation of the Stock Split and the LTIP Exchange
(3) Includes Algoma Common Shares issuable upon exercise of Replacement LTIP Awards.

Upon consummation of the Merger, assuming the Maximum Redemption Scenario, and prior to the issuance of any additional Algoma Common Shares pursuant to the Earnout Rights, the post-Closing share ownership of Algoma Common Shares would be as follows:

	Algoma Common Shares[1] (%)
Legato Public Stockholders	0 (0)%
Founders & EBC	6,732,036 (7.3)%
PIPE Investors	10,000,000 (10.9)%
Existing Algoma Investors[2][3]	75,000,000 (81.8)%
Total	**91,732,036 (100)%**

(1) Excludes all 24,179,000 Legato Warrants.
(2) Assumes the consummation of the Stock Split and the LTIP Exchange
(3) Includes Algoma Common Shares issuable upon exercise of Replacement LTIP Awards.

Following the Merger, assuming the No Redemption Scenario and assuming that all of the Algoma Common Shares issuable pursuant to the Earnout Rights are issued, the share ownership of Algoma Common Shares would be as follows:

	Algoma Common Shares[1] (%)
Legato Public Stockholders	23,575,000 (15.4)%
Founders & EBC	6,732,036 (4.4)%
PIPE Investors	10,000,000 (6.5)%
Existing Algoma Investors[2][3]	112,500,000 (73.6)%
Total	**152,807,036 (100)%**

(1) Excludes all 24,179,000 Legato Warrants.
(2) Assumes the consummation of the Stock Split and the LTIP Exchange
(3) Includes Algoma Common Shares issuable upon exercise of Replacement LTIP Awards.

Following the Merger, assuming the Maximum Redemption Scenario, and assuming that all of the Algoma Common Shares issuable pursuant to the Earnout Rights are issued, the share ownership of Algoma Common Shares would be as follows:

	Algoma Common Shares[1] (%)
Legato Public Stockholders	0 (0)%
Founders & EBC	6,732,036 (5.2)%
PIPE Investors	10,000,000 (7.7)%
Existing Algoma Investors[2][3]	112,500,000 (87.1)%
Total	**129,232,036 (100)%**

(1) Excludes all 24,179,000 Legato Warrants.
(2) Assumes the consummation of the Stock Split and the LTIP Exchange
(3) Includes Algoma Common Shares issuable upon exercise of Replacement LTIP Awards.

Pursuant to the Existing Legato Charter, in connection with the completion of the Merger, Legato's Public Stockholders may elect to have their shares redeemed for cash at the applicable redemption price per share calculated in accordance with the Existing Legato Charter. Payment for such redemptions will come from the Trust Account. Legato's Public Stockholders are not required to affirmatively vote for or against the Merger Proposal or at all or to be a holder of record on the record date in order to have their shares redeemed for cash. To the extent Legato's Public Stockholders elect to have their shares redeemed, the consideration to be paid will vary as described herein.

Q. What are the U.S. federal income tax consequences of the Merger to U.S. holders of Legato Common Stock and/or Public Warrants?

A. As described more fully under the section entitled "*Certain Material U.S. Federal Income Tax Considerations – U.S. Holders – U.S. Federal Income Tax Considerations of the Merger,*" the parties to the Merger intend that the Merger qualify as a tax-deferred reorganization within the meaning of Section 368(a) of the Code to U.S. Holders (as defined below) of Legato Common Stock and/or Legato Warrants.

Section 367(a) of the Code and the Treasury regulations promulgated thereunder, in certain circumstances, may impose additional requirements for certain U.S. Holders to qualify for such tax-deferred treatment with respect to the exchange of Legato Common Stock and/or Legato Warrants in the Merger.

The tax consequences of the Merger are complex and will depend on your particular circumstances. For a more detailed discussion of the U.S. federal income tax considerations of the Merger for U.S. Holders of Legato Common Stock and/or Legato Warrants, including the application of Section 367(a) of the Code, see the section entitled "*Certain Material U.S. Federal Income Tax Considerations – U.S. Holders – U.S. Federal Income Tax Considerations of the Merger.*" If you are a U.S. Holder whose Legato Common Stock and/or Legato Warrants are exchanged in the Merger, you are urged to consult your tax advisor to determine the tax consequences thereof.

The summary above is qualified in its entirety by the more detailed discussion provided in the section entitled "*Certain Material U.S. Federal Income Tax Considerations*."

Q. What are the U.S. federal income tax consequences of exercising my redemption rights?	A. Whether the redemption is subject to U.S. federal income tax depends on the particular facts and circumstances. Please see the section entitled "*Certain Material U.S. Federal Income Tax Considerations – U.S. Holders – U.S. Holders Exercising Redemption Rights with Respect to Legato Common Stock*" or "*Certain Material U.S. Federal Income Tax Considerations – Non-U.S. Holders – Non-U.S. Holders Exercising Redemption Rights with Respect to Legato Common Stock*" for additional information. You are urged to consult your tax advisors regarding the tax consequences of exercising your redemption rights.
Q. What are the Canadian federal income tax consequences of the ownership and disposition of Algoma Common Shares and/or Algoma Warrants?	Dividends received or deemed to be received by a Holder (as defined in the section entitled "*Certain Material Canadian Federal Income Tax Considerations*") on Algoma Common Shares will be subject to Canadian withholding tax at a rate of 25%, unless the rate is reduced under an applicable income tax treaty or convention. The rate of such withholding tax will generally be reduced to 15% for certain Holders that are residents of the United States for purposes of the Canada-United States Tax Convention (1980), as amended. A Holder will not be subject to Canadian tax on any capital gain realized on a disposition or deemed disposition of Algoma Common Shares, unless the Algoma Common Shares are "taxable Canadian property" to the Holder, and are not "treaty-protected property" of the Holder, at the time of disposition. The summary above is qualified in its entirety by the more detailed discussion provided in the section entitled "*Certain Material Canadian Federal Income Tax Considerations*."
Q. Did the Legato board of directors obtain a third-party valuation or fairness opinion in determining whether or not to proceed with the Merger?	A. Yes. Although the Existing Legato Charter does not require the Legato board of directors to seek a third-party valuation or fairness opinion in connection with a business combination unless the target business is affiliated with Legato's initial stockholders, officers, directors or their affiliates, the Legato board of directors received an opinion from Cassel Salpeter to the effect that, as of the date of such opinion and based upon and subject to the assumptions made, procedures followed, matters considered, and limitations and qualifications set forth therein, (i) the consideration to be received by holders of Public Shares in the Merger pursuant to the Merger Agreement, after giving effect to the Stock Split and the grant of Earnout Rights, is fair, from a financial point of view, to such holders, and (ii) Algoma has a fair market value equal to at least 80% of the balance of the Trust Fund (excluding taxes payable on interest earned). Please see the section entitled "*Proposal No. 1 – The Merger Proposal – Opinion of Legato's Financial Advisor*." The full text of the written opinion is attached to this proxy statement/prospectus as *Annex C*.
Q. How many votes do I have at the Special Meeting?	A. Legato stockholders are entitled to one vote at the Special Meeting for each share of Legato Common Stock held of record as of , 2021, the record date for the Special Meeting. As of the close of business on the record date, there were 30,307,036 shares of Legato Common Stock outstanding.
Q. What vote is required to approve the proposals presented at the Special Meeting?	A. The approval of the Merger Proposal requires the affirmative vote of the holders of a majority of the outstanding shares of Legato Common Stock entitled to vote. The approval of the Adjournment Proposal, if presented, will require the affirmative vote of the holders of a majority of shares of Legato Common Stock present or represented by proxy and entitled to vote at the Special Meeting. Abstentions will have the same effect as voting "AGAINST" the Merger Proposal and the Adjournment Proposal. Broker Non-Votes will have the same effect as voting "AGAINST" the Merger Proposal, but will have no effect on the Adjournment Proposal.

Q. What constitutes a quorum at the Special Meeting?

A. Holders of a majority of the Legato Common Stock issued and outstanding and entitled to vote at the Special Meeting constitute a quorum. In the absence of a quorum, the chairman of the meeting has power to adjourn the Special Meeting. As of the record date, 15,153,518 shares of Legato Common Stock would be required to achieve a quorum. Abstentions will count as present for purposes of achieving a quorum; Broker Non-Votes will not.

Q. How do the insiders of Legato intend to vote on the proposals?

A. The Founders beneficially own and are entitled to vote an aggregate of approximately 21% of the outstanding shares of Legato's Common Stock. The Founders have agreed to vote their securities in favor of each of the proposals.

Q. What interests do the Founders and the current officers and directors of Legato have in the Merger?

A. In considering the recommendation of the Legato board of directors to vote in favor of the Merger, Legato stockholders should be aware that, aside from their interests as stockholders, the Founders (which includes Legato's directors and officers) have interests in the Merger that are different from, or in addition to, those of other stockholders generally. Legato's directors were aware of and considered these interests, among other matters, in evaluating the Merger, in recommending to stockholders that they approve the Merger and in agreeing to vote their shares in favor of the Merger. Stockholders should take these interests into account in deciding whether to approve the Merger. These interests include, among other things, the fact that:

- If the Merger with Algoma or another business combination is not consummated by July 22, 2022 (or such later date as may be approved by Legato stockholders), Legato will cease all operations except for the purpose of winding up, redeeming 100% of the outstanding Public Shares for cash and, subject to the approval of its remaining stockholders and its board of directors, dissolving and liquidating. In such event, the Founder Shares, would be worthless because the Founder Shares are not entitled to participate in any Redemption or distribution with respect to such shares. Such shares had an aggregate market value of $ based upon the closing price of $ per share on Nasdaq on , 2021, the record date for the Special Meeting. On the other hand, if the Merger is consummated, each outstanding share of Legato Common Stock will be converted into one Algoma Common Share.
- The Founders, Legato's officers or directors, or their affiliates are entitled to reimbursement of out-of-pocket expenses incurred by them in connection with certain activities on Legato's behalf, such as identifying and investigating possible business targets and mergers. If Legato fails to consummate the Merger, they will not have any claim against the Trust Account for repayment or reimbursement. In addition, in order to meet its working capital needs the Founders may, but are not obligated to, loan Legato funds, from time to time or at any time, in whatever amount they deem reasonable in their sole discretion. These loans would be repayable upon consummation of the Merger or, with the consent of Algoma, may be converted into Private Units immediately prior to the Effective Time at an exchange rate of $10.00 of borrowings per Private Unit. In the event that the Merger does not close, Legato may use a portion of the working capital held outside the Trust Account to repay such loaned amounts, but no other proceeds from the Trust Account would be used for such repayment. Accordingly, Legato may not be able to repay or reimburse these amounts if the Merger is not completed.

- Certain of the Founders purchased 604,000 Private Units from Legato for $10.00 per Private Unit. This purchase took place on a private placement basis simultaneously with the consummation of the IPO. The Legato Common Stock and Legato Warrants comprising part of the Private Units and the Legato Common Stock underlying such Warrants will become worthless if Legato does not consummate an initial business combination by July 22, 2022 (or such later date as may be approved by Legato stockholders). On the other hand, if the Merger is consummated, each outstanding Legato Warrant will become an Algoma Warrant exercisable to purchase one Algoma Common Share following consummation of the Merger and each outstanding share of Legato Common Stock will be converted into one Algoma Common Share.
- Three of the Founders, Brian Pratt, John Ing and Stephen Lack, and/or their affiliates agreed to purchase approximately 2.64 million PIPE Shares. Messrs. Pratt and Ing are directors of Legato. If the Merger is not consummated, the PIPE will not be consummated.
- Three of Legato's directors, Eric S. Rosenfeld, David Sgro and Brian Pratt, are expected to be appointed to the board of directors of Algoma following the Merger. As a result, they will likely receive the same compensation that other directors of Algoma will receive following the Merger.
- In connection with Legato's IPO, Crescendo Advisors LLC ("Crescendo"), an entity affiliated with Eric S. Rosenfeld, Legato's Chief SPAC Officer, has agreed to be liable under certain circumstances to ensure that the proceeds in the Trust Account are not reduced below $10.00 per share by certain claims of target businesses or vendors or other entities that are owed money by Legato for services rendered or contracted for or products sold to Legato. The agreement entered into by Crescendo specifically provides for two exceptions to the indemnity given: it will have no liability (1) as to any claimed amounts owed to a target business or vendor or other entity who has executed an agreement with Legato waiving any right, title, interest or claim of any kind they may have in or to any monies held in the Trust Account, or (2) as to any claims for indemnification by the underwriters of Legato's IPO against certain liabilities, including liabilities under the Securities Act. WithumSmith+Brown, PC, Legato's independent registered public accounting firm, and the underwriters of the initial public offering, have not executed agreements with Legato waiving such claims to the monies held in the Trust Account. Legato has not independently verified whether Crescendo has sufficient funds to satisfy its indemnity obligations, it has not asked it to reserve for such obligations and it does not believe it has any significant liquid assets. Accordingly, Legato believes it is unlikely that Crescendo will be able to satisfy its indemnification obligations if it is required to do so. See the section entitled "*Proposal No. 1 – The Merger Proposal – Interests of Legato's Directors and Officers in the Merger*" for more information.

Q. Do I have redemption rights?	A. If you are a holder of Public Shares, you have the right to request that Legato redeem all or a portion of your Public Shares for cash provided that you follow the procedures and deadlines described elsewhere in this proxy statement/prospectus. Public Stockholders may elect to redeem all or a portion of the public shares held by them regardless of if or how they vote in respect of the Merger Proposal or any other proposal set forth herein and even if they are not a holder of Public Shares on the record date. If you wish to exercise your redemption rights, see the answer to the next question: "*How do I exercise my redemption rights*?" The Founders have agreed to waive their redemption rights in connection with the consummation of the Merger with respect to all of the shares of Legato Common Stock held by them in connection with the consummation of the Merger. EBC has agreed to waive its redemption rights with respect to the Representative Shares and shares underlying the Private Units held by it. See the section titled "*Special Meeting of Legato Stockholders – Redemption Rights*" for the procedures to be followed if you wish to redeem your shares for cash.
Q. How do I exercise my redemption rights?	A. In order to exercise your redemption rights, you must, prior to 5:00 p.m., Eastern Time, on , 2021 (two business days before the Special Meeting), (x) submit a written request, which includes the name of the beneficial owner of the Public Shares to be redeemed, to Continental Stock Transfer & Trust Company, Legato's transfer agent, that Legato redeem your Public Shares for cash, and (y) deliver your stock to the transfer agent physically or electronically through the DTC. The address of Continental Stock Transfer & Trust Company, Legato's transfer agent, is listed under the question "*Who can help answer my questions?*" below. Any demand for redemption, once made, may be withdrawn at any time until the date of the Special Meeting. After the date of the Special Meeting, a demand for redemption may only be withdrawn with Legato's consent. If you deliver your shares for redemption to Legato's transfer agent and decide within the required timeframe not to exercise your redemption rights, you may request that Legato's transfer agent return the shares to you (physically or electronically). You may make such request by contacting Legato's transfer agent at the address listed under the question "*Who can help answer my questions?*" below.
Q. Do I have appraisal rights if I object to the proposed Merger?	A. Under Section 262 of the General Corporation Law of the State of Delaware, the holders of Legato Common Stock and Legato Warrants will not have appraisal rights in connection with the Merger.
Q. If I am a Warrant holder, can I exercise redemption rights with respect to my Warrants?	A. No. The holders of Warrants have no redemption rights with respect to such securities.
Q. If I am a Unit holder, can I exercise redemption rights with respect to my Units?	A. No. Holders of outstanding Units must separate the underlying shares of Legato Common Stock and Public Warrants prior to exercising redemption rights with respect to the Public Shares. If you hold Units registered in your own name, you must deliver the certificate for such Units to Continental Stock Transfer & Trust Company, Legato's transfer agent, with written instructions to separate such Units into Public Shares and Public Warrants. This must be completed far enough in advance to permit the mailing of the Public Share certificates back to you so that you may

then exercise your redemption rights upon the separation of the Public Shares from the Units. See "*How do I exercise my redemption rights?*" above. The address of Continental Stock Transfer & Trust Company is listed under the question "*Who can help answer my questions?*" below.

If a broker, bank, or other nominee holds your Units, you must instruct such broker, bank or nominee to separate your Units. Your nominee must send written instructions by facsimile to Continental Stock Transfer & Trust Company, Legato's transfer agent. Such written instructions must include the number of Units to be split and the nominee holding such Units. Your nominee must also initiate electronically, using DTC's deposit withdrawal at custodian (DWAC) system, a withdrawal of the relevant Units and a deposit of an equal number of Public Shares and Public Warrants. This must be completed far enough in advance to permit your nominee to exercise your redemption rights upon the separation of the Public Shares from the Units. While this is typically done electronically the same business day, you should allow at least one full business day to accomplish the separation. If you fail to cause your Public Shares to be separated in a timely manner, you will likely not be able to exercise your redemption rights.

Q. I am a Legato Warrant holder. Why am I receiving this proxy statement/prospectus?

A. As a holder of Legato Warrants, which will become Algoma Warrants in connection with the Merger, following consummation the Merger you will be entitled to purchase one Algoma Common Share in lieu of one share of Legato Common Stock at a purchase price of $11.50, subject to adjustment. This proxy statement/prospectus includes important information about Algoma and the business of Algoma and its subsidiaries following consummation of the Merger. Since Legato Warrants will become exercisable for Algoma Common Shares following consummation of the Merger, we urge you to read the information contained in this proxy statement/prospectus carefully.

Q. What happens to the funds deposited in the Trust Account after consummation of the Merger?

A. Of the net proceeds of Legato's IPO (including the net proceeds of the underwriters' exercise of their over-allotment option) and the simultaneous private placement of the Private Units, a total of $235,750,000 was placed in the Trust Account. Prior to the Effective Time, the funds in the Trust Account will be released to Legato and used by Legato to pay holders of the Public Shares who exercise redemption rights, to pay fees and expenses incurred in connection with the Merger (including fees of an aggregate of $8,251,250 payable to EBC for services in connection with the Merger, of which $2.7 million has been allocated to BMO Capital Markets Corp., and an aggregate of $2,183,100 payable to the placement agents engaged by Legato in connection with the PIPE Investment) and for other expenses and unpaid liabilities incurred by Legato following the IPO, including repayment of loans and reimbursement of expenses to Legato's directors, officers, and stockholders. Thereafter, the Trust Account shall terminate and any remaining funds shall be released to Algoma.

Q. What happens if a substantial number of Public Stockholders vote in favor of the Merger Proposal and exercise their Redemption rights?

A. Legato's Public Stockholders may vote in favor of the Merger and exercise their Redemption rights. The Merger may be consummated even though the funds available from the Trust Account and the number of Public Stockholders is substantially reduced as a result of redemption by Public Stockholders so long as the funds in the Trust Account (after giving effect to any Redemptions and the payment of Legato's transaction costs), together with (i) the aggregate amount of proceeds from the PIPE Investment and (ii) the cash on Legato's balance sheet, equals or exceeds $200 million, which is referred to as the Minimum Cash Condition, provided that the Minimum Cash Condition may be waived by Algoma in its sole discretion. In addition, the Merger will not be

	consummated if, immediately prior to or upon the consummation of the Merger, Legato does not have at least $5,000,001 in net tangible assets after giving effect to the Redemption. In the event of significant Redemptions, with fewer Public Shares and Public Stockholders, the trading market for Algoma Common Shares may be less liquid than the market for shares of Legato Common Stock was prior to the Merger and Algoma may not be able to meet the listing standards for Nasdaq, another national securities exchange or the TSX.
Q. What happens if the Merger is not consummated?	A. If Legato does not complete the Merger with Algoma (or another initial business combination) by July 22, 2022 (or such later date as may be approved by Legato's stockholders), Legato must redeem 100% of the outstanding Public Shares, at a per-share price, payable in cash, equal to the amount then held in the Trust Account (approximately $ per share as of the record date).
Q. When do you expect the Merger to be completed?	A. It is currently anticipated that the Merger will be consummated promptly following the Special Meeting which is scheduled for , 2021; however, such meeting could be adjourned, as described above. For a description of the conditions for the completion of the Merger, see the section entitled "*Proposal No. 1 – The Merger Proposal – The Merger Agreement – Conditions to Closing of the Merger*."
Q. When and where will the Special Meeting take place?	A. The Special Meeting will be held virtually on , 2021, at a.m., Eastern Time. You may attend the Special Meeting webcast by accessing the web portal located at and following the instructions set forth below. Stockholders participating in the Special Meeting will be able to listen only and will not be able to speak during the webcast. However, in order to maintain the interactive nature of the Special Meeting, virtual attendees will be able to: • vote via the web portal during the Special Meeting webcast; and • submit questions or comments to Legato's directors and officers during the Special Meeting via the Special Meeting webcast.
Q. What do I need to do now?	A. Legato urges you to read carefully and consider the information contained in this proxy statement/prospectus, including the annexes, and to consider how the Merger will affect you as a stockholder and/or warrant holder of Legato. Stockholders should then vote as soon as possible in accordance with the instructions provided in this proxy statement/prospectus and on the enclosed proxy card.
Q. How do I vote?	A. If you are a holder of record of Legato Common Stock on the record date, you may vote virtually at the Special Meeting or by submitting a proxy for the Special Meeting. You may submit your proxy by completing, signing, dating and returning the enclosed proxy card in the accompanying pre-addressed postage paid envelope. If you hold your shares in "street name," which means your shares are held of record by a broker, bank or nominee, you should contact your broker, bank or nominee to ensure that votes related to the shares you beneficially own are properly counted. In this regard, you must provide the broker, bank or nominee with instructions on how to vote your shares or, if you wish to attend the meeting and vote virtually, obtain a proxy from your broker, bank or nominee.

Q: How do I attend the Special Meeting?

A. Due to health concerns stemming from the COVID-19 pandemic and to support the health and well-being of the Legato stockholders, the Special Meeting will be held virtually. Any stockholder wishing to virtually attend the Special Meeting must register in advance. To register for and attend the Special Meeting, please follow these instructions as applicable to the nature of your ownership of Legato Common Stock:

- *Shares Held of Record*. If you are a record holder, and you wish to attend the virtual Special Meeting, go to , enter the control number you received on your proxy card or notice of the meeting and click on the "Click here to preregister for the online meeting" link at the top of the page. Immediately prior to the start of the Special Meeting, you will need to log back into the meeting site using your control number. You must register before the meeting starts.
- *Shares Held in Street Name*. If you hold your shares in "street" name, which means your shares are held of record by a broker, bank or nominee, and you wish to attend the virtual Special Meeting, you must obtain a legal proxy from the stockholder of record and e-mail a copy (a legible photograph is sufficient) of your proxy to proxy@continentalstock.com. Holders should contact their bank, broker or other nominee for instructions regarding obtaining a proxy. Holders who e-mail a valid legal proxy will be issued a meeting control number that will allow them to register to attend and participate in the Special Meeting. You will receive an e-mail prior to the meeting with a link and instructions for entering the Special Meeting. "Street name" holders should contact Continental Stock Transfer on or before close of business on , 2021.

Stockholders will also have the option to listen to the Special Meeting by telephone by calling:

- Within the U.S. and Canada: (toll-free)
- Outside of the U.S. and Canada: (standard rates apply)

The passcode for telephone access: #. You will not be able to vote or submit questions unless you register for and log in to the Special Meeting webcast as described above.

Q. If my shares are held in "street name," will my broker, bank or nominee automatically vote my shares for me?

A. No. As disclosed in this proxy statement/prospectus, your broker, bank or nominee cannot vote your shares on the Merger Proposal unless you provide instructions on how to vote in accordance with the information and procedures provided to you by your broker, bank or nominee. Failure to instruct your broker, bank or nominee on how to vote, which we refer to as a Broker Non-Vote, will have the same effect as a vote "AGAINST" the Merger Proposal, but will have no effect on the Adjournment Proposal. Broker Non-Votes will not be counted as present for purposes of establishing a quorum for the Special Meeting.

Q. May I change my vote after I have mailed my signed proxy card?

A. Yes. Stockholders may send a later dated, signed proxy card to Legato at the address set forth below so that it is received by Legato's proxy solicitor prior to the vote at the Special Meeting or attend the Special Meeting virtually and vote. Only your latest dated proxy card will be counted. Stockholders also may revoke their proxy by sending a notice of revocation to Legato's proxy solicitor, which must be received by Legato's proxy solicitor prior to the vote at the Special Meeting.

Q. What happens if I fail to take any action with respect to the Special Meeting?	A. If you fail to take any action with respect to the Special Meeting and the Merger is adopted by stockholders and consummated, you will become a shareholder and/or warrant holder of Algoma. If you fail to take any action with respect to the Special Meeting and the Merger is not approved, you will continue to be a stockholder and/or warrant holder of Legato.
Q. What should I do if I receive more than one set of voting materials?	A. Stockholders may receive more than one set of voting materials, including multiple copies of this proxy statement/prospectus and multiple proxy cards or voting instruction cards. For example, if you hold your shares in more than one brokerage account, you will receive a separate voting instruction card for each brokerage account in which you hold shares. If you are a holder of record and your shares are registered in more than one name, you will receive more than one proxy card. Please complete, sign, date and return each proxy card and voting instruction card that you receive in order to cast a vote with respect to all of your Legato Common Stock.
Q. What happens if I sell my Legato Common Stock before the Special Meeting?	A. The record date for the Special Meeting is earlier than the date of the Special Meeting and earlier than the date the Merger is expected to be completed. If you transfer your shares after the record date, but before the Special Meeting date, unless you grant a proxy to the transferee, you will retain your right to vote at the Special Meeting.
Q. What should I do with my share and/or warrant certificates?	A. Warrant holders and those stockholders who do not elect to have their shares of Legato Common Stock redeemed for a pro rata share of the Trust Account should wait for instructions from Legato's transfer agent regarding what to do with their certificates. Legato stockholders who exercise their redemption rights must deliver their share certificates to Legato's transfer agent (either physically or electronically) no later than two (2) business days prior to the Special Meeting as described above. Upon consummation of the Merger, the Legato Warrants, by their terms, will entitle holders to purchase Algoma Common Shares. Therefore, warrant holders need not deliver their warrants to Legato or Algoma at that time.
Q. Who can help answer my questions?	A. If you have questions about the Merger or if you need additional copies of the proxy statement/prospectus or the enclosed proxy card you should contact: David D. Sgro Legato Merger Corp. 777 Third Avenue, 37th Floor New York, NY 10017 Tel: (212) 319-7676 You may also contact the proxy solicitor at: MacKenzie Partners Inc. 1407 Broadway, 27th Floor New York, NY 10018 Tel: (800) 322-2885 You may also obtain additional information about Legato from documents filed with the SEC by following the instructions in the section entitled "*Where You Can Find More Information.*" If you are a holder of Public Shares and you intend to seek redemption of your shares, you will need to deliver your stock (either physically or electronically) to Legato's transfer agent at the address

below at least two (2) business days prior to the Special Meeting. If you have questions regarding the certification of your position or delivery of your stock, please contact:

Attention: Mr. Mark Zimkind
Continental Stock Transfer & Trust Company
1 State Street, 30th Floor
New York, New York 10004
Telephone: 212-509-4000
E-mail: mzimkind@continentalstock.com

SUMMARY OF THE PROXY STATEMENT/PROSPECTUS

This summary highlights selected information from this proxy statement/prospectus and does not contain all of the information that is important to you. To better understand the proposals to be submitted for a vote at the Special Meeting, including the Merger, you should read this entire document carefully, including the Merger Agreement attached as Annex A to this proxy statement/prospectus. The Merger Agreement is the legal document that governs the Merger and share exchange and the other transactions that will be undertaken in connection with the Merger. It is also described in detail in this proxy statement/prospectus in the section entitled "Proposal No. 1 — The Merger Proposal — The Merger Agreement."

Information About the Companies

Algoma

Algoma, a corporation organized under the laws of the Province of British Columbia, is a fully integrated steel producer of hot and cold rolled steel products including sheet and plate. With a current production capacity of an estimated 2.8 million tons per year, Algoma's size and diverse capabilities enable it to deliver responsive, customer-driven product solutions straight from the ladle to direct applications in the automotive, construction, energy, defense, and manufacturing sectors. Algoma was incorporated in March 2021 and is the parent holding company of Algoma Steel Inc., which was transferred to Algoma on March 29, 2021.

The mailing address for Algoma's principal executive office is 105 West Street, Sault Ste. Marie, Ontario, P6A 7B4, Canada and its telephone number is (705) 945-2351.

Algoma Merger Sub, Inc.

Algoma Merger Sub, Inc. is a newly formed Delaware corporation and a wholly-owned subsidiary of Algoma. Merger Sub was formed solely for the purpose of effecting the Merger and has not carried on any activities other than those in connection with the Merger. The address and telephone number for Merger Sub's principal executive offices are the same as those for Algoma.

Legato

Legato is a blank check company formed on June 26, 2020 for the purpose of entering into a merger, share exchange, asset acquisition, stock purchase, recapitalization, reorganization or other similar business combination with one or more target businesses. Legato's efforts to identify a prospective target business were not limited to a particular industry or geographic region, although it focused on target businesses in the renewables, infrastructure, engineering and construction and industrial industries. Prior to executing the Merger Agreement, Legato's efforts were limited to organizational activities, completion of its initial public offering and the evaluation of possible business combinations.

In August 2020, Legato issued an aggregate of 5,031,250 shares of Legato Common Stock for an aggregate purchase price of $25,000. In January 2021, the Company effected a stock dividend of approximately 0.17 shares for each outstanding share resulting in there being an aggregate of 5,893,750 of such Founder Shares outstanding.

In August 2020, the Company issued to EBC and its designees an aggregate of 234,286 shares of Legato Common Stock (after giving effect to the dividend effected in January 2021) for nominal consideration.

On January 22, 2021, Legato closed its IPO of 20,500,000 Units, with each Unit consisting of one share of Legato Common Stock and one Public Warrant. Each Public Warrant entitles the holder to purchase one share of Legato Common Stock at a purchase price of $11.50 beginning 30 days following consummation of an initial business combination. The Units from the initial public offering were sold at an offering price of $10.00 per Unit, generating total gross proceeds of $205,000,000.

Simultaneously with the consummation of the initial public offering, Legato consummated a private placement of 542,500 Private Units to the Founders and EBC and its designees. The Private Units were sold at an offering price of

$10.00 per unit, generating gross proceeds of $5,425,000. Each Private Unit consists of one share of Legato Common Stock and one Private Warrant. The Private Warrants are identical to the Public Warrants sold in the IPO, except that the Private Warrants are not redeemable and are exercisable on a cashless basis as long as held by the Founders or their permitted transferees. The Founders, EBC, and its designees have agreed that these Private Warrants will not be sold or transferred (except to certain permitted transferees) until after Legato has completed an initial business combination.

On January 25, 2021, the underwriters fully exercised their over-allotment option of 3,075,000 Units at $10.00 per Unit, generating gross proceeds of $30,750,000. In connection with the underwriters' exercise of their over-allotment option, Legato also consummated the sale of an additional 61,500 Private Units at $10.00 per unit, generating total proceeds of $615,000. Legato funded the Trust Account with $235,750,000 of the cash proceeds from the IPO (including the exercise of the over-allotment option), and the net proceeds from the Private Warrants after the payment of expenses associated with the IPO.

The IPO was conducted pursuant to a registration statement on Form S-1 (Reg. No. 333-248997) that became effective on January 19, 2021. As of the date of this proxy statement/prospectus, there was approximately $235.8 million held in the Trust Account.

Legato's Units, the Legato Common Stock and the Legato Warrants are listed on Nasdaq under the symbols "LEGOU," "LEGO," and "LEGOW," respectively.

The mailing address of Legato's principal executive office is 777 Third Avenue, 37th Floor, New York, NY 10017. After the consummation of the Merger, Legato will become a wholly-owned subsidiary of Algoma and its principal executive office will be that of Algoma.

The Merger Agreement (page 110)

The terms and conditions of the merger of Merger Sub with and into Legato, with Legato surviving the merger as a wholly-owned subsidiary of Algoma, are contained in the Merger Agreement, which is attached as *Annex A* to this proxy statement/prospectus. We encourage you to read the Merger Agreement carefully, as it is the legal document that governs the Merger.

Merger Consideration

The post-Closing enterprise value of Algoma upon consummation of the Merger is estimated to approximate $1.7 billion, including the Earnout Rights. We estimate that, upon consummation of the Merger, assuming none of Legato's Public Stockholders seek Redemption pursuant to the Existing Legato Charter, the Existing Algoma Investors will own approximately 65% of the outstanding Algoma Common Shares (inclusive of Replacement LTIP Awards) and the securityholders of Legato, including the Public Shareholders, the Founders, EBC and its designees, and the PIPE Investors, will own the remaining Algoma Common Shares, in each case, excluding Algoma Common Shares issuable pursuant to the Earnout Rights and Algoma Common Shares underlying Algoma Warrants. Included in the post-Closing enterprise value above is the contingent right of the Existing Algoma Investors to acquire their pro rata portion of up to 37.5 million Algoma Common Shares pursuant to the Earnout Rights if certain earnout targets based on Earnout Adjusted EBITDA and/or the trading price of the Algoma Common Shares are met. Assuming all Algoma Common Shares issuable pursuant to the Earnout Rights are issued, the Existing Algoma Investors will own approximately 74% of the outstanding Algoma Common Shares (inclusive of Replacement LTIP Awards), excluding Algoma Common Shares underlying Algoma Warrants. Based on the current estimates of Algoma's Earnout Adjusted EBITDA, it is currently expected that all of 37.5 million Algoma Common Shares will be issued pursuant to the Earnout Rights. However, we cannot assure you that any or all of the Earnout Events will occur.

Pursuant to the Merger Agreement, at the Effective Time, each outstanding share of Legato Common Stock will be converted into and exchanged for the right to receive one newly issued Algoma Common Share. Legato's outstanding warrants to purchase one share of Legato Common Stock will be converted into and become Algoma Warrants, with each warrant exercisable for one Algoma Common Share for $11.50 per share, subject to adjustment, with the exercise period beginning 30 days following Closing.

Stock Split

Pursuant to the Merger Agreement, prior to the Effective Time, Algoma will effectuate a reverse stock split, which is referred to as the Stock Split, such that each outstanding Algoma Common Share (after the exchange of LTIP Awards described below) will become such number of Algoma Common Shares, each valued at $10.00 per share, equal to $750 million of shares, as determined by the Conversion Factor.

LTIP Exchange

Prior to the Effective Time, each outstanding LTIP Award that has vested and that is held by an executive officer or director of Algoma who has executed an exchange agreement and joinder to the Lock-up Agreement will be exchanged for Replacement LTIP Awards.

Algoma's Reasons for the Merger (page 85)

Algoma's reason for the Merger include that the Merger provides Algoma with a means to become a public company, which will provide Algoma with access to capital to partially fund its proposed transformation to electric arc furnace ("EAF") steelmaking**.**

The Legato Board of Directors' Reasons for the Merger (page 85)

Legato was formed for the purpose of effecting an initial business combination with one or more businesses. Legato sought to do this by utilizing the networks and industry experience of its officers, directors, and Founders to identify and consummate an initial business combination with one or more businesses in the renewables, infrastructure, engineering and construction and industrial industries, although Legato was not limited to a particular industry or sector.

In considering whether to recommend the Merger to Legato's stockholders, Legato's board of directors considered qualitative factors such as: (1) management strength and depth, (2) currently favorable supply/demand dynamics, (3) expected tailwinds from infrastructure spending, (4) Algoma's position as a low cost manufacturer, (5) limited environmental liabilities, and (6) plans for a possible conversion to EAF steelmaking, as well as quantitative factors such as: (a) Algoma's current and expected future free cash flow generation, (b) the current and expected future price of steel, (c) low relative level of debt, and (d) intrinsic value of Algoma based on both DCF and comparable company valuation metrics. In addition, Legato's board of directors considered the financial analysis reviewed by Cassel Salpeter with the Legato board, and the oral opinion of Cassel Salpeter to the Legato board (which was subsequently confirmed in writing by delivery of Cassel Salpeter's written opinion dated the same date, May 24, 2021), as to the fairness, from a financial point of view, to Legato's stockholders (other than the Excluded Holders) of the merger consideration to be received by such holders in the Merger pursuant to the Merger Agreement. Legato's board of directors also considered a variety of uncertainties and risks and other potentially negative factors concerning the Merger, including, but not limited to, the risks described in the section of this proxy statement/prospectus titled "Risk Factors". Overall, Legato's board of directors determined that the positive aspects of the Merger outweighed the potential risk factors.

Opinion of Legato's Financial Advisor (page 98)

Legato engaged Cassel Salpeter to render an opinion, as of May 24, 2021, as to (i) the fairness, from a financial point of view, to Legato's stockholders (other than the Excluded Holders) of the merger consideration to be received by such holders in the Merger pursuant to the Merger Agreement, and (ii) whether Algoma had a fair market value equal to at least 80% of the balance of funds in the Trust Account (excluding taxes payable on interest earned). Cassel Salpeter is an investment banking firm that regularly is engaged in the evaluation of businesses and their securities in connection with acquisitions, corporate restructuring, private placements and for other purposes. Legato's board of directors decided to use the services of Cassel Salpeter because it is a recognized investment banking firm that has substantial experience in similar matters, and has rendered similar services to other blank check companies, including five of which Messrs. Rosenfeld and Sgro were previously officers and/or directors.

On May 24, 2021, Cassel Salpeter rendered its oral opinion to Legato's board of directors (which was confirmed in writing by delivery of Cassel Salpeter's written opinion dated such date), to the effect that, as of May 24, 2021 and based on and subject to the assumptions, limitations, qualifications and other matters considered in the preparation of such opinion, the merger consideration to be received by Legato's Public Stockholders in the merger pursuant to the Merger Agreement, after giving effect to the Stock Split and the issuance of the Earnout Shares, was fair, from a financial point of view, to such holders and (ii) Algoma had a fair market value equal to at least 80% of the balance of funds in the Trust Account (less taxes payable on interest earned).

The summary of Cassel Salpeter's opinion in this proxy statement/prospectus is qualified in its entirety by reference to the full text of the written opinion, which is included as Annex C to this proxy statement/prospectus and sets forth the procedures followed, assumptions made, qualifications and limitations on the review undertaken and other matters considered by Cassel Salpeter in preparing its opinion. However, neither Cassel Salpeter's written opinion nor the summary of its opinion and the related analyses set forth in this proxy statement/prospectus are intended to be, and do not constitute, advice or a recommendation to any stockholder as to how such stockholder should act or vote with respect to any matter relating to the proposed Merger or otherwise.

The opinion was addressed to Legato's board of directors for the use and benefit of the members of the board of directors (in their capacities as such) in connection with the board's evaluation of the business combination. Cassel Salpeter's opinion was just one of the several factors the board of directors considered in making its determination to recommend the Merger, including those described elsewhere in this proxy statement/prospectus.

Interests of Legato's Officers and Directors in the Merger (page 104)

John Ing and Brian Pratt, directors of Legato, participated in the PIPE Investment and, to avoid the appearance of a conflict of interest, each abstained from the Legato board's vote to approve the Merger. Additionally, when you consider the recommendation of Legato's board of directors in favor of approval of the Merger Proposal, you should keep in mind that the Founders, including Legato's directors and executive officers, have interests in such proposal that may be different from, or in addition to, your interests as a stockholder. These interests include, among other things:

- If the Merger with Algoma or another business combination is not consummated by July 22, 2022 (or such later date as may be approved by Legato stockholders), Legato will cease all operations except for the purpose of winding up, redeeming 100% of the outstanding Public Shares for cash and, subject to the approval of its remaining stockholders and its board of directors, dissolving and liquidating. In such event, the Founder Shares, would be worthless because the Founder Shares are not entitled to participate in any Redemption or distribution with respect to such shares. Such shares had an aggregate market value of $ based upon the closing price of $ per share on Nasdaq on , 2021, the record date for the Special Meeting. On the other hand, if the Merger is consummated, each outstanding share of Legato Common Stock will be converted into one Algoma Common Share.
- The Founders, Legato's officers or directors, or their affiliates are entitled to reimbursement of out-of-pocket expenses incurred by them in connection with certain activities on Legato's behalf, such as identifying and investigating possible business targets and mergers. If Legato fails to consummate the Merger, they will not have any claim against the Trust Account for repayment or reimbursement. In addition, in order to meet its working capital needs the Founders may, but are not obligated to, loan Legato funds, from time to time or at any time, in whatever amount they deem reasonable in their sole discretion. These loans would be repayable upon consummation of the Merger or, with the consent of Algoma, may be converted into Private Units immediately prior to the Effective Time at an exchange rate of $10.00 of borrowings per Private Unit. In the event that the Merger does not close, Legato may use a portion of the working capital held outside the Trust Account to repay such loaned amounts, but no other proceeds from the Trust Account would be used for such repayment. Accordingly, Legato may not be able to repay or reimburse these amounts if the Merger is not completed.

- Certain of the Founders purchased 604,000 Private Units from Legato for $10.00 per Private Unit. This purchase took place on a private placement basis simultaneously with the consummation of the IPO. The Legato Common Stock and Legato Warrants comprising part of the Private Units and the Legato Common Stock underlying such Warrants will become worthless if Legato does not consummate an initial business combination by July 22, 2022 (or such later date as may be approved by Legato stockholders). On the other hand, if the Merger is consummated, each outstanding Legato Warrant will become an Algoma Warrant exercisable to purchase one Algoma Common Share following consummation of the Merger and each outstanding share of Legato Common Stock will be converted into one Algoma Common Share.
- Three of the Founders, Brian Pratt, John Ing and Stephen Lack, and/or their affiliates agreed to purchase approximately 2.64 million PIPE Shares. Messrs. Pratt and Ing are directors of Legato. If the Merger is not consummated, the PIPE Investment will not be consummated.
- Three of Legato's directors, Eric S. Rosenfeld, David Sgro and Brian Pratt, are expected to be appointed to the board of directors of Algoma following the Merger. As a result, they will likely receive the same compensation that other directors of Algoma will receive following the Merger.
- In connection with Legato's IPO, Crescendo, an entity affiliated with Eric S. Rosenfeld, Legato's Chief SPAC Officer, has agreed to be liable under certain circumstances to ensure that the proceeds in the Trust Account are not reduced below $10.00 per share by certain claims of target businesses or vendors or other entities that are owed money by Legato for services rendered or contracted for or products sold to Legato. The agreement entered into by Crescendo specifically provides for two exceptions to the indemnity given: it will have no liability (1) as to any claimed amounts owed to a target business or vendor or other entity who has executed an agreement with Legato waiving any right, title, interest or claim of any kind they may have in or to any monies held in the Trust Account, or (2) as to any claims for indemnification by the underwriters of Legato's IPO against certain liabilities, including liabilities under the Securities Act. WithumSmith+Brown, PC, Legato's independent registered public accounting firm, and the underwriters of the initial public offering, have not executed agreements with Legato waiving such claims to the monies held in the Trust Account. Legato has not independently verified whether Crescendo has sufficient funds to satisfy its indemnity obligations, it has not asked it to reserve for such obligations and it does not believe it has any significant liquid assets. Accordingly, Legato believes it is unlikely that Crescendo will be able to satisfy its indemnification obligations if it is required to do so.

At any time prior to the Special Meeting, during a period when they are not then aware of any material nonpublic information regarding Legato or its securities, the Founders, Algoma, or the equity holders of Legato and/or their respective affiliates may purchase shares from institutional and other investors who vote, or indicate an intention to vote, against the Merger Proposal, or who redeem or indicate an intention to redeem their public shares, or they may enter into transactions with such investors and others to provide them with incentives to acquire shares of Legato Common Stock or vote their shares in favor of the Merger Proposal. The purpose of such share purchases and other transactions would be to increase the likelihood of satisfaction of the requirement that the holders of a majority of the then outstanding shares of Legato Common Stock vote to approve the Merger Proposal and/or to decrease the number of Redemptions. While the nature of any such incentives has not been determined as of the date of this proxy statement/prospectus, they might include, without limitation, arrangements to protect such investors or holders against potential loss in value of their shares, including, subject to the Lock-Up Agreement, the granting of put options and the transfer to such investors or holders of shares or warrants owned by the Founders for nominal value.

Entering into any such arrangements may have a depressive effect on the price of the Legato Common Stock. For example, as a result of these arrangements, an investor or holder may have the ability to effectively purchase shares at a price lower than the market price and may therefore be more likely to sell the shares he owns, either prior to or immediately after the Special Meeting.

If such transactions are effected, the consequence could be to cause the Merger Proposal to be approved in circumstances where such approval could not otherwise be obtained. Purchases of shares by the persons described above would allow them to exert more influence over the approval of the Merger Proposal and other proposals to be presented at the Special Meeting and would likely increase the chances that such proposals would be approved.

As of the date of this proxy statement/prospectus, there have been no such discussions and no agreements to such effect have been entered into with any such investor or holder. Legato will file a Current Report on Form 8-K to disclose any arrangements entered into or significant purchases made by any of the aforementioned persons.

Agreements entered into in connection with the Merger Agreement (page 119)

In connection with the Merger, certain related agreements have been entered into, or will be entered into on or prior to the Closing Date, including:

- *PIPE Subscription Agreements* entered into concurrently with the Merger Agreement, by and among Algoma, Legato and the PIPE Investors, pursuant to which the PIPE Investors have agreed to purchase, and Algoma and Legato have agreed to issue to the PIPE Investors, an aggregate of 10,000,000 Algoma Common Shares and shares of Legato Common Stock, for the purchase price of $10.00 per share and at an aggregate purchase price of $100,000,000. The obligations to consummate the transactions contemplated by the PIPE Subscription Agreements are conditioned upon, among other things, the consummation of the Merger. The PIPE Subscription Agreements include customary resale registration rights provisions. Certain PIPE Investors will exchange their PIPE Shares for Algoma Common Shares pursuant to the PIPE Subscription Agreements immediately prior to, rather than at the Effective Time of the Merger.
- *Support Agreement* pursuant to which the Founders agreed to vote or cause to be voted all shares of Legato Common Stock beneficially held by them (i) in favor of approval of the adoption of the Merger Agreement, the approval of the Transactions, and each other proposal presented by Legato for approval by Legato's stockholders, and (ii) against (x) any proposal or offer from any other person (other than Algoma and its affiliates) with respect to certain competing transactions and (y) any action, proposal, transaction, or agreement that could reasonably be expected to materially impede, interfere with, delay, discourage, adversely affect or inhibit the timely consummation of the Transactions or the fulfillment of Legato's obligations under the Merger Agreement or change in any manner the voting rights of any class of shares of Legato (including any amendments to the Existing Legato Charter or Legato's bylaws other than in connection with the Transactions). Pursuant to the Support Agreement, the Founders also agreed to waive any appraisal and dissenters' rights under applicable law and not to exercise any right to redeem shares of Legato Common Stock for a *pro rata* portion of the Trust Account.
- *Lock-Up Agreement* pursuant to which the Algoma Common Shares held by Existing Algoma Investors immediately prior to the Effective Time will be subject to transfer restrictions until the earlier of (a) the six-month anniversary of the Closing, (b) the date on which the closing share price of the Algoma Common Shares equals or exceeds $12.50 per share (as adjusted for share splits, share dividends, reorganizations, recapitalizations and the like) for any 20 trading days within any 30-trading day period following the Closing, and (c) the date on which Algoma completes a change of control following the Closing. The Founders will be subject to the same lock-up as the Existing Algoma Investors with respect to the Algoma Common Shares to be issued to the Founders in exchange for their Founder Shares (and, in the case of Eric S. Rosenfeld, David Sgro, and Brian Pratt, the Algoma Common Shares and Algoma Warrants to be issued to them in exchange for their Private Units), but not including any PIPE Shares, except that the release date will be the twelve-month anniversary of the Closing, rather than the six-month anniversary. In addition, the Merger Agreement provides that each person who will receive Replacement LTIP Awards will sign a joinder to the Lock-Up Agreement.
- *Investor Rights Agreement* pursuant to which the Algoma Warrants and Algoma Common Shares held by the Founders and shareholders of Algoma Steel Parent S.C.A. and their respective permitted transferees (collectively, the "IRA Parties"), including the Algoma Common Shares issuable upon the exercise of Algoma Warrants and other derivative securities, shall bear customary registration rights and nomination rights. Specifically, Algoma will agree to file a registration statement as soon as practicable upon a request from certain IRA Parties to register the resale of certain registrable securities under the Securities Act and Canadian securities laws (such request, a "demand registration"), subject to required notice provisions to other IRA Parties; provided, Algoma shall not be obligated to effect a demand registration (i) unless the aggregate proceeds expected to be received from the sale of the registrable securities equals or exceeds C$50,000,000 or

(ii) if Algoma has effected a demand registration within the six-month period prior to receipt of the request therefor. Algoma has also agreed to provide customary "piggyback" registration rights with respect to any valid demand registration request. Algoma will pay certain expenses relating to such registrations and indemnify the IRA Parties against certain liabilities. Additionally, certain IRA Parties that currently have board designation rights with respect to Algoma Steel Holdings Inc. will have the right to nominate, in the aggregate, four directors to the Algoma board for so long as they maintain % of outstanding Algoma Common Shares.

Certain Material U.S. Federal Income Tax Considerations (page 121)

For a description of certain material U.S. federal income tax consequences of the Merger, the exercise of redemption rights in respect of shares of Legato Common Stock and the ownership and disposition of Algoma Common Shares and/or Algoma Warrants, please see the information set forth in "*Certain Material U.S. Federal Income Tax Considerations*" beginning on page 121.

Certain Material Canadian Federal Income Tax Considerations (page 137)

For a description of certain Canadian federal income tax consequences of the ownership and disposition of Algoma Common Shares, please see the information set forth in "Certain Material Canadian Federal Income Tax Considerations" beginning on page 137.

Redemption Rights

Pursuant to the Existing Legato Charter, a holder of Public Shares may demand that Legato redeem such shares for cash if the Merger is consummated. If you are a holder of Public Shares, you will be entitled to receive cash for your Public Shares regardless of whether you vote for or against the Merger Proposal or do not vote at all, and regardless of whether you held your Public Shares on the record date, and will be permitted to demand that Legato redeem your shares for cash no later than 5:00 p.m., Eastern Time, on , 2021 (two (2) business days prior to the Special Meeting) by (A) submitting your redemption request, which includes the name of the beneficial owner of the Public Shares to be redeemed, in writing to Continental Stock Transfer & Trust Company and (B) delivering your stock to Legato's transfer agent physically or electronically using DTC's DWAC (Deposit Withdrawal at Custodian) System. If the Merger is not completed, these shares will not be redeemed for cash. In such case, Legato will promptly return any shares delivered by holders of Public Shares for redemption and such holders may only share in the assets of the Trust Account upon the liquidation of Legato. This may result in holders receiving less than they would have received if the Merger was completed and they had exercised their redemption rights in connection therewith due to potential claims of creditors. If a holder of Public Shares properly demands redemption, Legato will redeem each Public Share for a full pro rata portion of the Trust Account, calculated as of two business days prior to the anticipated consummation of the Merger. As of , the record date, this would amount to approximately $ per share. If a holder of Public Shares exercises its redemption rights, then it will be exchanging its shares of Legato Common Stock for cash and will no longer own the shares. See the section entitled "*Special Meeting of Legato Stockholders — Redemption Rights*" for a detailed description of the procedures to be followed if you wish to convert your shares of Legato Common Stock into cash.

Holders of Legato Warrants and Units will not have redemption rights with respect to such securities.

Appraisal Rights

Legato stockholders (including the initial stockholders) and holders of other Legato securities do not have appraisal rights in connection with the Merger under the DGCL.

The Adjournment Proposal

If Legato is unable to consummate the Merger at the time of the Special Meeting, if determined by Legato and Algoma in accordance with the Merger Agreement the Legato board of directors may submit a proposal to adjourn the Special Meeting to a later date or dates. Please see the section entitled "*Proposal No. 2 — The Adjournment Proposal*."

Date, Time and Place of Special Meeting of Legato's Stockholders

The Special Meeting of the stockholders of Legato will be held virtually at a.m., Eastern Time, on , 2021, and accessible at or at such other time, on such other date and at such other place to which the meeting may be adjourned or postponed, to consider and vote upon the Merger Proposal, and if necessary, the Adjournment Proposal.

Voting Power; Record Date

Stockholders will be entitled to vote or direct votes to be cast at the Special Meeting if they owned shares of Legato Common Stock at the close of business on , which is the record date for the Special Meeting. Stockholders will have one vote for each share of Legato Common Stock owned at the close of business on the record date. If your shares are held in "street name" or are in a margin or similar account, you should contact your broker, bank or nominee to ensure that votes related to the shares you beneficially own are properly counted. Warrants do not have voting rights. On the record date, there were 30,307,036 shares of Legato Common Stock outstanding, of which 23,750,000 were Public Shares.

Quorum and Vote of Legato Stockholders

A quorum of Legato stockholders is necessary to hold a valid meeting. A quorum will be present at the Special Meeting if a majority of the outstanding shares of Legato Common Stock entitled to vote at the meeting are represented virtually or by proxy. Abstentions will count as present for purposes of establishing a quorum; Broker Non-Votes will not. The proposals presented at the Special Meeting will require the following votes:

- Pursuant to the DGCL, the approval of the Merger Proposal will require the affirmative vote of the holders of a majority of the outstanding shares of Legato Common Stock entitled to vote. There are currently 30,307,036 shares of Legato Common Stock outstanding, of which 23,575,000 are Public Shares.
- The approval of the Adjournment Proposal, if presented, will require the affirmative vote of the holders of a majority of shares of Legato Common Stock present or represented by proxy and entitled to vote at the Special Meeting.

Abstentions will have the same effect as a vote "AGAINST" the Merger Proposal and the Adjournment Proposal. Broker Non-Votes will have the same effect as a vote "AGAINST" the Merger Proposal, but will have no effect on the Adjournment Proposal.

The Merger is conditioned on the approval of the Merger Proposal. Neither the Merger Proposal nor the Adjournment Proposal are conditioned upon the approval of any other proposal. The proposals are more fully described in this proxy statement/prospectus, which each stockholder is encouraged to read carefully and in its entirety.

Certain Voting Arrangements

As of , 2021, the record date of the Special Meeting, the Founders beneficially owned and were entitled to vote 6,379,875 shares of Legato Common Stock. The foregoing shares represent approximately 21% of the issued and outstanding shares of Legato Common Stock. The Founders have entered into the Support Agreement whereby they have agreed to vote their shares in favor of, and take certain other actions in support of, the Merger.

Proxy Solicitation

Proxies may be solicited by mail, telephone or in person. Legato has engaged MacKenzie Partners, Inc. to assist in the solicitation of proxies.

If a stockholder grants a proxy, it may still vote its shares virtually if it revokes its proxy before the Special Meeting. A stockholder may also change its vote by submitting a later-dated proxy as described in the section entitled "*Special Meeting of Legato Stockholders — Revoking Your Proxy*."

Recommendation to Stockholders

The Legato board of directors believes that the Merger Proposal and the other proposals to be presented at the Special Meeting are fair to and in the best interest of Legato's stockholders and recommends that Legato stockholders vote "**FOR**" the Merger Proposal and "**FOR**" the Adjournment Proposal, if presented.

Comparison of Rights of Stockholders of Legato and Shareholders of Algoma (page 253)

If the Merger is successfully completed, holders of Legato Common Stock will become holders of Algoma Common Shares, a British Columbia corporation, and their rights as shareholders will be governed by Algoma's organizational documents. There are also differences between the laws governing Legato, a Delaware corporation, and Algoma, a corporation organized under the laws of the Province of British Columbia. Please see "*Comparison of Rights of Algoma Shareholders and Legato Stockholders*" on page 253 for more information.

Foreign Private Issuer

Algoma will be a "foreign private issuer" under SEC rules following the consummation of the Merger. Consequently, Algoma will be subject to the reporting requirements under the Exchange Act applicable to foreign private issuers.

Based on its foreign private issuer status, Algoma will not be required to file periodic reports and financial statements with the SEC as frequently or as promptly as a U.S. company whose securities are registered under the Exchange Act and will also be exempt from the rules and regulations under the Exchange Act related to the furnishing and content of proxy statements. Algoma will also not be required to comply with Regulation FD, which addresses certain restrictions on the selective disclosure of material information. In addition, among other matters, Algoma officers, directors and principal shareholders will be exempt from the reporting and "short-swing" profit recovery provisions of Section 16 of the Exchange Act and the rules under the Exchange Act with respect to their purchases and sales of Algoma Common Shares. Additionally, Nasdaq rules allow foreign private issuers to follow home country practices in lieu of certain of Nasdaq's corporate governance rules. As a result, its shareholders may not have the same protections afforded to shareholders of companies that are subject to all Nasdaq corporate governance requirements.

Regulatory Matters

The Merger is not subject to any federal or state regulatory requirement or approval, except for the filing of the Restated Articles under the BCA and the certificate of Merger under the DGCL.

Risk Factors

In evaluating the proposals to be presented at the Special Meeting, a stockholder should carefully read this proxy statement/prospectus, including the annexes, and especially consider the factors discussed in the section entitled "*Risk Factors*." Some of the risks related to Algoma and Legato are summarized below:

- Market and industry volatility could have a material adverse effect on Algoma's results.
- Algoma has a recent history of losses and may not return to or sustain profitability in the future.
- Algoma's cost and operational improvements plan may not continue to be effective.
- Algoma faces significant domestic and international competition, and there is a possibility that increased use of competitive products could cause its sales to decline.
- Increased imports of low-priced steel products into North America and decreased trade regulation could impact the North American steel market, resulting in a loss of sales volume and decreased pricing that could adversely impact Algoma's operating results and financial position.
- Tariffs and other trade barriers may restrict Algoma's ability to compete internationally.

- All of Algoma's operations are conducted at one facility using one blast furnace and are subject to unexpected equipment failures and other business interruptions.
- The North American steel industry and certain industries Algoma serves, such as the automotive, construction, appliance, machinery and equipment, and transportation industries, are cyclical, and prolonged economic declines would have a material adverse effect on Algoma's business.
- Algoma's operations could be materially affected by labor interruptions and difficulties.
- Algoma's operations, production levels, sales, financial results and cash flows could be adversely affected by transportation, raw material or energy supply disruptions, or poor quality of raw materials, particularly coal and iron ore.
- Algoma's ability to generate revenue is dependent on its ability to maintain its customer base and certain key customers.
- Currency fluctuations, including a significant increase in the value of the Canadian dollar, could have a materially adverse effect on Algoma's financial performance and financial position.
- Algoma depends on third parties to supply sophisticated and complex machinery for its plants and it is exposed to risks relating to the timing or quality of their services, equipment and supplies.
- Algoma depend on third parties for transportation services, and increases in costs or the availability of transportation may adversely affect its business and operations.
- Any increases in annual funding obligations resulting from Algoma's under-funded pension plans could have a material adverse effect on Algoma's financial position.
- Environmental compliance and site remediation obligations could result in substantially increased costs and could materially adversely affect Algoma's competitive position.
- Increased regulation associated with climate change and greenhouse gas emissions could impose significant additional costs compliance costs on Algoma's operations.
- Legato's current directors and executive officers have interests in the Merger that are different from or in addition to the interests of Public Stockholders. Such interests may have influenced their decision to approve the Merger with Algoma.
- The Founders have agreed to vote in favor of the Merger, regardless of how Legato's Public Stockholders vote.
- The exercise of discretion by Legato's directors and officers in agreeing to changes to the terms of or waivers of closing conditions in the Merger Agreement may result in a conflict of interest when determining whether such changes to the terms of the Merger Agreement or waivers of conditions are appropriate and in the best interests of Legato's stockholders.
- The Algoma securities to be received by Legato's stockholders as a result of the Merger will have different rights from Legato's securities and Legato's stockholders will experience dilution as a consequence of the Merger. Having a minority share position in Algoma may reduce the influence that Legato's current stockholders have on the management of the combined company.
- Legato's Private Warrants are accounted for as liabilities and the changes in value of the Private Warrants could have a material effect on the financial results of Algoma following the Merger.
- Subsequent to the completion of the Merger, Algoma may be required to take write-downs or write-offs, restructuring and impairment or other charges that could have a significant negative effect on its financial condition, results of operations and Algoma's common share price, which could cause you to lose some or all of your investment.
- If Legato Public Stockholders fail to properly demand redemption of their shares, they will not be entitled to redeem their shares of Legato Common Stock for a pro rata portion of the Trust Account.

Recent Developments

On July 5, 2021, Algoma announced that the Government of Canada has, subject to final documentation, committed up to C$420 million in financial support for Algoma's proposed EAF transformation. The C$420 million of financial support consists of (i) a loan of up to C$200 million from the Innovation Science and Economic Development Canada's Strategic Innovation Fund (the "SIF Funding") and (ii) a loan of up to C$220 million from the Canada Infrastructure Bank (the "CIB Funding" and together with the SIF Funding, the "Green Steel Funding"). It is currently expected that the CIB Funding will be a low-interest loan on commercial terms and that annual repayment of the SIF Funding will be scalable based on Algoma's greenhouse gas emission ("GHG") performance. The Green Steel Funding is subject to, and contingent on, the negotiation of definitive documentation.

UNAUDITED HISTORICAL COMPARATIVE AND PRO FORMA COMBINED PER SHARE DATA OF LEGATO AND ALGOMA

The following table sets forth summary historical comparative share and unit information for Legato and Algoma and unaudited pro forma condensed combined per share information of Legato after giving effect to the Merger (as defined in the section titled "*Unaudited Pro Forma Condensed Combined Consolidated Financial Information*"), assuming two redemption scenarios as follows:

- **Assuming No Redemptions:** This presentation assumes that no Legato stockholders exercise redemption rights with respect to their Public Shares.
- **Assuming Maximum Redemptions:** This presentation assumes that the PIPE Investment closes and that Legato will satisfy the requirement to have at least $5,000,001 in net tangible assets either immediately prior to or upon consummation of the Merger even if all Legato Public Stockholders holding approximately 23,575,000 Public Shares exercise their redemption rights for the $235,787,065 million of funds in the Trust Account as of March 31, 2021. Algoma's obligations under the Merger Agreement are subject to the condition that the funds contained in the Trust Account (after giving effect to redemptions and payment of certain Legato transaction costs), together with the aggregate amount of proceeds from the PIPE Investment and the cash on Legato's balance sheet, equal or exceed $200 million, which condition may be waived exclusively by Algoma. In addition, each of Algoma's and Legato's obligations under the Merger Agreement are subject to Legato having net tangible assets of at least $5,000,001 either immediately prior to or upon consummation of the Merger.

The unaudited pro forma book value information and the weighted average shares outstanding and net earnings per share information reflect the Merger as if it had occurred on March 31, 2021. Such information in respect of Legato is derived arithmetically, without adjustments, by adding the audited consolidated financial statements of Legato for the year ended December 31, 2020, which includes the period from June 26, 2020 to December 31, 2020, and the interim financial statements of Legato for the three months ended March 31, 2021.

This information is only a summary and should be read together with the summary historical financial information included elsewhere in this proxy statement/prospectus, and the historical financial statements of Legato and Algoma and related notes that are included elsewhere in this proxy statement/prospectus. The unaudited pro forma combined per share information of Legato and Algoma is derived from, and should be read in conjunction with, the unaudited pro forma condensed combined consolidated financial statements and related notes included elsewhere in this proxy statement/ prospectus.

The unaudited pro forma combined earnings per share information below does not purport to represent the earnings per share which would have occurred had the companies been combined during the periods presented, nor earnings per share for any future date or period. The unaudited pro forma combined book value per share information below does not purport to represent what the value of Legato and Algoma would have been had the companies been combined during the periods presented.

			Combined Pro Forma		
	Legato	Algoma	Algoma Post-Stock Split***	Assuming No Redemptions	Assuming Maximum Redemptions
As of and For the Year Ended March 31, 2021[(2)]					
Book value per share (1)	C$ 42.11	C$ 1.74	C$ 2.32	C$ (1.19)	C$ (1.66)
Weighted average shares outstanding – basic and diluted*	7,195,458	100,000,002	75,000,000	115,307,036	91,732,036
Net income (loss) per share – basic and diluted	C$ 0.04	C$ (0.76)	C$ (1.01467)	C$ (2.06)	C$ (2.52)

* As a result of pro forma net loss, the earnings per share amounts exclude the dilutive impact from the 37.5 million Algoma Shares issuable pursuant to Earnout Rights granted to existing Algoma shareholders as part of the Merger Agreement, 24,179,000 Algoma Common Shares issuable to existing Legato stockholders upon conversion of warrants, and 4,498,992 Algoma Common Shares issuable to Algoma's management upon conversion of vested LTIP awards.

** Represents the weighted average shares outstanding before the split.

*** Calculated for standalone Algoma after giving effect to the Stock Split based on an estimated ratio of 75.0% pre-Stock Split shares to one (1) Algoma Common Share, which ratio is subject to change.

(1) Book value per share equals total equity divided by total shares outstanding. The Legato historical weighted average shares outstanding excludes 23,575,000 shares subject to redemption for Legato at March 31, 2021.

(2) No cash dividends were declared under the periods presented.

PRICE RANGE OF SECURITIES AND DIVIDENDS

Legato

The Legato Units, Legato Common Stock and Legato Warrants are currently listed on Nasdaq under the symbols "LEGOU," "LEGO" and "LEGOW," respectively. Each Legato Unit consists of one share of Legato Common Stock and one Public Warrant. Each Legato Warrant entitles its holder to purchase one share of Legato Common Stock at a price of $11.50 per share, beginning 30 days following consummation of an initial business combination. The Legato Units commenced trading on Nasdaq on January 20, 2021. The Legato Common Stock and Legato Warrants commenced separate trading on Nasdaq on March 4, 2021.

Holders

As of the date of this proxy statement/prospectus, there were 21 holders of record of Legato Units, 40 holders of record of Legato Common Stock and 21 holders of record of Legato Warrants. Management believes Legato has in excess of 300 beneficial holders of its securities.

Dividends

Prior to the initial public offering, on January 19, 2021, Legato effected a dividend of approximately 0.17 shares for each outstanding Founder Share, resulting in an aggregate of 5,893,750 Founder Shares outstanding. Legato has not paid any cash dividends to its stockholders.

Algoma

Market Price of Algoma Common Shares

Historical market price information regarding Algoma is not provided because there is no public market for its securities. Algoma has applied to list its Algoma Common Shares and Algoma Warrants on Nasdaq and intends to apply to list the Algoma Common Shares and Algoma Warrants on the TSX upon the Effective Time under the ticker symbols "ASTL" and "ASTLW" or "ASTL.WT", respectively.

Holders

As of the date of this proxy statement/prospectus, Algoma had one holder of record.

Dividends

Algoma has not paid any dividends to its shareholders. Following the completion of the Merger, Algoma's board of directors will consider whether or not to institute a dividend policy. The determination to pay dividends will depend on many factors, including, among others, Algoma's financial condition, current and anticipated cash requirements, contractual restrictions and financing agreement covenants, solvency tests imposed by applicable corporate law and other factors that Algoma's board of directors may deem relevant.

RISK FACTORS

Unless the context otherwise requires, all references in this section to "we," "us," or "our" refer to Algoma and its subsidiaries prior to the consummation of the Merger. Stockholders should carefully consider the following risk factors, together with all of the other information included in this proxy statement/prospectus, before they decide whether to vote or instruct their vote to be cast to approve the proposals described in this proxy statement/prospectus. This proxy statement/prospectus also contains forward-looking statements that involve risks and uncertainties and actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks described below and elsewhere in this proxy statement/prospectus.

Risks Related to Algoma's Business

The outbreak of COVID-19 and the downturn in the global economy caused a sharp reduction in worldwide demand for steel. A protracted global recession or depression will have a material adverse effect on the steel industry and therefore our business and operations.

Our activities and financial performance are affected by international, national and regional economic conditions. The COVID-19 pandemic, which began during the first quarter of calendar year 2020, has had a profound impact on economies world-wide, with various levels of governments implementing border closings, travel restrictions, mandatory stay-at-home and work-from-home orders, mandatory business closures, cessation of certain construction activities, public gathering limitations and prolonged quarantines. These efforts and other governmental and individual reactions to the pandemic have led to lower consumer demand for goods and services and general uncertainty regarding the near-term and long-term impact of the COVID-19 pandemic on the domestic and international economy and on public health.

The manufacture of steel has been deemed to be an essential service by the government of Ontario, and we have continued to operate during the COVID-19 pandemic, in part with funds we received from government assistance programs. In spite of our continued operations, as the pandemic spread, slowdowns and disruptions in the operations of our customers led to a reduction in demand that had a negative impact on our business and operations. It is uncertain how the COVID-19 pandemic, or any other similar epidemic or pandemic, will impact our business and operations in the future. There is no assurance that the continued spread of COVID-19 and efforts to contain the virus (including, but not limited to, voluntary and mandatory quarantines, vaccines, restrictions on travel, limiting gatherings of people, and reduced operations and extended closures of many businesses and institutions) will not materially impact our business, financial performance and financial position. Disruptions in our business activities, and costs incurred by us in response to changing conditions and regulations and reduction in demand for the steel products that we manufacture, could have a material adverse impact on our business, operating results and financial position. To the extent the COVID-19 pandemic, or any other similar epidemic or pandemic, adversely affects our businesses, it may also have the effect of exacerbating many of the other risks described in this proxy statement/prospectus, any of which could have a material adverse effect on our business and operations.

A significant and prolonged recession or depression in the United States, Canada or Europe, or significantly slower growth or the spread of recessionary conditions in emerging economies that are substantial consumers of steel (such as China, Brazil, Russia and India, as well as emerging Asian markets, the Middle East and the Commonwealth of Independent States) would exact a heavy toll on the steel industry. Financial weakness among substantial consumers of steel products, such as the automotive industry and the construction industry, or the bankruptcy of any large companies in such industries, would have a negative impact in market conditions. Protracted declines in steel consumption caused by poor economic conditions in North America or by the deterioration of the financial position of our key customers would have a material adverse effect on demand for our products and our operational and financial results.

Steel companies have significant fixed costs, which are difficult to reduce in response to reduced demand. However, we could implement a variety of measures in response to a market downturn and a decline in demand for steel products. These measures might include: curtailing the purchase of raw materials; spreading raw material contracts over a longer period of time; reducing capital spending; negotiating reduced pricing for major inputs, reducing headcount through temporary layoffs, limiting overtime and reducing use of contractors; managing fixed costs with changes in production levels; improving operational practices to reduce lead time; and venturing into export

markets in order to increase capacity utilization. However, these initiatives may not prove sufficient, in terms of cost reduction or in realigning our production levels with reduced demand, to achieve profitability and maintain cash flow necessary to pay for capital expenditures and other funding needs.

Failure to complete, or delays in completing, our proposed EAF transformation could adversely affect our business and prospects. There are significant risks and uncertainties associated with, and we may fail to realize the anticipated benefits of, the proposed EAF transformation.

One of our reasons for undertaking the Merger is to provide us with access to capital to partially fund our proposed transformation to EAF steelmaking. The proposed EAF transformation may never be completed or may only be completed after significant delays. Failure to complete, or delays in completing, the proposed EAF transformation, could have a material adverse effect on our business, financial position, financial performance or prospects.

In addition, the proposed EAF transformation will require significant capital expenditures and divert the attention of management from our business. If we are not successful at integrating the EAF and related technology and equipment into our business, our cost of production relative to our competitors may increase and we may cease to be profitable or competitive. The proposed EAF transformation may be more costly than expected to complete and entails additional risks as to whether the EAF and related technology and equipment will reduce our cost of production sufficiently to justify the capital expenditure to obtain them. Additionally, there is no guarantee that the proposed EAF transformation will allow us to achieve our emissions targets. If such risks were to materialize, the anticipated benefits of the proposed EAF transformation may not be fully realized, or realized at all.

Our exposure to the higher cost of internally generated power and market pricing for electricity sourced from the current grid in Northern Ontario may have an adverse impact on our production and financial performance if we are able to complete the proposed EAF transformation.

Electricity is a significant input required in EAF steelmaking, and competitor EAF producers typically enter into fixed-price electricity contracts. Our exposure to the higher cost of internally generated of power and market pricing for electricity sourced from the current grid in Northern Ontario may have an adverse impact on our production and financial performance if we are able to complete the proposed EAF transformation. We have limited access to power from the current grid in Northern Ontario. As a result, we are planning to upgrade our internal natural gas power plant in order to supply sufficient power in combination with the available grid power to operate EAF furnaces. Delays in acquiring the specialized power equipment and associated specialty services may impact on our timing to complete the proposed EAF transformation. Furthermore, operating an internal power plant subjects us to planned and unplanned outages to maintain and/or repair the equipment, which would result in an associated outage of the steelmaking production.

The Ontario provincial regulator, Independent Electricity System Operator ("IESO") plans for the resources needed to meet Ontario's future electricity needs. This includes accounting for Ontario's forecasted electricity requirements, and carrying out integrated resource planning for energy efficiency, generation and transmission infrastructure to meet those requirements. This process is not within our control. We will need to operate our internal natural gas power plant until regional power system upgrades are determined and recommended by the IESO for installation. In the long-term, in order to operate EAF furnaces from grid power alone, we will require regional power system upgrades, with new transmission wires outside the city providing for more power to Sault Ste. Marie. These regional power system upgrades may not be completed until 2029 or later.

Due to our limited access to power from the current grid in Northern Ontario, our plan is to adapt our number 7 blast furnace ("Blast Furnace No. 7") to run at a lower rate in order to feed liquid iron into the EAFs to reduce our power requirements and to balance the amount of power expected to be available from internal generation and available grid power. Operating the blast furnace at a reduced rate subjects us to planned and unplanned outages in order to maintain and/or repair the equipment, which would result in associated outages in steelmaking production.

Operating the blast furnace together with EAF steelmaking while using internal power generation from natural gas ("Hybrid Mode") presents both an operating risk and a market risk, as we would be running the facilities at suboptimal levels and are subject to outages with internal power generation. Furthermore, the presence of ice and/or snow in steel scrap materials as they are introduced to EAF steelmaking could result in explosions which may result in further unplanned outages and/or health and safety consequences.

We are pursuing a local electricity transmission infrastructure upgrade and technical contingency solution to allow us to access more power sooner from the current grid into Sault Ste. Marie. Delays in designing, approving, and installing these local infrastructure upgrades may result in a delay or inability to access more power from the grid. This may result in a disruption to our steelmaking operations and/or failure to grow our business.

In connection with the proposed EAF transformation, our access to an adequate supply of the various grades of steel scrap at competitive prices may result in a disruption to our operations and/or financial performance.

The principal raw material of our proposed transformation to EAF steelmaking operations will be scrap metal derived from internal operations within our steel mills and industrial scrap generated as a by-product of manufacturing; obsolete scrap recovered from end-of-life manufactured goods such as automobiles, appliances, and machinery; and demolition scrap recovered from obsolete structures, containers and machines. Scrap is a global commodity influenced by economic conditions in a number of industrialized and emerging markets throughout Asia, Europe and North America.

The markets for scrap metals are highly competitive, both in the purchase of raw or unprocessed scrap, and processed scrap. As a result, we will need to compete with other steel mills in attempting to secure scrap supply through direct purchasing from scrap suppliers. Any failure to secure access to an adequate supply of the various grades of steel scrap at competitive prices may result in a disruption to our operations and/or financial performance.

We will also need to supplement our proposed EAF operations with higher-purity substitutes for ferrous scrap which may be sourced from higher-quality-lower-residual prime scrap, or iron units such as pig iron, pelletized iron, hot briquetted iron, direct reduced iron, and other forms of processed iron. Any failure to secure access to an adequate supply of the substitutes for ferrous scrap at competitive prices may result in a disruption to our operations and/or financial performance. Furthermore, we may not be able to source competitive modes of freight transportation for inbound scrap and other materials.

Many variables can impact ferrous scrap prices, including the level of domestic steel production, the level of exports of scrap from the United States and Canada, and the amount of obsolete scrap production. Domestic ferrous scrap prices generally have a strong correlation and spread to global pig iron pricing. Generally, as domestic steel demand increases, so does scrap demand and resulting scrap prices. The reverse is also typically true with scrap prices following steel prices downward when supply exceeds demand, but this is not always the case. When scrap prices greatly accelerate, this can challenge one of the principal elements of an EAF based steel mill's traditional lower cost structure – the cost of its metallic raw material.

Even if we are able to complete the proposed EAF transformation, we may fail to achieve the anticipated benefits due to reduced product qualities.

Even if we are to complete the proposed EAF transformation, we may fail to achieve the anticipated benefits. For example, as a result of residual chemistry attributes of steel from the EAF processing of scrap, we may be limited in our ability to produce a full range of product types and qualities. This may result in an inferior product or a more limited range of products we are able to produce, either of which could result in reduced sales and have a material adverse effect on our results of operations and/or adversely affect our reputation with existing and potential customers.

Market and industry volatility could have a material adverse effect on our results. A protracted fall in steel prices, or any significant and sustained increase in the price of raw materials in the absence of corresponding steel price increases, would have a material adverse effect on our results.

The steel market is a cyclical commodity business with significant volatility in prices in response to various factors, including market demand, supply chain inventory levels, and imports. Factors specific to our business include a prolonged cyclical downturn in the steel industry, macroeconomic trends such as global or regional recessions and trends in credit and capital markets more generally. Market price volatility results in a high level of cash flow volatility with prolonged periods of negative cash flow. Steel prices are volatile and the global steel industry has historically been cyclical. During 2015, hot rolled coil prices fell sharply by approximately $200/ton to $354/ton in the North American market, as a result of a significant increase in imports, driven primarily by the strengthening of the U.S. dollar against other currencies. In 2018, hot rolled coil prices rose to over $900/ton over a short period then fell to

under $500/ton in the fall of 2019. Hot rolled coil prices recovered slightly, but fell to under $500/ton once again as a result of the COVID-19 pandemic and the related global economic slowdown; however, since that low in 2020, hot rolled coil prices have risen to an all-time high of over $1,600/ton in 2021. These significant market price fluctuations affect our bottom line. Protracted pricing or volume declines in the future would adversely affect our cash flow and ability to pay for our fixed costs, capital expenditures and other funding obligations.

Steel production also requires the use of large volumes of bulk raw materials and energy, in particular iron ore and coal, as well as energy, alloys, scrap, oxygen, natural gas, electricity and other inputs, the prices of which can be subject to significant fluctuation. The prices of iron ore and coal can vary greatly from period to period and our results have historically been impacted by movements in coal and iron ore prices. Iron ore and coal prices have been volatile in recent years. In addition, to the extent that we have quoted prices to our customers and accepted customer orders for our products prior to purchasing necessary raw materials, we may be unable to raise the price of our products to cover all or part of the increased cost of the raw materials. Alternatively, we may be faced with having agreed to purchase raw materials and energy at prices that are above the then current market price or in greater volumes than required. There can be no assurance that adequate supplies of electricity, natural gas, coal, iron ore, alloys, scrap and other inputs will be available in the future or that future increases in the cost of such materials will not adversely affect our financial performance.

Our largest input cost in the steel-making process is iron ore, which we purchase under our supply contracts with Cliffs Natural Resources ("Cliffs") and United States Steel Corporation ("U.S. Steel"). We believe that our long-term agreements with Cliffs and U.S. Steel ensure supply of iron ore pellets through to the close of the 2024 shipping season, but there can be no assurances that they will meet our needs or that we will be able to retain such long term contracts.

We have a recent history of losses and may not return to or sustain profitability in the future.

We have incurred net losses in recent reporting periods and for the fiscal year ended March 31, 2021, we had a net loss of approximately C$62.0 million. This history of our business incurring significant losses, among other things, led predecessor operators of our business to seek creditor protection and/or to complete corporate restructuring proceedings. See " *– Predecessor operators of our business have sought creditor protection and completed corporate restructurings on a number of occasions.*" We may not maintain profitability in future periods, our earnings could decline or grow more slowly than we expect and we may incur significant losses in the future for a number of reasons, including the risks described in this proxy statement/prospectus.

Our cost and operational improvements plan may not continue to be effective.

Our cost and operational improvements strategy has resulted in reduced costs. However, there can be no assurance that we will continue to achieve such savings in the future or that we will realize the estimated future benefits of these plans. Moreover, our continued implementation of these plans may disrupt our operations and performance. Additionally, our estimated cost savings for these plans are based on several assumptions that may prove to be inaccurate and, as a result, there can be no assurance that we will realize these cost savings.

Our utilization rates may decline as a result of increased global steel production and imports.

In addition to economic conditions and prices, the steel industry is affected by other factors such as worldwide production capacity and fluctuations in steel imports/exports and tariffs. Historically, the steel industry has suffered from substantial overcapacity. If demand for steel products was to rapidly decline, it is possible that global production levels will fail to adjust fully. If production increases outstrip demand increases in the market, an extended period of depressed prices and market weakness may result.

China is now the largest worldwide steel producing country by a significant margin and has significant unused capacity. In the future, any significant excess capacity utilization in China and increased exports by Chinese steel companies would depress steel prices in many markets.

We expect that consolidation in the steel sector in recent years should, as a general matter, help producers to maintain more consistent performance through the down cycles by preventing fewer duplicate investments and

increasing producers' utilization and therefore efficiency and economies of scale. However, overcapacity in the industry may re-emerge. Although certain U.S. producers temporarily shut down production capacity during the COVID-19 pandemic, a restart of previously idled capacity and the development of new capacity by producers has subsequently occurred.

We face significant domestic and international competition, and there is a possibility that increased use of competitive products could cause our sales to decline.

We compete with numerous foreign and domestic steel producers. Significant global steel capacity growth through new and expanded production in recent years has caused and may continue to cause capacity to exceed global demand, which has resulted and may result in lower prices and steel shipments. Some of our competitors have greater financial and capital resources than we do and continue to invest heavily to achieve increased production efficiencies and improved product quality. We primarily compete with other steel producers based on the delivered price of finished products to our customers. Our costs are generally higher than many foreign producers; however, freight costs for steel can often make it uneconomical for distant steel producers to compete with us. Foreign producers may be able to successfully compete if their higher shipping costs are offset by lower cost of sales.

Although we are continually striving to improve our operating costs, we may not be successful in achieving cost improvements or gaining operating efficiencies that may be necessary to remain competitive on a global scale.

The North American steel industry has, in the past, experienced lengthy periods of difficult markets due to increased foreign imports. Due to unfavorable foreign economic conditions, excess foreign capacity and a stronger U.S. dollar compared to global currencies, imports of steel products to U.S. and Canadian markets have occasionally reached high levels.

In addition, in the case of certain product applications, steel competes with a number of other materials such as plastic, aluminum, and composite materials. Improvements in the technology, production, pricing or acceptance of these competitive materials relative to steel or other changes in the industries for these competitive materials could cause our net sales to decline. There is ongoing research and technological developments with respect to the various processes associated with steel production which have the potential to reduce costs and improve quality and operational efficiency. Such research and technological developments could substantially impair our competitive position if other companies implement new technology that we elect not to implement or are unable to implement.

A number of steel producers have completed successful restructurings, through which they have made production improvements, achieved lower operating costs and been relieved of legacy obligations, including environmental and pension and retiree obligations. As a result, these entities may be able to operate with lower costs and cause us to face increased competition.

There has been a significant increase in new EAF steelmaking capacity commissioned in North America. EAF producers typically require lower capital expenditures for construction and maintenance of facilities, and may have lower total employment costs. In addition the market pricing for our hot rolled steel is more correlated to scrap steel as the main material for EAF producers. While we have plans to transform to EAF steelmaking, the proposed EAF transformation may never be completed or may only be completed after significant delays or at a substantially greater cost than anticipated. Failure to complete, or delays and/or cost overruns in completing the proposed EAF transformation could adversely affect our results of operations and ability to compete in our industry.

Increased imports of low-priced steel products into North America and decreased trade regulation could impact the North American steel market, resulting in a loss of sales volume and decreased pricing that could adversely impact our operating results and financial position.

Imports of flat-rolled steel to the U.S. accounted for approximately 14% of the U.S. market for flat-rolled steel products in 2020. Imports of flat-rolled steel to Canada accounted for approximately 35% of the Canadian market for flat-rolled steel products in 2020. Increases in future levels of imported steel to North America could reduce future market prices and demand levels for steel products produced in those markets and reduce our profitability.

In addition, our business has historically been affected by "dumping" – the selling of steel into Canadian or U.S. markets at prices below cost or below the price prevailing in a foreign company's domestic market. Dumping may result in injury to steel producers in Canada or the U.S. in the form of suppressed prices, lost sales, lower profits and reductions in production, employment levels and the ability to raise capital. Some foreign steel producers are owned, controlled or subsidized by foreign governments. Decisions by these foreign producers to continue production at marginal facilities may be influenced to a greater degree by political and economic policy considerations than by prevailing market conditions and may further contribute to excess global capacity. Although trade legislation to limit dumping has had some success, it may be inadequate to prevent future unfair import pricing practices which individually or collectively could materially adversely affect our business. If Canadian or U.S. trade laws are weakened, an increase in the market share of imports into the U.S. and Canada may occur, which would have a material adverse effect on our business and financial performance.

The Canadian steel industry has worked with the Canadian government to modernize the Canadian trade remedy system to provide the appropriate tools to respond to unfair trade. These changes came into force in 2017 and again in 2019 through a number of amendments to the Special Import Measures Act and related trade remedy regulations to strengthen the trade remedy system, while remaining aligned with international trade rules. Although the Government of Canada continues to work with industry to respond to unfair trade practices, there can be no assurance that such measures will sufficiently offset any resulting loss caused to us by such unfair practices, and there can be no assurance that the protective measures put in place by the Government of Canada and/or the Canadian International Trade Tribunal will be kept in place and, as a result, such unfair trade practices may have a material adverse effect on our business, financial position, results or operations and cash flow.

Tariffs and other trade barriers may restrict our ability to compete internationally.

We have a significant number of customers located in the United States. For the year ended March 31, 2021, 57.1% of our revenue was from customers located in the United States. Our ability to sell to these customers and compete with producers located in the United States could be negatively affected by tariffs and/or trade restrictions imposed on our products.

On April 20, 2017, the United States issued an executive order directing the United States Department of Commerce to investigate whether imports of foreign steel are harming U.S. national security. The directive falls under Section 232 of the Trade Expansion Act of 1962, which allows the U.S. president to restrict trade of a good if such trade is determined to be harmful to U.S. national security. On February 16, 2018, the United States Department of Commerce released its report regarding the Section 232 investigation. The recommendations in that report include options regarding tariffs and/or quotas that are intended to adjust the level of steel imports into the United States as it has been determined that those imports are an impairment to national security. Subsequently, the United States announced tariffs of 25% by presidential proclamation dated March 8, 2018 on steel and aluminum imports. Canada, Mexico and certain other countries were granted temporary exemptions, which expired on May 31, 2018. As a result, Canadian steel producers became subject to 25% tariffs on all steel revenues earned on shipments made to the United States effective as of June 1, 2018. Effective on July 1, 2018, Canada began imposing a series of counter tariffs on certain U.S. goods, including steel products. The Canadian government has also announced various relief measures aimed to helping companies affected by the tariffs and counter tariffs on goods imported from the United States.

The United States lifted these tariffs as they relate to Canadian imports effective May 2019, subject to a mutual understanding with Canada on maintaining certain trade levels into the United States. The Canadian government subsequently lifted counter tariffs on goods imported from the United States. As the trade agreement is between countries, there is no assurance that the Canadian domestic steel industry will maintain adherence to the trade level guidelines set out in the agreement. As a result, there can be no assurance that the United States will not once again levy tariffs on our products shipped to customers in the United States.

All of our operations are conducted at one facility using one blast furnace and are subject to unexpected equipment failures and other business interruptions.

Our manufacturing processes are dependent upon critical steelmaking equipment such as furnaces, continuous casters, rolling mills and electrical equipment (such as transformers), and this equipment may incur downtime as a result of unanticipated failures. In particular, as a single blast furnace operation, any unplanned or prolonged outage in

the operation of the blast furnace may have a material adverse effect on our ability to produce steel and satisfy pending and new orders, which will materially impact our revenues, cash flows and profitability. We have insurance coverage for property damage and business interruption losses. Our business interruption insurance, which is subject to specific retentions, provides coverage for loss of gross profit resulting from the interruption of business operations.

Our predecessor, Old Steelco, experienced plant shutdowns or periods of reduced production as a result of such equipment failures.

On January 21, 2011, Blast Furnace No. 7 experienced significant water leakage and this ultimately led to the chilling of the furnace. Production of raw steel was halted for 23 days with production returning to normal after 33 days.

During fiscal year 2012, a substantial number of stack plate coolers were replaced and a leak detection system was installed at Blast Furnace No. 7. This program has continued into the current fiscal year. The purpose of these measures is to detect and prevent incidents of water into the furnace hearth.

During April 2019, we experienced an unplanned outage that disrupted production in our Blast Furnace No. 7 as a result of an operator error causing a chemistry imbalance of certain materials. The resulting lost production led to a shipping volume reduction during the three-month period ended June 30, 2019, of over 100,000 tons. During April 2019, we recorded a capacity utilization adjustment of C$32.7 million to cost of steel products sold.

On October 18, 2019, there was a rupture of a steam drain line which was located below an electrical room in our cokemaking by-products plant ("BP"), which resulted in a loss of power to the BP. In accordance with our emergency procedures, the coke oven gas bleeders were lit to flare the coke oven gas. Additionally, the loss of power caused the cokemaking south raw liquor tank and the tar running tanks to overflow. Raw liquor was conveyed to the main water filter plant ("MWFP") via a sewer located in the BP. This resulted in effluent exceedances at the MWFP for phenol, ammonia and total cyanide and a toxicity failure for rainbow trout. The incident remains under investigation by MECP.

As a single blast furnace operation, our ability to curtail our operating configuration in response to declining market conditions is very limited.

Unexpected interruptions in production capabilities and unexpected failures in our computer systems would adversely affect productivity and financial performance for the affected period. No assurance can be given that a significant shutdown will not occur in the future or that such a shutdown will not have a material adverse effect on our business, financial position or financial performance.

It is also possible that operations may be disrupted due to other unforeseen circumstances such as power outages, explosions, fires, floods, pandemics, states of emergency declared by governmental agencies, environmental incidents, accidents, severe weather conditions and cyberattacks. To the extent that lost production could not be compensated for at unaffected facilities and depending on the length of the outage, our sales and our unit production costs could be adversely affected.

We could incur significant cash expenses for temporary and potential permanent idling of facilities.

We perform strategic reviews of our business, which may include evaluating each of our plants and operating units to assess their viability and strategic benefits. As part of these reviews, we may idle, whether temporarily or permanently, certain of our existing facilities in order to reduce participation in markets where we determine that our returns are not acceptable. If we decide to permanently idle any facility or assets, we are likely to incur significant cash expenses, including those relating to labor benefit obligations, take-or-pay supply agreements and accelerated environmental remediation costs, as well as substantial non-cash charges for impairment of those assets. If we elect to permanently idle material facilities or assets, it could adversely affect our operations, financial results and cash flows. In the past, certain of our facilities have been idled as a result of poor profitability.

For any temporarily idled facilities, we may not be able to respond in an efficient manner when restarting these to fully realize the benefits from changing market conditions that are favorable to integrated steel producers. When we restart idled facilities, we incur certain costs to replenish raw material inventories, prepare the previously idled

facilities for operation, perform the required repair and maintenance activities and prepare employees to return to work safely and resume production responsibilities. The amount of any such costs can be material, depending on a variety of factors, such as the period of time during which the facilities remained idle, necessary repairs and available employees, and is difficult to project.

The North American steel industry and certain industries we serve, such as the automotive, construction, appliance, machinery and equipment, and transportation industries, are cyclical, and prolonged economic declines would have a material adverse effect on our business.

The North American steel industry is cyclical in nature and sensitive to general economic conditions, including the current COVID-19 pandemic. The financial position and financial performance of companies in the steel industry are generally affected by macroeconomic fluctuations in the Canadian, U.S. and global economies. Due mainly to our product mix, we have a higher exposure to spot markets than most of our North American competitors. We are therefore subject to more volatility in selling prices. In addition, steel prices are sensitive to trends in cyclical industries such as the North American automotive, construction, appliance, machinery and equipment, and transportation industries, which are significant markets for our products. Recent economic situations resulting from the COVID-19 pandemic have negatively impacted our performance.

In addition, many of our customers are also affected by economic downturns, including as a result of the current COVID-19 pandemic, which may in the future result in defaults in the payment of accounts receivable owing to us and a resulting negative impact on our financial results and cash flows.

There can be no assurance that economic or market conditions will be favorable to the steel industry or any of the end-use industries that we intend to serve in the future. Economic downturns, a stagnant economy or otherwise unfavorable economic or market conditions may adversely affect our business, financial performance and financial position.

The lag between the time an order is placed and when it is fulfilled can have a material impact on our financial results, which could be adverse.

As we have a substantial portion of spot-based sales, orders are priced at current prices, subject to discounts, incentives and other negotiated terms, for production and delivery in the future. Generally, there is a lag of approximately six to eight weeks between when an order is booked and ultimately delivered. At certain times, particularly in rapidly increasing price environments, lead times could grow even longer based on increased customer demand and orders. As a result, our financial performance generally lags changes in market price, both positive and negative. Furthermore, in the circumstances where market prices are falling, our customers may seek to cancel orders or seek to renegotiate more favorable pricing to reflect the changes in market price. Our financial position and financial performance could be materially adversely affected in such circumstances.

Predecessor operators of our business have sought creditor protection and completed corporate restructurings on a number of occasions.

Old Steelco's predecessor company initiated a bankruptcy proceeding in 1990 and subsequently emerged from bankruptcy protection by way of a C$60 million bridge loan from the Government of Ontario. As a result of business, operational and financial challenges, Old Steelco's predecessor company later filed for protection under the CCAA in April 2001 and emerged from creditor protection in 2002 following the completion of a corporate restructuring.

In 2014, as a result of depressed steel prices, a legacy iron ore supply contract that contained above-market pricing terms, substantial pension funding obligations and a significant amount of debt and related interest expense, all of which negatively impacted Old Steelco's operations, financial position and liquidity, Old Steelco implemented an arrangement under section 192 of the Canada Business Corporations Act ("CBCA"). The CBCA proceedings enabled Old Steelco to restructure its unsecured notes, refinance its secured debt and obtain a significant capital infusion. Old Steelco also commenced a recognition proceeding in the United States under Chapter 15 of the United States Bankruptcy Code, in order to recognize and enforce the arrangement in the United States. On September 15, 2014, the Canadian court issued a final order approving the arrangement, which order was recognized by the U.S. court on September 24, 2014. The arrangement was completed in November 2014.

On November 9, 2015, Old Steelco sought and obtained CCAA protection as a result of, among other things, a dispute with a critical supplier of iron ore, a significant decrease in steel prices, an inability to comply with payment and other obligations under its credit agreements, and operational cost issues. Old Steelco carried out a sale and investment solicitation process that ultimately resulted in our acquisition of substantially all of the operating assets of Old Steelco on November 30, 2018. The transaction resulted in a significant capital structure deleveraging and negotiated arrangements with a number of labor, pension, and governmental stakeholders. The CCAA proceedings and our acquisition of the business were given effect in the United States pursuant to a recognition proceeding under Chapter 15 of the United States Bankruptcy Code.

There can be no assurance that we will not experience serious financial difficulties in the future that would necessitate the commencement of restructuring proceedings, which could have a material adverse effect on our business, financial position, financial performance and prospects and the legal and economic entitlements of our stakeholders.

We are reliant on information technology systems, including cyber security systems, and any failure or breach of such systems could disrupt our operations.

We are reliant on the continuous and uninterrupted operation of our Information Technology ("IT") systems. User access and security of all sites and corporate IT systems can be critical elements to our operations. Protection against cyber security incidents, cloud security and security of all of our IT systems are critical to our operations. Any IT failure pertaining to availability, access or system security could result in disruption for personnel and could adversely affect our reputation, operations or financial performance.

We may fall victim to successful cyber-attacks and may incur substantial costs and suffer other negative consequences as a result, which may include, but are not limited to, a material disruption in our ability to produce and/or ship steel products, excessive remediation costs that may include liability for stolen assets or information, repairing system damage that may have been caused, and potentially making ransom payments in connection with a cyber-attack. We and our business partners maintain significant amounts of data electronically in locations on and off our site. This data relates to all aspects of our business, including current and future products, and also contains certain customer, consumer, supplier, partner and employee data. We maintain systems and processes designed to protect this data, including operating in the Cloud and contracting with third-party system security providers, but notwithstanding such protective measures, there is a risk of intrusion, cyber-attacks or tampering that could compromise the integrity and privacy of this data. In addition, we provide confidential and proprietary information to our third-party business partners in certain cases where doing so is necessary to conduct our business. While we obtain assurances from those parties that they have systems and processes in place to protect such data, and where applicable, that they will take steps to assure the protections of such data by third parties, nonetheless those partners may also be subject to data intrusion or otherwise compromise the protection of such data. Any compromise of the confidential data of our customers, consumers, suppliers, partners, employees or ourselves, or failure to prevent or mitigate the loss of or damage to this data through breach of our information technology systems or other means could substantially disrupt our operations, including production delays or downtimes, harm our customers, consumers, employees and other business partners, damage our reputation, violate applicable laws and regulations, subject us to potentially significant costs and liabilities and result in a loss of business that could be material.

Increased global information technology security requirements, vulnerabilities, threats and a rise in sophisticated and targeted cybercrime pose a risk to the security of our systems, our information networks, and to the confidentiality, availability and integrity of our data, as well as to the functionality of our automated and electronically controlled manufacturing operating systems and data collection and analytics capabilities, which our management believes are important and are expected to contribute to our ability to efficiently operate and compete. Although we have adopted procedures and controls, including operating in the Cloud and contracting with third-party system security providers, to protect our information and operating technology, including sensitive proprietary information and confidential and personal data, there can be no assurance that a system or network failure, or security breach, will not occur. This could lead to system interruption, production delays or downtimes and operational disruptions and/or the disclosure, modification or destruction of proprietary and other key information, which could have an adverse effect on our reputation, financial results and financial performance.

Changes to global data privacy laws and cross-border transfer requirements could adversely affect our business and operations.

Our business depends on the transfer of data between our affiliated entities, to and from our business partners, and with third-party service providers, which may be subject to global data privacy laws and cross-border transfer restrictions. While we take steps to comply with these legal requirements, changes to the applicability of those laws may impact our ability to effectively transfer data across borders in support of our business operations.

Changes in accounting standards and subjective assumptions, estimates and judgments by management related to complex accounting matters could significantly affect our financial results or financial position.

IFRS and related accounting pronouncements, implementation guidelines and interpretations with regard to a wide range of matters that are relevant to our business, including but not limited to revenue recognition, impairment of goodwill and intangible assets, inventory, income taxes and litigation, are highly complex and involve many subjective assumptions, estimates and judgments. Changes in these rules or their interpretation or changes in underlying assumptions, estimates or judgments could significantly change our financial performance or financial position in accordance with IFRS.

Our products may not benefit from intellectual property protection and we must respect intellectual property rights of others.

Some information about our products including product chemistries and methods and processes of production are publicly known. Thus, other facilities could produce competitive products using such information. As a result, we may not be able to distinguish our products from competitors that use the same publicly known chemistries, methods and processes that we use. Other information related to our products including product chemistries and methods and processes used to make them are proprietary to third parties who hold intellectual property rights such as patents or trade secrets therein. Our commercial success depends on our ability to operate without infringing the patents and other proprietary rights of third parties, and there can be no assurance that our operations, product chemistries and methods and processes of production do not or will not infringe the patents or proprietary rights of others. Further, if our competitors use their own proprietary intellectual property rights in their products that we do not have access to, such competitors may have an advantage over us which could have an adverse effect on our business.

Our operations could be materially affected by labor interruptions and difficulties.

We had 2,677 full-time employees as of March 31, 2021, of which approximately 95% are represented by two locals of the United Steelworkers of Canada ("USW") under two collective bargaining agreements. On June 26, 2018, Local 2251 members and Local 2724 members voted to ratify new collective bargaining agreements. These agreements were conditional upon closing of the sale transaction discussed above pursuant to which we acquired substantially all of the operating assets of Old Steelco. The agreements with Local 2251 and Local 2724 expire on July 31, 2022.

Our customers, or companies upon whom we are dependent for raw materials, transportation or other services, could also be affected by labor difficulties. Any such activities, disruptions or difficulties could result in a significant loss of production and sales and could have a material adverse effect on our financial position or financial performance.

Our operations, production levels, sales, financial results and cash flows could be adversely affected by transportation, raw material or energy supply disruptions, or poor quality of raw materials, particularly coal and iron ore.

Due to our location on Lake Superior, we are dependent on seasonally available waterways for the delivery of substantial amounts of raw materials, including coal and iron ore. The waterways close from approximately mid-January to the end of March each year. Extreme cold weather conditions in the United States and Canada impact shipping on the Great Lakes and could disrupt the delivery of iron ore to us and/or increase our costs related to iron ore. Failure to have adequate coal and iron ore on site prior to the closure of the waterways would adversely affect our ability to operate during such closure and could have a material adverse effect on our production levels, business, financial position, financial performance and prospects. For example, during the period from January through April 2014, the upper Great Lakes suffered a severe freeze-over, which resulted in the waterways being generally

inaccessible for shipping until early May 2014. As a result, raw material supply was depleted and production was therefore reduced. In addition, extreme weather conditions may limit the availability of railcars or otherwise affect our capacity to receive inbound raw materials, and/or ship products to our customers, which may have a material impact on increasing our costs and /or realizing our revenues. Finally, such disruptions or quality issues, whether the result of severe financial hardships or bankruptcies of suppliers, natural or man-made disasters or other adverse weather events, or other unforeseen circumstances or events, could reduce production or increase costs at our plants and potentially adversely affect customers or markets to which we sell our products. Any resulting financial impact could constrain our ability to fund additional capital investments and maintain adequate levels of liquidity and working capital.

Our business requires substantial capital investment, capital commitments and maintenance expenditures, which we may have difficulty in meeting and will cause us to incur operating costs.

Our operations are capital intensive. We expect to make ongoing capital and maintenance expenditures to achieve and maintain competitive levels of capacity, cost, productivity and product quality. We may not generate sufficient future operating cash flow and external financing sources may not be available in an amount sufficient to enable us to make anticipated capital expenditures, service or refinance our indebtedness, or fund other liquidity needs. Failure to make sufficient capital investment, capital commitments and maintenance expenditures could have a material adverse effect on our business, financial position, financial performance and prospects.

Our Blast Furnace No. 7 was last relined in 2007 which resulted in a downtime of 52 days and capital expenditure of C$72 million. Relines generally last for 20 years. We monitor the health of our furnace. We will expect Blast Furnace No. 7 to require a future reline, which we anticipate occurring no sooner than 2024, which will result in downtime and capital expenditure, which could have a material adverse effect on our business, financial position, financial performance or prospects.

In addition, our profitability and competitiveness are, in large part, dependent upon our ability to maintain low production costs for products with prices that fluctuate based on factors beyond our control. Through our participation in the Canadian Steel Producers Association, we have committed to pursue the aspirational goal of carbon neutrality by 2050. We continue to evaluate strategies to both meet this goal and maintain our competitiveness, including through the modernization of our existing facilities and/or the adoption of other technologies such as less carbon-intensive iron making or EAF steel-making. Unless we continue to invest in newer technologies and equipment such as modernized plants and information technology systems and are successful at integrating such newer technologies and equipment to make our operations more efficient, our cost of production relative to our competitors may increase and we may cease to be profitable or competitive. However, newer technologies and equipment are expensive and the necessary investments may be substantial. Moreover, such investments entail additional risks as to whether the newer technologies and equipment will reduce our cost of production sufficiently to justify the capital expenditures to obtain them. Any failure to make sufficient or appropriate investments in newer technologies and equipment or in integrating such newer technologies and equipment in our operations could have a material adverse effect on our business, financial position, financial performance or prospects.

Our ability to generate revenue is dependent on our customer base and certain key customers.

We serve more than 200 customers across multiple sectors in North America. For the fiscal year ended March 31, 2021, our top ten customers accounted for approximately 52% of our revenue, and no single customer represented more than 11% of revenue. The average tenure for our top ten customers is more than 20 years. The composition and concentration of our customer base could change over time.

While we benefit from diverse end market exposure with limited customer concentration, we rely on certain key customers for a material portion of our revenues. These customers may not consistently purchase our products at a particular rate over any subsequent period. The loss of one or more significant customers, or a decline in steel demand for customers operating in particular industries as a result of macroeconomic or industry-specific factors, could have a material adverse effect on our revenues, financial performance and financial position, particularly if we are unable to replace such lost business with new customer orders. In addition, certain of our top customers may be able to exert pricing and other influences on us, requiring us to produce, market, deliver and promote our products in a manner that may be more costly to us.

The closing or relocation of customer facilities could adversely affect us.

Our ability to meet delivery requirements and the overall cost of our products as delivered to customer facilities are important competitive factors. If customers close or move their production facilities further away from our production facility, it could have an adverse effect on our ability to meet competitive conditions, which could result in the loss of sales. Likewise, if customers move their production facilities outside North America, it could result in the loss of potential sales for us.

We depend on third parties to supply sophisticated and complex machinery for our plants and we are exposed to risks relating to the timing or quality of their services, equipment and supplies.

We have purchased in the past, and propose to purchase going forward, equipment, machinery and services from third parties in relation to our plant. Given that we do not have any direct control over these third parties, we rely on them to provide goods and services in a timely manner and in accordance with our specifications. In addition, we require continued and timely support of certain original equipment manufacturers to supply necessary services and parts to maintain our plants at reasonable cost. If we are unable to procure the required services or parts from these manufacturers for any reason (including the closure of operations or bankruptcy of such manufacturers), if the cost of these services or parts exceeds our budget or if the services or parts provided are deficient or sub-standard, there may be an adverse effect on our business, financial position, financial performance, cash flows and prospects.

We depend on third parties for transportation services, and increases in costs or the availability of transportation may adversely affect our business and operations.

Our business depends on the transportation of a large number of products, both domestically and internationally. We rely primarily on third parties for transportation of the products we manufacture as well as delivery of our raw materials. Any increase in the cost of the transportation of our raw materials or products, as a result of increases in fuel or labor costs, higher demand for logistics services, consolidation in the transportation industry or otherwise, may adversely affect our financial performance as we may not be able to pass such cost increases on to our customers.

If any of these providers were to fail to deliver raw materials to us in a timely manner, we may be unable to manufacture and deliver our products in response to customer demand. In addition, if any of these third parties were to cease operations or cease doing business with us, we may be unable to replace them at a reasonable cost.

In addition, such failure of a third-party transportation provider could harm our reputation, negatively affect our customer relationships and have a material adverse effect on our financial position and financial performance.

Parties with whom we do business may be subject to insolvency risks or may otherwise become unable or unwilling to perform their obligations to us.

We are a party to business relationships, transactions and contracts with various third parties, pursuant to which such third parties have performance, payment and other obligations to us. If any of these third parties were to become subject to bankruptcy, receivership or similar proceedings, our rights and benefits in relation to our business relationships, contracts and transactions with such third parties could be terminated, modified in a manner adverse to us, or otherwise impaired. We cannot make any assurances that we would be able to arrange for alternate or replacement business relationships, transactions or contracts on terms as favorable as our existing business relationships, transactions or contracts if at all. Any inability on our part to do so could have a material adverse effect on our business and financial performance.

We are dependent on the operation of our port facility to receive raw materials and deliver steel shipments.

In the fiscal year ended March 31, 2021, we received approximately 75% of our raw material inputs and shipped approximately 20% of our total steel shipments and approximately 90% of our by-products through our captive port facility located on-site at our steel plant in Sault Ste. Marie, Canada. Any material or prolonged disruption in our ability to receive or send shipments through the port facility would have a material adverse effect on our business and financial performance.

Any increases in annual funding obligations resulting from our under-funded pension plans could have a material adverse effect on us.

We are the sponsor of Old Steelco's defined benefit pension plan for hourly employees (the "Hourly Plan") and its defined benefit pension plan for salaried employees (the "Salaried Plan") (collectively, the "DB Pension Plans"), which we assumed in connection with the Purchase Transaction. The latest actuarial valuations of the DB Pension Plans as of April 1, 2020 indicate that the DB Pension Plans are underfunded. The actual valuations indicate that the Hourly Plan had a solvency ratio of 71% and that the Salaried Plan had a solvency ratio of 69% as of April 1, 2020. The low solvency position of our DB Pension Plans as of April 1, 2020 was a result of a sharp decline in markets resulting from COVID-19. Markets have since rebounded and the solvency position of the DB Pension Plans has improved. In connection with the Purchase Transaction, Ontario Regulation 484/14, as filed on November 30, 2018 (the "2018 Pension Regulations") was implemented to provide a funding framework for the DB Pension Plans. Current service costs and provisions for adverse deviations are to be determined pursuant to the general regulations applicable to all Ontario registered pensions (the "General Regulations"). Under the 2018 Pension Regulations, among other things, the aggregate going concern and solvency special payments to the DB Pension Plans equal C$31 million per annum until the solvency ratio of each of the DB Pension Plans is at least 85%.

Once both DB Pension Plans obtain an 85% solvency ratio, the General Regulations apply, but with some restrictions including a cap of C$31 million on the aggregate of the special payments for the DB Pension Plans. In addition, once both DB Pension Plans obtain an 85% solvency ratio, benefits from the DB Pension Plans will be subject to the Ontario Pension Benefit Guarantee Fund (the "PBGF"), which will require us to make annual assessment payments to the PBGF determined based on a formula that includes, among other factors, the funding status and number of members of the pension plan. The 2018 Pension Regulations provide that subsection 57 (4) of the Ontario *Pension Benefits Act* (the "PBA") does not apply to the DB Pension Plans and that subsection 57(3) of the PBA does not apply to us in respect of contributions due and not paid into the DB Pension Plans before the 2018 Pension Regulations came into force. The C$31 million minimum funding and cap will cease to apply on the earlier of the year in which we elect to have the funding rules in the General Regulations apply or in 2039.

We are also the sponsor of closed defined benefit pension plan for pensioners who retired prior to January 1, 2002 (the "Wrap Plan") that provides a pension benefit in excess of the limits provided by the PBGF. We assumed the Wrap Plan in connection with the completion of the Purchase Transaction, subject to transitional provisions pending the implementation of regulatory measures. Ontario Regulation 2017/19 as filed on June 20, 2019 (the "Wrap Regulations") was implemented to provide a funding framework for the Wrap Plan. The Wrap Regulations require us to make monthly contributions to the Wrap Plan equal to the lesser of C$416,667 and the amount of the prior month's benefit payments from the Wrap Plan fund until the Wrap Plan's solvency ratio is 100%. This funding requirement supersedes the normal funding requirements under the PBA and the General Regulations. The Wrap Regulations provide that subsection 57(4) of the PBA does not apply to the Wrap Plan and that subsection 57(3) of the PBA does not apply to us in respect of contributions due and not paid into the Wrap Plan before the Wrap Regulations came into force.

While our near-term funding obligations in respect of the DB Pension Plans and the Wrap Plan are determined in large part based on the 2018 Pension Regulations and the Wrap Regulations, changes to our collective bargaining agreements, the cost of pension benefits paid to plan members, the impact of market outcomes (including interest rates and investment returns), the occurrence of any adverse deviations or changes to governmental regulations affecting the DB Pension Plans or the Wrap Plan, among other things, could affect the funding status of such pension plans and/or the contributions that we are required to make to the pension plans. We could be adversely impacted by any adverse changes to the funding status of the pension plans or increases in our annual funding obligations.

Post-employment benefits owed to our retirees could increase and obligate us to make greater payments.

We provide certain post-employment benefits to our retirees. These benefits include drug, life insurance and hospitalization coverage. We do not pre-fund these obligations. Our obligations for these benefits could increase in the future due to a number of factors including changes in interest rates, changes to collective bargaining agreements, increasing costs for these benefits, particularly drugs, and any transfer of costs currently borne by the Canadian government to us.

Currency fluctuations, including a significant increase in the value of the Canadian dollar, could have a materially adverse effect on our financial performance and financial position.

For the year ended March 31, 2021, 57.1% of our revenue was from customers located in the United States. Increases in the value of the Canadian dollar relative to the U.S. dollar make Canadian steel products less competitive in U.S. markets and also encourage steel imports from the United States into Canada. Our revenue is driven by U.S. dollar-based indices. 70% of our cost is based on U.S. dollar-indices and 30% of our cost is in Canadian dollars, which is impacted by exchange rate fluctuation. The increase in the value of the Canadian dollar relative to the U.S. dollar will also have a negative impact on expenditures in Canadian dollars. Therefore, a significant increase in the value of the Canadian dollar could adversely affect our financial performance and financial position.

Limited availability of raw materials and energy may constrain operating levels and reduce profit margins.

We and other steel producers have periodically been faced with problems in obtaining sufficient raw materials and energy in a timely manner due to delays, defaults or force majeure events by suppliers, shortages or transportation problems (such as shortages of barges, vessels, rail cars or trucks, or disruption of rail lines, waterways or natural gas transmission lines), resulting in production curtailments. For example, we faced an increase in the price of natural gas throughout the fourth quarter of our 2014 fiscal year, due to disruptions in supply as a result of extreme weather conditions, including the bursting of the pipeline that supplies the region in which we are located. We may be exposed to additional risks concerning pricing and availability of raw materials from third parties. Any curtailments and escalated costs may further reduce profit margins. Specifically, if demand is such that our blast furnaces are at full production capacity, we may become dependent upon outside purchased coke, especially if some of our existing coke facilities produce at less than capacity.

Environmental compliance and site remediation obligations could result in substantially increased costs and could materially adversely affect our competitive position.

We are required to comply with an evolving body of Canadian federal, provincial and local environmental, health and safety laws concerned with, among other things, GHG, other emissions into the air, discharges to surface and ground water, the investigation and remediation of contaminated property, noise control, waste management and disposal, mine closure and rehabilitation, and the generation, handling, storage, transportation, presence and disposal or, or exposure to hazardous substances. Significant expenditures could be required for compliance with any laws or regulations relating to environmental protection and remediation, which may have an adverse effect on our financial performance and financial position.

We are subject to current and new environmental compliance measures pertaining to the integrated blast furnace coke oven steelmaking operations, including coke oven gas desulfurization and slag granulation, among others. In the event we do not receive exemptions or other accommodations from the relevant regulatory authorities, we may need to invest significant capital in these compliance measures while they remain in operation.

By January 1, 2026, we will be required to implement plans and measures to reduce the amount of sulphur dioxide emitted from the combustion of coke oven gas by-product by implementing coke oven gas desulphurization technology. This requirement arises under a notice (the “Notice”) issued under subsection 56(1) of the Canadian Environmental Protection Act, 1999 (“CEPA”) which requires prescribed persons to prepare and implement pollution prevention plans in respect of specified toxic substances released from the iron and steel sector. The Notice applies to all steel mills, including ours. Facilities subject to the Notice are required, among other things, to prepare a pollution prevention plan that will achieve prescribed baseline emission targets by the specified date, and submit certain written declarations and progress reports. We currently estimate that it will cost approximately C$60 million to comply with the Notice. If our estimate is inaccurate or we discover additional changes or requirements that we are required to comply with under the Notice, depending on the magnitude of such increased costs, such increased costs could adversely impact our financial results.

In the United States and Canada, certain environmental laws and regulations impose joint and several liabilities on certain classes of persons for the costs of investigation, management and remediation of contaminated properties and for the management of emissions into the environment. Liability may attach regardless of fault or the legality of the release or disposal of the substance or waste at the time it occurred. Some of our present and former facilities have

been in operation for many years and, over such time, have used substances and disposed of wastes that may require management, investigation, mitigation and remediation. We could be liable for the costs of such investigations and remediation. Costs for any investigation, management, mitigation and remediation of contamination, on or off site, whether known or not yet discovered, or to address other issues relating to pollution and waste disposal, emissions into the air or water, or the storage or handling of materials, could be substantial and could have an adverse effect on our financial performance. In addition, while we are subject to GHG emissions tax liability in Canada, we need to compete alongside foreign competitors in Canada and the United States that may not be similarly subject to such carbon tax liabilities, resulting in our reduced competitiveness in the market which may affect revenues and profitability.

In connection with the proposed EAF transformation, we may incur a higher carbon tax liabilities unless we develop a facility-specific GHG emissions performance standard in connection with operations in the Hybrid Mode. Algoma has received comfort letters from MECP committing to work together on a pathway to address the support sought. Furthermore, the dust generated during the EAF steel scrap melting process may contain a significant amount of zinc, and is considered a hazardous waste, the disposal of which is expensive and regulated.

Our Environmental Department regularly reviews and audits our operating practices to monitor compliance with our environmental policies and legal requirements. Our environmental management system is ISO 14001-2015 registered.

No assurance can be given that unforeseen changes, such as new laws or stricter enforcement policies, including in respect of carbon pricing, or an incident at one of our properties or operations, will not have a material adverse effect on our business, estimated capital or operating costs, financial position, or financial performance. Our operations are required to have governmental permits and approvals. Any of these permits or approvals may be subject to denial, revocation, expiry or modification under various circumstances. Failure to obtain or comply with the conditions and terms of permits or approvals may adversely affect our operations and may subject us to regulatory orders, penalties and fines. In addition, if environmental laws are amended or are interpreted or enforced differently, or if new environmental legislation is enacted, we may be required to obtain additional permits or approvals and incur additional costs. There can be no assurance that we will be able to meet all applicable regulatory requirements. In addition, we may be subject to regulatory orders, penalties, fines or other liabilities arising from our actions imposed under environmental laws, including as a result of actions or other proceedings commenced by third parties, such as neighbors or government regulators, including with respect to an emissions incident at our cokemaking by-products plant.

Increased regulation associated with climate change and greenhouse gas emissions could impose significant additional costs on our operations.

The effects of government policy, legislation or regulation enacted to address climate change may adversely impact our operations as well as those of our suppliers and our customers, and including the transportation of the associated raw materials and products. In addition, government action to address climate change may, among other things, reduce the demand for our products. Although we have made efforts to mitigate the effects of government action related to climate change on our business, there can be no assurance that these efforts will be effective or that the effects of climate change policies will not adversely impact our operations, business and financial results.

On July 3, 2018, Ontario revoked Ontario Regulation 144/16, The Cap and Trade Program under the Climate Change Mitigation and Low-carbon Economy Act, 2016, effectively ceasing Ontario's cap and trade program which had been in effect since May 18, 2016. The revocation regulation also prohibits registered participants in the former cap and trade program from purchasing, selling, trading or otherwise dealing with emission allowances and credits. Without a cap and trade system or carbon tax in place in Ontario that meets minimum federal requirements for GHG emissions, regulated entities in Ontario are subject to the federal Greenhouse Gas Pollution Pricing Act (generally referred to as the "Federal Backstop").

On January 1, 2019, the federal government's Output-Based Pricing System (the "OBPS Program") under the Federal Backstop came into effect in Ontario. The OBPS Program includes registration, monitoring, reporting and payment obligations for GHG emitters subject to the Federal Backstop.

On July 4, 2019, Ontario's Emissions Performance Program (the "EPS Program") under Ontario Regulation 241/19 came into effect. The EPS Program requires all large industrial emitters in the province to comply with capped emission levels tied to their level of output or production and the program may include compliance flexibility mechanisms such as offset credits and/or payment of an amount to achieve compliance. On September 20, 2020, the EPS Program was accepted by the federal government as an alternative to the federal OBPS Program. The federal and Ontario governments are currently in the process of planning the transition from the OBPS Program to the EPS Program for GHG emitters in Ontario. Until that transition is completed, both the OBPS Program and the EPS Program remain in effect in Ontario. The EPS Program is expected to be implemented in stages to give Ontario industries time to meet their obligations thereunder.

The EPS Program is part of the Made-in-Ontario Environment Plan (the "Provincial Plan") which was released in November 2018. The Provincial Plan also includes the Ontario Carbon Trust, which will use financing techniques and market development tools in partnership with the private sector to speed up the deployment of low-carbon solutions, as well as a commitment by the Ontario government to encourage private investments in clean technologies and green infrastructure projects.

Prior to the federal government's acceptance of the EPS Program, Ontario and a number of other provinces commenced legal challenges to the Federal Backstop. On March 25, 2021, the Supreme Court of Canada rendered a decision upholding the constitutionality of the Federal Backstop. While, at this point, we cannot definitively predict the full effect of the EPS Program on us when the federal OBPS Program is phased out, our financial position, operations (including any plans to increase production) and ability to compete with companies in foreign jurisdictions may be materially affected by the new regime. The absence of similar requirements in other jurisdictions could negatively impact our ability (and that of our customers and suppliers) to compete with companies situated in those jurisdictions.

On December 11, 2020, the federal government announced its new climate plan entitled "A Healthy Environment and a Healthy Economy". For the 2020 compliance year, the carbon tax payable under the OPBS Program by large industrial emitters if emissions at their facilities exceed a set level is set at C$30 per tonne of carbon dioxide equivalent ("CO2e") and is scheduled to increase by C$10 per tonne annually until it reaches C$50 per tonne in 2022. The "A Healthy Environment and a Healthy Economy" plan, if implemented into law, would increase the carbon tax by C$15 per tonne per year starting in 2023 until the tax becomes C$170 per tonne CO2e in 2030.

Any additional regulatory or other changes that are adopted in the future to address climate change and GHG emissions could negatively impact our ability (and that of our customers and suppliers) to compete with companies situated in areas not subject to such requirements. Taken together, these regulatory changes could have a material adverse effect on our business, financial performance or financial results.

Pursuant to an Environmental Compliance Approval issued by the Ontario Ministry of Environment and Climate Change, we are required to install certain equipment in our number 6 blast furnace ("Blast Furnace No. 6") to reduce casthouse emissions. The cost of this equipment and its installation is currently estimated at approximately C$18.0 million. The actual cost of the equipment and its installation could vary significantly due to cost escalation, design changes, regulatory policies or other factors. In addition, the tightening of air emissions standards in Ontario for our blast furnace and cokemaking operations could result in significant costs for additional pollution controls or other equipment or operational changes. The foregoing costs would not be incurred until Blast Furnace No. 6, which is currently idled, is restarted. There is no assurance that these costs may not be higher than as currently estimated.

Pursuant to an Environmental Compliance Approval issued by the Ontario Ministry of Environment and Climate Change, we are required to apply technology or process changes to mitigate noise levels from identified sources within its Sault Ste. Marie operations. It is estimated that the capital cost associated with the noise abatement plan is approximately C$4.0 million to be completed by 2023. There is no assurance that these costs may not be higher than currently estimated.

The U.S. government and various governmental agencies have introduced or are contemplating regulatory changes in response to the potential impact of climate change. International treaties or agreements may also result in increasing regulation of GHG emissions, including the introduction of carbon emissions trading mechanisms. Any such regulation regarding climate change and GHG emissions could impose significant costs on our steelmaking and metals recycling operations and on the operations of our customers and suppliers, including increased energy, capital

equipment, environmental monitoring and reporting and other costs in order to comply with current or future laws or regulations and limitations imposed on our operations by virtue of climate change and GHG emissions laws and regulations. The potential costs of "allowances," "offsets" or "credits" that may be part of potential cap-and-trade programs or similar future regulatory measures are still uncertain. Any adopted future climate change and GHG regulations could negatively impact our ability (and that of our customers and suppliers) to compete with companies situated in areas not subject to such limitations. From a medium and long-term perspective, as a result of these regulatory initiatives, we may see an increase in costs relating to our assets that emit significant amounts of GHGs. These regulatory initiatives will be either voluntary or mandatory and may impact our operations directly or through our suppliers or customers. Until the timing, scope and extent of any future regulation becomes known, we cannot predict the effect on our business, financial performance or financial position, but such effect could be materially adverse to our business, financial performance and financial position.

Our industry could be subject to increased regulatory oversight or changes in government policies that could have adverse effects.

Our industry could be subject to increased regulatory oversight. Changing regulatory policies and other actions by governments and third parties may all have the effect of limiting our revenues and increasing our operating costs, which could have a material adverse effect on our business, financial position and financial performance. Due to regulatory restructuring initiatives at the federal, provincial and state levels, the steel industry has undergone changes over the past several years. Future government initiatives will further change the steel industry. Some of these initiatives may delay or reverse the movement towards competitive markets. We cannot predict the ultimate effect that on-going regulatory changes will have on our business prospects, financial position and financial performance.

Impairment in the carrying value of long-lived assets could negatively affect our operating results and reduce our earnings.

We have a significant amount of long-lived assets on our consolidated balance sheets. Under IFRS, we periodically evaluate long-lived assets for potential impairment whenever events or changes in circumstances have occurred that indicate that impairment may exist, or the carrying amount of the long-lived asset may not be recoverable. An impairment loss is recognized if the carrying amount of a long-lived asset is not recoverable based on its estimated future discounted cash flows. Events and conditions that could result in impairment in the value of our long-lived assets include cash flow or operating losses, other negative events or long-term outlook, cost factors that have negative effect on earnings and cash flows, changes in business conditions or strategy, as well as significantly deteriorating industry, market, and general economic conditions. Impairment in the carrying value of long-lived assets could negatively affect our operating results and reduce our earnings.

We face increased competition from alternative materials, which could impact the price of steel and adversely affect our profitability and cash flow.

As a result of increasingly stringent regulatory requirements, designers, engineers and industrial manufacturers, especially those in the automotive industry, are increasing their use of lighter weight and alternative materials, such as aluminum, composites, plastics and carbon fiber in their products. Increased government incentives and requirements for the use of such materials to meet regulatory requirements could reduce the demand for steel products, which could potentially reduce our profitability and cash flows.

Pending or threatened litigation or claims could negatively affect our profitability and cash flow in a particular period.

We are subject to litigation arising in the normal course of business and may be involved in legal disputes or matters with other parties, including governments and their agencies, regulators and members of our workforce, which may result in litigation. The causes of potential litigation cannot be known and may arise from, among other things, business activities, employment matters, including compensation issues, or grievances under our collective bargaining agreements, environmental, health and safety laws and regulations, tax matters and securities matters. The timing of resolutions to such matters, should they arise, is uncertain and we may incur expenses in defending them and the possible outcomes or resolutions could include adverse judgments, orders or settlements or require us to implement corrective measures any of which could require substantial payments and adversely affect our reputation and operations, and may also negatively affect our profitability and cash flow in a particular period.

Failure to maintain our current senior management or inability to attract additional senior management could have an adverse effect on our operations.

Our operations and prospects depend, in large part, on the performance of our senior management team. We cannot assure that such individuals will remain as employees. In addition, we can make no assurance that we would be able to find qualified replacements for any of these individuals if their services were no longer available. The loss of the services of one or more members of senior management or difficulty in attracting, retaining and maintaining additional senior management personnel could have a material adverse effect on our business, financial position and financial performance.

A failure to maintain adequate insurance could have a materially adverse effect on our operations.

To date, we have been able to obtain liability insurance for the operation of our business. However, there can be no assurance that our existing liability insurance will be adequate, or that it will be able to be maintained, or that all possible claims that may be asserted against us will be covered by insurance. The occurrence of a significant adverse event that causes losses in excess of limits specified under the relevant policy or losses arising from events not covered by insurance policies, could materially adversely affect our business, financial position, financial performance and prospects.

Our income tax filing positions may be subject to challenge by tax authorities, which could subject us to increased tax liabilities.

We file tax returns that may contain interpretations of tax law and estimates. Positions taken and estimates utilized by us may be challenged by applicable tax authorities. Rulings that alter filed tax returns may have an adverse impact on income. In addition, we are involved in and potentially subject to regular audits from Canadian federal and provincial tax authorities relating to income, capital and commodity taxes and, as a result of these audits, may receive assessments and reassessments. For example, we were notified in June 2021 that the Canada Revenue Agency (the "CRA") is currently conducting an audit of Algoma Steel Inc.'s 2018 and 2019 January to December taxation years. The audit is in its preliminary stages and we have not been informed of any issues by the CRA. In the event that the CRA successfully challenges the manner in which we have filed our tax returns and reported income, it could potentially result in additional income taxes, penalties and interest, which could have a material adverse effect on our business.

We are subject to risks related to shifting steel supplies.

As traditional steel-consuming markets are negatively impacted from reduced demand due to a variety of factors, including COVID-19, or other regulatory changes (such as, for instance, the revocation in January 2021 of the presidential permit necessary to construct and operate the Keystone oil pipeline at the international border of Canada and the United States), suppliers of steel products into these affected sectors will divert their sales efforts to markets where we traditionally participate, thereby creating pressure on lowering pricing in response to increased supply. The oil and gas industry is a significant end market for steel, and has experienced and continues to experience a significant amount of disruption and oversupply at a time of declining demand, resulting in more competition in other sectors of the economy.

Changes in our credit profile may affect our relationships with our suppliers, which could have a material adverse effect on our liquidity.

Changes in our credit profile may affect the way our suppliers view our ability to make payments and may induce them to shorten the payment terms of their invoices or require us to prepay, particularly given our high level of outstanding indebtedness. Given the large dollar amounts and volume of our purchases from suppliers, a change in payment terms may have a material adverse effect on our liquidity and our ability to make payments to our suppliers, and consequently may have a material adverse effect on our business, financial performance and financial position.

Some of our operations present significant risk of injury or death.

The industrial activities conducted at certain of our facilities present significant risk of serious injury or death to our employees, contractors, customers or other visitors to our operations. Notwithstanding our safety precautions,

including our material compliance with federal and provincial employee health and safety regulations, we may be unable to avoid material liabilities for injuries or deaths. We maintain workers' compensation insurance to address the risk of incurring material liabilities for injuries or deaths, but there can be no assurance that the insurance coverage will be adequate or will continue to be available on the terms acceptable to us, or at all, which could result in material liabilities to us for any injuries or deaths. We could also incur fines and other sanctions as a result of safety incidents.

Our cross-border operations require us to comply with anti-corruption laws and regulations of the U.S. government and various non-U.S. jurisdictions.

Doing business in multiple countries requires us and our subsidiaries to comply with Canadian and other laws and regulations governing corruption and bribery, including the Canadian Corruption of Foreign Public Officials Act. The laws generally prohibit companies and their officers, directors, employees and agents acting on their behalf from corruptly offering, promising, authorizing or providing anything of value to foreign officials for the purposes of influencing official decisions or obtaining or retaining business or otherwise obtaining favorable treatment. As a result, business dealings between our employees or our agents and any such public official could expose us to the risk of violating anti-corruption laws. Violations of these legal requirements are punishable by criminal fines and imprisonment, civil penalties, disgorgement of profits, injunctions, debarment from government contracts as well as other remedial measures. We have established policies and procedures designed to assist us and our personnel in complying with applicable laws and regulations; however, we cannot assure investors that these policies and procedures will completely eliminate the risk of a violation of these legal requirements. Any such violation (inadvertent or otherwise) could have a material adverse effect on our business prospects, financial position and financial performance.

Shortages of skilled labor, increased labor costs, or our failure to attract and retain other highly qualified personnel in the future could disrupt our operations and adversely affect our financial results.

We depend on skilled labor for the manufacture of our products. Our continued success depends on the active participation of our key employees. Shortages of some types of skilled labor could restrict our ability to maintain or increase production rates, lead to production inefficiencies and increase our labor costs. The competitive nature of the labor markets in which we operate, the cyclical nature of the steel industry and the resulting employment needs increase our risk of not being able to recruit, train and retain the employees we require at efficient costs and on reasonable terms, particularly when the economy expands, production rates are high or competition for such skilled labor increases. Many companies, including ours, have had employee lay-offs as a result of reduced business activities in an industry downturn. The loss of our key people or our inability to attract new key employees could adversely affect our operations. Additionally, layoffs or other adverse actions could result in an adverse relationship with our workforce. If we are unable to recruit, train and retain adequate numbers of qualified employees on a timely basis or at a reasonable cost or on reasonable terms, our business and financial performance could be adversely affected.

The expansion of social media platforms present new risks and challenges.

The expansion of social media platforms present new risks and challenges. The inappropriate use of certain social media vehicles could cause brand damage or information leakage or could lead to legal implications from the improper collection and/or dissemination of personally identifiable information or the improper dissemination of material information. In addition, negative posts or comments about us and/or any of our key personnel on any social networking web site could seriously damage our reputation. If our sensitive information is disclosed or if our reputation or that of our key personnel is seriously damaged through social media, it could have a material adverse effect on our business, financial position and financial performance.

Risks Related to Being a Public Company

Algoma's management has limited experience operating a public company, and thus its success in such endeavors cannot be guaranteed.

Algoma's executive officers have limited experience in the management of a publicly traded company. Algoma's management team may not successfully or effectively manage its transition to a public company that will be subject to significant regulatory oversight and reporting obligations under U.S. and Canadian securities laws. Their limited

experience in dealing with the increasingly complex laws pertaining to public companies could be a significant disadvantage in that it is likely that an increasing amount of their time may be devoted to these activities which will result in less time being devoted to the management and growth of the post-combination company. Algoma may not have adequate personnel with the appropriate level of knowledge, experience and training in the accounting policies, practices or internal control over financial reporting required of public companies in the United States and Canada. Algoma is in the process of upgrading its finance and accounting systems to an enterprise system suitable for a public company, and a delay could impact its ability or prevent it from timely reporting its operating results, timely filing required reports with the SEC and applicable Canadian securities regulators and complying with Section 404 of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"). The development and implementation of the standards and controls necessary for Algoma to achieve the level of accounting standards required of a public company in the United States and Canada may require costs greater than expected. It is possible that Algoma will be required to expand its employee base and hire additional employees to support its operations as a public company which will increase its operating costs in future periods.

If Algoma is unable for any reason to meet the continued listing requirements of Nasdaq or the TSX, such action or inaction could result in a delisting of the Algoma Common Shares or Algoma Warrants.

If, after listing, Algoma fails to satisfy the continued listing requirements of Nasdaq or the TSX (for example, the Nasdaq corporate governance requirements or the Nasdaq minimum closing bid price requirement), such exchanges may take steps to delist the Algoma Common Shares or Algoma Warrants. Such a delisting would likely have a negative effect on the price of the Algoma Common Shares or Algoma Warrants and would impair your ability to sell or purchase the Algoma Common Shares or Algoma Warrants when you wish to do so. In the event of a delisting, Algoma can provide no assurance that any action taken by it to restore compliance with listing requirements would allow the Algoma Common Shares or Algoma Warrants to become listed again, stabilize the market price or improve the liquidity of the Algoma Common Shares or Algoma Warrants, prevent such securities from dropping below any minimum bid price requirement or prevent future non-compliance with Nasdaq's or the TSX's listing requirements.

If securities and industry analysts do not publish research or reports about Algoma's business or publish negative reports about its business, Algoma's share price and trading volume may suffer.

The trading market for the Algoma Common Shares will depend on the research and reports that securities or industry analysts publish about Algoma or its business. Currently, Algoma does not have any analyst coverage and may not obtain analyst coverage in the future. In the event Algoma obtains analyst coverage, it will not have any control over such analysts. If one or more of the analysts who cover Algoma downgrade Algoma's shares or change their opinion of Algoma's shares, Algoma's share price would likely decline. If one or more of these analysts cease coverage of Algoma or fail to regularly publish reports on Algoma, Algoma could lose visibility in the financial markets, which could cause its share price or trading volume to decline.

There is a risk that Algoma will fail to maintain an effective system of internal controls and its ability to produce timely and accurate financial statements or comply with applicable regulations could be adversely affected. Algoma may identify material weaknesses in its internal controls over financing reporting which it may not be able to remedy in a timely manner.

As a public company, Algoma will operate in an increasingly demanding regulatory environment, which requires it to comply with the Sarbanes-Oxley Act, the regulations of Nasdaq and the TSX, the rules and regulations of the SEC and Canadian securities regulators, expanded disclosure requirements, accelerated reporting requirements and more complex accounting rules. Company responsibilities required by the Sarbanes-Oxley Act include establishing corporate oversight and adequate internal control over financial reporting and disclosure controls and procedures. Effective internal controls are necessary for Algoma to produce reliable financial reports and are important to help prevent financial fraud. Prior to the Closing, Algoma has never been required to test its internal controls within a specified period and, as a result, it may experience difficulty in meeting these reporting requirements in a timely manner.

Algoma anticipates that the process of building its accounting and financial functions and infrastructure will require significant additional professional fees, internal costs and management efforts. Algoma may need to enhance and/or implement a new internal system to combine and streamline the management of its financial, accounting, human resources and other functions. However, the enhancement and/or implementation of a system may result in substantial

costs. Any disruptions or difficulties in implementing or using such a system could adversely affect Algoma's controls and harm its business. Moreover, such disruption or difficulties could result in unanticipated costs and diversion of management's attention. In addition, Algoma may discover additional weaknesses in its system of internal financial and accounting controls and procedures that could result in a material misstatement of its financial statements. Algoma's internal control over financial reporting will not prevent or detect all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud will be detected.

If Algoma is not able to comply with the requirements of Section 404 of the Sarbanes-Oxley Act in a timely manner, or if it is unable to maintain proper and effective internal controls, Algoma may not be able to produce timely and accurate financial statements. If Algoma cannot provide reliable financial reports or prevent fraud, its business and results of operations could be harmed, investors could lose confidence in its reported financial information and Algoma could be subject to sanctions or investigations by Nasdaq, the TSX, the SEC, Canadian securities regulators or other regulatory authorities.

Algoma will incur increased costs as a result of its operation as a public company, and its management will be required to devote substantial time and resources to employing new compliance initiatives in order to comport with the regulatory requirements applicable to public companies.

If Algoma completes the Merger and becomes a public company, it will incur significant legal, accounting and other expenses that it did not incur as a private company. As a public company, Algoma will be subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, as well as rules adopted, and to be adopted, by the SEC, Canadian securities regulators, Nasdaq and the TSX. Algoma's management and other personnel will need to devote a substantial amount of time to these compliance initiatives. Moreover, Algoma expects these rules and regulations to substantially increase its legal and financial compliance costs and to make some activities more time-consuming and costly. For example, Algoma expects these rules and regulations to make it more difficult and more expensive for it to obtain director and officer liability insurance and it may be forced to accept reduced policy limits or incur substantially higher costs to maintain the same or similar coverage. Algoma cannot predict or estimate the amount or timing of additional costs it may incur to respond to these requirements. The impact of these requirements could also make it more difficult for Algoma to attract and retain qualified persons to serve on its board of directors, its board committees or as executive officers.

Our Investor Rights Agreement will provide certain IRA Parties the right to nominate up to four of our directors.

In connection with the consummation of the Merger, we will enter into an Investor Rights Agreement pursuant to which, among other things, certain IRA Parties that currently have board designation rights with respect to Algoma Steel Holdings Inc. will have the right to nominate, in the aggregate, four directors to the Algoma board for so long as they maintain % of outstanding Algoma Common Shares. If such IRA Parties are able to exert significant influence over the Algoma board as a result of their nomination rights pursuant to the Investor Rights Agreement, other holders of Algoma Common Shares may have limited ability to influence corporate matters and, as a result, we may take action that other holders of Algoma Common Shares do not view as beneficial.

Algoma will be a foreign private issuer and, as a result, it will not be subject to U.S. proxy rules and will be subject to Exchange Act reporting obligations that, to some extent, are more lenient and less frequent than those of a U.S. domestic public company.

Upon the closing of the Merger, Algoma will report under the Exchange Act as a non-U.S. company with foreign private issuer status. Because Algoma will qualify as a foreign private issuer under the Exchange Act, it will be exempt from certain provisions of the Exchange Act that are applicable to U.S. domestic public companies, including (1) the sections of the Exchange Act regulating the solicitation of proxies, consents or authorizations in respect of a security registered under the Exchange Act, (2) the sections of the Exchange Act requiring insiders to file public reports of their share ownership and trading activities and liability for insiders who profit from trades made in a short period of time and (3) the rules under the Exchange Act requiring the filing with the SEC of quarterly reports on Form 10-Q containing unaudited financial and other specified information, although it will be subject to Canadian laws and

regulations with regard to certain of these matters and intends to furnish comparable quarterly information on Form 6-K. In addition, foreign private issuers are not required to file their annual report on Form 20-F until 120 days after the end of each fiscal year, while U.S. domestic issuers that are accelerated filers are required to file their annual report on Form 10-K within 75 days after the end of each fiscal year and U.S. domestic issuers that are large accelerated filers are required to file their annual report on Form 10-K within 60 days after the end of each fiscal year. Foreign private issuers are also exempt from Regulation FD, which is intended to prevent issuers from making selective disclosures of material information. As a result of all of the above, you may not have the same protections afforded to shareholders of a company that is not a foreign private issuer.

As Algoma is a "foreign private issuer" and intends to follow certain home country corporate governance practices, its shareholders may not have the same protections afforded to shareholders of companies that are subject to all Nasdaq corporate governance requirements.

As a foreign private issuer, Algoma has the option to follow certain home country corporate governance practices rather than those of Nasdaq, provided that it discloses the requirements it is not following and describes the home country practices it is following. Algoma intends to rely on this "foreign private issuer exemption" with respect to the Nasdaq rules for shareholder meeting quorums and Nasdaq rules requiring shareholder approval. Algoma may in the future elect to follow home country practices with regard to other matters. As a result, its shareholders will not have the same protections afforded to shareholders of companies that are subject to all Nasdaq corporate governance requirements.

Algoma may lose its foreign private issuer status in the future, which could result in significant additional costs and expenses.

As discussed above, Algoma is a foreign private issuer, and therefore is not required to comply with all of the periodic disclosure and current reporting requirements of the Exchange Act and may take advantage of certain exemptions to Nasdaq's corporate governance rules. The determination of foreign private issuer status is made annually on the last business day of an issuer's most recently completed second fiscal quarter, and, accordingly, the next determination will be made with respect to Algoma on September 30, 2021. In the future, Algoma would lose its foreign private issuer status if (1) more than 50% of its outstanding voting securities are owned by U.S. residents and (2) a majority of its directors or executive officers are U.S. citizens or residents, or it fails to meet additional requirements necessary to avoid loss of foreign private issuer status. If Algoma loses its foreign private issuer status, it will be required to file with the SEC periodic reports and registration statements on U.S. domestic issuer forms, which are more detailed and extensive than the forms available to a foreign private issuer. Algoma would also have to mandatorily comply with U.S. federal proxy requirements, and its officers, directors and principal shareholders will become subject to the short-swing profit disclosure and recovery provisions of Section 16 of the Exchange Act. In addition, it would lose its ability to rely upon exemptions from certain corporate governance requirements under the listing rules of Nasdaq. As a U.S. listed public company that is not a foreign private issuer, Algoma would incur significant additional legal, accounting and other expenses that it will not incur as a foreign private issuer.

Risks Related to the Merger

Legato may not have sufficient funds to consummate the Merger.

As of March 31, 2021, Legato had a cash balance of approximately $487,493 to fund its working capital requirements. If Legato is required to seek additional capital, it would need to borrow funds from the Founders or other third parties to operate or it may be forced to liquidate. None of such persons is under any obligation to advance funds to Legato in such circumstances. Any such advances would be repaid only from funds held outside the Trust Account or from funds released to Legato upon completion of the Merger, or, with Algoma's consent pursuant to the Merger Agreement, could be converted into Private Units immediately prior to the Closing. If Legato is unable to consummate the Merger because it does not have sufficient funds available, Legato will be forced to cease operations and liquidate the Trust Account. Consequently, Legato's Public Stockholders may receive less than $10 per share and their warrants will expire worthless.

The Merger remains subject to conditions that Legato cannot control and if such conditions are not satisfied or waived, the Merger may not be consummated.

The Merger is subject to a number of conditions, including the condition that Legato maintaining at least $5,000,001 of net tangible assets (as determined in accordance with Rule 3a51-5(g)(1) of the Exchange Act) either immediately prior to or upon consummation of the Merger, (which condition may not be waived by either party), the Minimum Cash Condition (which may be waived by Algoma in its sole discretion), the condition that there is no legal prohibition against consummation of the Merger, the condition that the Algoma Common Shares and Algoma Warrants are approved for listing upon the Closing on Nasdaq, subject only to official notice of issuance thereof and the satisfaction of customary conditions, and conditionally approved for listing on the TSX, subject to the satisfaction of customary conditions, receipt of securityholder approvals, continued effectiveness of the registration statement of which this proxy statement/prospectus is a part, the truth and accuracy of Legato's and Algoma's representations and warranties made in the Merger Agreement, the non-termination of the Merger Agreement and consummation of certain ancillary agreements. There are no assurances that all conditions to the Merger will be satisfied or that the conditions will be satisfied in the time frame expected.

The Founders have agreed to vote their shares in favor of the Merger, regardless of how Legato's Public Stockholders vote.

In connection with the Merger, the Founders agreed to vote their shares of Legato Common Stock in favor of the Merger and all other proposals being presented at the Special Meeting. Currently, the Founders own approximately 21% of the outstanding shares of Legato Common Stock. In addition to the shares of Legato Common Stock held by the Founders, Legato would need 8,773,643 shares, or approximately 36%, of the 23,575,000 public shares sold in the Legato IPO to be voted in favor of the Merger Proposal.

Legato and Algoma will incur significant transaction and transition costs in connection with the Merger.

Legato and Algoma have both incurred and expect to incur significant, non-recurring costs in connection with consummating the Merger and operating as a public company following the consummation of the Merger. Algoma may also incur additional costs to retain key employees. All expenses incurred in connection with the Merger, including all legal, accounting, consulting, investment banking and other fees, expenses and costs, will be paid at Closing out of the funds raised in the PIPE Investment financing and the funds in the Trust Account.

Subsequent to the completion of the Merger, Algoma may be required to take write-downs or write-offs, restructuring and impairment or other charges that could have a significant negative effect on its financial condition, results of operations and Algoma's common share price, which could cause you to lose some or all of your investment.

Although Legato has conducted extensive due diligence on Algoma, Legato cannot assure you that this diligence will surface all material issues that may be present in Algoma's business, that it would be possible to uncover all material issues through a customary amount of due diligence, or that factors outside of Algoma's business and outside of its control will not later arise. As a result of these factors, Algoma may be forced to later write-down or write-off assets, restructure its operations, or incur impairment or other charges that could result in its reporting losses. Even if Legato's due diligence successfully identified certain risks, unexpected risks may arise and previously known risks may materialize in a manner not consistent with Legato's preliminary risk analysis. Even though these charges may be non-cash items and would not have an immediate impact on Algoma's liquidity, the fact that Algoma reports charges of this nature could contribute to negative market perceptions of Algoma or its securities. In addition, charges of this nature may cause Algoma to violate net worth or other covenants to which Algoma may be subject as a result of Algoma obtaining post-combination debt financing. Accordingly, any stockholders who choose to remain shareholders following the Merger could suffer a reduction in the value of their shares. Such shareholders are unlikely to have a remedy for such reduction in value.

The Algoma securities to be received by Legato's securityholders as a result of the Merger will have different rights from Legato securities.

Following completion of the Merger, Legato's securityholders will no longer be securityholders of Legato but will instead be securityholders of Algoma. There will be important differences between your current rights as a Legato

securityholder and your rights as an Algoma securityholder. See "*Comparison of Rights of Algoma Shareholders and Legato Stockholders"* for a discussion of the different rights associated with the Algoma securities.

Legato's stockholders will have a reduced ownership and voting interest after consummation of the Merger and will exercise less influence over management.

After the completion of the Merger, Legato's stockholders will own a smaller percentage of Algoma than they currently own of Legato. Immediately following the Merger, existing Algoma Investors would hold approximately 65% of the issued and outstanding Algoma Common Shares (inclusive of Replacement LTIP Awards) and (i) current Public Stockholders of Legato; (ii) the Founders; and (iii) EBC and its designees would each hold approximately 20.4%, 5.6% and 0.2%, respectively, of the issued and outstanding Algoma Common Shares (assuming no holder of Legato Common Stock exercises redemption rights as described in this proxy statement/prospectus), in each case, excluding Algoma Common Shares issuable to Existing Algoma Investors pursuant to the Earnout Rights and the Algoma Common Shares underlying Algoma Warrants. Assuming all Algoma Common Shares issuable pursuant to the Earnout Rights are issued, existing Algoma Investors would hold approximately 74% of the outstanding Algoma Common Shares (inclusive of Replacement LTIP Awards), excluding Algoma Common Shares underlying Algoma Warrants. Consequently, Legato's stockholders, as a group, will have reduced ownership and voting power in Algoma compared to their ownership and voting power in Legato.

Even if Algoma consummates the Merger, there is no guarantee that the Algoma Warrants will ever be in the money, and they may expire worthless and the terms of the warrants may be amended.

Upon consummation of the Merger, the Legato Warrants will become Algoma Warrants. The exercise price for the Algoma Warrants will be $11.50 per Algoma Common Share. There is no guarantee that the Algoma Warrants, following the Merger, will ever be in the money prior to their expiration, and as such, the warrants may expire worthless.

Legato's current directors and executive officers beneficially own shares of Legato Common Stock and Warrants that will be worthless if the Merger is not approved. Such interests may have influenced their decision to approve the Merger with Algoma.

Legato's officers and directors and/or their affiliates beneficially own or have a pecuniary interest in shares that the Founders purchased prior to, or simultaneously with, Legato's IPO. Legato's executive officers and directors and their affiliates have no redemption rights with respect to these securities in the event a business combination is not effected in the required time period. Therefore, if the Merger with Algoma or another business combination is not approved within the required time period, such securities held by such persons will be worthless. Such securities had an aggregate market value of approximately $ million based upon the closing prices of Legato Common Stock and Units on Nasdaq on , 2021. Furthermore, the Founders, Legato's officers or directors, or their affiliates are entitled to reimbursement of out-of-pocket expenses incurred by them in connection with certain activities on Legato's behalf, such as identifying and investigating possible business targets and Mergers. If Legato fails to consummate the Merger, they will not have any claim against the Trust Account for repayment or reimbursement. In addition, in order to meet its working capital needs the Founders may, but are not obligated to, loan Legato funds, from time to time or at any time, in whatever amount they deem reasonable in their sole discretion. These loans would be repayable upon consummation of the Merger or, with the consent of Algoma, may be converted into Private Units immediately prior to the Effective Time at an exchange rate of $10.00 of borrowings per Private Unit. In the event that the Merger does not close, Legato may use a portion of the working capital held outside the Trust Account to repay such loaned amounts, but no other proceeds from the Trust Account would be used for such repayment. Accordingly, Legato may not be able to repay or reimburse these amounts if the Merger is not completed. See the section entitled "*Proposal No. 1 – The Merger Proposal – Interests of Legato's Directors and Officers in the Merger*."

These financial interests may have influenced the decision of Legato's directors to approve the Merger with Algoma and to continue to pursue the Merger. In considering the recommendations of the Legato board of directors to vote for the Merger Proposal and other proposals, Legato's Public Stockholders should consider these interests.

Recent SEC guidance required Legato to reconsider the accounting of the Legato Warrants and led Legato to conclude that the Private Warrants be accounted for as derivative liabilities rather than as equity and such requirement resulted in a revision of Legato's previously issued balance sheet.

On April 12, 2021, the staff of the SEC issued a public statement entitled "Staff Statement on Accounting and Reporting Considerations for Warrants issued by Special Purpose Acquisition Companies ("SPACs") (the "Statement"). In the Statement, the SEC staff expressed it view that certain terms and conditions common to SPAC warrants may require the warrants to be classified as liabilities on the SPAC's balance sheet as opposed to equity. Since issuance, all of the Legato Warrants were accounted for as equity within Legato's balance sheet, and after discussion and evaluation, including with Legato's independent auditors, Legato concluded that the Private Warrants should be presented as liabilities with subsequent and periodic fair value re-measurement. Therefore, Legato conducted a valuation of the Private Warrants and included in its Form 10-Q for the quarter ended March 31, 2021, a correction of certain line items included in its previously audited balance sheet as of January 22, 2021. Such correction resulted in unanticipated costs and diversion of management resources and may result in potential loss of investor confidence. Although Legato has now completed the revision, Legato cannot guarantee that it will have no further inquiries from the SEC or Nasdaq regarding the re-valuation of the Private Warrants or matters relating thereto.

Any future inquiries from the SEC or Nasdaq as a result of the revision of the Legato historical financial statements will, regardless of the outcome, likely consume a significant amount of our resources in addition to those resources already consumed in connection with the revision itself.

Legato has identified a material weakness in its disclosure controls and procedures. This material weakness could continue to adversely affect Legato's ability to report its results of operations and financial condition accurately and in a timely manner.

Legato's management is responsible for establishing and maintaining adequate disclosure controls and procedures and adequate internal control over financial reporting designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. Disclosure controls and procedures are designed to ensure that information required to be disclosed by us in our Exchange Act reports is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management, including Legato's principal executive officer and principal financial officer or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Legato's management is likewise required, on a quarterly basis, to evaluate the effectiveness of Legato's internal controls and to disclose any changes and material weaknesses identified through such evaluation in those internal controls. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of Legato's annual or interim financial statements will not be prevented or detected on a timely basis.

Under the supervision and with the participation of Legato's management, including its principal executive officer and principal financial and accounting officer (the "Certifying Officers"), Legato conducted an evaluation of the effectiveness of its disclosure controls and procedures as of the end of the fiscal quarter ended March 31, 2021, and, based upon that evaluation and in light of the SEC Staff Statement, the Certifying Officers concluded that, solely due to Legato's misapplication of the accounting for the Private Warrants as liabilities, Legato's disclosure controls and procedures were not effective as of March 31, 2021.

To respond to this material weakness, Legato performed additional analysis as deemed necessary to ensure that the unaudited interim financial statements included in its Form 10-Q for the quarter ended March 31, 2021 were prepared in accordance with U.S. GAAP. Legato has also devoted, and plans to continue to devote, significant effort and resources to the remediation and improvement of its internal control over financial reporting. While Legato has processes to identify and appropriately apply applicable accounting requirements, it plans to enhance these processes to better evaluate its research and understanding of the nuances of the complex accounting standards that apply to Legato's financial statements. Legato's plans at this time include providing enhanced access to accounting literature, research materials and documents and increased communication among its personnel and third-party professionals with Legato consults regarding complex accounting applications. The elements of Legato's remediation plan can only be accomplished over time, and the initiatives may not ultimately have the intended effects.

Any failure to maintain such internal control could adversely impact Legato's ability to report its financial position and results from operations on a timely and accurate basis. If Legato's financial statements are not accurate, investors may not have a complete understanding of its operations. Likewise, if Legato's financial statements are not filed on a timely basis, Legato could be subject to sanctions or investigations by Nasdaq, the SEC or other regulatory authorities. In either case, such a failure could result in a material adverse effect on Legato's business.

The measures Legato has taken and plans to take in the future may not remediate the material weakness identified. Additional material weaknesses or revisions of financial results may also arise in the future due to a failure to implement and maintain adequate internal control over financial reporting or circumvention of these controls. In addition, even if Legato is successful in strengthening its controls and procedures, in the future those controls and procedures may not be adequate to prevent or identify irregularities or errors or to facilitate the fair presentation of its financial statements.

Legato may face litigation and other risks as a result of the material weakness in its disclosure controls and procedures.

As a result of the material weakness Legato identified in its disclosure controls and procedures, the change in accounting for the Private Warrants, and other matters raised or that may in the future be raised by the SEC, Legato faces potential for litigation or other disputes which may include, among others, claims invoking the federal and state securities laws, contractual claims or other claims. As of the date of this proxy statement/prospectus, Legato has no knowledge of any such litigation or dispute. However, such litigation or dispute may arise in the future. Any such litigation or dispute, whether successful or not, could have a material adverse effect on the business of the combined company and its results of operations and financial condition.

Crescendo, an affiliate of Eric S. Rosenfeld, is liable to ensure that proceeds of the Trust Account are not reduced by vendor claims in the event the Merger is not consummated. Such liability may have influenced the Legato board of directors' decision to pursue the Merger and the board's decision to approve it.

If the Merger or another business combination is not consummated by Legato on or before July 22, 2022, Crescendo, an entity affiliated with Mr. Rosenfeld, Legato's Chief SPAC Officer, is liable to ensure that the proceeds in the Trust Account are not reduced below $10.00 per share by the claims of target businesses or claims of vendors or other entities that are owed money by Legato for services rendered or contracted for or products sold to Legato, but only if such a vendor or target business has not executed a waiver agreement. If Legato consummates an initial business combination, on the other hand, Legato will be liable for all such claims. However, Legato has not independently verified whether Crescendo has sufficient funds to satisfy its indemnity obligations, Legato has not asked it to reserve for such obligations and Legato does not believe it has any significant liquid assets.

These obligations of Crescendo may have influenced the Legato board of directors' decision to pursue the Merger with Algoma or the board's decision to approve the Merger. In considering the recommendations of the Legato board of directors to vote for the Merger Proposal and other proposals, stockholders should consider these interests. See the section of this proxy statement/prospectus titled "*Proposal No. 1 – The Merger Proposal – Interests of Legato's Directors and Officers in the Merger*."

Legato's directors may decide not to enforce the indemnification obligations in respect of the Trust Account, resulting in a reduction in the amount of funds in the Trust Account available for distribution to Legato's Public Stockholders in the event an initial business combination is not consummated.

Crescendo has agreed that it will be liable to ensure that the proceeds in the Trust Account are not reduced below $10.00 per share by the claims of target businesses or claims of vendors or other entities that are owed money by Legato for services rendered or contracted for or products sold to Legato. However, Legato has not independently verified whether Crescendo has sufficient funds to satisfy its indemnity obligations, Legato has not asked it to reserve for such obligations and Legato does not believe it has any significant liquid assets. If proceeds in the Trust Account are reduced below $10.00 per public share and Crescendo asserts that it is unable to satisfy its indemnification obligations or that it has no indemnification obligations related to a particular claim, Legato's independent directors would determine whether to take legal action against Crescendo to enforce its indemnification obligations. It is possible that Legato's independent directors in exercising their business judgment may choose not to do so in any

particular instance. If Legato's independent directors choose not to enforce these indemnification obligations, the amount of funds in the Trust Account available for distribution to Legato's Public Stockholders may be reduced below $10.00 per share.

Activities taken by existing Legato stockholders to increase the likelihood of approval of the Merger Proposal and other proposals could have a depressive effect on the Legato Common Stock.

At any time prior to the Special Meeting, during a period when they are not then aware of any material nonpublic information regarding Legato or its securities, the Founders, Legato's officers and directors, Algoma, the Algoma officers and directors and/or their respective affiliates, or Algoma shareholders may purchase Legato Common Stock from institutional and other investors who vote, or indicate an intention to vote, against the Merger Proposal or who indicate an intention to redeem their Public Shares, or they may execute agreements to purchase such shares from such investors in the future, or they may enter into transactions with such investors and others to provide them with incentives to acquire shares of Legato Common Stock or vote their shares of Legato Common Stock in favor of the Merger Proposal. The purpose of such purchases and other transactions would be to increase the likelihood of approval of the Merger Proposal by the holders of a majority of the outstanding shares of Legato Common Stock and ensure that Legato has in excess of $5,000,001 of net assets and satisfies the Minimum Cash Condition to consummate the Merger where it appears that such requirements would otherwise not be met. While the exact nature of any such incentives has not been determined as of the date of this proxy statement/prospectus, they might include, without limitation, arrangements to protect such investors or holders against potential loss in value of their shares, including, subject to the Lock-Up Agreement, the granting of put options and the transfer to such investors or holders of shares or warrants owned by the Founders for nominal value. Entering into any such arrangements may have a depressive effect on the Legato Common Stock. For example, as a result of these arrangements, an investor or holder may have the ability to effectively purchase shares of Legato Common Stock at a price lower than market and may therefore be more likely to sell the Legato Common Stock he owns, either prior to or immediately after the Special Meeting.

In addition, if such purchases are made, the public "float" of the Algoma Common Shares following the Merger and the number of beneficial holders of Algoma securities may be reduced, possibly making it difficult to obtain or maintain the quotation, listing or trading of Algoma securities on Nasdaq, another national securities exchange or the TSX or reducing the liquidity of the trading market for the Algoma Common Shares.

The Merger may be completed even though material adverse effects may result from the announcement of the Merger, industry-wide changes and other causes.

In general, either Legato or Algoma may refuse to complete the Merger if there is a material adverse effect affecting the other party between the signing date of the Merger Agreement and the planned closing. However, certain types of changes do not permit either party to refuse to consummate the Merger, even if such change could be said to have a material adverse effect on Algoma or Legato, including the following events (except, in certain cases where the change has a disproportionate effect on a party):

- the outbreak or escalation of war or any act of terrorism, civil unrest or natural disasters, including the COVID-19 pandemic;
- changes (including changes in law) or a downturn in general economic conditions, including changes in the credit, debt, securities, financial, capital or reinsurance markets;
- changes in IFRS, or the authoritative interpretation of IFRS; or
- changes attributable to the public announcement or pendency of the Merger or the execution or performance of the Merger Agreement.

Furthermore, Legato or Algoma may waive the occurrence of a material adverse effect affecting the other party. If a material adverse effect occurs and the parties still consummate the Merger, the market trading price of the Algoma Common Shares and Algoma Warrants may suffer.

Delays in completing the Merger may substantially reduce the expected benefits of the Merger.

Satisfying the conditions to, and completion of, the Merger may take longer than, and could cost more than, Legato expects. Any delay in completing or any additional conditions imposed in order to complete the Merger may materially adversely affect the benefits that Legato expects to achieve from the Merger.

Legato and Algoma have no history operating as a combined company. The unaudited pro forma condensed combined consolidated financial information may not be an indication of Algoma's financial condition or results of operations following the Merger, and accordingly, you have limited financial information on which to evaluate Algoma and your investment decision.

Algoma and Legato have no prior history as a combined entity and their operations have not been previously managed on a combined basis. The unaudited pro forma condensed combined consolidated financial information contained in this proxy statement/prospectus has been prepared using the consolidated historical financial statements of Legato and Algoma, and is presented for illustrative purposes only and should not be considered to be an indication of the results of operations including, without limitation, future revenue, or financial condition of Algoma following the Merger. Certain adjustments and assumptions have been made regarding Legato and Algoma after giving effect to the Merger. Algoma and Legato believe these assumptions are reasonable, however, the information upon which these adjustments and assumptions have been made is preliminary, and these kinds of adjustments are difficult to make with accuracy. These assumptions may not prove to be accurate, and other factors may affect Algoma's results of operations or financial condition following the consummation of the Merger. For these and other reasons, the pro forma condensed combined financial information included in this proxy statement/prospectus does not necessarily reflect Algoma's results of operations and financial condition and the actual financial condition and results of operations of Algoma following the Merger may not be consistent with, or evident from, this pro forma financial information.

The projections and forecasts presented in this proxy statement/prospectus may not be an indication of the actual results of the transaction or Algoma's future results.

This proxy statement/prospectus contains projections and forecasts prepared by Algoma. None of the projections and forecasts included in this proxy statement/prospectus have been prepared with a view toward public disclosure other than to certain parties involved in the Merger or toward complying with SEC guidelines or IFRS. The projections and forecasts were prepared based on numerous variables and assumptions which are inherently uncertain and may be beyond the control of Algoma and Legato and exclude, among other things, transaction-related expenses. Important factors that may affect actual results and results of Algoma's operations following the Merger, or could lead to such projections and forecasts not being achieved include, but are not limited to: significant domestic and international competition, increased use of competitive products, a protracted fall in steel prices, excess capacity, resulting in part from expanded production in China and other developing economies, low-priced steel imports and decreased trade regulation, protracted declines in steel consumption caused by poor economic conditions in North America or by the deterioration of the financial position of our key customers, supply and cost of raw materials and energy, currency fluctuations, including an increase in the value of the Canadian dollar against the U.S. dollar, unexpected equipment failures and other business interruptions, successful management and retention of key personnel, unexpected expenses and general economic conditions. As such, these projections and forecasts may be inaccurate and should not be relied upon as an indicator of actual past or future results.

Legato may not be able to complete the Merger or any other Merger within the prescribed time frame, in which case Legato would cease all operations, except for the purpose of winding up and Legato would redeem Legato's Public Shares and liquidate.

Legato must complete an initial combination by July 22, 2022 (or such later date as may be approved by Legato's stockholders). Legato may not be able to consummate the Merger or any other business combination by such date. If Legato has not completed any initial business combination by such date, it will: (i) cease all operations except for the purpose of winding up, (ii) as promptly as reasonably possible but not more than ten business days thereafter, redeem the Public Shares, at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the Trust Account, including interest (which interest shall be net of taxes payable and up to $100,000 of interest that may be released to Legato to pay liquidation expenses) divided by the number of then outstanding Public Shares, which redemption will completely extinguish the Public Stockholders' rights as stockholders (including the right to receive further liquidation distributions, if any), subject to applicable law, and (iii) as promptly as reasonably possible following such redemption, subject to the approval of Legato's remaining stockholders and board of directors, dissolve and liquidate, subject in each case to Legato's obligations under Delaware law to provide for claims of creditors and the requirements of other applicable law.

Legato may be a target of securities class action and derivative lawsuits which could result in substantial costs and may delay or prevent the Merger from being completed.

Securities class action lawsuits and derivative lawsuits are often brought against companies that have entered into merger agreements or similar agreements. Even if the lawsuits are without merit, defending against these claims can result in substantial costs and divert management time and resources. An adverse judgment could result in monetary damages, which could have a negative impact on Legato's liquidity and financial condition. Additionally, if a plaintiff is successful in obtaining an injunction prohibiting consummation of the Merger, then that injunction may delay or prevent the Merger from being completed. Currently, Legato is not aware of any securities class action lawsuits or derivative lawsuits being filed in connection with the Merger.

The ongoing COVID-19 pandemic may adversely affect Legato's and Algoma's ability to consummate the Merger.

The COVID-19 pandemic has resulted in governmental authorities worldwide implementing numerous measures to contain the virus, including travel restrictions, quarantines, shelter-in-place orders and business limitations and shutdowns. More generally, the pandemic raises the possibility of an extended global economic downturn and has caused volatility in financial markets. The pandemic may also amplify many of the other risks described in this proxy statement/prospectus.

Legato and Algoma may be unable to complete the Merger if continued concerns relating to COVID-19 restrict travel and limit the ability to have meetings with Algoma personnel. The extent to which COVID-19 impacts Legato's and Algoma's ability to consummate the Merger will depend on future developments, which are highly uncertain and cannot be predicted, including new information that may emerge concerning the severity of COVID-19 and the actions to contain COVID-19 or treat its impact, among others. If the disruptions posed by COVID-19 or other matters of global concern continue for an extended period of time, Legato's and Algoma's ability to consummate the Merger may be materially adversely affected.

The grant and future exercise of registration rights may adversely affect the market price of Algoma Common Shares upon consummation of the Merger.

The Investor Rights Agreement will provide that Algoma will, under certain circumstances, agree to file a registration statement as soon as practicable upon a request from certain IRA Parties to register the resale of certain registrable securities under the Securities Act and Canadian securities laws (such request, a "demand registration"). Algoma has also agreed to provide customary "piggyback" registration rights with respect to any valid demand registration request. In addition, following the consummation of the Merger, Algoma is required to file and maintain an effective registration statement under the Securities Act covering the Securities held by PIPE Investors.

The registration of these securities will permit the public sale of such securities. The registration and availability of such a significant number of securities for trading in the public market may have an adverse effect on the market price of Algoma Common Shares post-Merger.

Legato has conducted due diligence to assess the management of Algoma's business but cannot assure you that Algoma's management has all the skills, qualifications or abilities necessary to manage a public company.

Legato's conducted due diligence on Algoma and its management team but its assessment of the capabilities of Algoma's management may prove to be incorrect and Algoma management may lack the skills, qualifications or abilities that Legato believed the Algoma management to have. Should Algoma's management not possess the skills, qualifications or abilities necessary to manage a public company, the operations and profitability of Algoma or Algoma post-Merger may be negatively impacted. Accordingly, any stockholders who choose to remain stockholders of Algoma following the Merger could suffer a reduction in the value of their shares.

If the Adjournment Proposal is not approved, and a quorum is present but an insufficient number of votes have been obtained to approve the Merger Proposal, the Legato board of directors will not have the ability to adjourn the Special Meeting to a later date in circumstances where such adjournment is necessary to permit the Merger to be approved.

If, at the Special Meeting, Legato board of directors determine that it would be in the best interests of Legato to adjourn the Special Meeting to give Legato more time to consummate the Merger for whatever reason (such as if the

Merger Proposal is not approved, or if Legato would have net tangible assets of less than $5,000,001 either immediately prior to or upon the consummation of the Transactions, or if additional time is needed to fulfill other closing conditions), the Legato board of directors will seek approval to adjourn the Special Meeting to a later date or dates. If the Adjournment Proposal is not approved, and a quorum is present but an insufficient number of votes have been obtained to approve the Merger Proposal, the Legato board of directors will not have the ability to adjourn the Special Meeting to a later date in order to solicit further votes or take other steps to cause the conditions to the Merger to be satisfied. In such event, the Merger would not be completed.

The exercise of Legato's directors' and officers' discretion in agreeing to changes or waivers in the terms of the Merger may result in a conflict of interest when determining whether such changes to the terms of the Merger or waivers of conditions are appropriate and in Legato's stockholders' best interest.

In the period leading up to the closing of the Merger, events may occur that, pursuant to the Merger Agreement, would require Legato to agree to amend the Merger Agreement, to consent to certain actions taken by Algoma or to waive rights that Legato is entitled to under the Merger Agreement. Such events could arise because of changes in the course of Algoma's business, a request by Algoma to undertake actions that would otherwise be prohibited by the terms of the Merger Agreement or the occurrence of other events that would have a material adverse effect on Algoma's business and would entitle Legato to terminate the Merger Agreement. In any of those circumstances, it would be at Legato's discretion, acting through its board of directors, to grant its consent or waive those rights. The existence of the financial and personal interests of the directors described in the preceding risk factors may result in a conflict of interest on the part of one or more of the directors between what they may believe is best for Legato and what they may believe is best for themselves in determining whether or not to take the requested action. While certain changes could be made without further stockholder approval, Legato will circulate a new or amended proxy statement/prospectus and resolicit Legato's stockholders if changes to the terms of the transaction that would have a material impact on its stockholders are required prior to the vote on the Merger Proposal.

Risks Related to the U.S. Federal Income Tax Treatment of the Merger

If the Merger does not qualify as a reorganization under Section 368(a) of the Code or is taxable under Section 367(a) of the Code, then the Merger generally would be taxable with respect to U.S. Holders of Legato Common Stock and/or Legato Warrants.

The Merger (i) is intended to qualify as a reorganization within the meaning of Section 368(a) of the Code (a "reorganization"), and (ii) is not expected to result in gain being recognized by U.S. Holders (as defined in "*Certain Material U.S. Federal Income Tax Considerations*") of Legato Common Stock and/or Legato Warrants immediately prior to the Effective Time (other than with respect to certain holders that own, actually or constructively, 5% or more (by vote or value) of the outstanding shares of Algoma stock immediately after the Merger, as discussed in "*– Tax Consequences of the Merger Under Section 367(a) of the Code"*) (together, the "Intended Tax Treatment"). To the extent applicable, the parties intend to report the Merger in a manner consistent with the Intended Tax Treatment. However, there are significant factual and legal uncertainties as to whether the Merger will qualify for the Intended Tax Treatment. For example, under Section 368(a) of the Code and the Treasury regulations promulgated thereunder, the acquiring corporation (or, in the case of certain reorganizations structured similarly to the Merger, its corporate parent) must continue, either directly or indirectly through certain controlled corporations, either a significant line of the acquired corporation's historic business or use a significant portion of the acquired corporation's historic business assets in a business. However, there is an absence of guidance directly on point as to how the above rules apply in the case of an acquisition of a corporation with investment-type assets, such as Legato. Moreover, Section 367(a) of the Code and the applicable Treasury regulations promulgated thereunder provide that, where a U.S. shareholder exchanges stock or securities in a U.S. corporation for stock or securities in a non-U.S. ("foreign") corporation in a transaction that qualifies as a reorganization, the U.S. shareholder is required to recognize any gain, but not loss, realized on such exchange unless certain additional requirements are met. There are significant factual and legal uncertainties concerning the determination of whether these requirements will be satisfied. Moreover, the closing of the Merger is not conditioned upon the receipt of an opinion of counsel that the Merger will qualify for the Intended Tax Treatment, and neither Legato nor Algoma intends to request a ruling from the U.S. Internal Revenue Service (the "IRS") regarding the U.S. federal income tax treatment of the Merger. Accordingly, no assurance can be given that the IRS will not challenge the Intended Tax Treatment or that a court will not sustain a challenge by the IRS.

If, at the Effective Time, any requirement of Section 368(a) of the Code or the Treasury regulations promulgated thereunder is not met, then a U.S. Holder of Legato Common Stock and/or Legato Warrants generally would recognize gain or loss in an amount equal to the difference, if any, between the fair market value (as of the closing date of the Merger) of Algoma Common Shares and/or Algoma Warrants received in the Merger, over such holder's aggregate adjusted tax basis in the corresponding Legato Common Stock and/or Legato Warrants surrendered by such holder in the Merger.

If the Merger does meet the requirements of Section 368(a) of the Code, but at the Effective Time, any requirement for Section 367(a) of the Code not to impose gain on a U.S. Holder is not satisfied, then a U.S. Holder of Legato Common Stock and/or Legato Warrants generally would recognize gain (but not loss) in an amount equal to the excess, if any, of the fair market value as of the closing date of the Merger of Algoma Common Shares and/or Algoma Warrants received in the Merger, over such holder's aggregate tax basis in the Legato Common Stock and/or Legato Warrants surrendered by such holder in the Merger.

The tax consequences of the Merger are complex and will depend on your particular circumstances. For a more detailed discussion of the U.S. federal income tax considerations of the Merger for U.S. Holders of Legato Common Stock and/or Legato Warrants, including the application of Section 367(a) of the Code, see the section entitled "*Certain Material U.S. Federal Income Tax Considerations – U.S. Holders – U.S. Federal Income Tax Considerations of the Merger.*" If you are a U.S. Holder whose Legato Common Stock and/or Legato Warrants are exchanged in the Merger, you are urged to consult your tax advisor to determine the tax consequences thereof.

The IRS may not agree that Algoma should be treated as a non-U.S. corporation for U.S. federal income tax purposes.

Although Algoma is incorporated and tax resident in Canada, the IRS may assert that it should be treated as a U.S. corporation for U.S. federal income tax purposes pursuant to Section 7874 of the Code. For U.S. federal income tax purposes, a corporation is generally considered a U.S. "domestic" corporation if it is created or organized in or under the laws of the U.S., any state thereof, or the District of Columbia. Because Algoma is not so created or organized (but is instead incorporated only in Canada), it would generally be classified as a foreign corporation (that is, a corporation other than a U.S. "domestic" corporation) under these rules. Section 7874 of the Code provides an exception under which a corporation created or organized only under foreign law may, in certain circumstances, be treated as a U.S. corporation for U.S. federal income tax purposes.

As more fully described in the section titled "*Certain Material U.S. Federal Income Tax Considerations – U.S. Federal Income Tax Treatment of Algoma – Tax Residence of Algoma for U.S. Federal Income Tax Purposes*," based on the terms of the Merger, the rules for determining share ownership under Section 7874 of the Code and the Treasury regulations promulgated thereunder (the "Section 7874 Regulations"), and certain factual assumptions, Algoma is not currently expected to be treated as a U.S. corporation for U.S. federal income tax purposes under Section 7874 of the Code after the Merger. However, the application of Section 7874 of the Code is complex, is subject to detailed regulations (the application of which is uncertain in various respects and would be impacted by changes in such U.S. tax laws and regulations with possible retroactive effect), and is subject to certain factual uncertainties. Accordingly, there can be no assurance that the IRS will not challenge the status of Algoma as a foreign corporation under Section 7874 of the Code or that such challenge would not be sustained by a court.

If the IRS were to successfully challenge under Section 7874 of the Code Algoma's status as a foreign corporation for U.S. federal income tax purposes, Algoma and certain Algoma shareholders could be subject to significant adverse tax consequences, including a higher effective corporate income tax rate on Algoma and future withholding taxes on certain Algoma shareholders, depending on the application of any income tax treaty that might apply to reduce such withholding taxes. In particular, holders of Algoma Common Shares and/or Algoma Warrants would be treated as holders of stock and warrants of a U.S. corporation.

See "*Certain Material U.S. Federal Income Tax Considerations – U.S. Federal Income Tax Treatment of Algoma – Tax Residence of Algoma for U.S. Federal Income Tax Purposes*" for a more detailed discussion of the application of Section 7874 of the Code to the Merger. Investors in Algoma should consult their own advisors regarding the application of Section 7874 of the Code to the Merger.

Section 7874 of the Code may limit the ability of Legato to use certain tax attributes following the Merger, increase Algoma's U.S. affiliates' U.S. taxable income or have other adverse consequences to Algoma and Algoma's shareholders.

Following the acquisition of a U.S. corporation by a foreign corporation, Section 7874 of the Code can limit the ability of the acquired U.S. corporation and its U.S. affiliates to use U.S. tax attributes (including net operating losses and certain tax credits) to offset U.S. taxable income resulting from certain transactions, as well as result in certain other adverse tax consequences, even if the acquiring foreign corporation is respected as a foreign corporation for purposes of Section 7874 of the Code. In general, if a foreign corporation acquires, directly or indirectly, substantially all of the properties held directly or indirectly by a U.S. corporation, and after the acquisition the former shareholders of the acquired U.S. corporation hold at least 60% (by either vote or value) but less than 80% (by vote and value) of the shares of the foreign acquiring corporation by reason of holding shares in the acquired U.S. corporation, subject to other requirements, certain adverse tax consequences under Section 7874 of the Code may apply.

If these rules apply to the Merger, Algoma and certain of Algoma's shareholders may be subject to adverse tax consequences including, but not limited to, restrictions on the use of tax attributes with respect to "inversion gain" recognized over a 10-year period following the transaction, disqualification of dividends paid from preferential "qualified dividend income" rates and the requirement that any U.S. corporation owned by Algoma include as "base erosion payments" that may be subject to a minimum U.S. federal income tax any amounts treated as reductions in gross income paid to certain related foreign persons. Furthermore, certain "disqualified individuals" (including officers and directors of a U.S. corporation) may be subject to an excise tax on certain stock-based compensation held thereby at a rate of 20%.

As more fully described in the section titled "Certain Material U.S. Federal Income Tax Considerations – U.S. Federal Income Tax Treatment of Algoma – Utilization of Legato's Tax Attributes and Certain Other Adverse Tax Consequences to Algoma and Algoma's Shareholders," based on the terms of the Merger, the rules for determining share ownership under Section 7874 of the Code and the Section 7874 Regulations (as defined above), and certain factual assumptions, Algoma is not currently expected to be subject to these rules under Section 7874 of the Code after the Merger. The above determination, however, is subject to detailed regulations (the application of which is uncertain in various respects and would be impacted by future changes in such U.S. tax laws and regulations, with possible retroactive effect) and is subject to certain factual uncertainties. Accordingly, there can be no assurance that the IRS will not challenge whether Algoma is subject to the above rules or that such a challenge would not be sustained by a court.

However, even if Algoma is not subject to the above adverse consequences under Section 7874 of the Code, Algoma may be limited in using its equity to engage in future acquisitions of U.S. corporations over a 36-month period following the Merger. If Algoma were to be treated as acquiring substantially all of the assets of a U.S. corporation within a 36-month period after the Merger, the Section 7874 Regulations would exclude certain shares of Algoma attributable to the Merger for purposes of determining the Section 7874 Percentage (as defined in "*Certain Material U.S. Federal Income Tax Considerations – U.S. Federal Income Tax Treatment of Algoma – Tax Residence of Algoma for U.S. Federal Income Tax Purposes*") of that subsequent acquisition, making it more likely that Section 7874 of the Code will apply to such subsequent acquisition.

See "Certain Material U.S. Federal Income Tax Considerations – U.S. Federal Income Tax Treatment of Algoma – Utilization of Legato's Tax Attributes and Certain Other Adverse Tax Consequences to Algoma and Algoma's Shareholders" for a more detailed discussion of the application of Section 7874 of the Code to the Merger. Investors in Algoma should consult their own advisors regarding the application of Section 7874 of the Code to the Merger.

Risks Related to Redemptions of Public Shares

You will not have any rights or interests in funds from the Trust Account, except under certain limited circumstances. To liquidate your investment, therefore, you may be forced to redeem or sell your Public Shares or Warrants, potentially at a loss.

Public Stockholders will be entitled to receive funds from the Trust Account only upon the earlier to occur of: (i) Legato's completion of the Merger or, if the Merger is not completed, an alternative business combination, or in connection with an amendment to the Existing Legato Charter to extend the date by which Legato must complete an

initial business combination, and then only in connection with those shares of Legato Common Stock that such stockholder properly elected to redeem, subject to the limitations described herein, and (ii) the redemption of Legato's Public Shares if Legato is unable to complete an initial business combination by July 22, 2022, subject to applicable law and as further described herein. In addition, if Legato plans to redeem its Public Shares because Legato is unable to complete an initial business combination by July 22, 2022, for any reason, compliance with Delaware law may require that Legato submit a plan of dissolution to Legato's then-existing stockholders for approval prior to the distribution of the proceeds held in the Trust Account. In that case, Public Stockholders may be forced to wait beyond July 22, 2022, before they receive funds from the Trust Account. In no other circumstances will Public Stockholders have any right or interest of any kind in the Trust Account. Accordingly, to liquidate your investment, you may be forced to sell your Public Shares or Warrants, potentially at a loss.

If Legato Public Stockholders fail to properly demand redemption of their shares, they will not be entitled to redeem their shares of Legato Common Stock into a pro rata portion of the Trust Account.

Legato stockholders holding Public Shares may demand that Legato redeem their Public Shares for a pro rata portion of the Trust Account, calculated as of two business days prior to the anticipated consummation of the Merger. Legato stockholders who seek to exercise this redemption right must deliver their Public Shares (either physically or electronically) to Legato's transfer agent at least two (2) business days prior to the vote at the Special Meeting. Public Stockholders are not required to vote for or against the Merger Proposal or at all, or to be stockholders of record on the record date in order to exercise redemption rights. Any Public Stockholder who fails to properly demand redemption of such stockholder's Public Shares will not be entitled to redeem his or her Public Shares for a pro rata portion of the Trust Account. See the section entitled "*Special Meeting of Legato Stockholders – Redemption Rights*" for the procedures to be followed if you wish to redeem your shares for cash.

Risks Related to Ownership of Algoma Common Shares and Algoma Warrants following the Merger

Algoma may issue additional Algoma Common Shares or other securities following the Merger without shareholder approval, which would dilute existing ownership interests and may depress the market price of Algoma Common Shares.

Algoma may issue additional Algoma Common Shares or other equity securities of equal or senior rank in the future in connection with, among other things, Algoma's equity incentive plan, without shareholder approval, in a number of circumstances. Algoma's issuance of additional Algoma Common Shares or other equity securities of equal or senior rank would have the following effects:

- Algoma's existing shareholders' proportionate ownership interest in Algoma may decrease;
- the amount of cash available per share, including for payment of dividends in the future, may decrease;
- the relative voting strength of each previously outstanding Algoma Common Share may be diminished; and
- the market price of Algoma Common Shares may decline.

Algoma's share price may be volatile and may decline regardless of its operating performance.

The market price of the Algoma Common Shares may fluctuate significantly in response to numerous factors and may continue to fluctuate for these and other reasons, many of which are beyond Algoma's control, including:

- actual or anticipated fluctuations in Algoma's revenue and results of operations;
- the financial projections Algoma may provide to the public, any changes in these projections or its failure to meet these projections;
- failure of securities analysts to maintain coverage of Algoma, changes in financial estimates or ratings by any securities analysts who follow Algoma or its failure to meet these estimates or the expectations of investors;
- announcements by Algoma or its competitors of significant technical innovations, acquisitions, strategic partnerships, joint ventures, results of operations or capital commitments;
- changes in operating performance and stock market valuations of other steel companies;
- price and volume fluctuations in the overall stock market, including as a result of trends in the economy as a whole;

- trading volume of the Algoma Common Shares;
- the inclusion, exclusion or removal of the Algoma Common Shares from any indices;
- changes in Algoma's board of directors or management;
- transactions in the Algoma Common Shares by directors, officers, affiliates and other major investors;
- lawsuits threatened or filed against us;
- changes in laws or regulations applicable to our business;
- changes in Algoma's capital structure, such as future issuances of debt or equity securities;
- short sales, hedging and other derivative transactions involving Algoma's capital stock;
- general economic conditions in the United States;
- pandemics or other public health crises, including, but not limited to, the COVID-19 pandemic;
- other events or factors, including those resulting from war, incidents of terrorism or responses to these events; and
- the other factors described in this "*Risk Factors*" section.

The stock market has recently experienced extreme price and volume fluctuations. The market prices of securities of companies have experienced fluctuations that often have been unrelated or disproportionate to their operating results. In the past, stockholders have sometimes instituted securities class action litigation against companies following periods of volatility in the market price of their securities. Any similar litigation against Algoma could result in substantial costs, divert management's attention and resources, and harm its business, financial condition, and results of operations.

An active, liquid trading market for Algoma Common Shares and Algoma Warrants may not develop, which may limit your ability to sell Algoma Common Shares and Algoma Warrants.

Prior to the completion of the Merger, there was no public market for Algoma Common Shares and Algoma Warrants. Although we have applied to list the Algoma Common Shares and Algoma Warrants on Nasdaq and we intend to apply to list the Algoma Common Shares and Algoma Warrants on the TSX upon the Effective Time under the ticker symbols "ASTL" and "ASTLW" or "ASTL.WT", respectively, an active trading market for Algoma Common Shares and Algoma Warrants may never develop or be sustained following the consummation of the Merger. The initial valuation of $10 per Algoma Common Share may not be indicative of the market price of Algoma Common Shares that will prevail in the open market after the consummation of the Merger. A public trading market having the desirable characteristics of depth, liquidity and orderliness depends upon the existence of willing buyers and sellers at any given time, such existence being dependent upon the individual decisions of buyers and sellers over which neither we nor any market maker has control. The failure of an active and liquid trading market to develop and continue would likely have a material adverse effect on the value of Algoma Common Shares and Algoma Warrants. The market price of Algoma Common Shares may decline below $10 per share, and you may not be able to sell your Algoma Common Shares at or above $10 per share, or at all. An inactive market may also impair our ability to raise capital to continue to fund operations by issuing Algoma Common Shares or Algoma Warrants.

A significant portion of our total outstanding Algoma Common Shares and Algoma Warrants will be restricted from immediate resale but may be sold into the market in the near future. This could cause the market price of Algoma Common Shares and Algoma Warrants to drop significantly, even if our business is doing well.

Sales of a substantial number of Algoma Common Shares and Algoma Warrants in the public market could occur at any time. These sales, or the perception in the market that the holders of a large number of holders intend to sell Algoma Common shares or Algoma Warrants, could reduce the market price of Algoma Common Shares or Algoma Warrants. Following the consummation of the Merger, an aggregate of 75,000,000 Algoma Common Shares issued to Algoma Investors, prior to the issuance of any additional Algoma Common Shares pursuant to the Earnout Rights, will be subject to transfer restrictions. Transfer restrictions will also apply to the 6,379,875 Algoma Common Shares held by the Founders and the 262,254 Algoma Warrants and underlying Algoma Common Shares held by Eric S. Rosenfeld,

David Sgro and Brian Pratt. All of these Algoma Common Shares and Algoma Warrants will, however, be able to be resold after the expiration of the lock-up period, as well as pursuant to customary exceptions thereto. Moreover, certain holders of Algoma Common Shares (including Algoma Common Shares underlying Algoma Warrants) will have certain registration rights that could require us to file registration statements in connection sales of Algoma Common Shares and Algoma Warrants by such holders. Such sales by such holders could be significant. As restrictions on resale end, the market price of Algoma Common Shares and Algoma Warrants could decline if the holders of currently restricted Algoma Common Shares or Algoma Warrants sell them or are perceived by the market as intending to sell them.

FORWARD-LOOKING STATEMENTS

We make forward-looking statements in this proxy statement/prospectus that are subject to risks and uncertainties. These forward-looking statements include information about possible or assumed future results of our business, financial condition, results of operations, liquidity, plans and objectives. In some cases, you can identify forward-looking statements by the words "believe," "project," "expect," "anticipate," "estimate," "intend," "strategy," "future," "opportunity," "plan," "pipeline," "may," "should," "will," "would," "will be," "will continue," "will likely result" or the negative of these terms or other similar expressions. The statements we make regarding the following matters are forward-looking by their nature:

- the risk that the benefits of the Merger may not be realized;
- the risk that the Merger may not be completed in a timely manner or at all, which may adversely affect the price of Legato's securities;
- the failure to satisfy the conditions to the consummation of the Merger, including the failure of Legato's stockholders to approve and adopt the Merger Agreement or the failure to satisfy the Minimum Cash Condition following redemptions by Legato stockholders;
- the inability to complete the PIPE Investment;
- the occurrence of any event, change or other circumstance that could give rise to the termination of the Merger Agreement;
- the outcome of any legal proceedings that may be initiated following announcement of the Merger;
- the effect of the announcement or pendency of the Merger on Algoma's business relationships, operating results and business generally;
- risks that the proposed Merger could disrupt current plans and operations of Algoma;
- foreign exchange rate;
- future financial performance;
- future cash flow and liquidity;
- future capital investment;
- our ability to operate our business, remain in compliance with debt covenants and make payments on our indebtedness, with a substantial amount of indebtedness;
- significant domestic and international competition;
- increased use of competitive products;
- a protracted fall in steel prices;
- excess capacity, resulting in part from expanded production in China and other developing economies;
- low-priced steel imports and decreased trade regulation;
- protracted declines in steel consumption caused by poor economic conditions in North America or by the deterioration of the financial position of our key customers;
- increases in annual funding obligations resulting from our under-funded pension plans;
- supply and cost of raw materials and energy;
- currency fluctuations, including an increase in the value of the Canadian dollar against the U.S. dollar;
- environmental compliance and remediation;
- unexpected equipment failures and other business interruptions;
- a protracted global recession or depression;
- changes in our credit ratings or the debt markets;

- the ability of Algoma to implement and realize its business plans, including Algoma's ability to make investments in EAF steelmaking;
- the risk that the anticipated benefits of the Green Steel Funding will fail to materialize as planned or at all;
- changes in general economic conditions, including as a result of the COVID-19 pandemic;
- projected increases in capacity liquid steel as a result of the proposed transformation to EAF steelmaking;
- projected cost savings associated with the proposed transformation to EAF steelmaking;
- projected reduction in CO2 emissions associated with the proposed transformation to EAF steelmaking, including with respect to the impact of such reductions on the Green Steel Funding and carbon taxes payable;
- our ability to enter into contracts to source scrap and the availability of scrap; and
- the availability of alternative metallic supply.

The preceding list is not intended to be an exhaustive list of all of our forward-looking statements. The forward-looking statements are based on our beliefs, assumptions and expectations of future performance, taking into account the information currently available to us. These statements are only predictions based upon our current expectations and projections about future events. There are important factors that could cause our actual results, levels of activity, performance or achievements to differ materially from the results, levels of activity, performance or achievements expressed or implied by the forward-looking statements. In particular, you should consider the risks provided under "Risk Factors" in this proxy statement/prospectus.

You should not rely upon forward-looking statements as predictions of future events. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that future results, levels of activity, performance and events and circumstances reflected in the forward-looking statements will be achieved or will occur. Except as required by law, we undertake no obligation to update publicly any forward-looking statements for any reason after the date of this proxy statement/prospectus, to conform these statements to actual results or to changes in our expectations.

SPECIAL MEETING OF LEGATO STOCKHOLDERS

General

Legato is furnishing this proxy statement/prospectus to Legato's stockholders as part of the solicitation of proxies by the Legato board of directors for use at the Special Meeting of Legato stockholders. This proxy statement/prospectus provides Legato's stockholders with information they need to know to be able to vote or instruct their vote to be cast at the Special Meeting.

Date, Time and Place

The Special Meeting of stockholders will be held virtually on , 2021 at , a.m. Eastern Time, or at such other time, on such other date and at such other place to which the meeting may be adjourned or postponed. You may attend and participate in the Special Meeting webcast by accessing the meeting web portal located at . Stockholders participating in the Special Meeting will be able to listen only and will not be able to speak during the special meeting webcast. To participate in the virtual meeting, a stockholder of record will need the 16-digit control number included on their proxy card or instructions that accompanied their proxy materials, if applicable, or will need to obtain a proxy form from their broker, bank or other nominee. Stockholders are encouraged to access the Special Meeting prior to the start time. If you encounter any difficulties accessing the virtual meeting or during the meeting time, please call the technical support number that will be posted on the virtual meeting login page.

At the Special Meeting, Legato is asking holders of Legato Common Stock to:

- consider and vote upon the Merger Proposal; and
- consider and vote upon the Adjournment Proposal, if presented.

Recommendation of the Legato Board of Directors

The Legato board of directors has determined that each of the Merger Proposal and the Adjournment Proposal to be presented at the Special Meeting is in the best interests of Legato and its stockholders, and recommends that Legato stockholders vote "FOR" each of the proposals.

Record Date; Outstanding Shares; Stockholders Entitled to Vote

Legato has fixed the close of business on , 2021, as the "record date" for determining Legato stockholders entitled to notice of and to attend and vote at the Special Meeting. As of the close of business on the record date, there were 30,307,036 shares of Legato Common Stock outstanding and entitled to vote. Each share of Legato Common Stock is entitled to one vote per share at the Special Meeting.

Quorum

The presence, virtually or by proxy, of a majority of all the outstanding shares of Legato Common Stock entitled to vote constitutes a quorum at the Special Meeting. As of the record date for the Special Meeting, the presence by virtual attendance or by proxy of 15,153,518 shares of Legato Common Stock is required to achieve a quorum. Abstentions will count as present for purposes for establishing a quorum; Broker Non-Votes will not.

Vote Required

The approval of the Merger Proposal will require the affirmative vote by the holders of a majority of the shares of outstanding Legato Common Stock entitled to vote. The approval of the Adjournment Proposal, if presented, will require the affirmative vote of the holders of a majority shares of Legato Common Stock present or represented by proxy and entitled to vote at the Special Meeting. Abstentions will have the same effect as a vote "AGAINST" the Merger Proposal and the Adjournment Proposal. Broker Non-Votes will have the same effect as a vote "AGAINST" the Merger Proposal but will not have an effect on the Adjournment Proposal.

The Merger is conditioned on the approval of the Merger Proposal. The proposals are more fully described in this proxy statement/prospectus, which each stockholder is encouraged to read carefully and in its entirety.

Voting Your Shares

Each share of Legato Common Stock that you own in your name entitles you to one vote. Your proxy card shows the number of shares of Legato Common Stock that you own. If your shares are held in "street name" or are in a margin or similar account, you should contact your broker to ensure that votes related to the shares you beneficially own are properly counted.

There are two ways to vote your shares of Legato Common Stock at the Special Meeting:

You Can Vote by Signing and Returning the Enclosed Proxy Card. If you vote by proxy card, your "proxy," whose name is listed on the proxy card, will vote your shares as you instruct on the proxy card. If you sign and return the proxy card but do not give instructions on how to vote your shares, your shares will be voted as recommended by the Legato board of directors "FOR" the Merger Proposal and the Adjournment Proposal, if presented. Votes received after a matter has been voted upon at the Special Meeting will not be counted.

You Can Virtually Attend the Special Meeting and Vote Online. You will be able to vote virtually at . However, if your shares are held in the name of your broker, bank or another nominee, you must get a legal proxy from the broker, bank or other nominee. That is the only way Legato can be sure that the broker, bank or nominee has not already voted your shares.

Certain Voting Arrangements

As of , 2021, the record date for the Special Meeting, the Founders beneficially owned and were entitled to vote 6,379,875 shares of Legato Common Stock. In the aggregate, the foregoing shares represent approximately 21% of the issued and outstanding shares of Legato Common Stock. The Founders have committed to Legato to vote such shares in favor of the Merger Proposal. In addition, the Founders have entered into the Support Agreement whereby they have agreed to vote shares of Legato Common Stock that they currently hold or which they may acquire prior to the Special Meeting in favor of, and take certain other actions in support of, the Merger (including causing such shares to be present at the Special Meeting for the purposes of establishing a quorum).

Revoking Your Proxy

If you are a stockholder and you give a proxy, you may revoke it at any time before it is exercised by doing any one of the following:

- you may send another proxy card with a later date;
- you may notify Legato's secretary, in writing, before the Special Meeting that you have revoked your proxy; or
- you may attend the Special Meeting, revoke your proxy, and vote virtually, as indicated above.

Who Can Answer Your Questions About Voting Your Shares

If you are a stockholder and have any questions about how to vote or direct a vote in respect of your shares of Legato Common Stock, you may call Mackenzie Partners, Inc., Legato's proxy solicitor, at (800) 322-2885.

Redemption Rights

Holders of Public Shares may seek to have their shares redeemed for cash, regardless of whether they vote for or against the Merger Proposal or at all or whether they hold their shares on the record date. Any stockholder holding Public Shares may demand that Legato redeem such shares into a full pro rata portion of the Trust Account (approximately $ per share as of the record date), calculated as of two business days prior to the anticipated consummation of the Merger. If a holder properly seeks redemption as described in this section and the Merger is consummated, Legato will redeem these shares for a pro rata portion of funds deposited in the Trust Account and the holder will no longer own these shares.

The Founders have agreed not to exercise redemption rights with respect to any shares of Legato Common Stock owned by them, directly or indirectly. Additionally, EBC has agreed to waive its redemption rights with respect to the Representative Shares and shares underlying the Private Units held by it.

Holders demanding redemption are also required to (A) submit their redemption request, which includes the name of the beneficial owner of the Public Shares to be redeemed, in writing to Continental Stock Transfer & Trust Company, Legato's transfer agent and (B) deliver their stock, either physically or electronically using DTC's DWAC System, to Legato's transfer agent no later than 5:00 p.m., Eastern Time, on , 2021 (two (2) business days prior to the Special Meeting). If you hold the shares in street name, you will have to coordinate with your broker to have your shares certificated or delivered electronically. Shares represented by certificates that have not been tendered (either physically or electronically) in accordance with these procedures will not be redeemed for cash. There is a nominal cost associated with this tendering process and the act of certificating the shares or delivering them through the DWAC system. In the event the proposed Merger is not consummated this may result in an additional cost to stockholders for the return of their shares.

Any demand for redemption, once made, may be withdrawn at any time until the date of the Special Meeting. After the date of the Special Meeting, a demand for redemption may only be withdrawn with Legato's consent.

If the Merger is not approved or completed for any reason, then Public Stockholders who elected to exercise their redemption rights will not be entitled to have their shares redeemed. Legato will thereafter promptly return any shares delivered by Public Stockholders. In such case, Public Stockholders may only share in the assets of the Trust Account upon the liquidation of Legato. This may result in Public Stockholders receiving less than they would have received if the Merger was completed and they had exercised redemption rights in connection therewith due to potential claims of creditors.

The closing price of Legato Common Stock on the record date was $. The cash held in the Trust Account on such date was approximately $ million (approximately $ per public share). Prior to exercising redemption rights, Public Stockholders should verify the market price of Legato Common Stock as they may receive higher proceeds from the sale of their shares of Legato Common Stock in the public market than from exercising their redemption rights if the market price per share is higher than the redemption price. Legato cannot assure its stockholders that they will be able to sell their shares of Legato Common Stock in the open market, even if the market price per share is higher than the redemption price stated above, as there may not be sufficient liquidity in its securities when Legato stockholders wish to sell their shares.

Appraisal Rights

None of the stockholders, Unit holders or warrant holders of Legato have appraisal rights in connection the Merger under the DGCL.

Proxy Solicitation Costs

Legato is soliciting proxies on behalf of its board of directors. This solicitation is being made by mail but also may be made by telephone or in person. Legato and its directors, officers and employees may also solicit proxies in person, by telephone or by other electronic means. Legato will bear the cost of the solicitation.

Legato has hired Mackenzie Partners, Inc. to assist in the proxy solicitation process, Legato will pay a fee of $15,000, plus disbursements.

Legato will ask banks, brokers and other institutions, nominees and fiduciaries to forward the proxy materials to their principals and to obtain their authority to execute proxies and voting instructions. Legato will reimburse them for their reasonable expenses.

PROPOSAL NO. 1 – THE MERGER PROPOSAL

Holders of Legato Common Stock are being asked to adopt the Merger Agreement and approve the transactions contemplated thereby, including the Merger. Legato stockholders should read carefully this proxy statement/prospectus in its entirety for more detailed information concerning the Merger Agreement, which is attached as *Annex A* to this proxy statement/prospectus. Please see the section entitled " – *The Merger Agreement*" below, for additional information and a summary of certain terms of the Merger Agreement. You are urged to read carefully the Merger Agreement in its entirety before voting on this proposal.

Legato may consummate the Merger only if it is approved by the affirmative vote of the holders of a majority of the issued and outstanding shares of Legato Common Stock entitled to vote.

General

Transaction Structure

The Merger Agreement provides for the merger of Merger Sub with and into Legato, with Legato surviving the Merger as a wholly-owned subsidiary of Algoma.

Pro Forma Capitalization

The post-Closing enterprise value of Algoma upon consummation of the Merger is currently estimated to be approximately $1.7 billion, including Earnout Rights. We estimate that at the Effective Time, in the No Redemption Scenario and assuming that no additional Algoma Common Shares are issued pursuant to the Earnout Rights, the Existing Algoma Investors will own approximately 65% of the outstanding Algoma Common Shares (or, assuming all Algoma Common Shares issuable pursuant to the Earnout Rights are issued, 74%) (inclusive of Replacement LTIP Awards) and the securityholders of Legato, namely the Public Stockholders, the Founders, EBC and its designees, and the PIPE Investors, will own the remaining Algoma Common Shares.

Merger Consideration

Prior to the Effective Time, (i) Algoma intends to effect the Stock Split, and (ii) the LTIP Exchange. Following the Stock Split and the LTIP Exchange and immediately prior to the Merger (and prior to the completion of the PIPE Investment), there will be 75.0 million Algoma Common Shares outstanding (inclusive of Replacement LTIP Awards).

Pursuant to the Merger Agreement, (i) each outstanding Legato Unit will be separated immediately prior to the Effective Time into one share of Legato Common Stock and one Legato Warrant, (ii) at the Effective Time each outstanding share of Legato Common Stock will be converted into and exchanged for the right to receive one newly issued Algoma Common Share, and (iii) at the Effective Time each Legato Warrant shall be converted into an equal number of Algoma Warrants, with each warrant exercisable for one Algoma Common Share for $11.50 per share, subject to adjustment, with the exercise period beginning 30 days following Closing.

In addition, Existing Algoma Investors will be granted or issued the contingent right to acquire their pro rata portion of up to 37.5 million Algoma Common Shares pursuant to the Earnout Rights if certain targets based on Earnout Adjusted EBITDA and/or the trading price of the Algoma Common Shares are met.

The Merger Agreement defines "Earnout Adjusted EBITDA" (referenced as "Adjusted EBITDA" in the Merger Agreement) as consolidated net income (loss) of Algoma Steel Inc. for the twelve-month period ending December 31, 2021 before amortization of property, plant, equipment and amortization of assets, finance costs, interest on pension and other post-employment benefit obligations, income taxes, reorganization costs, finance income, inventory write-downs, carbon tax, certain exceptional items, tariff expense, non-cash adjustments and write-downs, loss (gain) on commodity hedging, loss (gain) on foreign exchange and loss (gain) associated with the Algoma Warrants.

The Earnout Rights to be granted or issued to Existing Algoma Investors will be converted into the following aggregate number of Algoma Common Shares upon the satisfaction of the following Earnout Events:

(i) 15,000,000 Algoma Common Shares if Earnout Adjusted EBITDA (as calculated by Algoma's management and accepted by its board of directors, including a majority of disinterested directors), is equal to or greater than

$674,000,000 (the "First Earnout Event"). Additionally, the Earnout Rights will entitle the Existing Algoma Investors to acquire up to an additional 22,500,000 Algoma Common Shares in connection with the First Earnout Event if Earnout Adjusted EBITDA exceeds $674,000,000, as follows: (x) a percentage (not to exceed 100.0%) of 7,500,000 additional Algoma Common Shares based on the linear interpolation between Earnout Adjusted EBITDA of $674,000,000 and $750,000,000 (the "Second EBITDA Issuance"); (y) a percentage (not to exceed 100.0%) of 7,500,000 additional Algoma Common Shares based on the linear interpolation between Earnout Adjusted EBITDA of $750,000,000 and $825,000,000 (the "Third EBITDA Issuance"); and (z) a percentage (not to exceed 100.0%) of 7,500,000 additional Algoma Common Shares based on the linear interpolation between Earnout Adjusted EBITDA of $825,000,000 and $900,000,000 (the "Fourth EBITDA Issuance").

(ii) 7,500,000 Algoma Common Shares, less the number of shares issued in connection with the Second EBITDA Issuance, if the VWAP of Algoma Common Shares on Nasdaq or other primary stock exchange exceeds $12.00 per share (as adjusted appropriately in light of any stock dividend, share capitalization, reclassification, recapitalization, split, combination, consolidation or exchange of shares, or any similar event related thereto) for 20 consecutive trading dates at any time between the Closing and the five-year anniversary of the Closing (the "Second Earnout Event").

(iii) 7,500,000 Algoma Common Shares, less the number of shares issued in connection with the Third EBITDA Issuance, if the VWAP exceeds $15.00 per share (as adjusted appropriately in light of any stock dividend, share capitalization, reclassification, recapitalization, split, combination, consolidation or exchange of shares, or any similar event related thereto) for 20 consecutive trading dates at any time between the Closing and the five-year anniversary of the Closing (the "Third Earnout Event").

(iv) 7,500,000 Algoma Common Shares, less the number of shares issued in connection with the Fourth EBITDA Issuance, if the VWAP exceeds $18.00 per share (as adjusted appropriately in light of any stock dividend, share capitalization, reclassification, recapitalization, split, combination, consolidation or exchange of shares, or any similar event related thereto) for 20 consecutive trading dates at any time between the Closing and the five-year anniversary of the Closing (the "Fourth Earnout Event").

Algoma Common Shares will be issuable in connection with each Earnout Event; provided, however, the maximum number of Algoma Common Shares issuable in connection with (i) the Second EBITDA Issuance and the Second Earnout Event, together, shall be 7,500,000, (ii) the Third EBITDA Issuance and the Third Earnout Event, together, shall be 7,500,000, and (iii) the Fourth EBITDA Issuance and the Fourth Earnout Event, together, shall be 7,500,000.

Based on the current estimates of Algoma's Earnout Adjusted EBITDA, it is currently expected that the Existing Algoma Investors will acquire all of the 37.5 million Algoma Common Shares issuable under the Earnout Rights. However, we cannot assure you that any or all of the Earnout Events will occur.

Restated Articles

Prior to the Effective Time, the shareholders of Algoma will amend Algoma's Restated Articles to be substantially in the form attached hereto as Annex B.

Background of the Merger

On January 19, 2021, Legato consummated its IPO and simultaneous private placement of units. Promptly following Legato's IPO, Legato's officers and directors contacted several investment banks, private equity firms, consulting firms, legal and accounting firms, and numerous other business relationships.

Through inbound inquiries, personal relationships of Legato's board of directors and management, and independent third parties acting as finders, Legato reviewed dozens of possible transactions, held discussions with over twenty private companies, and ultimately entered into substantial discussions with six of those companies regarding, among other things, the type and amount of consideration to be provided relative to a potential transaction. Legato ultimately issued three term sheets/letters of intent. Of these, one (the letter of intent with Algoma) was fully executed by Legato and its potential merger target. The negotiations with each of these potential merger targets are summarized below.

Negotiations with Target 1

On February 3, 2021, David D. Sgro, Legato's Chief Executive Officer, received an email from an investment banker representing a renewable infrastructure company and a nondisclosure agreement was subsequently executed on February 7, 2021. Legato met with the target's management team via videoconference and reviewed all aspects of its operations. Following several weeks of discussions, Legato executed and sent a letter of intent to the target on March 15, 2021. This letter of intent was not executed by the target and discussions were terminated shortly thereafter.

Negotiations with Target 2

On February 18, 2021, Brian Pratt, Legato's Chairman, received a call from an investment banker who introduced a telecommunications infrastructure company. On February 22, 2021, Legato and the target company executed a nondisclosure agreement and discussions ensued. Mr. Sgro met with the target's management team at their headquarters on February 24, 2021 and Mr. Pratt, Eric Rosenfeld, Legato's Chief SPAC Officer, and John Ing, a Legato director, participated via videoconference. Following a number of discussions with the target's management team and the review of diligence material, Legato delivered a transaction proposal to the target on March 3, 2021. After obtaining additional information and guidance from the target's financial advisor, Legato revised, formalized and resubmitted its indication of interest on March 17, 2021. Shortly thereafter, Legato received a counterproposal from the target and Legato's management team elected not to modify its original proposal. As a result, discussions were then terminated by the target.

Negotiations with Algoma

On January 28, 2021, a representative from Jefferies LLC ("Jefferies"), Algoma's investment banking firm, contacted Mr. Sgro regarding a possible business combination with Legato. On February 1, 2021, Messrs. Sgro and Rosenfeld, and Adam Jaffe, Legato's Chief Financial Officer, conducted a videoconference with representatives of Jefferies, who provided general information about Algoma on a no-name basis and its industry. The representatives of Legato indicated that they were interested in obtaining additional information regarding the company and a mutual nondisclosure agreement ("NDA") was entered into on February 3, 2021. The NDA contained a customary trust account waiver provision pursuant to which Algoma waived any right, title, interest or claim in the Trust Account and agreed not to seek recourse against the Trust Account for any reason. Legato received a detailed presentation shortly after executing the NDA and on February 9, 2021, a meeting was held between Messrs. Sgro, Rosenfeld, Jaffe and Pratt and Gregory Monahan (a member of the Legato due diligence team), Michael McQuade (Algoma's Chief Executive Officer), Rajat Marwah (Algoma's Chief Financial Officer), John Naccarato (Algoma's VP of Strategy and General Counsel) and representatives from Jefferies. On February 10, 2021, Jefferies provided additional information to Legato, including summary financial projections and comparable company data, and on February 15, 2021, a call was held between Legato and Jefferies where valuation considerations were discussed. Between February 15, 2021 and February 23, 2021, Legato evaluated the materials provided and worked on the structure of a possible transaction between the two parties. On February 23, 2021, Messrs. Sgro, Rosenfeld, Pratt, Ing, Jaffe and Monahan participated in a conference call with representatives of Jefferies to discuss the material that had been provided and to request additional information. On February 25, 2021, Jefferies provided more detailed information regarding quarterly cash flows, detailed projections, third party research, business plans and illustrative transaction structures.

Following the meeting held on February 25, 2021 and through March 4, 2021, representatives of Legato and Jefferies communicated via email and exchanged additional clarifying information. Over this weeklong period, management of Legato refined their thoughts with regard to transaction structure and on March 4, 2021, Legato delivered a letter of intent (the "LOI") to Algoma. The LOI proposed that Legato would complete a reverse merger with Algoma, whereby Legato would issue shares and contingent shares to the current Algoma shareholders in return for 100% of the equity of Algoma. The LOI further stipulated that the proposed equity consideration for the transaction would consist of $750,000,000 of Legato Common Stock at closing (priced at $10.00 per share) and up to an additional $150,000,000 of stock-based contingent consideration. The contingent consideration was based on the attainment of calendar year 2021 EBITDA of $674,000,000 and calendar year 2022 EBITDA of $590,000,000, with the contingent consideration to be divided equally between the two targets. Further, the LOI noted that the parties would work collaboratively to raise $100,000,000 in PIPE financing prior to the execution of a merger agreement. The LOI also called for 5% of the shares outstanding at closing to be allocated for an employee stock option/RSU plan and that the continuing board of directors would be made up of three Legato appointees and five Algoma appointees. On March 6, 2021, Messrs. Sgro, Rosenfeld and Monahan held a conference call with Jefferies in order to clarify certain provisions contained in the LOI.

On March 13, 2021 and March 14, 2021, Messrs. Sgro and Rosenfeld held conference calls with representatives of Jefferies to discuss Algoma's response to the LOI. The primary areas of focus in these conversations were the amount and structure of the contingent consideration, the lock-up provision and the impact of dilution. As a result of these discussions, Legato elected to amend the contingent consideration by removing the 2022 EBITDA target, adding the consideration associated with the former 2022 EBITDA target to the 2021 EBITDA target and adding an additional $150,000,000 of stock based contingent consideration (15,000,000 shares of Legato Common Stock) in three equal $50,000,000 (5,000,000 share) tranches. The contingent consideration would be earned based on Legato Common Stock trading at prices of $12.00, $15.00 and $18.00 per share for 20 out of 30 trading days within five years of the Closing. From March 14, 2021 through March 19, 2021, representatives of Legato and Jefferies discussed various transaction terms, including the terms of an exclusivity agreement, and on March 19, 2021, Legato submitted an amended letter of intent (the "First Amended LOI"). The substantive changes from the LOI to the First Amended LOI were the movement of $75,000,000 of contingent consideration from a calendar year 2022 EBITDA target to the calendar year 2021 EBITDA target and the addition of the aforementioned $150,000,000 stock price based contingent consideration targets.

On March 19, 2021, management of Legato provided information to its board of directors with regard to the Algoma transaction as well as the other two targets referred to above that letters of intent had been sent to and on March 22, 2021, Legato's board of directors met to discuss each of these potential transactions. Given the attractiveness of the valuation and the fit with Legato's stated objectives, Legato's board of directors concluded that the transaction with Algoma should be prioritized and authorized the management team to execute an updated letter of intent (the "Second Amended LOI") with Algoma. The Second Amended LOI, which was forwarded to Algoma on March 22, 2021, made minor adjustments to the exclusivity provision and included a provision that both sides would work collaboratively to find the most efficient structure for the transaction. The Second Amended LOI was executed by Algoma on March 23, 2021, and a 30-day exclusivity period on Algoma's part, commenced.

On March 24, 2021, Legato engaged Graubard Miller, Legato's outside counsel, to assist Legato with legal due diligence and to prepare legal and regulatory documents related to the potential transaction with Algoma. The Algoma team granted the Legato team access to the data room on March 24, 2021 and Legato forwarded a comprehensive due diligence request list to Jefferies on March 26, 2021. On March 24, 2021, Legato's management team contacted Cassel Salpeter, an investment banking company, regarding its ability and willingness to provide a fairness opinion to Legato's board of directors with respect to the potential transaction with Algoma. Legato retained a steel industry expert on March 26, 2021 to help Legato's management team asses both Algoma's current operations and its proposed plan to transition from traditional blast furnace steelmaking to EAF steelmaking.

On March 29, 2021, Legato signed an engagement letter with Cassel Salpeter. to render to the Legato board of directors an opinion as to the fairness, from a financial point of view, to Legato's stockholders (other than the Excluded Holders) of the merger consideration to be received by such holders in the Merger pursuant to the Merger Agreement, and whether the target had a fair market value equal to at least 80% of the balance in the Trust Account.

On March 31, 2021, Legato and Algoma executed Amendment No. 1 to the NDA dated February 3, 2021. This amendment facilitated the transfer of confidential information to Legato's outside advisors. On March 31, 2021, Mr. Rosenfeld contacted McCarthy Tetrault LLP ("McCarthy"), a Canadian law firm, to assist Legato with its environmental due diligence of Algoma. Messrs. Rosenfeld and Sgro had several conversations with representatives from McCarthy over the ensuing weeks and on April 23, 2021, Legato formally retained McCarthy to review Algoma's framework agreement with the Province of Ontario concerning legacy environmental issues at the main site works in Sault Ste Marie.

On April 1, 2021, representatives of Legato, Algoma and Jefferies held a video conference to review the PIPE process and to discuss the investor presentation. In conjunction with this meeting, Jefferies forwarded a draft of the PIPE investor presentation to Legato. Legato and its advisors reviewed the presentation over the following three days and provided suggested changes during a videoconference held on April 5, 2021. Further refinements were made and representatives of Legato, Algoma, Jefferies and EBC, the representative of the underwriters of Legato's IPO, held another call on April 6, 2021 to discuss the presentation materials.

On April 6, 2021, Legato retained a Canadian pension specialist to help Legato review the plan assumptions for reasonableness and to identify pension related issues.

On April 7, 2021, representatives of Legato, Algoma and Jefferies held a videoconference to finalize the PIPE presentation. On April 8, 2021, pursuant to the underwriting agreement between EBC and Legato, EBC was retained as the placement agent for the PIPE transaction. The engagement letter between EBC and Legato allowed Legato to retain Maison Placements Canada, an investment firm affiliated with Legato director John Ing, to assist in the placement of the PIPE. On April 8, 2021, Legato and Algoma hosted a "teach-in" for the EBC salesforce.

From April 7, 2021 to April 26, 2021, representatives of Algoma, Paul, Weiss, Rifkind, Wharton & Garrison LLP, Algoma's counsel ("Paul, Weiss"), and Goodmans LLP, Algoma's Canadian counsel, along with EBC and Graubard Miller, prepared the PIPE subscription agreement and established "wall-crossing" procedures by which EBC or Maison Placements Canada would share confidential information with potential investors and such potential investors would agree not to disclose any such information to the public for a period of time. Amendments to the structure of the PIPE subscription agreement were made thereafter, but the financial terms of the PIPE remained consistent.

On April 9, 2021, Legato held a meeting of its board of directors to review Legato's progress on the transaction with Algoma and to review other deal flow. Following a thorough review and an opportunity for open discussion, the board encouraged Legato's management team to continue to focus on the transaction with Algoma.

During the week of April 12, 2021, and extending through the week of May 17, 2021, representatives of Legato, Algoma, EBC and Maison Placements held video conference calls to discuss the proposed PIPE transaction with a certain selected group of wall-crossed investors who agreed to be subject to certain confidentiality and other restrictions in order to gain access to information related to the proposed PIPE transaction. The PIPE Subscription Agreement was made available to interested investors beginning on April 27, 2021, and from May 10, 2021 through May 20, 2021, Legato and Algoma received subscriptions for $100 million of committed PIPE financing at $10.00 per share prior to the signing of the definitive merger agreement.

A first draft of the Merger Agreement was sent from Paul, Weiss to Graubard Miller on April 14, 2021. Consistent with the Second Amended LOI, the proposed transaction structure differed from what had been contemplated by the LOI in that it contemplated that Algoma would issue shares to Legato and be the surviving company of the merger.

On April 15, 2021, Messrs. Sgro and Rosenfeld contacted employees of BMO Capital Markets ("BMO") to gauge their interest in participating in the de-SPACing process. Messrs. Sgro and Rosenfeld offered to compensate BMO through a $2.7 million carve out from EBC's business combination marketing fee that Legato is permitted to allocate to other financial advisors pursuant to the terms of the underwriting agreement entered into by Legato and EBC, as representative of the several underwriters of Legato's IPO. BMO executed a nondisclosure agreement with Legato on April 19, 2021, and later that day, representatives from BMO and Legato held a conference call to discuss the proposed transaction. Numerous discussions were held between the parties over subsequent days and on April 26, 2021, BMO hosted a business update call with Algoma's management team. BMO presented Legato with a draft engagement letter on April 26, 2021, which was negotiated over the following four weeks and executed on May 21, 2021. The executed engagement letter provides that BMO will assist Legato in the de-SPACing process and receive a fee of $2.7 million, payable from the business combination marketing fee and conditioned on the closing of the transaction.

On April 16, 2021, Algoma hosted a virtual site tour for Legato's representatives since Canadian travel restrictions due to the COVID-19 pandemic prevented an in-person site tour. The tour, which was hosted by John Naccarato and Mark Nogalo (Algoma's Vice President of Maintenance and Operating Services), and included the Company's on-site power plant, docks, coke batteries, blast furnace, plate mill and direct strip production center. The tour was followed by a discussion between Legato's management, Legato's steel consultant and Algoma's management team. Topics of discussion included the current steelmaking operations, the anticipated transition to electric arc furnace steelmaking, current and future lines of business and current and anticipated power availability.

On April 21, 2021, representatives of Legato, Algoma and Jefferies conducted diligence videoconferences to review the sales and marketing organization and the status of financing discussions regarding the possible electric arc furnace conversion. On April 22, 2021, representatives of Legato, Algoma and Jefferies conducted diligence videoconferences to review steelmaking operations, the potential electric arc furnace conversion, labor relations and union contracts, supplier agreements, the financial model and deferred tax assets.

Graubard Miller sent the first revised draft of the proposed Merger Agreement between Legato and Algoma to Paul, Weiss on April 22, 2021. The revised draft included revisions to each party's representations and warranties, and revisions with respect to the process for issuing of the earnout and deleted the minimum cash condition, among other things. On April 23, 2021, Legato received reports from its pension actuarial consultant and technical steel industry consultant.

On April 24, 2021, representatives of Algoma and Jefferies forwarded updated financial information to Legato, including an updated net debt position and updated projections. Algoma's updated financial information demonstrated approximately $80 million less net debt and substantively increased projections for calendar year 2021. Algoma therefore proposed that Legato provide additional stock based contingent consideration as part of the transaction. In addition, Algoma proposed that Legato add EBITDA targets to the previously agreed upon stock price contingent consideration targets. After negotiation, Legato agreed to add $25 million of stock based contingent consideration to each of the three stock price targets of $12, $15 and $18 per share for additional total possible contingent consideration of $75 million. Further, Legato agreed to amend these stock price targets to include the possibility that they could be achieved if Algoma achieved Adjusted EBITDA of $750 million for the $12 target, $825 million for the $15 target and $900 million for the $18 target. These changes, along with the addition of a $200 million minimum cash closing condition, a revised structure whereby Legato would be acquired by a parent company of Algoma and an extension of exclusivity through May 7, 2021, were revised by an amendment to the Second Amended LOI (the "Third Amended LOI"), which was executed on April 25, 2021.

On April 29, 2021, Paul, Weiss sent a further revised draft of the Merger Agreement to Graubard Miller. Among other items, this draft contained updates to the contingent consideration structure and closing conditions to reflect the changes made in the Third Amended LOI.

On May 3, 2021, Mr. Sgro provided Algoma with a draft press release that could be used as a model for the announcement of the transaction.

On May 4, 2021, representatives of Legato, Algoma, Paul, Weiss, Graubard Miller, and Jefferies held a videoconference to discuss the outstanding business items in the Merger Agreement. The discussion included the definition of EBITDA, filing fees, the impact of transaction costs on the minimum cash closing condition, termination, reps and warranties and board composition. With regard to board composition, the parties agreed that the board would be composed of three Legato representatives and six Algoma representatives at the Closing and that the parities would collectively work to identify one additional board member who could be appointed prior to or after the Closing. The resolution of these items were reflected in the revised draft merger agreement sent from Graubard Miller to Paul, Weiss later in the day. On May 4, 2021, Legato received initial drafts of a lock-up agreement and Legato founder support agreement from Paul, Weiss. Also on May 4, 2021, Algoma provided Legato with a draft of its financial statements for its fiscal year ending March 31, 2021 and Algoma's CFO, Rajat Marwah, answered certain questions regarding Algoma's financial model and provided Legato with executive employment agreements and documents regarding board composition.

In conjunction with the pending expiration of exclusivity, Legato forwarded to Jefferies an update on the progress of the PIPE financing and Legato's due diligence of Algoma on May 6, 2021. Legato noted that much of its diligence was complete and that it would be in a position to execute a merger agreement in the near term, subject to acceptable PIPE funding and Legato's board approval. Algoma, which had been in exclusivity with Legato since the LOI was executed, asked for mutual exclusivity with an extension of the Third Amended LOI. Also on May 6, 2021, Graubard Miller received a further revised draft of the Merger Agreement from Paul, Weiss.

On May 7, 2021, Algoma and Legato executed an amendment to the Third Amended LOI (the "Fourth Amended LOI"), which extended exclusivity to May 12, 2021, added a provision for mutual exclusivity and provided that Legato would update Algoma regularly with regard to the PIPE Transaction. From May 7, 2021 through the signing of the Merger Agreement, Legato provided regular updates to Algoma with regard to the PIPE transaction and refrained from any discussions with other potential merger partners.

On May 7, 2021, representatives of Legato, Algoma and Jefferies held a videoconference to review and amend the presentation that would be filed with the SEC and used for the investor conference call following the announcement of the transaction. The presentation was revised and finalized over the next two weeks.

On May 8, 2021, Legato received a draft of Cassel Salpeter's fairness opinion and a summary of the findings from Graubard Miller's legal due diligence review.

On May 10, 2021, Paul, Weiss provided additional feedback on the Merger Agreement, which resolved a number of outstanding items. On May 12, 2021, Paul, Weiss sent a further revised draft of the Merger Agreement to Graubard Miller.

At its regularly scheduled quarterly board meeting, which was held on May 12, 2021, Legato's management team provided a detailed update on the Algoma transaction. Prior to the board meeting, the directors were provided with a presentation on Algoma as well as a valuation analysis prepared by Legato's management team. Messrs. Pratt, Rosenfeld and Sgro led a discussion regarding the transaction and Mr. Sgro reviewed the multiples of comparable publicly traded North American steel producers and detailed an unlevered discounted cash flow analysis that was prepared by Legato's management team. The board was updated on the negotiation of the Merger Agreement, progress on due diligence and progress on the PIPE transaction. Following Legato's board meeting, Messrs. Sgro and Rosenfeld held a videoconference with Algoma's board of directors, management team and investment bankers to discuss the PIPE transaction and the extension of exclusivity. After the meeting, Algoma provided Legato with an amendment to the Fourth Amended LOI (the "Fifth Amended LOI"), which extended mutual exclusivity through May 20, 2021. Both parties executed the Fifth Amended LOI on May 12, 2021.

On May 19, 2021, Legato's management team received a draft fairness opinion presentation from Cassel Salpeter. On May 20, 2021, Legato's management team provided updates to the board of directors regarding the progress of the transaction and likely timing of a board meeting and transaction announcement.

On May 20, 2021, representatives of Legato, Algoma and Jefferies held a videoconference to discuss the timing of the transaction and the process for obtaining Algoma shareholder approval for the transaction. On May 20, 2021, Legato and Algoma executed the sixth and final amendment to the LOI (the "Sixth Amended LOI"), which extended mutual exclusivity through May 26, 2021.

On May 22, 2021, representatives of Algoma and Legato discussed the updated accounting treatment for Legato's outstanding warrants and Legato provided Algoma with an accounting treatment memo and warrant valuation analysis, which were both prepared by independent third parties.

On May 24, 2021, Legato's board of directors held another videoconference board meeting. David D. Sgro, Brian Pratt, John Ing, Ryan Hummer, Blair Baker, Adam Semler and Craig Martin, representing Legato's entire board of directors, were present at the meeting. In addition, the following invited individuals were also present: Eric S. Rosenfeld and Adam Jaffe, executive officers of Legato, representatives of Cassel Salpeter, and representatives of Graubard Miller. Prior to the meeting, copies of the then most recent drafts of the significant transaction documents, including the Merger Agreement and draft fairness opinion, were delivered to the directors. Mr. Sgro noted that Legato's Chairman, Bran Pratt, had a potential perceived conflict of interest as he was an investor in the PIPE transaction. In addition, he noted that John Ing, had a potential perceived conflicts of interest as he was an investor in the PIPE transaction and his firm, Maison Placements Canada, served as an agent in the PIPE transaction and would earn a fee if the transaction were to close. Mr. Sgro updated the board on the status of the transaction. At the request of the Legato board, Cassel Salpeter then reviewed and discussed its financial analyses with respect to Legato, Algoma and the proposed merger. Thereafter, Cassel Salpeter rendered its oral opinion to the Legato board of directors (which was confirmed in writing by delivery of Cassel Salpeter's written opinion dated the same date, May 24, 2021), as to (i) the fairness, from a financial point of view, to Legato's stockholders (other than the Excluded Holders) of the merger consideration to be received by such holders in the Merger pursuant to the Merger Agreement and (ii) whether Algoma had a fair market value equal to at least 80% of the balance of funds in the Trust Account. After considerable review and discussion, the Merger Agreement and related documents were unanimously approved (with both Brian Pratt and John Ing abstaining due to the aforementioned potential perceived conflicts), and the board of directors determined to recommend the approval of the Merger Agreement and each other related proposal to Legato's stockholders. The Legato board also authorized Legato's management team to execute the Merger Agreement and PIPE documents and to prepare and file a merger press release, Form 8-K and an F-4 registration statement and to do all things necessary for the completion of the Merger.

On May 24, 2021, Algoma's sole shareholder and the equityholders of Algoma's ultimate parent company with requisite ownership approved the Merger Agreement, the Merger, and the other transactions contemplated by the Merger Agreement and related agreements.

The Merger Agreement was signed after the market close on May 24, 2021, and Legato and Algoma issued a joint press release announcing the execution of the Merger Agreement and summarizing the material terms thereof. Prior to the market open on May 25, 2021, Legato filed a Current Report on Form 8-K, which included the press release, the Merger Agreement, an investor presentation and related exhibits.

On May 25, 2021, Legato and Algoma held a joint conference call for investors. Topics of discussion included the salient terms of the proposed transaction, key investment considerations and a discussion of Algoma's current and prospective business. No questions were taken on the call. Speakers on the call were David Sgro and Michael McQuade.

Algoma's Reasons for the Approval of the Merger

Algoma's reason for the Merger include that the Merger provides Algoma with a means to become a public company, which will provide Algoma with access to capital to partially fund its proposed transformation to EAF steelmaking**.**

The Legato Board of Directors' Reasons for the Approval of the Merger

Legato's board of directors and financial advisor reviewed various industry and financial data in order to determine that the consideration to be paid was reasonable and that the Merger was in the best interests of Legato's stockholders. Specifically, Legato's board of directors and financial advisor reviewed Algoma's operations, Algoma's potential conversion to EAF steelmaking, Algoma's historical and projected financial statements, comparable publicly traded company analyses, an unlevered discounted cash flow analysis of Algoma prepared by Legato's management team, an analysis of pro forma capital structure and trading multiple, and the financial analyses of Algoma prepared by Cassel Salpeter.

Legato conducted a due diligence review of Algoma that included: (i) a review of historical and projected financial statements, (ii) retention of an independent third party steel industry expert engaged to study Algoma's current steelmaking operations and potential EAF conversion, (iii) retention of an independent third party Canadian pension expert engaged to review Algoma's pension obligations, (iv) retention of an independent third party Canadian law firm to review Algoma's environmental framework agreement with the Province of Ontario, (v) retention of Graubard Miller to conduct legal due diligence, (vi) an analysis of Algoma's management team; (vii) a virtual facilities tour and (viii) a valuation analysis to enable Legato's board of directors to ascertain the reasonableness of the merger consideration. During its negotiations with Algoma, Legato did not receive services from any financial advisor to assist it in determining what consideration to offer to Algoma because Legato's officers and directors believed that their experience and backgrounds were sufficient to enable them to make the necessary analyses and determinations.

Legato's management has extensive and diverse experience in both operational management, investment analyses and financial management and, in Legato's opinion, management was suitably qualified to conduct the due diligence and other investigations and analyses required in connection with Legato's search for a merger target. David D. Sgro, Legato's Chief Executive Officer, has served as an executive officer of several special purpose acquisition companies, including as the Chief Operating Officer and Chairman of Allegro Merger Corp the Chief Operating Officer of Harmony Merger Corp, the Chief Financial Officer of Quartet Merger Corp., Trio Merger Corp. and Rhapsody Acquisition Corp., and as part of the deal team for Arpeggio Acquisition Corp. In addition, Mr. Sgro has extensive experience as a private company valuation analyst, an investment analyst, an investment banker and has served on 14 public company boards in the United States and Canada. Eric S. Rosenfeld, Legato's Chief SPAC Officer, served as the Chief Executive Officer of Arpeggio Acquisition Corp., Rhapsody Acquisition Corp., Trio Merger Corp., Quartet Merger Corp., Harmony Merger Corp. and Allegro Merger Corp., six special purpose acquisition companies, five of which completed business combinations. In addition, Mr. Rosenfeld has been a board member of over 20 other public companies in various industries, in addition to having extensive experience in the investment industry and as a private investor. More detailed descriptions of the experience of Legato's executive officers are included in the section of this proxy statement titled *"Other Information Related to Legato – Directors, Executive Officers."*

Additionally, Legato's board of directors has extensive experience in investing, investment banking and operational management, which Legato believes made them well qualified to oversee the due diligence efforts undertaken by Legato's management and evaluate the merits of the business combination with Algoma. Legato's Chairman, Brian Pratt, spent over 30 years as the Chief Executive Officer of Primoris Services Corp., a company which he took public through a merger with Rhapsody Acquisition Corp. in 2008. As a result of his experience managing a union work force focused on building industrial facilities, completing dozens of acquisitions, as well as his knowledge of the SPAC market, Legato believes that Mr. Pratt was well positioned to oversee the management team and participate in the diligence process. Craig Martin's experience as the CEO of Jacobs Engineering, a publicly traded engineering firm that made several acquisitions during his tenure, gives him both operating and acquisition experience. John Ing has a background in investment banking and is currently the President of Maison Placements Canada, which is a Canadian investment bank focused on the metals and mining sectors and which served as a placement agent in the PIPE Financing. Ryan Hummer has a background in public equities investing and a thorough understanding of the diligence process. Blair Baker has been the Managing Partner at the investment firm he founded 23 years ago and is well versed in public equity investing. Adam Semler began his career as an accountant, specializing in the financial services industry and later moved into investment management. Mr. Semler spent the last 16 years of his career with an investment fund where he held numerous positions, including Chief Financial Officer and Chief Operating Officer. Mr. Semler has also served on the board of two other SPACs. More detailed descriptions of the experience of Legato's board of directors are included in the section of this proxy statement titled *"Other Information Related to Legato – Directors, Executive Officers."*

The Legato board of directors concluded that Merger with Algoma was in the best interests of Legato's stockholders. In considering the Merger, Legato's board of directors gave considerable weight to the factors listed below; however, in light of the number and complexity of the factors considered, Legato's board of directors did not consider it practicable to, nor did it attempt to, quantify or otherwise assign relative weights to the specific factors it considered in reaching its decision. In addition, individual members of the Legato board of directors may have given different weight to different factors.

The Experience of Algoma's Management

Legato's board of directors considered the strength and industry experience of Algoma's management team. Algoma's management team is made up of seasoned leaders with experience both inside and outside of the steel industry. Algoma's executive officers have nearly 200 years of aggregate experience in the industry.

Algoma's CEO, Michael McQuade, has over 35 years of steel industry experience, with much of that time spent in finance and operational roles at Stelco, a comparably sized Canadian integrated steel producer. Mr. McQuade's tenure at Stelco ended in 2018, when he stepped down as the company's President. He began his time with Algoma in 2018 as a member of the company's board of directors, but he was asked to take the CEO role shortly thereafter. Rajat Marwah, Algoma's Chief Financial Officer, is a chartered accountant who has spent the last 12 years at Algoma. Mr. Marwah previously held roles in Arcelor Mittal's European operations. John Naccarato, Algoma's General Counsel and VP of Strategy, is both a lawyer and an engineer by education. Mr. Naccarato previously spent time with Dofasco, another large Canadian steel producer, and an industrial construction company.

Since emerging from CCAA protection in the fall of 2018, the management team has worked to increase production capacity and cut operating costs. The management team has de-bottlenecked production and in the winter of 2021, they brought on line a newly commissioned ladle metallurgy facility (LMF 2), which will better align downstream production with Algoma's liquid steelmaking capacity. It is estimated that this addition will add approximately 100 kilotons of finished steelmaking capacity, which is projected to increase EBITDA by approximately $25 million annually through the steel cycle. The management team has also worked to reduce costs through labor attrition and improved maintenance operations, which has resulted in lower use of third-party contractors and should save approximately $44 million on an annualized basis (equal to approximately 4.3% of Algoma's annual cost of goods sold). The management team is also in the process of upgrading Algoma's plate mill, which will expand production capacity of steel plate, an end product which typically achieves a premium price relative to the index. This modernization is expected to add approximately $35 million to annualized EBITDA through the cycle. Further, the management team has worked for over a year to put in place plans to move to EAF steelmaking, which has the potential to further reduce costs, increase production capacity and deliver a 70% reduction in aggregate CO_2 emissions at current production levels.

Due to their depth of experience both inside and outside of Algoma and inside and outside of the steel industry as well as the cost cutting and productivity enhancement initiatives they have executed, Legato's board of directors believes that Algoma's management team is well positioned to execute on Algoma's strategic initiatives and is viewed as a positive investment attribute.

Possible EAF Conversion

Legato's board of directors reviewed Algoma's strategy to convert its operations from traditional blast furnace steelmaking to EAF steelmaking, although a final investment decision had not yet been made by Algoma. Algoma's management estimates that the conversion to EAF steelmaking will cost approximately $500 million and will yield both an increase in steelmaking capacity and a reduction in both operating costs and maintenance capital expenditures. In addition, the use of EAF steelmaking has the potential to decrease the variability of results as the primary raw material, scrap steel, is highly correlated with HRC prices, whereas Algoma's current raw materials, such as coal, iron ore and limestone are not highly correlated with HRC prices.. Algoma's management team believes that the conversion to EAF steelmaking will result in a 70% reduction in aggregate CO_2 emissions at current production levels. Finally, given normalized HRC prices of $685, Algoma's management believes that the conversion to EAF steelmaking will add approximately $150 million to annualized EBITDA due to increased production capacity and reduced costs. In addition, the conversion has the potential to decrease maintenance capital expenditures.

Legato retained an independent third-party consultant in the steelmaking industry to review Algoma's current operations as well as the potential to convert its facilities. The consultant reviewed the risks and benefits of such plans with Legato's board of directors and noted that Algoma's estimates with regard to both the cost to install the EAF as well as the associated costs saving estimates appear reasonable. It should be noted that the conversion to EAF steelmaking is a significant capital investment and there are risks of cost overruns, project delays, power supply issues, or performance that does not meet expectations. As such, Legato's board of directors weighed both the risks and possible rewards of the conversion and concluded that the potential benefits outweigh the risks and the project has the potential to result in significant value creation for Legato's stockholders.

Current Environment for Steel and Infrastructure Tailwinds

When Legato's board of directors and management team established Legato, it decided to target the Engineering and Construction, Infrastructure, Industrial and Renewables industries because it wanted its business combination partner to be positioned to take advantage of North American infrastructure spending. The Biden Administration had proposed an infrastructure package that aimed to, among other things, "fix highways, rebuild bridges, and upgrade ports, airports and transit systems." The plan further called for repairs to 20,000 miles of roads and 10,000 bridges. Legato believed that this proposed spending has the potential to positively impact general demand in the steel industry for the next several years. While there was and is no assurance that the U.S. Congress will pass the proposed infrastructure package or appropriate the expected level of funding, Legato's board viewed the proposal as a positive factor.

In addition to the steel demand that Legato believes will result from proposed increased infrastructure spending, the current supply and demand environment has led to steel prices reaching their highest levels ever in June of 2021, with North American HRC, a standard measure of steel pricing, topping $1,600 per ton. The current pricing environment has resulted from robust demand in the North American market coupled with supply shortages resulting from COVID-related shutdowns, tariffs on foreign steel producers, robust prices for steel in overseas markets, high shipping costs and consolidation in the steel manufacturing industry. While more HRC supply is expected to come online in the next 12 months, which may abate some supply constraints, HRC futures point to robust steel prices well into 2022. With HRC prices above $1,500 per ton, Algoma has the potential to generate over $2.0 billion of EBITDA on an annualized basis. Given significant net operating loss carryforwards, a corporate tax rate of 25%, maintenance capital expenditures of approximately $50 million, losses on hedges and smaller outflows for pension and environmental liabilities, the Legato board of directors believes Algoma has the potential to generate $600 million of free cash flow prior to working capital changes and growth capital expenditures from March 31, 2021 to December 31, 2021. These above average free cash flows could be used to de-lever Algoma's balance sheet, fund value enhancing capital projects or pay a dividend to shareholders. While there can be no assurance as to the level of free cash flow that may be generated in future periods, or that Algoma will use such funds for any particular purpose, Legato's board and management team views the current steel pricing environment and the cash flow that it is likely to generate as an attractive investment attribute. In addition, it views the likely increase in demand resulting from the proposed North American infrastructure spending as a factor that is likely to sustain higher steel prices and thus free cash flows.

Free Cash Flow Potential

Legato's board of directors considered Algoma's ability to generate free cash flow. Legato's board considers free cash flow generation to be of paramount importance because of the weight investors place on the present value of future free cash flows. In addition, Legato's board believes that free cash flow generation is essential in order to pay down debt and/or pay dividends to shareholders. Given the cyclical nature of the steel industry, Legato's board studied both Algoma's current free cash flow generating capacity as well as its normalized free cash flow generating capacity.

As discussed in the "*Current Environment for Steel and Infrastructure Tailwinds*" section above, North American HRC prices recently hit an all-time high of over $1,600 per ton, which is more than triple the lows reached during the COVID pandemic and more than double historical average prices. Based on Algoma management's estimates, Algoma has the potential to generate $600 million of free cash flow, before discretionary capital spending on the conversion to EAF steelmaking and working capital adjustments, for the nine months ending December 31, 2021. This cash flow would reduce the pro forma enterprise value of the combined company by 35%, from $1.7 billion to $1.1 billion. While Legato's board does not anticipate that this level of free cash flow is sustainable indefinitely, it believes that this period of excess free cash flow has the potential to create significant value for shareholders.

With the help of Algoma's management team, Legato's board also studied the normalized free cash flow generation capacity of Algoma's business. In order to estimate normalized free cash flows, Legato's board looked at Algoma's historical free cash flows through a steel pricing cycle ("through the cycle"). Legato believes that a three-year average that excludes the global pandemic is representative of normalized steel prices and profitability. For the fiscal years ended March 31, 2018 through March 31, 2020, HRC prices averaged $685 and Algoma generated average Adjusted EBITDA of $245 million per annum. In order to determine how that translates to future normalized cash flows, Legato added to EBITDA certain profit enhancement initiatives and volume enhancement initiatives that were completed subsequent to the 2018 to 2020 measurement period, as well as additional EBITDA anticipated from the plate mill modernization, which is underway, and the EAF conversion, which is still in the planning stage. From this total Legato subtracted additional profit sharing payments that would be made to employees as a result of these EBITDA enhancements. As a result of the forgoing, Legato estimated that Algoma had Adjusted EBITDA generating capacity of $460 million. From this Adjusted EBITDA, Legato subtracted maintenance capital expenditures and taxes and other cash payments not included in EBITDA to arrive at normalized unlevered free cash flow of $290 million per year. Given an enterprise value of $1.7 billion, which includes all contingent consideration and excludes any cash expected to be generated in the current period of excess returns, the resulting projected free cash flow yield is 17%.

Legato's board of directors placed significant emphasis on Algoma's current free cash flow generating capacity as well as Algoma's ability to generate normalized free cash flow yields in the mid to high teens. Legato's board of directors viewed this projected cash flow generating capacity, relative to the transaction value, as extremely attractive and believes that these cash flows have the potential to create significant value for Legato's stockholders.

Competitive Dynamics (Low Cost Provider)

Legato's board of directors considered the industry in which Algoma competes and Algoma's competitive positioning within that industry. Algoma operates in a highly commoditized industry where production costs are a critical determinant of profitability and sustainability. Algoma has a number of competitive advantages that result in a lower cost structure than many of its North American peers.

Algoma is the only integrated steel producer in North America to operate a DSPC that converts liquid steel directly into strip in a continuous process. The DSPC process is more efficient than the typical process of casting slabs which are allowed to cool and then reheating them prior to rolling into strip form. As a result, Algoma can save on labor associated with moving the slabs, carrying costs of inventory for the cooled slabs, yield loss associated with re-heating and energy costs associated with re-heating. Algoma believes that these cost advantages result in a production cost that is $30 and $40 per ton lower than peers using more traditional processes.

In 2018, Algoma re-established its control of the port of Algoma as a means to receive critical inbound raw materials and outbound shipment of finished goods. These on-site port facilities enable access to low-cost water transportation across the Great Lakes. Since barge shipping is the cheapest form of transportation, Algoma can save considerably on both inbound and outbound shipping as compared to truck and rail freight options. In addition, Algoma's position on the Great Lakes makes it the first stop for iron ore shipments, which gives it a relative cost

advantage and positions Algoma well to take advantage of the scrap markets of Chicago, Detroit and Southern Ontario if it converts to EAF steelmaking.

Legato's board of directors viewed the high cost of capital required to enter the steelmaking market as a positive factor with regard to competitive entry. However, this barrier to entry is negated by global steelmaking capacity that typically outstrips demand. As such, the cost of production is an important factor. Legato's board studied Algoma's competitive cost position relative to other producers as measured by production costs per ton of output and by EBITDA margins. As discussed above, Algoma draws cost advantages from its DSPC facility and location on the Great Lakes. Legato's board of directors concluded that, relative to its North American peers, Algoma appears to have a cost per ton in the lowest quartile and EBITDA margins across the cycle that are among the highest in the industry. The intensely competitive nature of the industry was a negative factor in the eyes of Legato's directors; however, Algoma's competitive position within the industry was viewed positively on a relative basis.

Customer Relationships

Legato's board of directors considered Algoma's customer base and relationships. Algoma has a longstanding reputation in the steel industry that dates back to its founding in 1901. The average tenure for Algoma's top ten customers, which represented approximately 52% of sales in the latest fiscal year, is 20-25 years. Algoma serves customers in a variety of industries, including automotive, construction and energy. In addition, Algoma sells steel products to a diverse base of over 200 customers in the United States and Canada and has no single customer that represents over 11% of sales. Algoma's geographic, sector and customer diversity makes it less exposed than some of its competitors to demand shifts of individual customers or market sectors. Legato's board considered Algoma's customer base and relationships to be a positive investment attribute.

Liabilities

Recognizing the significant liabilities typically related to steelmaking operations, Legato's board of directors focused on Algoma's environmental and pension liabilities.

Algoma has been operating on the same site since the beginning of the twentieth century, in an industry know to have a significant environmental impact. While Algoma currently complies with tighter environmental regulations, the regulatory environment was much less stringent when Algoma commenced steelmaking operations. As such, the potential for substantive environmental liabilities exists on Algoma's property. However, in association with Algoma's restructuring and emergence from CCAA protection in 2018, Algoma executed a Framework Agreement Concerning Environmental Issues with the MECP. Pursuant to the framework agreement, the MECP agreed that during the LEAP Term, as long as Algoma is complying with its obligations under the agreement, the MECP shall not order or otherwise require Algoma or any of its subsidiaries to take any action or to incur any costs in respect of legacy environmental contamination. Further, the MECP provided a release in favor of all current and future directors and officers of Algoma and its subsidiaries from any obligations under applicable environmental laws relating to legacy environmental issues at Algoma's Sault Ste. Marie site with respect to the historical soil, groundwater and sediment contamination. Pursuant to the agreement, Algoma agreed to fund C$3.8 million per year for 20 years to a financial assurance fund, established to fund environmental projects on the site. Additionally, Algoma was released from all legacy environmental issues with respect to the historical soil, groundwater and sediment contamination at Old Steelco's closed iron ore mines, which Algoma does not presently own. Algoma agreed, among other things, to pay $10 million in installments of $250,000 semi-annually to be used to rehabilitate these closed iron ore mines and provided a $3.5 million letter of credit to provide financial assurance for these obligations.

Similar to many other unionized steel producing companies, Algoma has accumulated substantial pension and other post-retirement benefit obligations. Algoma has a total of approximately $1.5 billion in funded pension liabilities for hourly and salaried employees (past and present) and an additional $60 million of unfunded liabilities under the Wrap Regulations. As of March 1, 2021, Algoma estimates that the funded plans were greater than 85% funded on an actuarial basis and nearly fully funded on a going concern basis. As part of Algoma's emergence from CCAA protection, Algoma was granted some relief from funding requirements and has an annual C$31 million cap on excess pension contributions, which moves down to C$2 million once the plans are 85% funded on an actuarial basis. While the 2021 actuarial reports have not been finalized, Algoma believes that it is now 85% funded on an actuarial basis and that these smaller contributions will apply for the upcoming year. In addition, funding for the Wrap Plan is capped annually at C$5 million. As such, the Legato board of directors believed that the additional cash requirements for underfunded pension plans are not overly burdensome.

Given their potential impact on Algoma's free cash flow generating capacity, Legato's board of directors considered Algoma's environmental and pension liabilities and the cash flow required to service these liabilities. The limitations on environmental liabilities established by the Framework Agreement Concerning Environmental Issues with the MECP was considered to be a significant positive factor, particularly when Algoma is compared to similar steelmaking operations without such a favorable environmental liability provision. Legato's board of directors also reviewed Algoma's pension liabilities and determined that while the underfunded pension liabilities were a negative factor, these liabilities were generally not dissimilar from other similarly situated steel producers and the provisions for funding relief were generally viewed favorably.

Diversification

Legato's board of directors considered Algoma's operational diversification. Specifically, Legato's board of directors considered that Algoma operates from only one facility and in only one industry. Algoma operates in the commodity steel production business, which makes Algoma vulnerable to cyclical factors that affect the broader economies in the United States and Canada as well as factors that affect the steel sector in particular. The steel industry has been characterized by significant fluctuation in supply and demand and the companies that operate in this sector typically experience significant variability in earnings and free cash flow.

Algoma has attempted to mitigate this industry specific risk through the production of differentiated products within the steel industry. For example, Algoma offers steel coils in widths that are not commonly available and it is the only plate producer in Canada. Despite these diversification efforts, Algoma remains subject to broader price and volume movements in the steel industry.

Unlike some of its competitors, Algoma operates from a single blast furnace and its operations are not geographically diverse with operations only in Sault Ste. Marie, Canada. This introduces risks associated with the failure of Algoma's No. 7 blast furnace, its only currently operational blast furnace. In the event that this blast furnace is out of operation, Algoma's production of steel would be stalled. While there is a smaller capacity idled blast furnace (No. 6) that is in a near ready state, it would require up to 6 months and C$60 million to bring it back into service. In order to mitigate some of this risk, Algoma is currently contemplating in investment in a dual electric arc furnace, which will provide some level of redundancy to its operations; however, this equipment, if purchased and installed, will not be operational until the end of calendar year 2023, at the earliest. As such, Algoma will remain subject to this risk for the near term.

Overall, Legato's board believed that Algoma's lack of diversification is a negative factor and considered this in determining the merger consideration.

Algoma' Ability to Execute its Business Plan After the Merger Using its Own Available Cash Resources, since Part of the Cash Held in the Trust Account May be Used to Pay Legato's Public Stockholders who Exercise their Conversion Rights

Legato's board of directors considered the risk that the current Public Stockholders of Legato would request to convert their public shares for cash upon consummation of the Transactions, thereby reducing the amount of cash available to Legato following the Transactions or causing a condition under the Merger Agreement not to be met. This risk is somewhat mitigated by the $100 million PIPE that was committed prior to the execution of the Merger Agreement. Legato's board deemed this risk to be no worse with regard to Algoma than it would be with regard to other target companies and believes that, given Algoma's strong free cash flow generation capacity and its potential ability to fund its capital expenditures from internally generated funds, Algoma will still be able to implement its business plan, even if the full amount of the funds deposited in the Trust Account is not available to the combined company at closing.

Other Key Risks and Uncertainties

Legato's board of directors also considered a variety of additional uncertainties, risks, and other potentially negative factors relevant to the Merger. Some of the most prominent risks considered include: foreign exchange rates, Algoma's debt service capacity, the volatility of commodity steel prices, cost or time overruns on the EAF conversion, production capacity of the EAF facility, raw material costs, changing consumer demand, Algoma's labor relations and union contract and worker safety. For a full list of risk factors, please see the section of this proxy statement titled

"*Risk Factors*." Overall, Legato's board of directors determined that the positive aspects of the Merger outweighed the potential risk factors.

Valuation

Based on a review of comparable publicly traded companies, a discounted cash flow analysis and the board's significant transaction experience, Legato's board of directors agreed upon and negotiated terms which they felt were in the best interest of Legato's stockholders. The board used the analyses described below to estimate the likely range of values at which Algoma could be expected to trade in the public market.

Comparable Company Analysis

Legato's management relied in part upon a comparable company analysis to assess the value that the public markets would likely ascribe to Algoma as a public company following the Merger. Legato's management compiled a list of publicly traded North American steel producers that it believes are as similar as possible to Algoma, carefully considering the material differences between Algoma and such companies. Legato's management selected 5 publicly traded companies for review and analysis and divided this comparable company set into two distinct categories: (i) electric arc furnace/mini mill steel producers ("EAF Producers") and (ii) traditional blast furnace or integrated steel producers ("Integrated Producers"). Legato's management considered EAF Producers to be those who predominantly operate mini mills and Integrated Producers to be those that predominantly operate blast furnaces. Legato's management considered this to be the most distinguishing feature within the comparable company group because the EAF Producers traditionally have lower earnings volatility and tend to trade at higher multiples of EBITDA (particularly toward the top of the cycle). Legato's management and board focused on EBITDA multiples, rather than multiples of revenue, net income or some other metric, because this is the standard measure of profitability used by investors in the steelmaking sector.

Company Name	Market Capitalization	Net Debt	Enterprise Value	EV / LTM Revenue	EV / LTM EBITDA	EV / 2021 Est EBITDA	EV / 2022 Est EBITDA
EAF Producers							
Steel Dynamics, Inc.	$ 12,998	$1,852	$ 14,857	1.4x	9.8x	4.7x	8.2x
Nucor Corporation	$ 30,562	$2,550	$ 33,526	1.6x	10.1x	5.3x	8.9x
EAF Producer Median	$ 21,780	$2,201	$ 24,191	1.5x	10.0x	5.0x	8.6x
Integrated Producers							
Cleveland-Cliffs Inc.	$ 9,019	$5,624	$ 15,711	1.7x	16.0x	3.7x	6.1x
United States Steel Corp.	$ 6,458	$5,298	$ 11,849	1.1x	25.6x	3.4x	6.7x
Stelco Holdings Inc.	$ 2,468	$ 371	$ 2,839	2.0x	24.5x	2.4x	5.9x
Integrated Producer Median	$ 6,458	$5,298	$ 11,849	1.7x	24.5x	3.4x	6.1x
Overall Median	**$ 9,019**	**$2,550**	**$ 14,857**	**1.6x**	**16.0x**	**3.7x**	**6.7x**

Source: CapitalIQ data as of May 21, 2021.

Despite the similar nature of each of the above companies, there are several relevant differences that Legato's board considered. As noted above, Legato's board believes that the EAF Producers have less earnings volatility as their primary raw material, scrap steel, is more highly correlated to the market price for finished steel than the inputs for Integrated Producers. As such, EAF Producers tend to significantly outperform Integrated Producers in times of lower prices and underperform in times of higher steel prices. This stability has tended to result in higher EBITDA multiples for EAF Producers relative to their Integrated Producer counterparts. As shown above, the estimated 2021 EAF Producer median enterprise value to EBITDA multiple is 5.0x versus 3.4x for the Integrated Producers. Despite Algoma's proposed transition to EAF steelmaking, Algoma is presently an Integrated Producer, so Legato's board placed greater weight on the multiples of the three Integrated Producers.

The comparable companies above also differ with regard to their size, end product mix, customer mix, geographic location and vertical integration. Legato's board of directors noted that all of the competitors in the comparable company group, except for Stelco, are much larger than Algoma and operate numerous steelmaking furnaces, which decreases their reliance on any one production asset. These competitors have a greater ability to withstand prolonged downtime in any one steelmaking asset, which makes an investment in the larger and more operationally diverse competitors less risky than an investment in Algoma. Several of the competitors in the group are vertically integrated,

with mining, scrap and/or iron ore producing units of their business. This integration could be viewed positively as these producers control more of their supply chain. In addition, some of these larger competitors produce a greater variety of products, which allows them to serve more end markets and limits their reliance on any one sector. However, the benefits of vertical integration and end product diversification are mitigated by the fact that all of these operations are closely tied to the steel industry. Many of the competitors in the comparable company group have operations in multiple geographies, which provides some diversification benefits; however, Algoma's location on the Great Lakes provides Algoma with material benefits. In particular, Algoma's Sault Ste. Marie facility borders the US and Canada, which gives it easy access to both markets. In addition, its location and its port facilities provide it with access to barge shipments for its raw materials and finished goods, which gives Algoma a cost advantage relative to its competitors.

Legato's board of directors believes that the operations of Algoma are most closely aligned with the Integrated Producers in general and Stelco in particular. Stelco is a Canadian producer with a similar level of production capacity from a single blast furnace and a similar margin profile. Given its smaller size, lack of vertical integration and reliance on just one blast furnace, Legato's board of directors believes that Algoma should trade at a discount to the larger Integrated Producers. However, Legato's board believes that Algoma's EBITDA as well as its EBITDA market multiple could benefit greatly from a transition to EAF steelmaking, which is currently under consideration. This transition to a more stable level of cash flow along with the benefits a lower level of reliance on one steelmaking asset would argue for a multiple above those of its integrated peers. Taking all of these factors into consideration, Legato's board of directors believes that the combined company should trade at an enterprise value to 2021 estimated EBITDA of approximately 2.5x. As such, the enterprise value of the combined company would be approximately $2.25 billion, which would result in an equity value of approximately $2.07 billion, or $13.50 per share.

Discounted Cash Flow Analysis

Legato's board of directors also reviewed a discounted cash flow analysis that was prepared by Legato's management team in order to determine the appropriate level of consideration for Algoma. A discounted cash flow analysis uses projected future free cash flows discounted back to the present value using a risk adjusted rate in order to determine the value of an asset. Legato's management applied this valuation technique to assist the board of directors in determining the present value of Algoma's operations, or enterprise value. Algoma provided Legato with its internally prepared quarterly projections for the fiscal years ending March 31, 2022 through 2030. A summary of these projection is shown in the section entitled "*Certain Unaudited Prospective Financial Information Regarding Algoma*." These projections formed the basis for Legato's discounted cash flow analysis and are subject to the assumptions and risks set forth in such section.

Legato's management used an unlevered free cash flow model to estimate the intrinsic value of Algoma. This unlevered DCF analysis is detailed below.

Legato used Algoma's EBITDA through 2030 and made adjustments to determine Algoma's expected free cash flows as though Algoma had no leverage. These adjustments include income and other taxes, capital expenditures assuming the conversion to an electric arc furnace, pension funding requirements and other working capital adjustments. These adjustments were all derived from information contained in the detailed quarterly projections provided by Algoma. The resulting unlevered free cash flow was discounted back to the present value at an estimated weighted average cost of capital of 12.1%. Using the capital asset pricing model, which incorporates the risk-free rate, an equity market risk premium and beta (derived from comparable publicly traded companies), Legato's management calculated Algoma's cost of equity capital to be 15.4%. Given Algoma's current cost of debt coupled with estimates of the current environment for high yield debt in the steel industry, Legato's management calculated Algoma's after-tax cost of debt to be 6.0%. Based on Algoma's current capital structure, Legato's management concluded that a weighting of 35% debt and 65% equity was appropriate. Legato's management used a terminal multiple of 5.5x EBITDA, which was derived from a longer-term average of publicly traded comparable companies. The resulting enterprise value was $2.64 billion, which would result in an equity value of approximately $2.46 billion, or $16.10 per share.

Opinion of Financial Advisor

In making its determination with respect to the Merger, Legato's board of directors also considered the financial analysis performed by Cassel Salpeter, and the oral opinion of Cassel Salpeter to the Legato board of directors (which was subsequently confirmed in writing by delivery of Cassel Salpeter's written opinion dated the same date, May 24, 2021), as to (i) the fairness, from a financial point of view, to Legato's stockholders (other than the Excluded Holders,

as defined below) of the merger consideration to be received by such holders in the Merger pursuant to the Merger Agreement and (ii) whether Algoma had a fair market value equal to at least 80% of the balance of funds in the Trust Account. See " – *Opinion of Financial Advisor to the Board of Directors of Legato*."

Certain Unaudited Prospective Financial Information Regarding Algoma

Algoma does not as a matter of course make public projections as to future revenues, performance, financial condition or other results. However, Algoma's management prepared and provided to its board of directors, its financial advisors and Legato certain internal, unaudited prospective financial information in connection with the evaluation of the Merger. Algoma's management prepared such financial information based on their judgment and assumptions regarding the future financial performance of Algoma. The inclusion of the below information should not be regarded as an indication that Algoma or any other recipient of this information considered – or now considers – it to be necessarily predictive of actual future results.

The unaudited prospective financial information is subjective in many respects. As a result, there can be no assurance that the prospective results will be realized or that actual results will not be significantly higher or lower than estimated. Since the unaudited prospective financial information covers multiple years, that information by its nature becomes less predictive with each successive year.

While presented in this proxy statement/prospectus with numeric specificity, the information set forth in the summary below was based on numerous variables and assumptions that are inherently uncertain and may be beyond the control of Algoma's management, including, among other things, the matters described in the sections entitled "Forward-Looking Statements" and "Risk Factors." Algoma believes the assumptions in the prospective financial information were reasonable at the time the financial information was prepared, given the information Algoma had at the time. However, important factors that may affect actual results and cause the results reflected in the prospective financial information not to be achieved include, among other things, risks and uncertainties relating to Algoma's business, industry performance, the regulatory environment, and general business and economic conditions. The prospective financial information also reflects assumptions as to certain business decisions that are subject to change. The unaudited prospective financial information was not prepared with a view toward public disclosure or with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information, but, in the view of Algoma's management, was prepared on a reasonable basis, reflects the best currently available estimates and judgments, and presents, to the best of management's knowledge and belief, the expected course of action and the expected future financial performance of Algoma. However, this information is not fact and should not be relied upon as being necessarily indicative of future results, and readers of this proxy statement/prospectus are cautioned not to place undue reliance on the prospective financial information.

Neither Algoma's independent registered public accounting firm, nor any other independent accountants, have compiled, examined or performed any procedures with respect to the prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the prospective financial information. The audit reports included in this proxy statement/prospectus relate to historical financial information. They do not extend to the prospective financial information and should not be read to do so.

EXCEPT AS REQUIRED BY APPLICABLE SECURITIES LAWS, NEITHER ALGOMA NOR LEGATO INTENDS TO MAKE PUBLICLY AVAILABLE ANY UPDATE OR OTHER REVISION TO THE PROSPECTIVE FINANCIAL INFORMATION. THE PROSPECTIVE FINANCIAL INFORMATION DOES NOT TAKE INTO ACCOUNT ANY CIRCUMSTANCES OR EVENTS OCCURRING AFTER THE DATE THAT INFORMATION WAS PREPARED. READERS OF THIS PROXY STATEMENT/PROSPECTUS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON THE UNAUDITED PROSPECTIVE FINANCIAL INFORMATION SET FORTH BELOW. NONE OF ALGOMA, LEGATO OR ANY OF THEIR RESPECTIVE AFFILIATES, OFFICERS, DIRECTORS, ADVISORS OR OTHER REPRESENTATIVES HAS MADE OR MAKES ANY REPRESENTATION TO ANY ALGOMA SHAREHOLDER, LEGATO STOCKHOLDER OR ANY OTHER PERSON REGARDING ULTIMATE PERFORMANCE COMPARED TO THE INFORMATION CONTAINED IN THE PROSPECTIVE FINANCIAL INFORMATION OR THAT FINANCIAL AND OPERATING RESULTS WILL BE ACHIEVED.

Certain of the measures included in the prospective financial information may be considered non-IFRS financial measures. Non-IFRS financial measures should not be considered in isolation from, or as a substitute for, financial

information presented in compliance with IFRS, and non-IFRS financial measures as used by Algoma may not be comparable to similarly titled amounts used by other companies. See "Non-IFRS Financial Measures." Financial measures provided to a financial advisor in connection with a business combination transaction are excluded from the definition of non-IFRS financial measures and therefore are not subject to SEC rules regarding disclosures of non-IFRS financial measures, which would otherwise require a reconciliation of a non-IFRS financial measure to an IFRS financial measure. Accordingly, we have not provided a reconciliation of such financial measures.

The following table sets forth certain summarized prospective financial information regarding Algoma for the period indicated:

	Forecast Year Ended March 31,								
	2022P	2023P	2024P	2025P	2026P	2027P	2028P	2029P	2030P
	(in thousands of US$)[1]								
Steel Revenue[2]	$2,624,655	$2,176,706	$2,125,746	$2,210,835	$2,165,113	$1,983,146	$1,998,310	$2,203,023	$2,447,946
Gross Profit	$1,137,940	$ 784,129	$ 608,836	$ 592,192	$ 454,893	$ 281,677	$ 292,950	$ 444,397	$ 547,587
Earnout Adjusted EBITDA[3]	$1,048,621	$ 724,332	$ 579,389	$ 573,244	$ 452,533	$ 304,709	$ 323,869	$ 461,124	$ 560,324

(1) Assumes an exchange rate of US$1.00 = C$1.25.

(2) Steel Revenue is Revenue from steel sales net of freight.

(3) We define Earnout Adjusted EBITDA as net income (loss) before amortization of property, plant, equipment and amortization of assets, finance costs, interest on pension and other post-employment benefit obligations, income taxes, reorganization costs, finance income, inventory write-downs, carbon tax, certain exceptional items, tariff expense, non-cash adjustments and write-downs, loss (gain) on commodity hedging, loss (gain) on foreign exchange and loss (gain) associated with the Algoma Warrants.

We caution investors that amounts presented in accordance with our definition of Earnout Adjusted EBITDA may not be comparable to similar measures disclosed by other issuers, because not all issuers calculate Earnout Adjusted EBITDA in the same manner. In addition, investors are cautioned that Earnout Adjusted EBITDA differs from our reported Adjusted EBITDA. Earnout Adjusted EBITDA should not be considered as an alternative to net income (loss), cash flows from operating activities or any other performance measures derived in accordance with IFRS or as an alternative to cash flows from operating activities as a measure of our liquidity. See "Non-IFRS Financial Measures."

The Algoma prospective financial information was prepared using a number of assumptions, including the following assumptions that Algoma's management believed to be material:

- The following HRC prices:

	Forecast Year Ended March 31,								
	2022P	2023P	2024P	2025P	2026P	2027P	2028P	2029P	2030P
HRC Price (US$/ton)	$1,221	$824	$790	$745	$681	$621	$626	$694	$750

- completion of the proposed transformation to EAF steelmaking by Algoma which may or may not be completed, see "Risk Factors – Risks Related to Algoma's Business"; and
- prices of certain key raw material inputs to the steel making process, which have been estimated based upon current contract terms and the historical relationship of those raw materials to HRC pricing.

Legato, with the assistance of Cassel Salpeter, derived prospective Normalized Unlevered Free Cash Flows for Algoma from the projections provided by Algoma summarized above. These Normalized Unlevered Free Cash Flows included adjustments to projected Earnout Adjusted EBITDA for environmental liabilities of approximately C$3.2 million per year, pension liabilities of approximately C$5.6 million per year and other post-employment benefits of approximately C$6.4 million per year, as well as other adjustments for taxes, depreciation, changes in net working capital and capital expenditures, in each case based on information provided by Algoma management and based on assumptions that Legato management believed to be reasonable at the time. The financial projections provided by Algoma management summarized above, as well as the projections of Normalized Unlevered Free Cash Flows set forth below, were reviewed by the Legato board of directors, which directed Cassel Salpeter to use and rely upon such projections for purposes of its analyses and opinion. The projections of Normalized Unlevered Free Cash Flows were not provided to, and were not reviewed by, Algoma prior to the announcement of the transaction.

The following table sets forth the projected Normalized Unlevered Free Cash Flows for Algoma for the period indicated which were derived by Legato, with the assistance of Cassel Salpeter:

	Forecast Year Ended March 31,								
	2022P	2023P	2024P	2025P	2026P	2027P	2028P	2029P	2030P
	(in thousands of US$)[1]								
Normalized Unlevered Free Cash Flows	$591,104	$290,592	$399,127	$328,141	$355,488	$181,130	$159,475	$286,177	$373,121

(1) Assumes an exchange rate of US$1.00 = C$1.25.

For additional information regarding the assumptions underlying the prospective financial information regarding Algoma, see "*Risk Factors – Risks Related to Algoma's Business*", " *– Risks Related to the Merger – Legato and Algoma have no history operating as a combined company*", and " *– The projections and forecasts presented in this proxy statement/prospectus may not be an indication of the actual results of the transaction or Algoma's future results*."

Certain Updated Unaudited Prospective Financial Information Regarding Algoma

Subsequent to the announcement of the Merger, in June 2021, Algoma's management updated its unaudited prospective financial information regarding Algoma (the "Updated Projections") for use in a presentation prepared by management in connection with Merger. The Updated Projections were not available to and, accordingly, not considered by the Legato board of directors in connection with its approval of the Merger Agreement.

The principal differences between the Updated Projections and the prospective financial information regarding Algoma set forth above under "*Certain Unaudited Prospective Financial Information Regarding Algoma*" (the "Initial Projections") relate to HRC pricing and the use of more recently available HRC future pricing in the Updated Projections, which reflects the significant increase in HRC pricing in the first half of 2021, which increase includes the use of HRC forward pricing in the Updated Projections compared to the use of a blend of HRC forward pricing and third-party estimates for the US Midwest Hot-rolled Coil index in the Initial Projections. The assumed increase in HRC pricing also corresponded to an increase in the assumed prices of key raw material inputs to the steel making process. The following tables sets forth the HRC pricing used in the Initial Projections and the Updated Projections:

	Forecast Year Ended March 31,								
	2022P	2023P	2024P	2025P	2026P	2027P	2028P	2029P	2030P
HRC Price (US$/ton)									
Initial Projections	$ 1,221	$824	$790	$745	$681	$621	$626	$694	$750
Updated Projections	$ 1,212	$985	$900	$900	$900	$900	$900	$900	$900
Difference	($ 9)	$160	$110	$155	$219	$279	$274	$206	$150

You should not place undue reliance on the Updated Projections as the Updated Projections are not a reliable indication of future results. While neither Legato's management nor Algoma's management view the Updated Projections as material to the prospects for Algoma's business, Algoma is providing such information because it was disclosed prior to the date of this proxy statement/prospectus. Algoma does not intend to update the Updated Projections or provide any additional prospective financial information prior to the date of the Special Meeting.

Algoma does not as a matter of course make public projections as to future revenues, performance, financial condition or other results. The inclusion of the below information should not be regarded as an indication that Algoma or any other recipient of this information considered – or now considers – it to be necessarily predictive of actual future results. The Updated Projections are subjective in many respects. As a result, there can be no assurance that the prospective results will be realized or that actual results will not be significantly higher or lower than estimated. Since the Updated Projections cover multiple years, that information by its nature becomes less predictive with each successive year.

While presented in this proxy statement/prospectus with numerical specificity, the information set forth in the summary below was based on numerous variables and assumptions that are inherently uncertain and may be beyond the control of Algoma's management, including, among other things, the matters described in the sections entitled "Forward-Looking Statements" and "Risk Factors." Algoma believes the assumptions in the Updated Projections were reasonable at the time such information was prepared, given the information Algoma had at the time. However, important factors that may affect actual results and cause the results reflected in the Updated Projections not to be achieved include, among other things, risks and uncertainties relating to Algoma's business, industry performance, the regulatory environment, and general business and economic conditions. The Updated Projections also reflect assumptions as to certain business decisions that are subject to change. The Updated Projections were not prepared with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information, but, in the view of Algoma's management, were prepared on a reasonable basis, reflect the best currently available estimates and judgments, and present, to the best of management's knowledge and belief, the expected course of action and the expected future financial performance of Algoma. However, this information is not fact and should not be relied upon as being necessarily indicative of future results, and readers of this proxy statement/prospectus are cautioned not to place undue reliance on the Updated Projections.

Neither Algoma's independent registered public accounting firm, nor any other independent accountants, have compiled, examined or performed any procedures with respect to the Updated Projections contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the Updated Projections. The audit reports included in this proxy statement/prospectus relate to historical financial information. They do not extend to the Updated Projections and should not be read to do so.

EXCEPT AS REQUIRED BY APPLICABLE SECURITIES LAWS, NEITHER ALGOMA NOR LEGATO INTENDS TO MAKE PUBLICLY AVAILABLE ANY UPDATE OR OTHER REVISION TO THE UPDATED PROJECTIONS. THE UPDATED PROJECTIONS DO NOT TAKE INTO ACCOUNT ANY CIRCUMSTANCES OR EVENTS OCCURRING AFTER THE DATE THAT INFORMATION WAS PREPARED. READERS OF THIS PROXY STATEMENT/PROSPECTUS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON THE UPDATED PROJECTIONS SET FORTH BELOW. NONE OF ALGOMA, LEGATO OR ANY OF THEIR RESPECTIVE AFFILIATES, OFFICERS, DIRECTORS, ADVISORS OR OTHER REPRESENTATIVES HAS MADE OR MAKES ANY REPRESENTATION TO ANY ALGOMA SHAREHOLDER, LEGATO STOCKHOLDER OR ANY OTHER PERSON REGARDING ULTIMATE PERFORMANCE COMPARED TO THE INFORMATION CONTAINED IN THE UPDATED PROJECTIONS OR THAT FINANCIAL AND OPERATING RESULTS WILL BE ACHIEVED.

Certain of the measures included in the Updated Projections may be considered non-IFRS financial measures. Non-IFRS financial measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with IFRS, and non-IFRS financial measures as used by Algoma may not be comparable to similarly titled amounts used by other companies. See "Non-IFRS Financial Measures." Financial measures provided to a financial advisor in connection with a business combination transaction are excluded from the definition of non-IFRS financial measures and therefore are not subject to SEC rules regarding disclosures of non-IFRS financial measures, which would otherwise require a reconciliation of a non-IFRS financial measure to an IFRS financial measure. Accordingly, we have not provided a reconciliation of such financial measures.

The following table sets forth certain summarized updated prospective financial information regarding Algoma for the period indicated:

	Forecast Year Ended March 31,								
	2022P	2023P	2024P	2025P	2026P	2027P	2028P	2029P	2030P
	(in millions of US$)[1]								
Steel Revenue[2]	$2,537	$2,561	$2,427	$2,653	$2,829	$2,829	$2,829	$2,829	$2,918
Gross Profit	$1,093	$1,156	$ 873	$ 950	$ 970	$ 938	$ 924	$ 918	$ 854
Earnout Adjusted EBITDA[3]	$1,008	$1,059	$ 817	$ 895	$ 916	$ 895	$ 892	$ 887	$ 836

(1) Assumes an exchange rate of US$1.00 = C$1.25.

(2) Steel Revenue is Revenue from steel sales net of freight.

(3) We define Earnout Adjusted EBITDA as net income (loss) before amortization of property, plant, equipment and amortization of assets, finance costs, interest on pension and other post-employment benefit obligations, income taxes, reorganization costs, finance income, inventory write-downs, carbon tax, certain exceptional items, tariff expense, non-cash adjustments and write-downs, loss (gain) on commodity hedging, loss (gain) on foreign exchange and loss (gain) associated with the Algoma Warrants.

We caution investors that amounts presented in accordance with our definition of Earnout Adjusted EBITDA may not be comparable to similar measures disclosed by other issuers, because not all issuers calculate Earnout Adjusted EBITDA in the same manner. In addition, investors are cautioned that Earnout Adjusted EBITDA differs from our reported Adjusted EBITDA. Earnout Adjusted EBITDA should not be considered as an alternative to net income (loss), cash flows from operating activities or any other performance measures derived in accordance with IFRS or as an alternative to cash flows from operating activities as a measure of our liquidity. See "Non-IFRS Financial Measures."

The Updated Projections were prepared using a number of assumptions, including:

- HRC prices set forth in the table above;
- the completion of the proposed transformation to EAF steelmaking by Algoma which may or may not be completed, that Algoma's management believed to be material. See "Risk Factors – Risks Related to Algoma's Business"; and
- prices of certain key raw material inputs to the steel making process, which have been estimated based upon current contract terms and the historical relationship of those raw materials to HRC pricing.

For additional information regarding the assumptions underlying the Updated Projections, see "*Risk Factors – Risks Related to Algoma's Business*", " *– Risks Related to the Merger – Legato and Algoma have no history operating as a combined company*", and " *– The projections and forecasts presented in this proxy statement/prospectus may not be an indication of the actual results of the transaction or Algoma's future results*."

Satisfaction of 80% Test

It is a requirement under the Existing Legato Charter that any business acquired by Legato have a fair market value equal to at least 80% of the balance of the funds in the Trust Account at the time of the execution of a definitive agreement for an initial business combination (excluding the taxes payable on the income earned on, the Trust Account).

As of May 24, 2021, the date of the execution of the Merger Agreement, the balance of the funds in the Trust Account, less the taxes payable on interest earned, was approximately $235.8 million and 80% thereof represents approximately $188.7 million. Based on the financial analysis of Algoma utilizing both DCF and comparable company valuation metrics, the Legato board of directors ascribed an enterprise value of $2.25 to $2.64 billion to Algoma and determined that this requirement was met. See *"Opinion of Legato's Financial Advisor – Summary of Material Financial Analyses."*

The Legato board of directors determined that the consideration being paid in the Merger, which amount was negotiated at arms-length, was fair to and in the best interests of Legato and its stockholders and appropriately reflected Algoma's value. Legato's board of directors believed that the financial skills and background of its members qualified it to conclude that the acquisition of Algoma met this requirement. In addition, Legato's board of directors considered

the financial analysis reviewed by Cassel Salpeter with the Legato board of directors, and the oral opinion of Cassel Salpeter to the Legato board of directors (which was subsequently confirmed in writing by delivery of Cassel Salpeter's written opinion dated the same date, May 24, 2021), as to whether Algoma had a fair market value equal to at least 80% of the balance of funds in the Trust Account.

Opinion of Legato's Financial Advisor

On May 24, 2021, Cassel Salpeter rendered its oral opinion to the Legato board of directors (which was confirmed in writing by delivery of Cassel Salpeter's written opinion dated such date), to the effect that, as of May 24, 2021, (i) the merger consideration to be received by the holders of Legato shares, other than holders of Legato shares issued in private placements, including shares issued to Legato's initial shareholders (such holders, "Founders") or to underwriters and their respective affiliates (collectively, the "Excluded Holders"), in the Merger pursuant to the Merger Agreement, after giving effect to the Stock Split and assuming the full issuance of Algoma Common Shares upon satisfaction of the earnout (the "Earnout Rights Grant"), was fair, from a financial point of view, to such holders (other than the Excluded Holders) and (ii) Algoma had a fair market value equal to at least 80% of the balance of funds in the Trust Account.

The summary of the opinion in this proxy statement/prospectus is qualified in its entirety by reference to the full text of the written opinion, which is included as *Annex C* to this proxy statement/prospectus and sets forth the procedures followed, assumptions made, qualifications and limitations on the review undertaken and other matters considered by Cassel Salpeter in preparing its opinion. However, neither Cassel Salpeter's written opinion nor the summary of its opinion and the related analyses set forth in this proxy statement/prospectus are intended to be, and do not constitute, advice or a recommendation to any stockholder as to how such stockholder should act or vote with respect to any matter relating to the proposed merger or otherwise, including, without limitation, whether any such stockholder should redeem their shares or whether any party should participate in the PIPE Investment.

The opinion was addressed to the Legato board of directors for the use and benefit of the members of the Legato board of directors (in their capacities as such) in connection with the Legato board of directors' evaluation of the Merger. Cassel Salpeter's opinion was just one of the several factors the Legato board of directors took into account in making its determination to approve the Merger, including those described elsewhere in this proxy statement/prospectus.

Cassel Salpeter's opinion only addressed whether, as of the date of the opinion, (i) the merger consideration to be received by the holders of Legato shares, other than the Excluded Holders, in the Merger pursuant to the Merger Agreement, after giving effect to the Stock Split and the Earnout Rights Grant, was fair, from a financial point of view, to such holders (other than the Excluded Holders) and (ii) Algoma had a fair market value equal to at least 80% of the balance of funds in the Trust Account (less any taxes payable on interest earned). It did not address any other terms, aspects, or implications of the Transaction or the Merger Agreement, including, without limitation, (i) other than assuming the consummation thereof in accordance with the Merger Agreement, the Stock Split, the Earnout Rights Grant, the PIPE Investment or the assumption by Algoma of outstanding Legato Warrants, (ii) any term or aspect of the Merger that is not susceptible to financial analysis, (iii) the fairness of the Merger, or all or any portion of the merger consideration, to any other security holders of Legato (including, without limitation, the Excluded Holders or holders of Legato Warrants), Algoma or any other person or any creditors or other constituencies of Legato, Algoma or any other person, (iv) the fairness of any portion or aspect of the Transaction to any one class or group of Legato's or any other party's security holders or other constituencies relative to any other class or group of Legato's or such other party's security holders or other constituencies (including, without limitation, the fairness of the merger consideration to be received by the Excluded Holders relative to the other holders of Legato shares or the potential dilutive or other effects of the Transaction on such other holders), (v) the appropriate capital structure of Algoma or whether Algoma should be issuing debt or equity securities or a combination of both, nor (vi) the fairness of the amount or nature, or any other aspect, of any compensation or consideration payable to or received by any officers, directors, or employees of any parties to the Transaction, or any class of such persons, relative to the merger consideration in the Merger pursuant to the Merger Agreement or otherwise. Cassel Salpeter did not express any view or opinion as to (i) what the value of Algoma Common Shares actually would be when issued in the Merger, (ii) the prices at which Algoma Common Shares or Legato shares may trade, be purchased or sold at any time, including without limitation, for purposes of assessing the Earnout Rights, or (iii) the conditions under which Algoma Common Shares are issuable in

respect of the Earnout Rights pursuant to the Merger Agreement or the timing or likelihood of achieving such conditions. In addition, Cassel Salpeter made no representation or warranty regarding the adequacy of its opinion or the analyses underlying its opinion for the purpose of Legato's compliance with the terms of its constituent documents, the rules of any securities exchange or any other general or particular purpose.

Cassel Salpeter's opinion did not address the relative merits of the Transaction as compared to any alternative transaction or business strategy that might exist for Legato, or the merits of the underlying decision by the Legato board of directors or Legato to engage in or consummate the Transaction. The financial and other terms of the Transaction were determined pursuant to negotiations between the parties to the Merger Agreement and were not determined by or pursuant to any recommendation from Cassel Salpeter. In addition, Cassel Salpeter was not authorized to, and did not, solicit indications of interest from third parties regarding a potential transaction involving Legato.

Cassel Salpeter was not requested to, and did not, (a) initiate or participate in any discussions or negotiations with respect to the Transaction, the securities, assets, businesses or operations of Legato, Algoma or any other party, or any alternatives to the Transaction, (b) negotiate the terms of the Transaction, or (c) advise the Legato board of directors or any other party with respect to alternatives to the Transaction. Cassel Salpeter's analysis and opinion were necessarily based upon market, economic, and other conditions as they existed on, and could be evaluated as of, the date of the opinion. Furthermore, as the Legato board of directors was aware, the credit, financial and stock markets had been experiencing significant volatility, due to, among other things, the COVID-19 pandemic and related illnesses and the direct and indirect business, financial, economic and market implications thereof, and Cassel Salpeter expressed no opinion or view as to any potential effects of such matters on Legato, Algoma or the Transaction. Accordingly, although subsequent developments could arise that would otherwise affect its opinion, Cassel Salpeter did not assume any obligation to update, review, or reaffirm its opinion to the Legato board of directors or any other person or otherwise to comment on or consider events occurring or coming to its attention after the date of the opinion.

In arriving at its opinion, Cassel Salpeter made such reviews, analyses, and inquiries as Cassel Salpeter deemed necessary and appropriate under the circumstances. Among other things, Cassel Salpeter:

- Reviewed an execution copy, dated May 24, 2021, of the Merger Agreement.
- Reviewed certain publicly available financial information and other data with respect to Legato and Algoma that Cassel Salpeter deemed relevant.
- Reviewed certain other information and data with respect to Legato and Algoma made available to Cassel Salpeter by Legato and Algoma, including financial projections with respect to the future financial performance of Algoma prepared by, and adjusted based on discussions with, management of Algoma (the "Algoma Projections") as further adjusted for certain contingent liabilities based on discussions with management of Legato (the "Legato Projections for Algoma") and other internal financial information furnished to Cassel Salpeter by or on behalf of Legato and Algoma.
- Considered and compared the financial and operating performance of Algoma with that of companies with publicly traded equity securities that Cassel Salpeter deemed relevant.
- Considered the publicly available financial terms of certain transactions that Cassel Salpeter deemed relevant.
- Compared the implied enterprise value reference ranges of Algoma to the balance, as provided by Legato management, of funds in the Trust Account.
- Discussed the business, operations and prospects of Algoma and the proposed merger with Legato's and Algoma's management and certain of Legato's and Algoma's representatives.
- Conducted such other analyses and inquiries, and considered such other information and factors as Cassel Salpeter deemed appropriate.

For purposes of its analyses and opinion Cassel Salpeter, at the Legato board of directors' direction, (i) assumed that the aggregate value of the Algoma Common Shares issued in the Stock Split would be equal to $750,000,000 (the "Equity Value"), (ii) assumed that the maximum aggregate value of the Earnout Rights would, based on the maximum number of Algoma Common Shares issuable in respect thereof and the reference value of $10.00 per share of Legato

Common Stock, be $375,000,000 (the "Assumed Maximum Earnout Value"), and (iii) evaluated the fairness, from a financial point of view, to Legato's stockholders (other than the Excluded Holders) of the merger consideration to be received by such holders in the Merger pursuant to the Merger Agreement, after giving effect to the Stock Split and the Earnout Rights Grant, based solely on a comparison of (a) the Equity Value and the Assumed Maximum Earnout Value and (b) the implied aggregate equity value reference ranges for Algoma that Cassel Salpeter believed were indicated by its financial analyses of Algoma. In addition, for purposes of its analysis and opinion Cassel Salpeter, with the Legato board of directors' consent, evaluated whether Algoma had a fair market value equal to at least 80% of the balance of funds in the Trust Account solely upon the basis of a comparison of the implied enterprise value reference ranges of Algoma indicated by its financial analysis with the balance of funds in the Trust Account, which the Legato board of directors advised Cassel Salpeter and Cassel Salpeter, for purposes of its analysis and opinion, assumed did not and would not exceed $235,790,000.

In arriving at its opinion, Cassel Salpeter, with the Legato board of directors' consent, relied upon and assumed, without independently verifying, the accuracy and completeness of all of the financial and other information that was supplied or otherwise made available to it or available from public sources, and Cassel Salpeter further relied upon the assurances of Legato's and Algoma's management that they were not aware of any facts or circumstances that would have made any such information inaccurate or misleading. Cassel Salpeter is not a legal, tax, accounting, environmental, or regulatory advisor, and Cassel Salpeter did not express any views or opinions as to any legal, tax, accounting, environmental, or regulatory matters relating to Legato, Algoma, the Transaction, or otherwise. Cassel Salpeter understood and assumed that Legato had obtained or would obtain such advice as it deemed necessary or appropriate from qualified legal, tax, accounting, environmental, regulatory, and other professionals, that such advice was sound and reasonable and that Legato had acted or would act in accordance with such advice.

With the Legato board of directors' consent, Cassel Salpeter assumed that the Algoma Projections were reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of Algoma with respect to the future financial performance of Algoma. Legato advised Cassel Salpeter and at the Legato board of directors' direction Cassel Salpeter assumed that (i) the Legato Projections for Algoma were reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of Legato with respect to the future financial performance of Algoma, and (ii) that the Legato Projections for Algoma provided a reasonable basis upon which to analyze and evaluate Algoma and form an opinion. At the Legato board of directors' direction, Cassel Salpeter used and relied upon the Legato Projections for Algoma for purposes of its analyses and opinion. Cassel Salpeter expressed no view with respect to the Algoma Projections, the Legato Projections for Algoma or the respective assumptions on which they were based. Cassel Salpeter did not evaluate the solvency or creditworthiness of Legato, Algoma or any other party to the Transaction, the fair value of Legato, Algoma or any of their respective assets or liabilities, or whether Legato, Algoma or any other party to the Transaction is paying or receiving reasonably equivalent value in the Transaction under any applicable foreign, state, or federal laws relating to bankruptcy, insolvency, fraudulent transfer, or similar matters, nor did Cassel Salpeter evaluate, in any way, the ability of Legato, Algoma or any other party to the Transaction to pay its obligations when they come due. Cassel Salpeter did not physically inspect Legato's or Algoma's properties or facilities and did not make or obtain any evaluations or appraisals of Legato's or Algoma's assets or liabilities (including any contingent, derivative, or off-balance-sheet assets and liabilities). Cassel Salpeter did not attempt to confirm whether Legato or Algoma had good title to their respective assets. Cassel Salpeter's role in reviewing any information was limited solely to performing such reviews as Cassel Salpeter deemed necessary to support its own advice and analysis and was not on behalf of the Legato board of directors, Legato, or any other party.

Cassel Salpeter assumed, with the Legato board of directors' consent, that the Transaction would be consummated in a manner that complies in all respects with applicable foreign, federal, state, and local laws, rules, and regulations and that, in the course of obtaining any regulatory or third party consents, approvals, or agreements in connection with the Transaction, no delay, limitation, restriction, or condition would be imposed that would have an adverse effect on Legato, Algoma or the Transaction. Cassel Salpeter also assumed, with the Legato board of directors' consent, that the final executed form of the Merger Agreement would not differ in any material respect from the copy Cassel Salpeter reviewed and that the Transaction would be consummated on the terms set forth in the Merger Agreement, without waiver, modification, or amendment of any term, condition, or agreement thereof material to Cassel Salpeter's analyses or opinion. Cassel Salpeter also assumed that the representations and warranties of the parties to the Merger Agreement contained therein were true and correct and that each such party would perform all of the covenants and agreements to be performed by it under the Merger Agreement. Cassel Salpeter offered no opinion as to the contractual terms of the

Merger Agreement or the likelihood that the conditions to the consummation of the Transaction set forth in the Merger Agreement would be satisfied. The Legato board of directors also advised Cassel Salpeter, and Cassel Salpeter assumed, that for U.S. federal tax income purposes the Merger would qualify as a reorganization within the meaning of Section 368 of the Internal Revenue Code of 1986, as amended.

In connection with preparing its opinion, Cassel Salpeter performed a variety of financial analyses. The following is a summary of the material financial analyses performed by Cassel Salpeter in connection with the preparation of its opinion. It is not a complete description of all analyses underlying such opinion. The preparation of an opinion is a complex process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances. As a consequence, neither Cassel Salpeter's opinion nor the respective analyses underlying its opinion is readily susceptible to partial analysis or summary description. In arriving at its opinion, Cassel Salpeter assessed as a whole the results of all analyses undertaken by it with respect to the opinion. While it took into account the results of each analysis in reaching its overall conclusions, Cassel Salpeter did not make separate or quantifiable judgments regarding individual analyses and did not draw, in isolation, conclusions from or with regard to any individual analysis or factor. Therefore, Cassel Salpeter believes that the analyses underlying the opinion must be considered as a whole and that selecting portions of its analyses or the factors it considered, without considering all analyses and factors underlying the opinion collectively, could create a misleading or incomplete view of the analyses performed by Cassel Salpeter in preparing the opinion.

The implied valuation reference ranges indicated by Cassel Salpeter's analyses are not necessarily indicative of actual values nor predictive of future results, which may be significantly more or less favorable than those suggested by such analyses. Much of the information used in, and accordingly the results of, Cassel Salpeter's analyses are inherently subject to substantial uncertainty.

Summary of Material Financial Analyses.

The following summary of the material financial analyses performed by Cassel Salpeter in connection with the preparation of its opinion includes information presented in tabular format. The tables alone do not constitute a complete description of these analyses. Considering the data in the tables below without considering the full narrative description of the analyses, as well as the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of the financial analyses Cassel Salpeter performed.

For purposes of its analyses, Cassel Salpeter considered the implied value of the Algoma Common Shares to be issued in the Stock Split and the Earnout Rights Grant to be $750,000,000 to $1,125,000,000, assuming the issuance of a number of shares issuable pursuant to the Earnout Rights Grant ranging from no shares up to the maximum number of shares issuable pursuant to the Earnout Rights Grant and based upon the reference value of $10.00 per share as provided by the Merger Agreement, which the Legato board of directors advised Cassel Salpeter, and Cassel Salpeter, with the consent of the Legato board of directors, assumed was a reasonable basis upon which to evaluate the Algoma Common Shares after giving effect to the Stock Split.

Share prices for the selected companies used in the selected companies analysis described below were as of May 19, 2021. The relevant values for the selected transactions analysis described below were calculated on an enterprise value basis based on the consideration proposed to be paid in the selected transactions. Estimates of financial performance for the selected companies listed below were based on publicly available research analyst estimates for those companies. Estimates of financial performance for Algoma were based on the Legato Projections for Algoma.

For purposes of its analyses, Cassel Salpeter reviewed a number of financial metrics, including:

- "EBITDA," which generally refers to the amount of the relevant company's earnings before interest, taxes, depreciation and amortization for a specified time period; and
- "Enterprise Value," which generally refers to the value as of a specified date of the relevant company's outstanding equity securities (taking into account its options and other outstanding convertible securities) plus the value as of such date of its net debt (the value of its outstanding indebtedness, preferred stock and minority interests less the amount of cash on its balance sheet).

Discounted Cash Flows Analysis. Cassel Salpeter performed a discounted cash flow analysis of Algoma based on the Legato Projections for Algoma. In performing this analysis, Cassel Salpeter applied discount rates ranging from

19.0% to 21.0%, taking into account its experience and professional judgment and an estimate of Algoma's weighted-average cost of capital, and perpetual growth rates ranging from 2.75% to 3.25%, taking into account its experience and professional judgment. This analysis indicated an implied aggregate equity value reference range of approximately $1,506,442,000 to $1,722,842,000 for Algoma, as compared to the implied value of Algoma Common Shares to be issued in the Stock Split and the Earnout Rights Grant of $750,000,000 to $1,125,000,000.

Selected Companies Analysis. Cassel Salpeter considered certain financial data for Algoma and selected companies with publicly traded equity securities Cassel Salpeter deemed relevant.

The financial data reviewed included:

- Enterprise value as multiple of mean EBITDA for fiscal year 2019, EBITDA for fiscal year 2020 and estimated EBITDA for fiscal year 2021, or "Mean FY 2019, 2020 and 2021E EBITDA."
- Enterprise value as multiple of estimated EBITDA for the calendar year 2021, or "CY 2021E EBITDA."
- Enterprise value as multiple of estimated EBITDA for the calendar year 2022, or "CY 2022E EBITDA."

The selected companies and corresponding multiples were:

	Enterprise Value / EBITDA		
Selected Company	**Mean FY 2019, 2020 and 2021E**	**CY 2021E**	**CY 2022E**
Basic Oxygen Furnace (BOF)			
Cleveland-Cliffs Inc.	13.2x	4.0x	6.5x
United States Steel Corporation	15.0x	3.4x	6.7x
Stelco Holdings Inc.	18.4x	2.5x	6.1x
Electric Arc Furnace (EAF)			
Steel Dynamics, Inc.	9.2x	4.8x	8.3x
Nucor Corporation	9.8x	5.3x	9.1x
Commercial Metals Company	9.6x	6.9x	6.9x
Schnitzer Steel Industries, Inc.	10.1x	5.7x	5.6x

Enterprise Value Multiple of	**High**	**Mean**	**Median**	**Low**
Mean FY 2019, 2020 and 2021E EBITDA	18.4x	12.3x	10.1x	9.2x
CY 2021E EBITDA	6.9x	4.6x	4.8x	2.5x
CY 2022E EBITDA	9.1x	7.0x	6.7x	5.6x

Taking into account the results of the selected companies analysis, Cassel Salpeter applied multiple ranges of 8.0x to 10.0x to Algoma's mean FY 2019, 2020 and estimated 2021E EBITDA; 2.0x to 2.5x to Algoma's estimated CY 2021E EBITDA; and 2.0x to 2.5x to Algoma's estimated CY 2022E EBITDA, in each case based on the Legato Projections for Algoma, which resulted in an implied aggregate equity value reference range of approximately $1,249,142,000 to $1,682,342,000 for Algoma, as compared to the implied value of the Algoma Common Shares to be issued in the Stock Split and the Earnout Rights Grant of $750,000,000 to $1,125,000,000.

None of the selected companies have characteristics identical to Algoma. An analysis of selected publicly traded companies is not mathematical; rather it involves complex consideration and judgments concerning differences in financial and operating characteristics of the selected companies and other factors that could affect the public trading values of the companies reviewed.

Selected Transactions Analysis. Cassel Salpeter considered the financial terms of the following business transactions Cassel Salpeter deemed relevant. The financial data reviewed included transaction value as a multiple of trailing twelve months, or "TTM" EBITDA. The selected transactions and the resulting high, low, mean and median financial data were:

Date Announced	Date Closed	Target	Acquiror	Enterprise Value/ TTM EBITDA
28-Sep-20	9-Dec-20	ArcelorMittal USA LLC	Cleveland-Cliffs Inc.	6.6x
3-Dec-19	13-Mar-20	AK Steel Holding Corporation	Cleveland-Cliffs Inc.	4.6x
3-Jun-19	3-Jun-19	Premier Forge Group	Wynnchurch Capital, L.P	NA
8-May-18	30-Aug-18	Seah Steel California, LLC	SeAH Steel International Co., Ltd.	NA
1-Nov-16	1-Nov-16	ASW Steel Inc. (nka:Valbruna ASW, Inc.)	Union Electric Steel Corporation	NA
21-Jul-14	16-Sep-14	Severstal Dearborn, Inc.	AK Steel Corporation	29.4x
21-Jul-14	16-Sep-14	Severstal Columbus, LLC	Steel Dynamics, Inc.	NA
20-Jun-11	29-Feb-12	Latrobe Specialty Metals, Inc.	Carpenter Technology Corporation	8.8x
15-Sep-10	21-Oct-10	TAMCO Steel, Inc.	Gerdau Ameristeel US Inc.	NA

"NA" refers to "not available."

Enterprise Value Multiple of	High	Mean	Median	Low
TTM EBITDA	29.4x	12.4x	7.7x	4.6x

Taking into account the results of the selected transactions analysis, Cassel Salpeter applied multiples of 7.0x to 8.0x to Algoma's Mean FY 2019, 2020 and 2021E EBITDA, which resulted in an implied aggregate equity value reference range of approximately $1,026,042,000 to $1,241,642,000 for Algoma, as compared to the implied value of the Algoma Common Shares to be issued in the Stock Split and the Earnout Rights Grant of $750,000,000 to $1,125,000,000.

None of the target companies or transactions in the selected transactions have characteristics identical to Algoma or the proposed Transaction. Accordingly, an analysis of selected business combinations is not mathematical; rather it involves complex considerations and judgments concerning differences in financial and operating characteristics of the target companies in the selected transactions and other factors that could affect the respective acquisition values of the transactions reviewed.

Implied Value Reference Range of the Company Compared to Trust Fund Balance. Cassel Salpeter also compared the implied enterprise value reference range indicated by its financial analyses for the Company of $1,509,700,000 to $2,206,500,000 with the balance of funds in the Trust Account, which the Legato board of directors advised Cassel Salpeter and Cassel Salpeter, for purposes of its analysis and opinion, assumed did not and would not exceed $235,790,000.

Other Matters Relating to Cassel Salpeter's Opinion

As part of its investment banking business, Cassel Salpeter regularly is engaged in the evaluation of businesses and their securities in connection with mergers, acquisitions, corporate restructurings, private placements and other purposes. Cassel Salpeter is a recognized investment banking firm that has substantial experience in providing financial advice in connection with mergers, acquisitions, sales of companies, businesses and other assets and other transactions. Cassel Salpeter received a fee of $100,000 for rendering its opinion, no portion of which was contingent upon the completion of the Merger. In addition, Legato agreed to reimburse Cassel Salpeter for certain expenses incurred by it in connection with its engagement and to indemnify Cassel Salpeter and its related parties for certain liabilities that may arise out of its engagement or the rendering of its opinion. Cassel Salpeter in the past provided investment banking or other financial services to affiliates of the Founders for which Cassel Salpeter received compensation, including, during the past two years, having acted as the financial advisor to Allegro Merger Corp., a special purpose acquisition

company sponsored by certain of the Founders or their affiliates, in connection with a potential acquisition announced in November 2019, for which Cassel Salpeter received aggregate fees of $85,000. Cassel Salpeter has not provided investment banking or other financial services to Legato or Algoma for which it has received, or would expect to receive, compensation. In accordance with Cassel Salpeter's policies and procedures, a fairness committee of Cassel Salpeter was not required to, and did not, approve the issuance of Cassel Salpeter's opinion.

Recommendation of Legato's Board of Directors

The board of directors determined that the consideration being paid in the Merger, which amount was negotiated at arms-length, was fair to and in the best interests of Legato and its stockholders. In reaching this determination, the board of directors concluded that it was appropriate to base such valuation on qualitative factors such as: (1) management strength and depth, (2) currently favorable supply/demand dynamics, (3) expected tailwinds from infrastructure spending, (4) Algoma's position as a low cost manufacturer, (5) limited environmental liabilities, and (6) plans for a possible conversion to electric arc steelmaking, as well as quantitative factors such as: (a) Algoma's current and expected future free cash flow generation, (b) the current and expected future price of steel, (c) low relative level of debt, and (d) intrinsic value of Algoma based on both DCF and comparable company valuation metrics. Legato's board of directors believed that the financial skills and background of its members qualified it to conclude that the acquisition of Algoma met this requirement. In addition, Legato's board of directors considered the financial analysis reviewed by Cassel Salpeter with the Legato board of directors, and the oral opinion of Cassel Salpeter to the Legato board of directors (which was subsequently confirmed in writing by delivery of Cassel Salpeter's written opinion dated the same date, May 24, 2021), as to the fairness, from a financial point of view, to Legato's stockholders (other than the Excluded Holders) of the merger consideration to be received by such holders in the Merger pursuant to the Merger Agreement.

After careful consideration of the matters described above, Legato's board of directors determined that the Merger Proposal and the Adjournment Proposal, if presented, are fair to and in the best interest of Legato's stockholders and recommends that you vote or give instructions to vote "**FOR**" each of these proposals.

The foregoing discussion of the information and factors considered by the Legato board of directors is not meant to be exhaustive, but includes the material information and factors considered by the Legato board of directors.

Interests of Legato's Directors and Officers in the Merger

John Ing and Brian Pratt, directors of Legato, participated in the PIPE Investment and, to avoid the appearance of a conflict of interest, each abstained from the Legato board of directors' vote to approve the Merger. When you consider the recommendation of Legato's board of directors in favor of approval of the Merger Proposal, you should keep in mind that the Founders, including Legato's directors and executive officers, have interests in such proposal that may be different from, or in addition to, your interests as a stockholder. These interests include, among other things:

- If the Merger with Algoma or another business combination is not consummated by July 22, 2022 (or such later date as may be approved by Legato stockholders), Legato will cease all operations except for the purpose of winding up, redeeming 100% of the outstanding Public Shares for cash and, subject to the approval of its remaining stockholders and its board of directors, dissolving and liquidating. In such event, the Founder Shares, would be worthless because the Founder Shares are not entitled to participate in any Redemption or distribution with respect to such shares. Such shares had an aggregate market value of $ based upon the closing price of $ per share on Nasdaq on , 2021, the record date for the Special Meeting. On the other hand, if the Merger is consummated, each outstanding share of Legato Common Stock will be converted into one Algoma Common Share.
- The Founders, Legato's officers or directors, or their affiliates are entitled to reimbursement of out-of-pocket expenses incurred by them in connection with certain activities on Legato's behalf, such as identifying and investigating possible business targets and mergers. If Legato fails to consummate the Merger, they will not have any claim against the Trust Account for repayment or reimbursement. In addition, in order to meet its working capital needs the Founders may, but are not obligated to, loan Legato funds, from time to time or at any time, in whatever amount they deem reasonable in their sole discretion. These loans would be repayable upon consummation of the Merger or, with the consent of Algoma, may be converted into Private Units immediately prior to the Effective Time at an exchange rate of $10.00 of borrowings per Private Unit. In the

event that the Merger does not close, Legato may use a portion of the working capital held outside the Trust Account to repay such loaned amounts, but no other proceeds from the Trust Account would be used for such repayment. Accordingly, Legato may not be able to repay or reimburse these amounts if the Merger is not completed.

- Certain of the Founders purchased 604,000 Private Units from Legato for $10.00 per Private Unit. This purchase took place on a private placement basis simultaneously with the consummation of the IPO. The Legato Common Stock and Legato Warrants comprising part of the Private Units and the Legato Common Stock underlying such Warrants will become worthless if Legato does not consummate an initial business combination by July 22, 2022 (or such later date as may be approved by Legato stockholders). Such Units had an aggregate market value of $ based upon the closing price of $ per Unit on Nasdaq on , 2021, the record date for the Special Meeting. On the other hand, if the Merger is consummated, each Private Unit will separate into one share of Legato Common Stock and one Legato Warrant, and each outstanding share of Legato Common Stock will be converted into one Algoma Common Share and each outstanding Legato Warrant will become an Algoma Warrant, exercisable to purchase one Algoma Common Share following consummation of the Merger.
- Three of the Founders, Brian Pratt, John Ing and Stephen Lack, and/or their affiliates agreed to purchase approximately 2.64 million PIPE Shares. Messrs. Pratt and Ing are directors of Legato. If the Merger is not consummated, the PIPE Investment will not be consummated.
- John Ing, one of Legato's board members, is a principal in Maison Placements Canada, an entity that participated as a placement agent in the PIPE Investment. As a result of its participation in the PIPE Investment, MPC will receive a fee of $1,133,100, which is conditioned upon the closing of the Merger.
- Three of the Legato's directors, Eric S. Rosenfeld, David D. Sgro and Brian Pratt, are expected to be appointed to the board of directors of Algoma following the Merger. As a result, they will likely receive the same compensation that other directors of Algoma will receive following the Merger.
- In connection with Legato's IPO, Crescendo, an entity affiliated with Eric S. Rosenfeld, Legato's Chief SPAC Officer, has agreed to be liable under certain circumstances to ensure that the proceeds in the Trust Account are not reduced below $10.00 per share by certain claims of target businesses or vendors or other entities that are owed money by Legato for services rendered or contracted for or products sold to Legato. The agreement entered into by Crescendo specifically provides for two exceptions to the indemnity given: it will have no liability (1) as to any claimed amounts owed to a target business or vendor or other entity who has executed an agreement with Legato waiving any right, title, interest or claim of any kind they may have in or to any monies held in the Trust Account, or (2) as to any claims for indemnification by the underwriters of Legato's IPO against certain liabilities, including liabilities under the Securities Act. WithumSmith+Brown, PC, Legato's independent registered public accounting firm, and the underwriters of the initial public offering, have not executed agreements with Legato waiving such claims to the monies held in the Trust Account. Legato has not independently verified whether Crescendo has sufficient funds to satisfy its indemnity obligations, it has not asked it to reserve for such obligations and it does not believe it has any significant liquid assets. Accordingly, Legato believes it is unlikely that Crescendo will be able to satisfy its indemnification obligations if it is required to do so.
- All rights specified in the Existing Legato Charter relating to the right of officers and directors to be indemnified by Legato, and of Legato's officers and directors to be exculpated from monetary liability with respect to prior acts or omissions, will continue after a business combination. If the business combination is not approved and Legato liquidates, Legato will not be able to perform its obligations to its officers and directors under those provisions.

At any time prior to the Special Meeting, during a period when they are not then aware of any material nonpublic information regarding Legato or its securities, the Founders, Algoma, or the equityholders of Legato and/or their respective affiliates may purchase shares from institutional and other investors who vote, or indicate an intention to vote, against the Merger Proposal, or who redeem or indicate an intention to redeem their public shares, or they may enter into transactions with such investors and others to provide them with incentives to acquire shares of Legato Common Stock or vote their shares in favor of the Merger Proposal. The purpose of such share purchases and other transactions would be to increase the likelihood of satisfaction of the requirement that the holders of a majority of the then outstanding shares of Legato Common Stock vote at the meeting to approve the Merger Proposal and/or to

decrease the number of Redemptions. While the nature of any such incentives has not been determined as of the date of this proxy statement/prospectus, they might include, without limitation, arrangements to protect such investors or holders against potential loss in value of their shares, including the granting of put options and the transfer to such investors or holders of shares or rights owned by the Founders for nominal value.

Entering into any such arrangements may have a depressive effect on the price of the Legato Common Stock. For example, as a result of these arrangements, an investor or holder may have the ability to effectively purchase shares at a price lower than the market price and may therefore be more likely to sell the shares he owns, either prior to or immediately after the Special Meeting.

If such transactions are effected, the consequence could be to cause the Merger Proposal to be approved in circumstances where such approval could not otherwise be obtained. Purchases of shares by the persons described above would allow them to exert more influence over the approval of the Merger Proposal and other proposals to be presented at the Special Meeting and would likely increase the chances that such proposals would be approved.

As of the date of this proxy statement/prospectus, there have been no such discussions and no agreements to such effect have been entered into with any such investor or holder. Legato will file a Current Report on Form 8-K to disclose any arrangements entered into or significant purchases made by any of the aforementioned persons.

Anticipated Accounting Treatment

The Transaction is comprised of a series of transactions pursuant to the Merger Agreement, as described elsewhere in this proxy statement/prospectus. For accounting purposes, the Transactions will be effectuated through three main steps:

1. The Merger will be accounted for as an acquisition of assets (in exchange for shares) as the underlying transactions do not result in a business combination in accordance with IFRS 3, Business Combinations ("IFRS 3") as Legato does not constitute a business as defined under IFRS 3. Consequently, the Merger will be accounted for under IFRS 2, Share-Based Payment. In the accompanying pro forma information, the net assets of Legato were recognized at its fair value, which was approximated by its carrying value, and no goodwill or other intangible assets were recorded. All direct costs of the Merger will be expensed. Any difference between the fair value of Algoma Common Shares and Algoma Warrants issued and the fair value of Legato's identifiable net assets are recorded as a listing fee.
2. The PIPE Subscription Agreements related to the PIPE Investment, which were executed concurrently with the Merger Agreement, will result in the issuance of Algoma Common Shares and Legato Common Stock, leading to an increase in share capital.

Regulatory Matters

The Merger is not subject to any federal or state regulatory requirement or approval, except for the filing of the Restated Articles under the BCA and the certificate of Merger under the DGCL.

No Appraisal Rights

Under Section 262 of the General Corporation Law of the State of Delaware, the holders of Legato Common Stock will not have appraisal rights in connection with the Merger.

Resales of Algoma Common Shares

The Algoma Common Shares to be issued in connection with the Merger will be freely transferable under the Securities Act except for (i) the Algoma Common Shares to be issued to Algoma stockholders upon completion of the Stock Split, (ii) the PIPE Shares issued in the United States and (iii) shares issued to any shareholder who may be deemed, for purposes of Rule 144 under the Securities Act to be an "affiliate" of Legato immediately prior to the Effective Time, or an "affiliate" of Algoma following the Merger. Persons who may be deemed to be affiliates include individuals or entities that control, are controlled by, or are under common control with, Algoma or Legato (as appropriate) and include the executive officers, directors and certain significant shareholders of Algoma or Legato (as appropriate).

The Algoma Common Shares and Algoma Warrants to be issued in connection with the Merger, and the Algoma Common Shares issued upon the exercise of the Algoma Warrants in accordance with the terms and conditions thereof and of the Warrant Agreement, will be freely transferable under the Securities Act except for (i) the PIPE Shares issued in the United States and (ii) shares issued to any shareholder who may be deemed for purposes of Rule 144 under the Securities Act an "affiliate" of Legato immediately prior to the Effective Time or an "affiliate" of Algoma following the Merger.

The Algoma Common Shares and Algoma Warrants to be issued in connection with the Merger, and the Algoma Common Shares issued upon the exercise of the Algoma Warrants in accordance with the terms and conditions thereof and of the Warrant Agreement, will not be legended and may be resold through registered dealers in each of the provinces and territories of Canada, *provided* that: (i) the trade is not a "control distribution" (as defined in National Instrument 45-102 – *Resale of Securities* of the Canadian Securities Administrators); (ii) no unusual effort is made to prepare the market or create a demand for those securities; (iii) no extraordinary commission or consideration is paid in respect of that trade; (iv) if the selling securityholder is an insider or officer of Algoma (as defined under applicable Canadian securities legislation), the insider or officer has no reasonable grounds to believe that Algoma is in default of applicable Canadian securities legislation; and (v) Algoma is and has been a reporting issuer in a jurisdiction of Canada for the four months immediately preceding the trade (subject to the abridgment of such four month period upon Algoma becoming a reporting issuer by filing a non-offering prospectus in the province of Ontario).

Stock Exchange Listing of Algoma Common Shares and Algoma Warrants

Algoma has applied to list the Algoma Common Shares and Algoma Warrants on Nasdaq under the proposed symbols "ASTL" and "ASTLW," respectively, to be effective at the consummation of the Merger. In addition, Algoma intends to become a reporting issuer in Canada under applicable Canadian securities laws following the closing of the Merger and intends to apply for listing of the Algoma Common Shares and Algoma Warrants on the TSX under the proposed symbols "ASTL" and "ASTL.WT", respectively, to be effective at the consummation of the Merger. Approval of the listing on Nasdaq and conditional approval of the listing on the TSX of the Algoma Common Shares and Algoma Warrants (subject only to official notice of issuance thereof and/or the satisfaction of the conditions of approval) is a condition to each party's obligation to complete the Merger.

In connection with the listing of the Algoma Warrants on the TSX, in accordance with the TSX's listing requirements in respect of warrants, Algoma will provide certain undertakings to the TSX to the effect that Algoma will not exercise certain of its rights under the Warrant Agreement, including, notably, (i) lowering of the exercise price of the Algoma Warrants and (ii) extending the duration of the Algoma Warrants by delaying the expiration date thereof.

Delisting and Deregistration of Legato Common Stock

If the Merger is completed, shares of Legato Common Stock, Legato Warrants and Legato's Units will be delisted from Nasdaq and will be deregistered under the Exchange Act.

Algoma Status as a Foreign Private Issuer under the Exchange Act

Algoma will be a "foreign private issuer" under SEC rules following the consummation of the Merger. Consequently, Algoma will be subject to the reporting requirements under the Exchange Act applicable to foreign private issuers.

Based on its foreign private issuer status, Algoma will not be required to file periodic reports and financial statements with the SEC as frequently or as promptly as a U.S. company whose securities are registered under the Exchange Act and will also be exempt from the rules and regulations under the Exchange Act related to the furnishing and content of proxy statements. Algoma will also not be required to comply with Regulation FD, which addresses certain restrictions on the selective disclosure of material information. In addition, among other matters, Algoma officers, directors and principal shareholders will be exempt from the reporting and "short-swing" profit recovery provisions of Section 16 of the Exchange Act and the rules under the Exchange Act with respect to their purchases and sales of Algoma Common Shares. Additionally, Nasdaq rules allow foreign private issuers to follow home country practices in lieu of certain of Nasdaq's corporate governance rules. As a result, its shareholders may not have the same protections afforded to shareholders of companies that are subject to all Nasdaq corporate governance requirements.

Required Vote

The approval of the Merger Proposal will require the affirmative vote by the holders of a majority of the shares of outstanding Legato Common Stock. Abstentions will have the same effect as a vote "AGAINST" the Merger Proposal. Broker Non-Votes will have the same effect as a vote "AGAINST" the Merger Proposal.

Recommendation of the Legato Board of Directors

THE LEGATO BOARD OF DIRECTORS RECOMMENDS THAT LEGATO STOCKHOLDERS VOTE "FOR" THE APPROVAL OF THE MERGER PROPOSAL.

PROPOSAL NO. 2 – THE ADJOURNMENT PROPOSAL

The Adjournment Proposal, if adopted, will allow Legato's board of directors to adjourn the Special Meeting to a later date or dates, if necessary. In no event will Legato solicit proxies to adjourn the Special Meeting or consummate the Merger beyond the date by which it may properly do so under the Existing Legato Charter, Delaware law and the Merger Agreement. The purpose of the Adjournment Proposal is to provide more time for Legato's stockholders, Algoma and the Algoma shareholders to make purchases of Public Shares or other arrangements that would increase the likelihood of obtaining a favorable vote on the Merger Proposal and to meet the requirements that are necessary to consummate the Merger. See the section entitled "Proposal No. 1 – *The Merger Proposal – Interests of Legato's Directors and Officers in the Merger*."

In addition to an adjournment of the Special Meeting upon approval of an Adjournment Proposal, the Legato board of directors is empowered under Delaware law to postpone the Special Meeting at any time prior to the meeting being called to order in order to obtain a quorum. In such event, Legato will issue a press release and take such other steps as it believes are necessary and practical in the circumstances to inform Legato stockholders of the postponement.

Consequences if the Adjournment Proposal is not Approved

If an Adjournment Proposal is presented to the Special Meeting and is not approved by the stockholders, the Legato board of directors may not be able to adjourn the Special Meeting to a later date in the event that, based on the tabulated votes, there are not sufficient votes at the time of the Special Meeting to approve the Merger Proposal.

Required Vote and Recommendation of the Board

Adoption of the Adjournment Proposal requires the affirmative vote of a majority of the shares of Legato Common Stock represented virtually or by proxy at the Special Meeting and entitled to vote thereon. Abstentions will have the same effect as a vote "AGAINST" the Adjournment Proposal and Broker Non-Votes will have no effect on the Adjournment Proposal. Adoption of the Adjournment Proposal is not conditioned upon the adoption of the Merger Proposal.

THE LEGATO BOARD OF DIRECTORS RECOMMENDS THAT LEGATO STOCKHOLDERS VOTE "FOR" THE APPROVAL OF THE ADJOURNMENT PROPOSAL.

THE MERGER AGREEMENT

For a discussion of the Merger structure and merger consideration provisions of the Merger Agreement, see the section entitled "Proposal No. 1 – The Merger Agreement Proposal." Such discussion and the following summary of other material provisions of the Merger Agreement is qualified by reference to the complete text of the Merger Agreement, a copy of which is attached as Annex A to this proxy statement/prospectus. All Legato stockholders are encouraged to read the Merger Agreement in its entirety for a more complete description of the terms and conditions of the Merger.

The Merger Agreement summary below is included in this proxy statement/prospectus only to provide you with information regarding the terms and conditions of the Merger Agreement and not to provide any other factual information regarding Legato, Algoma or their respective businesses. Accordingly, the representations and warranties and other provisions of the Merger Agreement should not be read alone, but instead should be read only in conjunction with the information provided elsewhere in this proxy statement/prospectus.

Closing and Effective Time of the Merger

The closing of the Merger will take place no later than the third business day following the satisfaction or waiver of the conditions set forth in the Merger Agreement and summarized below under the subsection entitled *"– Conditions to Closing of the Merger*," unless Legato and Algoma agree in writing to another time or unless the Merger Agreement is terminated pursuant to its terms.

Conditions to Closing of the Merger

Conditions to Each Party's Obligations

The respective obligations of each party to the Merger Agreement to consummate the Transactions are subject to the satisfaction at or prior to the Closing of each of the following conditions:

- approval of the Merger Proposal by Legato's stockholders;
- Legato shall have at least $5,000,001 of net tangible assets (after giving effect to redemptions by Legato's Public Stockholders) immediately prior to or upon the Closing;
- no provision of applicable law that prohibits, enjoins or makes illegal the consummation of the Transactions shall be in effect and no order, judgment, injunction, decree, writ, stipulation, determination or award that prohibits or enjoins the consummation of the Transactions will be in effect or shall be threatened in writing by a governmental entity;
- the Algoma Common Shares and Algoma Warrants shall be approved for listing upon the Closing by Nasdaq and conditionally approved for listing on the TSX, in each case, subject to official notice of issuance thereof and/or satisfaction of customary conditions;
- this registration statement shall have become effective in accordance with the provisions of the Securities Act, no stop order shall have been issued by the SEC that remains in effect with respect to this registration statement, and no proceeding seeking such a stop order shall have been threatened or initiated by the SEC which remains pending;
- the Ontario Securities Commission shall have cleared the final Canadian prospectus for filing;
- the Stock Split shall have been completed; and
- the PIPE Investment shall be consummated substantially concurrently with the Closing.

Other Conditions to the Obligations of Algoma and Merger Sub

The obligations of Algoma and Merger Sub to consummate and effect the Transactions are also subject to the satisfaction at or prior to the Closing of each of the following conditions:

- certain representations and warranties of Legato regarding the organization of Legato, the capitalization of Legato, the authority of Legato to, among other things, execute and deliver the Merger Agreement and each

of the related ancillary agreements to which it is or will be a party and to consummate the Transactions, the business activities of Legato and brokers' fees, shall be true and correct in all material respects (without giving effect to any limitation as to "materiality" or "SPAC Material Adverse Effect" (as defined in the Merger Agreement) or any similar limitation contained in the Merger Agreement) on and as of the date of the Merger Agreement and on as of the Closing Date as though made on and as of the Closing Date (except to the extent that any such representation and warranty expressly speaks as of an earlier date in which case such representation and warranty shall be true and correct as of such earlier date);

- the representation and warranty of Legato that, between its incorporation and the date of the Merger Agreement, there had not been any SPAC Material Adverse Effect, shall be true and correct as of the date of the Merger Agreement;
- all other representations and warranties of Legato shall be true and correct (without giving effect to any limitation as to "materiality" or "SPAC Material Adverse Effect" or any similar limitation contained in the Merger Agreement) on and as of the date of the Merger Agreement and on as of the Closing Date as though made on and as of the Closing Date (except to the extent that any such representation and warranty expressly speaks as of an earlier date, in which case such representation and warranty shall be true and correct as of such earlier date), except where the failure of such representations and warranties of Legato to be so true and correct, individually or in the aggregate, has not had and is not reasonably likely to have a SPAC Material Adverse Effect;
- Legato shall have performed all agreements and covenants required by the Merger Agreement to be performed by it at or prior to the Closing Date, in each case, in all material respects;
- no change, event, state of facts, development or occurrence shall have occurred since the date of the Merger Agreement, that, individually or in the aggregate with all other changes, events, state of facts, developments or occurrences, has had or would reasonably be expected to have a SPAC Material Adverse Effect that is continuing;
- Legato shall have delivered, or caused to be delivered, a certificate, signed by an executive officer of Legato and dated as of the Closing Date, certifying as to the matters set forth in the first five bullet points of this section to Algoma; and
- The funds contained in the Trust Account (after giving effect to any Redemptions and the payment of Legato's transaction costs), together with (i) the aggregate amount of proceeds from the PIPE Investment and (ii) the cash on Legato's balance sheet, shall equal or exceed two hundred million dollars ($200,000,000) (the "Minimum Cash Condition").

Other Conditions to the Obligations of Legato

The obligations of Legato to consummate and effect the Transactions are also subject to the satisfaction at or prior to the Closing of each of the following conditions:

- certain representations and warranties of Algoma regarding the organization of Algoma, the capitalization of Algoma and Merger Sub, the authority of Algoma and Merger Sub to, among other things, execute and deliver the Merger Agreement and each of the related ancillary agreements to which it is or will be a party and to consummate the Transactions and brokers' fees, shall be true and correct in all material respects (without giving effect to any limitation as to "materiality" or any similar limitation contain in the Merger Agreement) on and as of the date of the Merger Agreement and on and as of the Closing Date as though made on and as of the Closing Date (except to the extent that any such representation and warranty expressly speaks as of an earlier date, in which case such representation and warranty shall be true and correct as of such earlier date);
- the representation and warranty of Algoma that, between March 31, 2020 and the date of the Merger Agreement, there has not been any change, event, state of facts, development or occurrence that, individually or in the aggregate, has had or would reasonably be expected to have, a Company Material Adverse Effect, shall be true and correct as of the date of the Merger Agreement; and
- all other representations and warranties of Algoma shall be true and correct (without giving effect to any limitation as to "materiality" or "Company Material Adverse Effect" (as defined in the Merger Agreement)

or any similar limitation contained in the Merger Agreement) on and as of the date of the Merger Agreement and on as of the Closing Date as though made on and as of the Closing Date (except to the extent that any such representation and warranty expressly speaks as of an earlier date, in which case such representation and warranty shall be true and correct as of such earlier date), except where the failure of such representations and warranties of the Company to be so true and correct, individually or in the aggregate, has not had and is not reasonably likely to have a Company Material Adverse Effect;

- Algoma shall have performed with all agreements and covenants required by the Merger Agreement to be performed by it on or prior to the Closing Date, in each case in all material respects;
- no change, event, state of facts, development or occurrence shall have occurred since the date of the Merger Agreement, that, individually or in the aggregate with all other changes, events, state of facts, developments or occurrences, has had or would reasonably be expected to have a Company Material Adverse Effect that is continuing; and
- Algoma shall have delivered a certificate, signed by an executive officer of Algoma and dated as of the Closing Date, certifying as to the matters set forth in the first five bullet points of this section to Legato.

Waivers

Either Legato or Algoma may waive any inaccuracies in the representations and warranties made to such party contained in the Merger Agreement or in any document delivered pursuant to the Merger Agreement and waive compliance with any agreements or conditions for the benefit of such party contained in the Merger Agreement or in any document delivered pursuant to the Merger Agreement. Notwithstanding the foregoing, pursuant to the Existing Legato Charter, Legato cannot consummate the proposed business combination if it has less than $5,000,001 of net tangible assets remaining immediately prior to or upon consummation of the Transactions, after taking into account any Redemptions of Public Shares held by Public Stockholders.

Representations and Warranties

Under the Merger Agreement, Legato made customary representations and warranties relating, among other things, to:

- organization and qualification;
- subsidiaries;
- capitalization;
- the authorization, performance and enforceability against Legato of the Merger Agreement;
- governmental actions and filings;
- compliance with laws;
- reports filed with the SEC, financial statements, and compliance with the Sarbanes-Oxley Act;
- absence of certain changes;
- litigation;
- business activities of Legato;
- material contracts;
- Nasdaq listing;
- absence of undisclosed liabilities;
- the Trust Account;
- tax matters;
- employees and benefit plans;
- board approval and shareholder approval;

- title of assets;
- transactions with affiliates;
- application of the Investment Company Act of 1940 and the Jumpstart Our Business Startups Act of 2012;
- brokers' fees;
- the opinion of Legato's financial advisor;
- anti-takeover laws; and
- the PIPE Investment.

Under the Merger Agreement, each of Algoma and Merger Sub made customary representations and warranties relating, among other things, to:

- organization and qualification;
- subsidiaries;
- capitalization;
- the authorization, performance and enforceability against Algoma of the Merger Agreement;
- governmental actions and filings;
- compliance with laws;
- possession of requisite approvals;
- financial statements;
- absence of undisclosed liabilities;
- absence of certain changes;
- litigation;
- collective bargaining agreements;
- benefit plans;
- labor relations;
- real property;
- tax matters;
- environmental matters;
- intellectual property;
- privacy and data security;
- material contracts;
- insurance;
- major customers and major suppliers;
- transactions with affiliates;
- information provided by Algoma for inclusion in this proxy statement/prospectus;
- compliance with international trade and anti-corruption laws;
- brokers' fees; and
- the PIPE Investment.

Covenants of the Parties

Conduct of Business Prior to the Merger

Except (i) to the extent that Legato otherwise consents in writing (such consent not to be unreasonably withheld, conditioned or delayed), (ii) as required by applicable law (including with respect to certain COVID-19 measures) or as reasonably necessary or prudent in light of COVID-19 or (iii) as required or expressly permitted by the Merger Agreement (including as contemplated by the PIPE Investment) or Algoma's disclosure letter, Algoma has agreed to, and to cause its subsidiaries to, from the date of the Merger Agreement until the earlier of the Closing or the termination of the Merger Agreement pursuant to its terms, carry on in the ordinary course of business and not do any of the following:

- except as otherwise required by any existing benefit plan of Algoma or any material contract of Algoma or any of its subsidiaries (an "Algoma Material Contract"), adopt, enter into or materially amend any equity or equity-based compensation plan;
- except for: (x) transactions between or among Algoma and its subsidiaries, (y) in connection with the Stock Split, or (z) issuance of securities of Algoma that are counted in the definition of Conversion Factor (as defined in the Merger Agreement): (i) split, combine or reclassify any capital stock or warrants, effect a recapitalization or issue or authorize the issuance of any other securities in respect of, in lieu of or in substitution for any capital stock or warrant or effect any similar change in capitalization; (ii) repurchase, redeem or otherwise acquire, or offer to repurchase, redeem or otherwise acquire, any membership interests, capital stock or any other equity interests, as applicable, in Algoma or any of its subsidiaries, except in connection with the termination or resignation of any employees, directors or officers of Algoma or any of its subsidiaries; (iii) declare, set aside or pay any dividend or make any other distribution; or (iv) issue, deliver, sell, authorize, pledge or otherwise encumber, or agree to any of the foregoing with respect to, any shares of capital stock or other equity securities of Algoma or any of its subsidiaries, or any securities convertible into or exchangeable for shares of capital stock or other equity securities of Algoma or any of its subsidiaries, or subscriptions, rights, warrants or options to acquire any shares of capital stock or other equity securities of Algoma or any of its subsidiaries, or enter into other agreements or commitments of any character obligating it to issue any such shares of capital stock, equity securities or convertible or exchangeable securities;
- amend its organizational documents (other than in connection with the Restated Articles and the Notice of Alteration (as defined in the Merger Agreement)) except in order to effect the Transactions or the other related ancillary agreements, or form or establish any subsidiary;
- (i) merge, consolidate or combine with any person; or (ii) acquire or agree to acquire by merging or consolidating with, purchasing any equity interest in or a substantial portion of the assets of, or by any other manner, any business or any corporation, partnership, association or other business organization or division thereof;
- sell, lease, divest or transfer, or otherwise dispose of, material tangible assets or material properties with a value in excess of five million dollars ($5,000,000), or agree to do any of the foregoing, other than, in each case, (i) in the ordinary course of business or (ii) with respect to obsolete assets;
- (i) issue or sell any debt securities or rights to acquire any debt securities or guarantee any debt securities of another person; (ii) make, create any loans, advances or capital contributions to, or investments in, any person other than Algoma or any of its subsidiaries; (iii) create, incur, assume, guarantee or otherwise become liable for, any indebtedness except in the ordinary course of business consistent with past practice; (iv) except in the ordinary course of business consistent with past practice, create any material liens on any material property or material assets of Algoma or any of its subsidiaries in connection with any indebtedness thereof (other than liens permitted by the Merger Agreement); or (v) cancel or forgive any indebtedness owed to Algoma or any of its subsidiaries;
- make, incur or commit to make or incur, or authorize any capital expenditures other than capital expenditures consistent in the aggregate with the capital expenditure plan disclosed to Legato;
- other than any shareholder litigation related to the Merger Agreement, commence, release, assign, compromise, settle or agree to settle any legal proceeding material to Algoma or any of its subsidiaries or their respective properties or assets, except in the ordinary course of business or where such legal proceedings are covered by insurance or involve only the payment of monetary damages in an amount less than fifteen million dollars ($15,000,000) in the aggregate;

- except in the ordinary course of business consistent with past practices: (i) modify, amend in a manner that is adverse to Algoma or its applicable subsidiary or terminate any Algoma Material Contract; (ii) enter into any contract that would have been an Algoma Material Contract had it been entered into prior to the date of the Merger Agreement; or (iii) waive, delay the exercise of, release or assign any material rights or claims under any Algoma Material Contract;
- except as required by IFRS (or any interpretation thereof) or applicable law, make any change in accounting methods, principles or practices;
- except in the ordinary course of business: (i) make, change or rescind any tax election (other than, in the sole discretion of Algoma Steel Intermediate Parent S.à r.l., in connection with the transfer of all of the issued and outstanding shares in the capital of Algoma Steel Holdings Inc. to Algoma); (ii) settle or compromise any material tax claim outside the ordinary course of business; (iii) change (or request to change) any material method of accounting for tax purposes; (iv) file any amended tax return that could materially increase the taxes payable by Algoma or its applicable subsidiary; (v) waive or extend any statute of limitations in respect of a period within which an assessment or reassessment of taxes may be issued (other than any extension pursuant to an extension to file any tax return); (vi) knowingly surrender any material claim for a refund of taxes; (vii) enter into any "closing agreement" as described in Section 7121 of the Code (or any similar applicable law) with any governmental entity; or (viii) knowingly take any action or knowingly fail to take any action, which action or failure to act would reasonably be expected to prevent or impede the Merger from qualifying for the Intended Tax Treatment (as defined in the Merger Agreement);
- authorize, recommend, propose or announce an intention to adopt a plan of complete or partial liquidation, restructuring, recapitalization, dissolution or winding-up of Algoma;
- subject to the terms of the Merger Agreement, enter into or amend any agreement with, or pay, distribute or advance any assets or property to, any of its officers, directors, employees, partners, stockholders or other affiliates, other than payments or distributions relating to obligations in respect of arm's-length commercial transactions pursuant to the agreements set forth on Algoma's disclosure letter as existing on the date of the Merger Agreement;
- (i) limit the rights of Algoma or any of its subsidiaries in any respect: (A) to engage in any line of business or in any geographic area; (B) to develop, market or sell products or services; or (C) to compete with any person; or (ii) grant any exclusive or similar rights to any person;
- terminate or amend, in a manner materially detrimental to Algoma or any of its subsidiaries, any insurance policy insuring the business of Algoma or any of its subsidiaries;
- transfer, sell, assign, or license to any person, grant any security interest in or otherwise encumber or dispose of, or otherwise extend, amend or modify any material rights to any material intellectual property owned by Algoma or its subsidiaries or enter into agreements to transfer or license to any person material future intellectual property rights, but only to the extent the foregoing would reasonably be expected to materially adversely impact the business of Algoma and its subsidiaries, taken as a whole;
- abandon, allow to lapse, disclaim or dedicate to the public, or fail to make any filing, pay any fee, or take any other action necessary to prosecute and maintain in full force and effect, or to maintain the ownership, validity, and enforceability of, any material registered intellectual property, but only to the extent the foregoing would reasonably be expected to materially adversely impact the business of the Algoma and its subsidiaries, taken as a whole; or
- agree in writing or otherwise agree, commit or resolve to take any of the actions described above.

Except (i) to the extent that Algoma otherwise consents in writing (such consent not to be unreasonably withheld, conditioned or delayed), (ii) as required by applicable law (including with respect to certain COVID-19 measures) or as reasonably necessary or prudent in light of COVID-19 or (iii) as required or expressly permitted by the Merger Agreement (including as contemplated by the PIPE Investment) or Legato's disclosure letter, Legato has agreed to, from the date of the Merger Agreement until the earlier of the Closing or the termination of the Merger Agreement pursuant to its terms, carry on in the ordinary course of business and not do any of the following:

- declare, set aside or pay dividends on or make any other distributions (whether in cash, stock, equity securities or property) in respect of any capital stock or warrants or split, combine or reclassify any capital

stock or warrants, effect a recapitalization or issue or authorize the issuance of any other securities in respect of, in lieu of or in substitution for any capital stock or warrant, or effect any similar change in capitalization;

- purchase, redeem or otherwise acquire, directly or indirectly, any equity securities of Legato except in connection with any Redemptions of Public Shares by Public Stockholders;
- except in connection with certain loans made by the Founders to Legato which are convertible into Units in accordance with the Merger Agreement ("Legato Borrowings"), grant, issue, deliver, sell, authorize, pledge or otherwise encumber, or agree to any of the foregoing with respect to, any shares of capital stock or other equity securities or any securities convertible into or exchangeable for shares of capital stock or other equity securities, or subscriptions, rights, warrants or options to acquire any shares of capital stock or other equity securities or any securities convertible into or exchangeable for shares of capital stock or other equity securities, or enter into other agreements or commitments of any character obligating it to issue any such shares of capital stock or equity securities or convertible or exchangeable securities;
- amend its organizational documents or form or establish any subsidiary;
- (i) merge, consolidate or combine with any other person; or (ii) acquire or agree to acquire (whether by merger, consolidation or acquisition of securities or a substantial portion of the assets of) any corporation, partnership, association or other business organization or division or assets thereof;
- (i) incur any indebtedness, except Legato Borrowings; (ii) create any material liens on any material property or assets of Legato in connection with any indebtedness thereof (other than liens permitted by the Merger Agreement); (iii) cancel or forgive any indebtedness owed to Legato; or (iv) make, incur or commit to make or incur any capital expenditures;
- other than any shareholder litigation related to the Merger Agreement, commence, release, assign, compromise, settle or agree to settle any legal proceeding;
- except as required by GAAP (or any interpretation thereof) or applicable law, make any change in accounting methods, principles or practices;
- except in the ordinary course of business: (i) make, change or rescind any tax election; (ii) settle or compromise any material tax claim outside the ordinary course of business; (iii) change (or request to change) any material method of accounting for tax purposes; (iv) file any amended tax return that could materially increase the taxes payable by Legato; (v) waive or extend any statute of limitations in respect of a period within which an assessment or reassessment of taxes may be issued (other than any extension pursuant to an extension to file any tax return); (vi) knowingly surrender any material claim for a refund of taxes; (vii) enter into any "closing agreement" as described in Section 7121 of the Code (or any similar applicable law) with any governmental entity; or (viii) knowingly take any action or knowingly fail to take any action, which action or failure to act would reasonably be expected to prevent or impede the Merger from qualifying for the Intended Tax Treatment;
- (i) authorize, recommend, propose or announce an intention to adopt a plan of complete or partial liquidation, restructuring, recapitalization, dissolution or winding-up of Legato or (ii) liquidate, dissolve, reorganize or otherwise wind-up the business or operations of Legato;
- enter into or amend any agreement with, or pay, distribute or advance any assets or property to, or waive any provision or fail to enforce any provision with any agreement with, any of its officers, directors, employees, partners, stockholders or other affiliates;
- engage in any material new line of business;
- amend the Investment Management Trust Agreement, dated as of January 19, 2021, by and between Continental Stock Transfer & Trust Company and Legato or any other agreement related to the Trust Account; or
- agree in writing or otherwise agree, commit or resolve to take any of the actions described above.

Additional Covenants of the Parties

The Merger Agreement contains additional covenants of the parties, including, among others:

- for Legato and Algoma to use reasonable best efforts to satisfy conditions to the consummation of the Transactions;

- for Legato and Algoma to abide by the exclusivity provisions set forth in the Merger Agreement;
- cooperation of the parties in the preparation and filing of this registration statement and the proxy statement for the solicitation of approval of the adoption of the Merger Agreement and the approval of the Transactions, among other proposals to be considered by Legato's stockholders and the prospectus for the offer and sale of Algoma Common Shares and Algoma Warrants in the Transactions included therein;
- cooperation of the parties in the preparation and filing with the Ontario Securities Commission a preliminary non-offering prospectus in respect of Algoma;
- for Algoma to alter its articles to adopt the Restated Articles and alter its notice of articles by filing the Notice of Alteration;
- for Algoma to adopt an incentive equity plan to be effective following the Closing, with the number of Algoma Common Shares to be allocated under the incentive equity plan equal to 5% of the total number of Algoma Common Shares outstanding immediately following the Closing (on a fully-diluted basis assuming the conversion of all securities convertible into Algoma Common Shares);
- for Legato to use reasonable best efforts to ensure Legato remains listed as a public company on, and for the Legato Common Stock and Legato Warrants to continue to be listed on, Nasdaq until the Closing, and for Algoma to use reasonable best efforts to cause the Algoma Common Shares and Algoma Warrants to be listed on Nasdaq and the TSX following the Closing;
- for the parties to purchase directors' and officers' liability insurance policies;
- for Legato and Algoma to make appropriate adjustments, amend or terminate certain existing agreements with each of their securityholders; and
- for the Existing Algoma Investors and the Founders to be granted customary registration and nomination rights.

Termination

The Merger Agreement may be terminated at any time prior to the Closing:

- by mutual written consent of Legato and Algoma;
- by either Legato or Algoma if the Transactions are not consummated on or before December 31, 2021 (provided that the right to terminate the Merger Agreement will not be available to any party whose action or failure to act has been a principal cause of or resulted in the failure of the Transactions to occur on or before such date and such action or failure to act constitutes a material breach of the Merger Agreement);
- by either Legato or Algoma if a governmental entity shall have issued a final, non-appealable governmental order, rule or regulation permanently enjoining or prohibiting the consummation of the Transactions;
- by either Legato or Algoma if the other party has breached any of its covenants or representations and warranties such that the party's closing conditions would not be satisfied at the Closing (subject to a thirty-day cure period);
- by either Legato or Algoma if the Legato Stockholder Approval is not obtained;
- by Algoma if Legato's board of directors or any committee thereof changes its recommendation to Legato's stockholders prior to the receipt of the Legato Stockholder Approval; or
- by Algoma if the Minimum Cash Condition is not satisfied within ten days following the meeting called for the purpose of obtaining the Legato Stockholder Approval (including any permitted adjournments) or at any time thereafter.

Effect of Termination

In the event of the termination of the Merger Agreement, the Merger Agreement will be of no further force or effect and the transactions contemplated by the Merger Agreement will be abandoned, except that the parties will, in all events, remain bound by and continue to be subject to the provisions of the Merger Agreement relating to: (i) the

confidentiality agreement between the parties; (ii) claims against the Trust Account; and (iii) certain miscellaneous provisions of the Merger Agreement, including those related to interpretation, governing law, consent to jurisdiction, waiver of jury trial, rules of construction, no recourse, and legal representation, among others. However, no such termination will relieve any party to the Merger Agreement from any liability resulting from any willful breach of the Merger Agreement or intentional fraud in the making of the representations and warranties in the Merger Agreement.

Fees and Expenses

Except as otherwise expressly provided in the Merger Agreement, whether or not the Transactions are consummated, each party to the Merger Agreement will pay its own costs and expenses incurred in anticipation of, relating to and in connection with the negotiation and execution of the Merger Agreement and the related ancillary agreements and the consummation of the Transactions.

Amendments

The Merger Agreement may be amended by the parties thereto at any time by execution of an instrument in writing signed on behalf of each of such parties.

Governing Law

The Merger Agreement and the consummation of the Transactions shall be governed by and construed in accordance with the laws of the State of Delaware without the application of principles of conflicts of law that would result in the application of the laws of another jurisdiction.

U.S. Tax Consequences of Merger

For U.S. federal income tax purposes, the parties to the Merger Agreement (i) intend that the Merger qualify as a "reorganization" within the meaning of Section 368(a) of the Code; (ii) adopted the Merger Agreement as a "plan of reorganization" within the meaning of Sections 354, 361 and 368 of the Code and Treasury regulations Sections 1.368-2(g) and 1.368-3(a); and (iii) intend the Merger will not result in gain being recognized under Section 367(a)(1) of the Code, other than by any Legato stockholders who are U.S. persons and who are or will be "five-percent transferee shareholders" within the meaning of Treasury regulation Section 1.367(a)-3(c)(5)(ii) but who do not enter into gain recognition agreements within the meaning of Treasury regulation Sections 1.367(a)-3(c)(1)(iii)(B) and 1.367(a)-8.

For a description of certain material U.S. federal income tax consequences of the Merger, see the section entitled "*Certain Material U.S. Federal Income Tax Consequences*."

Survival and Indemnification

None of the representations, warranties, covenants or agreements in the Merger Agreement or in any instrument delivered pursuant to the Merger Agreement will survive the Closing and all rights, claims and causes of action (whether in contract or in tort or otherwise, or whether at law or in equity) with respect thereto shall terminate at the Closing, other than (i) claims against any person with respect to intentional fraud in the making of the representations and warranties by such person, and (ii) covenants or agreements which by their terms are required to be performed or complied with in whole or in part following the Closing, which covenants and agreements will survive the Closing in accordance with their respective terms.

AGREEMENTS ENTERED INTO IN CONNECTION WITH THE MERGER AGREEMENT

This section describes the material provisions of certain additional agreements entered into or to be entered into pursuant to the Merger Agreement (the "Related Agreements") but does not purport to describe all of the terms thereof. Each of the following summaries is qualified in its entirety by reference to the complete text of each of the Related Agreements, and other interested parties are urged to read such Related Agreements in their entirety.

PIPE Subscription Agreements

Concurrently with the execution of the Merger Agreement, Legato and Algoma entered into the PIPE Subscription Agreements with the PIPE Investors, pursuant to which the PIPE Investors have agreed to purchase, and Algoma and Legato have agreed to issue to the PIPE Investors, an aggregate of 10,000,000 Algoma Common Shares and shares of Legato Common Stock, for a purchase price of $10.00 per share and at an aggregate purchase price of $100,000,000. The obligations to consummate the transactions contemplated by the PIPE Subscription Agreements are conditioned upon, among other things, the consummation of the Merger. The PIPE Subscription Agreements include customary resale registration rights provisions. Certain PIPE Investors will exchange their PIPE Shares for Algoma Common Shares pursuant to the PIPE Subscription Agreements immediately prior to, rather than at the Effective Time of the Merger.

Support Agreement

Concurrently with the execution of the Merger Agreement, Algoma and the Founders entered into the Support Agreement. Pursuant to the Support Agreement, the Founders agreed to vote or cause to be voted all shares of Legato Common Stock beneficially held by them (i) in favor of approval of the adoption of the Merger Agreement, the approval of the Transactions, and each other proposal presented by Legato for approval by Legato's stockholders, and (ii) against (x) any proposal or offer from any other person (other than Algoma and its affiliates) with respect to certain competing transactions and (y) any action, proposal, transaction, or agreement that could reasonably be expected to materially impede, interfere with, delay, discourage, adversely affect or inhibit the timely consummation of the Transactions or the fulfillment of Legato's obligations under the Merger Agreement or change in any manner the voting rights of any class of shares of Legato (including any amendments to the Existing Legato Charter or Legato's bylaws other than in connection with the Transactions). Pursuant to the Support Agreement, the Founders also agreed to waive any appraisal and dissenters rights under applicable law and not to exercise any right to redeem shares of Legato Common Stock for a *pro rata* portion of the Trust Account.

Lock-Up Agreement

Concurrently with the execution and delivery of the Merger Agreement, Algoma's sole shareholder and the Founders entered into a Lock-Up Agreement. The Lock-Up Agreement provides that the Algoma Common Shares to be issued to Algoma Investors immediately prior to the Effective Time will be subject to transfer restrictions until the earlier of (a) the six-month anniversary of the Closing and (b) the date on which the closing share price of the Algoma Common Shares equals or exceeds $12.50 per share (as adjusted for share splits, share dividends, reorganizations, recapitalizations and the like) for any 20 trading days within any 30-trading day period following the Closing. The Founders will be subject to the same lock-up as the Algoma Investors with respect to the Algoma Common Shares to be issued to the Founders in exchange for their Founder Shares (and, in the case of Eric S. Rosenfeld, David Sgro, and Brian Pratt, the Algoma Common Shares and Algoma Warrants to be issued to them in exchange for their Private Units), but not including any PIPE Shares, except that the release date will be the twelve-month anniversary of the Closing, rather than the six-month anniversary. In addition, the Merger Agreement provides that each person who will receive Algoma Common Shares issued pursuant to the LTIP Exchange will sign a joinder to the Lock-Up Agreement.

Investor Rights Agreement

On or prior to the Closing Date, Algoma, the IRA Parties will enter into an Investor Rights Agreement. The Investor Rights Agreement will provide that the Algoma Warrants and Algoma Common Shares held by the IRA Parties, including the Algoma Common Shares issuable upon the exercise of Algoma Warrants and other derivative securities, shall bear customary registration rights and nomination rights. Specifically, Algoma will agree to file a registration statement as soon as practicable upon a request from certain IRA Parties to register the resale of certain

registrable securities under the Securities Act and Canadian securities laws, subject to required notice provisions to other IRA Parties; provided, Algoma shall not be obligated to effect a demand registration (i) unless the aggregate proceeds expected to be received from the sale of the registrable securities equals or exceeds C$50,000,000 or (ii) if Algoma has effected a demand registration within the six-month period prior to receipt of the request therefor. Algoma has also agreed to provide customary "piggyback" registration rights with respect to any valid demand registration request. Algoma will pay certain expenses relating to such registrations and indemnify the IRA Parties against certain liabilities. Additionally, certain IRA Parties that currently have board designation rights with respect to Algoma Steel Holdings Inc. will have the right to nominate, in the aggregate, four directors to the Algoma board for so long as they maintain % of outstanding Algoma Common Shares.

CERTAIN MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following discussion is a summary of certain material U.S. federal income tax considerations of the Merger to U.S. Holders (as defined below) of Legato Common Stock and Legato Warrants (collectively "Legato securities"). The following discussion also summarizes certain material U.S. federal income tax consequences to U.S. Holders and Non-U.S. Holders (as defined below) of Legato Common Stock that elect to have their Legato Common Stock redeemed for cash and the material U.S. federal income tax consequences of the ownership and disposition of Algoma Common Shares and Algoma Warrants following the Merger. This discussion applies only to the Legato securities, Algoma Common Shares, and Algoma Warrants, as the case may be, that are held as "capital assets" within the meaning of Section 1221 of the Code (generally, property held for investment).

The following does not purport to be a complete analysis of all potential tax effects arising in connection with the closing of the Merger, the redemption of Legato Common Stock, or the ownership and disposition of Algoma Common Shares and Algoma Warrants. The effects of other U.S. federal tax laws, such as estate and gift tax laws, and any applicable state, local, or non-U.S. tax laws are not discussed. This discussion is based on the Code, Treasury regulations promulgated thereunder, judicial decisions, and published rulings and administrative pronouncements of the IRS, in each case in effect as of the date hereof. These authorities may change or be subject to differing interpretations. Any such change or differing interpretation may be applied retroactively in a manner that could adversely affect the tax consequences discussed below. Legato and Algoma have not sought and will not seek any rulings from the IRS regarding the matters discussed below. There can be no assurance the IRS will not take or a court will not sustain a contrary position regarding the tax consequences discussed below.

This discussion does not address all U.S. federal income tax consequences relevant to a holder's particular circumstances, including the impact of the Medicare contribution tax on net investment income and the alternative minimum tax. In addition, it does not address consequences relevant to holders subject to special rules, including, without limitation:

- banks, insurance companies, and certain other financial institutions;
- regulated investment companies and real estate investment trusts;
- brokers, dealers, or traders in securities;
- traders in securities that elect to mark to market;
- tax-exempt organizations or governmental organizations;
- U.S. expatriates and former citizens or long-term residents of the U.S.;
- persons holding Legato securities or Algoma Common Shares and/or Algoma Warrants, as the case may be, as part of a hedge, straddle, constructive sale, or other risk reduction strategy or as part of a conversion transaction or other integrated or similar transaction;
- persons subject to special tax accounting rules as a result of any item of gross income with respect to Legato securities or Algoma Common Shares and/or Algoma Warrants, as the case may be, being taken into account in an applicable financial statement;
- persons that actually or constructively own 5% or more (by vote or value) of the outstanding Legato Common Stock or, after the Merger, the issued Algoma Common Shares;
- founders, sponsors, officers or directors of Legato or holders of private placement warrants;
- "controlled foreign corporations," "passive foreign investment companies," and corporations that accumulate earnings to avoid U.S. federal income tax (and their shareholders);
- S corporations, partnerships, or other entities or arrangements treated as partnerships or other flow-through entities for U.S. federal income tax purposes (and investors therein);
- U.S. Holders having a functional currency other than the U.S. dollar;
- persons who hold or received Legato securities or Algoma Common Shares and/or Algoma Warrants, as the case may be, pursuant to the exercise of any employee stock option or otherwise as compensation; and
- tax-qualified retirement plans.

In addition, this summary does not address any tax consequences to investors that directly or indirectly hold equity interests in Algoma prior to the Merger, including holders of Legato securities that also hold, directly or indirectly, equity interests in Algoma. With respect to the consequences of holding Algoma Common Shares, this discussion is limited to holders who acquire such Algoma Common Shares in connection with the Merger or as a result of the exercise of an Algoma Warrant. With respect to the consequences of holding Algoma Warrants, this discussion is limited to holders who held Legato Warrants prior to and through the Merger.

If an entity or arrangement treated as a partnership for U.S. federal income tax purposes holds Legato securities, Algoma Common Shares and/or Algoma Warrants, the tax treatment of an owner of such entity will depend on the status of the owner or participant in the arrangement, the activities of the entity or arrangement, and certain determinations made at the owner or participant level. Accordingly, entities or arrangements treated as partnerships for U.S. federal income tax purposes and the partners in such partnerships should consult their tax advisors regarding the U.S. federal income tax consequences to them.

For purposes of this discussion, because any Legato Unit consisting of one share of Legato Common Stock and one Legato Warrant is separable at the option of the holder, Legato is treating any share of Legato Common Stock and portion of one Legato Warrant held by a holder in the form of a single Legato Unit as separate instruments and is assuming that the Legato Unit itself will not be treated as an integrated instrument. Under this treatment the separation of a Legato Unit in connection with the consummation of the Merger generally would not be a taxable event for U.S. federal income tax purposes. This position is not free from doubt, and no assurance can be given that the IRS would not assert, or that a court would not sustain, a contrary position. Holders of Legato Units and Legato securities are urged to consult their tax advisors concerning the U.S. federal, state, local, and foreign tax consequences of the transactions contemplated by the Merger (including any redemption of Legato Common Stock for cash) with respect to any Legato securities held through a Legato Unit (including alternative characterizations of a Legato Unit).

For purposes of this discussion, a "U.S. Holder" is any beneficial owner of shares of Legato securities, Algoma Common Shares and/or Algoma Warrants, as the case may be, that is for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the U.S.;
- a corporation (or other entity taxable as a corporation) created or organized in, or under the laws of, the U.S., any state thereof, or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust that (1) is subject to the primary supervision of a U.S. court and the control of one or more "United States persons" (within the meaning of Section 7701(a)(30) of the Code) or (2) has a valid election in effect to be treated as a United States person for U.S. federal income tax purposes.

THE U.S. FEDERAL INCOME TAX TREATMENT OF THE MERGER AND THE U.S. FEDERAL INCOME TAX TREATMENT TO HOLDERS OF LEGATO SECURITIES DEPEND IN SOME INSTANCES ON DETERMINATIONS OF FACT AND INTERPRETATIONS OF COMPLEX PROVISIONS OF U.S. FEDERAL INCOME TAX LAW FOR WHICH NO CLEAR PRECEDENT OR AUTHORITY MAY BE AVAILABLE. IN ADDITION, THE U.S. FEDERAL INCOME TAX TREATMENT OF THE MERGER, THE EXERCISE OF REDEMPTION RIGHTS WITH RESPECT TO LEGATO COMMON STOCK, AND THE OWNERSHIP AND DISPOSITION OF ALGOMA COMMON SHARES AND/OR ALGOMA WARRANTS TO ANY PARTICULAR HOLDER WILL DEPEND ON THE HOLDER'S PARTICULAR TAX CIRCUMSTANCES. YOU ARE URGED TO CONSULT YOUR TAX ADVISOR REGARDING THE U.S. FEDERAL, STATE, LOCAL, AND NON-U.S. INCOME AND OTHER TAX CONSEQUENCES TO YOU, IN LIGHT OF YOUR PARTICULAR INVESTMENT OR TAX CIRCUMSTANCES, OF THE MERGER, THE EXERCISE OF YOUR REDEMPTION RIGHTS WITH RESPECT TO LEGATO COMMON STOCK, AND THE OWNERSHIP AND DISPOSITION OF ALGOMA COMMON SHARES AND/OR ALGOMA WARRANTS.

U.S. Federal Income Tax Treatment of Algoma

Tax Residence of Algoma for U.S. Federal Income Tax Purposes

Although Algoma is incorporated and tax resident in Canada, the IRS may assert that it should be treated as a U.S. corporation for U.S. federal income tax purposes pursuant to Section 7874 of the Code. For U.S. federal income tax

purposes, a corporation is generally considered a U.S. "domestic" corporation if it is created or organized in or under the laws of the U.S., any state thereof, or the District of Columbia. Because Algoma is not so created or organized (but is instead incorporated only in British Columbia, Canada), it would generally be classified as a foreign corporation (that is, a corporation other than a U.S. "domestic" corporation) under these rules. Section 7874 of the Code provides an exception under which a corporation created or organized only under foreign law may, in certain circumstances, be treated as a U.S. corporation for U.S. federal income tax purposes. The Section 7874 rules are complex and require analysis of all relevant facts, and there is limited guidance and significant uncertainties as to their application.

Under Section 7874 of the Code, a corporation created or organized outside the U.S. (i.e., a foreign corporation) will nevertheless be treated as a U.S. corporation for U.S. federal income tax purposes when (i) the foreign corporation directly or indirectly acquires substantially all of the assets held directly or indirectly by a U.S. corporation (including the indirect acquisition of assets of the U.S. corporation by acquiring the outstanding shares of the U.S. corporation), (ii) the shareholders of the acquired U.S. corporation hold, by vote or value, at least 80% of the shares of the foreign acquiring corporation after the acquisition by reason of holding shares in the U.S. acquired corporation (the "Section 7874 Percentage"), and (iii) the foreign corporation's "expanded affiliated group" does not have substantial business activities in the foreign corporation's country of creation or organization relative to such expanded affiliated group's worldwide activities (the "Substantial Business Activities Exception"). In order to satisfy the Substantial Business Activities Exception, at least 25% of the employees (by headcount and compensation), real and tangible assets, and gross income of the foreign acquiring corporation's "expanded affiliated group" must be based, incurred, located, and derived, respectively, in the country in which the foreign acquiring corporation is created or organized. The Section 7874 Regulations further provide for a number of special rules that aggregate multiple acquisitions of U.S. corporations for purposes of Section 7874 of the Code that are made as part of a plan or made over a 36-month period, making it more likely that Section 7874 of the Code will apply to a foreign acquiring corporation.

Algoma will indirectly acquire substantially all of the assets of Legato through the Merger. As a result, Section 7874 of the Code may apply to cause Algoma to be treated as a U.S. corporation for U.S. federal income tax purposes following the Merger depending on whether the Section 7874 Percentage equals or exceeds 80%, subject to the applicability of the Substantial Business Activities Exception. Based upon the terms of the Merger, the rules for determining share ownership under Section 7874 of the Code and the Section 7874 Regulations, and certain factual assumptions, Algoma is not expected to be treated as a U.S. corporation for U.S. federal income tax purposes under Section 7874 of the Code, whether because the Section 7874 Percentage is expected to be less than 80% and/or because of the Substantial Business Activities Exception.

However, the calculation of the Section 7874 Percentage and the applicability of the Substantial Business Activities Exception are complex, are subject to detailed regulations (the application of which is uncertain in various respects and could be impacted by changes in U.S. tax laws and regulations with possible retroactive effect), and are subject to certain factual uncertainties. Each must be finally determined after completion of the Merger, by which time there could be adverse changes to the relevant facts and circumstances. Additionally, former holders of Legato Common Stock may be deemed to own an amount of Algoma Common Shares in respect to certain redemptions by former holders of Legato Common Stock prior to the Merger for purposes of determining the ownership percentage of former holders of Legato Common Stock under Section 7874 of the Code. Accordingly, there can be no assurance that the IRS will not challenge the status of Algoma as a foreign corporation under Section 7874 of the Code or that such challenge would not be sustained by a court.

If the IRS were to successfully challenge under Section 7874 of the Code Algoma's status as a foreign corporation for U.S. federal income tax purposes, Algoma and certain Algoma shareholders could be subject to significant adverse tax consequences, including a higher effective corporate income tax rate on Algoma and future withholding taxes on certain Algoma shareholders. In particular, holders of Algoma Common Shares and/or Algoma Warrants would be treated as holders of stock and warrants of a U.S. corporation.

However, even if Algoma is still respected as a foreign corporation under Section 7874 of the Code, Algoma may be limited in using its equity to engage in future acquisitions of U.S. corporations over a 36-month period following the Merger. If Algoma were to be treated as acquiring substantially all of the assets of a U.S. corporation within a 36-month period after the Merger, the Section 7874 Regulations would exclude certain shares of Algoma attributable to the Merger for purposes of determining the Section 7874 Percentage of that subsequent acquisition, making it more likely that Section 7874 of the Code would apply to such subsequent acquisition.

The remainder of this discussion assumes that Algoma will not be treated as a U.S. corporation for U.S. federal income tax purposes under Section 7874 of the Code.

Utilization of Legato's Tax Attributes and Certain Other Adverse Tax Consequences to Algoma and Algoma's Shareholders.

Following the acquisition of a U.S. corporation by a foreign corporation, Section 7874 of the Code can limit the ability of the acquired U.S. corporation and its U.S. affiliates to use U.S. tax attributes (including net operating losses and certain tax credits) to offset U.S. taxable income resulting from certain transactions, as well as result in certain other adverse tax consequences, even if the acquiring foreign corporation is respected as a foreign corporation for purposes of Section 7874 of the Code. Specifically, Section 7874 of the Code can apply in this manner if (i) the foreign corporation acquires, directly or indirectly, substantially all of the properties held directly or indirectly by a U.S. corporation, (ii) after the acquisition, the former shareholders of the acquired U.S. corporation hold at least 60% (by either vote or value) but less than 80% (by vote and value) of the shares of the foreign acquiring corporation by reason of holding shares in the acquired U.S. corporation, and (iii) the foreign corporation's "expanded affiliated group" does not meet the Substantial Business Activities Exception.

Based upon the terms of the Merger, the rules for determining share ownership under Section 7874 of the Code and the Section 7874 Regulations, and certain factual assumptions, Legato and Algoma currently expect that the Section 7874 Percentage should be less than 60% after the Merger. Accordingly, the limitations and other rules described above are not expected to apply to Algoma or Legato after the Merger.

If the Section 7874 Percentage applicable to the Merger is at least 60% but less than 80%, Algoma and certain of Algoma's shareholders may be subject to adverse tax consequences including, but not limited to, restrictions on the use of tax attributes with respect to "inversion gain" recognized over a 10-year period following the transaction, disqualification of dividends paid from preferential "qualified dividend income" rates, and the requirement that any U.S. corporation owned by Algoma include as "base erosion payments" that may be subject to a minimum U.S. federal income tax any amounts treated as reductions in gross income paid to certain related foreign persons. Furthermore, certain "disqualified individuals" (including officers and directors of a U.S. corporation) may be subject to an excise tax on certain stock-based compensation at a rate of 20%. However, as a blank check company whose assets are primarily comprised of cash and cash equivalents, it is not expected that Legato will have a significant amount of inversion gain as a result of the Merger.

The determination that the Section 7874 Percentage should be less than 60% after the Merger is subject to detailed regulations (the application of which is uncertain in various respects and would be impacted by future changes in U.S. tax laws and regulations, with possible retroactive effect) and is subject to certain factual uncertainties. Whether the Section 7874 Percentage is less than 60% must be finally determined after completion of the Merger, by which time there could be adverse changes to the relevant facts and circumstances. There can be no assurance that the IRS will not challenge whether Algoma is subject to the above rules or that such a challenge would not be sustained by a court. If the IRS successfully applied these rules to Algoma, significant adverse tax consequences could result for Algoma and for certain Algoma shareholders, including a higher effective corporate tax rate on Algoma.

U.S. Holders

U.S. Federal Income Tax Considerations of the Merger

Tax Consequences of the Merger Under Section 368(a) of the Code

The parties to the Merger intend that the Merger qualifies as a reorganization within the meaning of Section 368(a) of the Code (a "reorganization"). To qualify as a reorganization, a transaction must satisfy certain requirements, including, among others, that the acquiring corporation (or, in the case of certain reorganizations structured similarly to the Merger, its corporate parent) continue, either directly or indirectly through certain controlled corporations, either a significant line of the acquired corporation's historic business or use a significant portion of the acquired corporation's historic business assets in a business, in each case, within the meaning of Treasury regulations Section 1.368-1(d). However, due to the absence of guidance bearing directly on how the above rules apply in the case of an acquisition of a corporation with investment-type assets, such as Legato, the qualification of the Merger as a reorganization is not free from doubt. Moreover, the closing of the Merger is not conditioned upon the receipt of an

opinion of counsel that the Merger will qualify as a reorganization, and neither Legato nor Algoma intends to request a ruling from the IRS regarding the U.S. federal income tax treatment of the Merger. Accordingly, no assurance can be given that the IRS will not challenge the Merger's qualification as a reorganization or that a court will not sustain such a challenge by the IRS. U.S. Holders of Legato securities are urged to consult their tax advisors regarding the proper U.S. federal income tax treatment of the Merger, including with respect to its qualification as a "reorganization."

If, notwithstanding the above, at the Effective Time any requirement for the application of Code Section 368(a) is not met, a U.S. Holder of Legato securities generally would recognize gain or loss in an amount equal to the difference, if any, between the fair market value as of the closing date of the Merger of Algoma Common Shares and/or Algoma Warrants received by such holder in the Merger over such holder's adjusted tax basis in the Legato securities surrendered by such holder in the Merger. Any gain or loss so recognized would generally be long-term capital gain or loss if the U.S. Holder had held the Legato securities for more than one year (or short-term capital gain otherwise). Long-term capital gains of non-corporate U.S. Holders (including individuals) currently are eligible for preferential U.S. federal income tax rates. However, the deductibility of capital losses is subject to limitations. A U.S. Holder's initial tax basis in the Algoma Common Shares and/or Algoma Warrants received in the Merger will equal the fair market value of such stock or warrants upon receipt. A U.S. Holder's holding period in the Algoma Common Shares and/or Algoma Warrants received in the Merger, if any, will begin on the day following the closing date of the Merger and would not include the holding period for the Legato securities surrendered in exchange therefor.

Tax Consequences of the Merger Under Section 367(a) of the Code

Section 367(a) of the Code and the Treasury regulations promulgated thereunder provide that, where a U.S. person exchanges stock or securities in a U.S. corporation for stock or securities in a foreign corporation in a transaction that qualifies as a reorganization, the U.S. person is required to recognize any gain (but not loss) realized on such exchange unless certain additional requirements are satisfied.

In general, for the Merger to meet these additional requirements, certain reporting requirements must be satisfied and (i) no more than 50% of both the total voting power and the total value of the stock of the transferee foreign corporation is received, in the aggregate, by the "U.S. transferors" (as defined in the Treasury regulations and computed taking into account direct, indirect and constructive ownership) in the transaction; (ii) no more than 50% of each of the total voting power and the total value of the stock of the transferee foreign corporation is owned, in the aggregate, immediately after the transaction by "U.S. persons" (as defined in the Treasury regulations) that are either officers or directors or "five-percent target shareholders" (as defined in the Treasury regulations and computed taking into account direct, indirect and constructive ownership) of the transferred U.S. corporation; and (iii) the "active trade or business test" as defined in Treasury regulations Section 1.367(a)-3(c)(3) must be satisfied. Conditions (i), (ii), and (iii) are expected to be met, and, as a result, the Merger is expected to satisfy the applicable requirements under Section 367(a) of the Code on account of such conditions. Accordingly, it is intended that the Merger does not result in gain recognition by a U.S. Holder exchanging Legato Common Stock for Algoma Common Shares so long as either (A) the U.S. Holder is not a "five-percent transferee shareholder" (as defined in the Treasury regulations and computed taking into account direct, indirect and constructive ownership) of the transferee foreign corporation (by total voting power or by total value) or (B) the U.S. Holder is a "five-percent transferee shareholder" of the transferee foreign corporation and enters into an agreement with the IRS to recognize gain under certain circumstances. All U.S. Holders that will own 5% or more of either the total voting power or the total value of the outstanding shares of Algoma after the Merger (taking into account, for this purpose, ownership of Algoma Common Shares acquired in connection with the Merger and any Algoma Common Shares not acquired in connection with the Merger) may want to enter into a valid "gain recognition agreement" under applicable Treasury regulations and are strongly urged to consult their own tax advisors to determine the particular consequences to them of the Merger.

Whether the requirements described above are met will depend on facts existing at the Effective Time, and the closing of the Merger is not conditioned upon the receipt of an opinion of counsel or ruling from the IRS that the Merger will not result in gain being recognized by U.S. Holders of Legato securities under Section 367(a) of the Code. In addition, no assurance can be given that the IRS will not challenge the satisfaction of the relevant requirements under Section 367(a) of the Code and the Treasury regulations promulgated thereunder with respect to the Merger or that a court would not sustain such a challenge.

If the Merger does meet the requirements of Section 368(a) of the Code but, at the Effective Time, any requirement for Section 367(a) of the Code not to impose gain on a U.S. Holder is not satisfied, then a U.S. Holder of

Legato securities generally would recognize gain (but not loss) in an amount equal to the excess, if any, of the fair market value as of the closing date of the Merger of the Algoma Common Shares and/or Algoma Warrants received by such holder in the Merger over such U.S. Holder's tax basis in the Legato securities surrendered by such U.S. Holder in the Merger. Any gain so recognized would generally be long-term capital gain if the U.S. Holder had held the Legato securities for more than one year at the Effective Time (or short-term capital gain otherwise). Long-term capital gain of non-corporate U.S. Holders (including individuals) currently is eligible for preferential U.S. federal income tax rates. A U.S. Holder's initial tax basis in the Algoma Common Shares and/or Algoma Warrants received in the Merger will equal the fair market value of such stock or warrants upon receipt. A U.S. Holder's holding period in the Algoma Common Shares and/or Algoma Warrants received in the Merger will not include the holding period for the Legato securities surrendered in exchange therefor. In such case, the holding period will begin on the day following the closing date of the Merger.

The rules dealing with Section 367(a) of the Code discussed above are very complex and are affected by various factors in addition to those described above. Accordingly, you are strongly urged to consult your tax advisor concerning the application of these rules to your exchange of Legato securities under your particular circumstances, including whether you will be a five-percent transferee shareholder and the possibility of entering into a "gain recognition agreement" under applicable Treasury regulations.

U.S. Holders exchanging Legato Securities for Algoma Common Shares and/or Algoma Warrants

If the Merger qualifies as a reorganization under Section 368(a) of the Code and is not taxable under Section 367(a) of the Code, as is intended by the parties, a U.S. Holder generally would not recognize gain or loss if, pursuant to the Merger, the U.S. Holder either (i) exchanges only Legato Common Stock (but not Legato Warrants) for Algoma Common Shares, (ii) exchanges only Legato Warrants for Algoma Warrants, or (iii) both exchanges Legato Common Stock for Algoma Common Shares and exchanges Legato Warrants for Algoma Warrants.

In such a case, the aggregate tax basis of the Algoma Common Shares received by a U.S. Holder in the Merger should be equal to the aggregate adjusted tax basis of Legato Common Stock surrendered in exchange therefor. The tax basis in Algoma Warrants received by a U.S. Holder in the Merger should be equal to the adjusted tax basis of the Legato Warrant exchanged therefor. The holding period of the Algoma Common Shares and/or Algoma Warrants received by a U.S. Holder in the Merger should include the period during which the Legato Common Stock and/or Legato Warrants, respectively, exchanged therefor were held by such U.S. Holder. It is unclear whether the redemption rights with respect to the Legato Common Stock may suspend the running of the applicable holding period for this purpose.

U.S. Holders Exercising Redemption Rights with Respect to Legato Common Stock

In the event that a U.S. Holder's shares of Legato Common Stock are redeemed for cash pursuant to the redemption provisions described herein, the treatment of such redemption for U.S. federal income tax purposes will depend on whether the redemption qualifies as a sale of stock under Section 302 of the Code. Whether a redemption qualifies for sale treatment will depend largely on the total number of shares of Legato Common Stock treated as held by the U.S. Holder relative to all of the shares of Legato Common Stock outstanding both before and after the redemption.

The redemption of Legato Common Stock generally will be treated as a sale of stock (rather than as a corporate distribution) if the redemption (i) results in a "complete termination" of the U.S. Holder's interest in Legato, (ii) is "substantially disproportionate" with respect to the U.S. Holder or (iii) is "not essentially equivalent to a dividend" with respect to the U.S. Holder. These tests are explained more fully below.

In determining whether any of the foregoing tests are satisfied, a U.S. Holder generally should take into account not only Legato Common Stock actually owned by such U.S. Holder but also Legato Common Stock constructively owned by such holder. A U.S. Holder may constructively own, in addition to shares owned directly, shares owned by certain related individuals and entities in which the U.S. Holder has an interest or that have an interest in such U.S. Holder, as well as any shares the U.S. Holder has a right to acquire by exercise of an option, which would generally include Legato Common Stock or Algoma Common Shares which could be directly or constructively acquired pursuant to the exercise of Legato Warrants or Algoma Warrants.

There will be a complete termination of a U.S. Holder's interest if either (i) all of Legato Common Stock actually and constructively owned by the U.S. Holder is redeemed or (ii) all of Legato Common Stock actually owned by the U.S. Holder is redeemed and the U.S. Holder is eligible to waive, and effectively waives in accordance with specific rules, the attribution of shares owned by certain family members and the U.S. Holder does not constructively own any other shares. In order to meet the "substantially disproportionate" test, the percentage of outstanding voting stock actually or constructively owned by a U.S. Holder immediately following the redemption generally must be less than (a) 80% of the percentage of outstanding voting stock actually or constructively owned by such U.S. Holder immediately prior to the redemption and (b) 50% of the total combined voting power of Legato Common Stock. The redemption of Legato Common Stock will not be essentially equivalent to a dividend if a U.S. Holder's redemption results in a "meaningful reduction" of the U.S. Holder's proportionate interest in Legato. Whether the redemption will result in a meaningful reduction in a U.S. Holder's proportionate interest in Legato will depend on the particular facts and circumstances. However, the IRS has indicated in a published ruling that even a small reduction in the proportionate interest of a small minority shareholder in a publicly held corporation who exercises no control over corporate affairs may constitute such a "meaningful reduction." U.S. Holders should consult with their tax advisors as to the tax consequences of a redemption.

If the redemption qualifies as a sale of stock by the U.S. Holder under Section 302 of the Code, the U.S. Holder would generally be required to recognize gain or loss in an amount equal to the difference, if any, between the amount of cash received and the tax basis of the shares of Legato Common Stock redeemed. Such gain or loss generally would be treated as capital gain or loss if such shares were held as a capital asset on the date of the redemption. A U.S. Holder's tax basis in such holder's Legato Common Stock generally will equal the cost of such shares.

If the redemption does not qualify as a sale of stock under Section 302 of the Code, then the U.S. Holder will be treated as receiving a corporate distribution. Such distribution generally will constitute a dividend for U.S. federal income tax purposes to the extent paid from current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Distributions in excess of current and accumulated earnings and profits will constitute a return of capital that will be applied against and reduce (but not below zero) the U.S. Holder's adjusted tax basis in such U.S. Holder's Legato Common Stock. Any remaining excess will be treated as gain realized on the sale or other disposition of Legato Common Stock.

Amounts treated as dividends that Legato pays to a U.S. Holder that is treated as a corporation for U.S. federal income tax purposes generally will qualify for the dividends received deduction if the requisite holding period is satisfied. With certain exceptions (including, but not limited to, dividends treated as investment income for purposes of investment interest deduction limitations), and provided certain holding period requirements are met, amounts treated as dividends that Legato pays to a non-corporate U.S. Holder may be taxed as "qualified dividend income" at the preferential tax rate accorded to long-term capital gains. It is unclear whether the redemption rights described herein with respect to the Legato Common Stock may have suspended the running of the applicable holding period for these purposes. If the holding period requirements are not satisfied, then a U.S. Holder that is treated as a corporation for U.S. federal income tax purposes may not be able to qualify for the dividends received deduction and would have taxable income equal to the entire dividend amount and non-corporate U.S. Holders may be subject to tax on such dividend at regular ordinary income tax rates instead of the preferential rate that applies to "qualified dividend income."

After the application of those rules, any remaining tax basis of the U.S. Holder in the redeemed Legato Common Stock will be added to the U.S. Holder's adjusted tax basis in its remaining Legato Common Stock, or, if it has none, to the U.S. Holder's adjusted tax basis in its Legato Warrants or possibly in other shares of Legato Common Stock constructively owned by it.

U.S. Federal Income Tax Consequences of the Ownership and Disposition of Algoma Common Shares and Algoma Warrants to U.S. Holders

Distributions on Algoma Common Shares

If Algoma makes distributions of cash or property on the Algoma Common Shares, such distributions will be treated first as a dividend to the extent of Algoma's current and accumulated earnings and profits (as determined for U.S. federal income tax purposes), and then as a return of capital that will be applied against and reduce (but not below

zero) the U.S. Holder's adjusted tax basis in such U.S. Holder's Algoma Common Shares, with any remaining excess treated as gain from the sale or exchange of the shares. The amount of any such distribution will include any amounts withheld by Algoma (or another applicable withholding agent). If Algoma does not provide calculations of its earnings and profits under U.S. federal income tax principles, a U.S. Holder should expect all cash distributions to be reported as dividends for U.S. federal income tax purposes. Any dividend will not be eligible for the dividends received deduction allowed to U.S. Holders that are treated as corporations for U.S. federal income tax purposes in respect of dividends received from U.S. corporations.

Subject to the discussions above under "– *Utilization of Legato's Tax Attributes and Certain Other Adverse Tax Consequences to Algoma and Algoma's Shareholders*" and below under "– *Passive Foreign Investment Company Rules*," dividends received by certain non-corporate U.S. Holders (including individuals) may be "qualified dividend income," which is taxed at the lower applicable capital gains rate, provided that:

- either (a) the shares are readily tradable on an established securities market in the U.S. or (b) Algoma is eligible for the benefits of a qualifying income tax treaty with the U.S. that includes an exchange of information program;
- Algoma is neither a PFIC (as discussed below under below under "– *Passive Foreign Investment Company Rules*") nor treated as such with respect to the U.S. Holder for Algoma's taxable year in which the dividend is paid or the preceding taxable year;
- the U.S. Holder satisfies certain holding period requirements;
- the U.S. Holder is not under an obligation to make related payments with respect to positions in substantially similar or related property; and
- the taxpayer does not take the dividends into account as investment income under Section 163(d)(4)(B) of the Code.

There can be no assurances that Algoma will be eligible for benefits of an applicable comprehensive income tax treaty between the U.S. and Canada. In addition, there also can be no assurance that Algoma Common Shares will be considered "readily tradable" on an established securities market in accordance with applicable legal authorities. Furthermore, Algoma will not constitute a qualified foreign corporation for purposes of these rules if it is a PFIC for the taxable year in which it pays a dividend or for the preceding taxable year. See "– *Passive Foreign Investment Company Rules*." U.S. Holders should consult their tax advisors regarding the availability of the lower rate for dividends paid with respect to Algoma Common Shares.

The amount of any dividend distribution paid in foreign currency will be the U.S. dollar amount calculated by reference to the applicable exchange rate in effect on the date of actual or constructive receipt, regardless of whether the payment is in fact converted into U.S. dollars at that time. A U.S. Holder may have foreign currency gain or loss if the dividend is converted into U.S. dollars after the date of receipt.

Subject to certain exceptions, dividends on Algoma Common Shares will constitute foreign source income for foreign tax credit limitation purposes. If the dividends are qualified dividend income (as discussed above), the amount of the dividend taken into account for purposes of calculating the foreign tax credit limitation will be limited to the gross amount of the dividend, multiplied by a fraction, the numerator of which is the reduced rate applicable to qualified dividend income and the denominator of which is the highest rate of tax normally applicable to dividends. The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. For this purpose, dividends distributed by Algoma with respect to the Algoma Common Shares generally will constitute "passive category income" but could, in the case of certain U.S. Holders, constitute "general category income". The rules governing foreign tax credits are complex and U.S. Holders are urged to consult their tax advisors regarding the creditability of foreign taxes in their particular circumstances. In lieu of claiming a foreign tax credit, a U.S. Holder may, in certain circumstances, deduct foreign taxes in computing the holder's taxable income, subject to generally applicable limitations under U.S. law. Generally, an election to deduct foreign taxes instead of claiming foreign tax credits applies to all foreign taxes paid or accrued in the taxable year.

Sale, Exchange, Redemption or Other Taxable Disposition of Algoma Common Shares and Algoma Warrants

Subject to the discussion below under "– *Passive Foreign Investment Company Rules*," a U.S. Holder generally will recognize gain or loss on any sale, exchange, redemption or other taxable disposition of Algoma Common Shares

or Algoma Warrants in an amount equal to the difference between (i) the amount realized on the disposition and (ii) such U.S. Holder's adjusted tax basis in such shares and/or warrants. Any gain or loss recognized by a U.S. Holder on a taxable disposition of Algoma Common Shares or Algoma Warrants generally will be capital gain or loss. A non-corporate U.S. Holder, including an individual, who has held the Algoma Common Shares and/or Algoma Warrants for more than one year generally will be eligible for reduced tax rates for such long-term capital gains. The deductibility of capital losses is subject to limitations.

Any such gain or loss recognized generally will be treated as U.S. source income or loss. Accordingly, in the event any Canadian tax (including withholding tax) is imposed upon such sale or other disposition, a U.S. Holder may not be able to utilize foreign tax credits unless such holder has foreign source income or gain in the same category from other sources. Moreover, there are special rules under the income tax treaty between the U.S. and Canada (the "*Treaty*"), which may impact a U.S. Holder's ability to claim a foreign tax credit. U.S. Holders are urged to consult their tax advisor regarding the ability to claim a foreign tax credit and the application of the Treaty to such U.S. Holder's particular circumstances.

Exercise, Lapse, or Redemption of an Algoma Warrant

Subject to the PFIC rules discussed below, a U.S. Holder generally will not recognize gain or loss upon the acquisition of an Algoma Common Share on the exercise of an Algoma Warrant for cash. A U.S. Holder's tax basis in Algoma Common Shares received upon exercise of the Algoma Warrant generally should be an amount equal to the sum of the U.S. Holder's tax basis in the Legato Warrant exchanged therefor (assuming the Merger is not a taxable transaction, as discussed above) and the exercise price. The U.S. Holder's holding period for an Algoma Common Share received upon exercise of the Algoma Warrant will begin on the date following the date of exercise (or possibly the date of exercise) of the Algoma Warrant and will not include the period during which the U.S. Holder held the Algoma Warrant. If an Algoma Warrant is allowed to lapse unexercised, a U.S. Holder generally will recognize a capital loss equal to such holder's tax basis in the Algoma Warrant.

The tax consequences of a cashless exercise of an Algoma Warrant are not clear under current tax law. Subject to the PFIC rules discussed below, a cashless exercise may be tax-deferred, either because the exercise is not a gain realization event or because the exercise is treated as a recapitalization for U.S. federal income tax purposes. In either tax-deferred situation, a U.S. Holder's basis in the Algoma Common Shares received generally would equal the U.S. Holder's basis in the Algoma Warrants exercised therefor. If the cashless exercise is not treated as a gain realization event, a U.S. Holder's holding period in the Algoma Common Shares would be treated as commencing on the date following the date of exercise (or possibly the date of exercise) of the Algoma Warrants and will not include the period during which the U.S. Holder held the Algoma Warrants. If the cashless exercise were treated as a recapitalization, the holding period of the Algoma Common Shares would include the holding period of the Algoma Warrants exercised therefor.

It is also possible that a cashless exercise of an Algoma Warrant could be treated in part as a taxable exchange in which gain or loss would be recognized in the manner set forth above under "– *Sale, Exchange, Redemption or Other Taxable Disposition of Algoma Common Shares and Algoma Warrants*." In such event, a U.S. Holder could be deemed to have surrendered warrants equal to the number of Algoma Common Shares having an aggregate fair market value equal to the exercise price for the total number of warrants to be exercised. Subject to the PFIC rules discussed below, the U.S. Holder would recognize capital gain or loss with respect to the Algoma Warrants deemed surrendered in an amount generally equal to the difference between (i) the fair market value of the Algoma Common Shares that would have been received in a regular exercise of the Algoma Warrants deemed surrendered, net of the aggregate exercise price of such Algoma Warrants and (ii) the U.S. Holder's tax basis in such Algoma Warrants. In this case, a U.S. Holder's aggregate tax basis in the Algoma Common Shares received would equal the sum of (i) U.S. Holder's tax basis in the Algoma Warrants deemed exercised and (ii) the aggregate exercise price of such Algoma Warrants. A U.S. Holder's holding period for the Algoma Common Shares received in such case generally would commence on the date following the date of exercise (or possibly the date of exercise) of the Algoma Warrants and will not include the period during which the U.S. Holder held the Algoma Warrants.

Due to the absence of authority on the U.S. federal income tax treatment of a cashless exercise of warrants, including when a U.S. Holder's holding period would commence with respect to the Algoma Common Share received, there can be no assurance regarding which, if any, of the alternative tax consequences and holding periods described

above would be adopted by the IRS or a court of law. Accordingly, U.S. Holders should consult their tax advisors regarding the tax consequences of a cashless exercise of Algoma Warrants.

Subject to the PFIC rules described below, if Algoma redeems Algoma Warrants for cash pursuant to the redemption provisions described in the section of this registration statement entitled "*– Description of Algoma Warrants – Public Shareholders' Warrants*" or if Algoma purchases Algoma Warrants in an open market transaction, such redemption or purchase generally will be treated as a taxable disposition to the U.S. Holder, taxed as described above under "*– Sale, Exchange, Redemption or Other Taxable Disposition of Algoma Common Shares and Algoma Warrants*."

Possible Constructive Distributions

The terms of each Algoma Warrant provide for an adjustment to the number of Algoma Common Shares for which the Algoma Warrant may be exercised or to the exercise price of the Algoma Warrant in certain events, as discussed in the section of this registration statement captioned "*Description of Algoma Warrants*." An adjustment which has the effect of preventing dilution generally is not taxable. A U.S. Holder of an Algoma Warrant would, however, be treated as receiving a constructive distribution from Algoma if, for example, the adjustment increases the holder's proportionate interest in Algoma's assets or earnings and profits (for instance, through an increase in the number of Algoma Common Shares that would be obtained upon exercise of such warrant) as a result of a distribution of cash or other property such as other securities to the holders of the Algoma Common Shares which is taxable to the U.S. Holders of such shares as described under "*– Distributions on Algoma Common Shares*" above. Such constructive distribution would be subject to tax as described under that section in the same manner as if the U.S. Holder of such Algoma Warrant received a cash distribution from Algoma equal to the fair market value of such increase in interest.

Passive Foreign Investment Company Rules

The treatment of U.S. Holders of the Algoma Common Shares and Algoma Warrants could be materially different from that described above if Algoma is treated as a "passive foreign investment company," or PFIC, for U.S. federal income tax purposes. An entity treated as a foreign corporation for U.S. federal income tax purposes generally will be a PFIC for U.S. federal income tax purposes for any taxable year if either:

- at least 75% of its gross income for such year is passive income (such as interest, dividends, rents and royalties (other than rents or royalties derived from the active conduct of a trade or business) and gains from the disposition of assets giving rise to passive income); or
- at least 50% of the value of its assets (based on an average of the quarterly values of the assets) during such year is attributable to assets that produce passive income or are held for the production of passive income.

For this purpose, Algoma will be treated as owning its proportionate share of the assets and earning its proportionate share of the income of any other entity treated as a corporation for U.S. federal income tax purposes in which Algoma owns, directly or indirectly, 25% or more (by value) of the stock.

Algoma does not currently believe that it would be a PFIC for U.S. federal income tax purposes for the taxable year that includes the Merger or future taxable years as a result of such years' operations if the composition of the income, assets and operations of Algoma and its subsidiaries for each such year were substantially similar to those of its prior two taxable years. However, whether Algoma is treated as a PFIC is determined on an annual basis, and Algoma may be a PFIC for the taxable year that includes the Merger and/or for future taxable years. The determination of whether a non-U.S. corporation is a PFIC is a factual determination that depends on, among other things, the composition of Algoma's and its subsidiaries' income and assets, and the market value of their shares and assets, and thus the determination can only be made annually after the close of each taxable year. Thus, no assurance can be given as to whether Algoma will be a PFIC for the taxable year that includes the Merger or for any future taxable year. In addition, Algoma's U.S. counsel expresses no opinion with respect to Algoma's PFIC status for the taxable year that includes the Merger or prior or future taxable years.

Under the PFIC rules, if Algoma were considered a PFIC at any time that a U.S. Holder owns Algoma Common Shares or Algoma Warrants, Algoma would generally continue to be treated as a PFIC with respect to such holder in a particular year unless (i) Algoma has ceased to be a PFIC and (ii) (a) the U.S. Holder has made a valid "QEF election" (as described below) for the first taxable year in which the holder owned such holder's Algoma Common Shares in

which Algoma was a PFIC, (b) a valid mark-to-market election (as described below) is in effect for the particular year, or (c) the U.S. Holder has made a "deemed sale" election under the PFIC rules. If such a "deemed sale" election is made, a U.S. Holder will be deemed to have sold its Algoma Common Shares at their fair market value on the last day of the last taxable year in which Algoma is classified as a PFIC, and any gain from such deemed sale would be subject to the consequences described below. After the "deemed sale" election, the Algoma Common Shares with respect to which the "deemed sale" election was made will not be treated as shares in a PFIC unless Algoma subsequently becomes a PFIC.

For each taxable year that Algoma is treated as a PFIC with respect to a U.S. Holder's Algoma Common Shares or Algoma Warrants, the U.S. Holder will be subject to special tax rules with respect to any "excess distribution" (as defined below) received and any gain realized from a sale or disposition (including a pledge of Algoma Common Shares and under proposed Treasury regulations transfers of Algoma Warrants and certain transfers of Algoma Common Shares that would otherwise qualify as nonrecognition transactions for U.S. federal income tax purposes) of its Algoma Common Shares or Algoma Warrants (collectively the "excess distribution rules"), unless, with respect to the Algoma Common Shares, the U.S. Holder makes a valid QEF or mark-to-market election as discussed below. Generally, distributions received by a U.S. Holder in a taxable year that are greater than 125% of the average annual distributions received by such U.S. Holder during the shorter of the three preceding taxable years or the portion of such U.S. Holder's holding period for the Algoma Common Shares or Algoma Warrants that preceded the taxable year of the distribution will be treated as excess distributions. Under these special tax rules:

- the excess distribution or gain will be allocated ratably over the U.S. Holder's holding period for the Algoma Common Shares or Algoma Warrants;
- the amount allocated to the U.S. Holder's taxable year in which the U.S. Holder recognized the gain or received the excess distribution or to the period in the U.S. Holder's holding period before the first day of Algoma's first taxable year in which Algoma is a PFIC will be treated as ordinary income; and
- the amount allocated to each other taxable year (or portions thereof) of the U.S. Holder and included in such holder's holding period will be subject to the highest tax rate in effect for individuals or corporations, as applicable, for each such year without regard to the U.S. Holder's other items of income and loss for such year; and
- the interest charge generally applicable to underpayments of tax will be imposed on the U.S. Holder with respect to the resulting tax attributable to each such year.

Under the excess distribution rules, the tax liability for amounts allocated to taxable years prior to the year of disposition or excess distribution cannot be offset by any net operating losses, and gains (but not losses) realized on the sale of the Algoma Common Shares or Algoma Warrants cannot be treated as capital gains, even though the U.S. Holder holds the Algoma Common Shares or Algoma Warrants as capital assets.

Certain of the PFIC rules may impact U.S. Holders with respect to equity interests in subsidiaries and other entities which Algoma may hold, directly or indirectly, that are PFICs (collectively, "Lower-Tier PFICs"). There can be no assurance that Algoma does not own, or will not in the future acquire, an interest in a subsidiary or other entity that is or would be treated as a Lower-Tier PFIC. U.S. Holders should consult their tax advisors regarding the application of the PFIC rules to any of Algoma's subsidiaries.

If Algoma is a PFIC, a U.S. Holder of shares in Algoma may avoid taxation under the excess distribution rules described above in respect to the Algoma Common Shares by making a timely and valid "qualified electing fund" ("QEF") election (if eligible to do so). However, a U.S. Holder may make a QEF election with respect to its Algoma Common Shares only if Algoma provides U.S. Holders on an annual basis with certain financial information specified under applicable Treasury regulations, including the information provided in a PFIC Annual Information Statement. There can be no assurance, however, that Algoma will have timely knowledge of its status as a PFIC in the future or that Algoma will timely provide such information for such years. The failure to provide such information on an annual basis could prevent a U.S. Holder from making a QEF election or result in the invalidation or termination of a U.S. Holder's prior QEF election.

A U.S. Holder that makes a QEF election with respect to its Algoma Common Shares would generally be required to include in income for each year that Algoma is treated as a PFIC the U.S. Holder's pro rata share of Algoma's

ordinary earnings for the year (which would be subject to tax as ordinary income) and net capital gains for the year (which would be subject to tax at the rates applicable to long-term capital gains), without regard to the amount of any distributions made in respect of the Algoma Common Shares. Any net deficits or net capital losses of Algoma for a taxable year, however, would not be passed through and included on the tax return of the U.S. Holder. A U.S. Holder's basis in the Algoma Common Shares would be increased by the amount of income inclusions under the QEF rules. Dividends actually paid on the Algoma Common Shares generally would not be subject to U.S. federal income tax to the extent of prior income inclusions and would reduce the U.S. Holder's basis in the Algoma Common Shares by a corresponding amount. If Algoma owns any interests in a Lower-Tier PFIC, a U.S. Holder generally must make a separate QEF election for each Lower-Tier PFIC, subject to Algoma's providing the relevant tax information for each Lower-Tier PFIC on an annual basis. There can be no assurance that Algoma will have timely knowledge of the status of any such Lower-Tier PFIC. In addition, Algoma may not hold a controlling interest in any such Lower-Tier PFIC and thus there can be no assurance Algoma will be able to cause the Lower-Tier PFIC to provide such required information.

If a U.S. Holder does not make a QEF election effective from the first taxable year of a U.S. Holder's holding period for the Algoma Common Shares in which Algoma is a PFIC (or a mark-to-market election, as discussed below), then the U.S. Holder generally will remain subject to the excess distribution rules. A U.S. Holder that first makes a QEF election in a later year may avoid the continued application of the excess distribution rules to its Algoma Common Shares by making a "deemed sale" election. In that case, the U.S. Holder will be deemed to have sold the Algoma Common Shares at their fair market value on the first day of the taxable year in which the QEF election becomes effective, and any gain from such deemed sale would be subject to the excess distribution rules described above. As a result of the "deemed sale" election, the U.S. Holder will have additional basis (to the extent of any gain recognized on the deemed sale) and, solely for purposes of the PFIC rules , a new holding period in the common shares.

It is not entirely clear how various aspects of the PFIC rules apply to the warrants. However, a U.S. Holder may not make a QEF election with respect to its Algoma Warrants. As a result, if a U.S. Holder sells or otherwise disposes of such warrants (other than upon exercise of such warrants) and Algoma was a PFIC at any time during the U.S. Holder's holding period of such warrants, any gain recognized generally will be treated as an excess distribution, taxed as described above.

If a U.S. Holder that exercises such warrants properly makes and maintains a QEF election with respect to the newly acquired Algoma Common Shares (or has previously made a QEF election with respect to Algoma Common Shares previously held by such U.S. Holder), the QEF election will apply to the newly acquired Algoma Common Shares. Notwithstanding such QEF election, the rules relating to "excess distributions" discussed above, adjusted to take into account the current income inclusions resulting from the QEF election, will continue to apply with respect to such newly acquired Algoma Common Shares (which under proposed Treasury regulations will be deemed to have a holding period for purposes of the PFIC rules that includes the period the U.S. Holder held the Algoma Warrants), unless the U.S. Holder makes a "deemed sale" election under the PFIC rules. U.S. Holders are urged to consult their tax advisors as to the application of the rules governing "deemed sale" elections to their particular circumstances.

The QEF election is made on a shareholder-by-shareholder basis and, once made, can be revoked only with the consent of the IRS. A U.S. Holder that is eligible to make a QEF election with respect to its Algoma Common Shares generally may do so by providing the appropriate information to the IRS in the U.S. Holder's timely filed tax return for the year in which the election becomes effective. Retroactive QEF elections generally may be made only by filing a protective statement with such return and if certain other conditions are met or with the consent of the IRS. U.S. Holders should consult their tax advisors regarding the availability and tax consequences of a retroactive QEF election under their particular circumstances.

U.S. Holders should consult their tax advisors as to the availability and desirability of a QEF election.

Alternatively, if Algoma is a PFIC and Algoma Common Shares constitute "marketable stock" (as defined below), a U.S. Holder may make a mark-to-market election for such holder's Algoma Common Shares with respect to such shares for the first taxable year in which it holds (or is deemed to hold) Algoma Common Shares and each subsequent taxable year to elect out of the excess distribution rules discussed above. If a U.S. Holder makes a mark-to-market election with respect to its Algoma Common Shares, such U.S. Holder generally will include in income for each year

that Algoma is treated as a PFIC with respect to such Algoma Common Shares an amount equal to the excess, if any, of the fair market value of the Algoma Common Shares as of the close of the U.S. Holder's taxable year over the adjusted basis in the Algoma Common Shares. A U.S. Holder will be allowed a deduction for the excess, if any, of the adjusted basis of the Algoma Common Shares over their fair market value as of the close of the taxable year. However, deductions will be allowed only to the extent of any net mark-to-market gains on the Algoma Common Shares included in the U.S. Holder's income for prior taxable years. Amounts included in income under a mark-to-market election, as well as gain on the actual sale or other disposition of the Algoma Common Shares, will be treated as ordinary income. Ordinary loss treatment will also apply to the deductible portion of any mark-to-market loss on the Algoma Common Shares, as well as to any loss realized on the actual sale or disposition of the Algoma Common Shares, to the extent the amount of such loss does not exceed the net mark-to-market gains for such Algoma Common Shares previously included in income. A U.S. Holder's basis in the Algoma Common Shares will be adjusted to reflect any mark-to-market gain or loss. If a U.S. Holder makes a mark-to-market election, any distributions Algoma makes would generally be subject to the rules discussed above under "– *Distributions on Algoma Common Shares*," except the lower rates applicable to qualified dividend income would not apply. Currently, U.S. Holders of Algoma Warrants will not be able to make a mark-to-market election with respect to their Algoma Warrants.

The mark-to-market election is available only for "marketable stock," which is stock that is regularly traded on a qualified exchange or other market, as defined in applicable Treasury regulations. The Algoma Common Shares, which are expected to be listed on Nasdaq, are expected to qualify as marketable stock for purposes of the PFIC rules, but there can be no assurance that Algoma Common Shares will be "regularly traded" for purposes of these rules. If made, a mark-to-market election would be effective for the taxable year for which the election was made and for all subsequent taxable years unless Algoma Common Shares cease to qualify as "marketable stock" for purposes of the PFIC rules or the IRS consents to the revocation of the election. Because a mark-to-market election cannot be made for equity interests in any Lower-Tier PFICs, a U.S. Holder that does not make the applicable QEF elections generally will continue to be subject to the excess distribution rules with respect to its indirect interest in any Lower-Tier PFICs as described above, even if a mark-to-market election is made for Algoma Common Shares.

If a U.S. Holder does not make a mark-to-market election (or a QEF election, as discussed above) effective from the first taxable year of a U.S. Holder's holding period for the Algoma Common Shares in which Algoma is a PFIC, then the U.S. Holder generally will remain subject to the excess distribution rules. A U.S. Holder that first makes a mark-to-market election with respect to the Algoma Common Shares in a later year will continue to be subject to the excess distribution rules during the taxable year for which the mark-to-market election becomes effective, including with respect to any mark-to-market gain recognized at the end of that year. In subsequent years for which a valid mark-to-mark election remains in effect, the excess distribution rules generally will not apply. A U.S. Holder that is eligible to make a mark-to-market with respect to such holder's Algoma Common Shares may do so by providing the appropriate information on IRS Form 8621 and timely filing that form with the U.S. Holder's tax return for the year in which the election becomes effective.

U.S. Holders should consult their tax advisors as to the availability and desirability of a mark-to-market election, as well as the impact of such election on interests in any Lower-Tier PFICs.

A U.S. Holder of a PFIC may be required to file an IRS Form 8621 on an annual basis and to provide such other information as may be required by Treasury. Failure to do so, if required, will extend the statute of limitations applicable to such U.S. Holder until such required information is furnished to the IRS. U.S. Holders should consult their tax advisors regarding any reporting requirements that may apply to them if Algoma is a PFIC.

The rules dealing with PFICs and with the QEF, "deemed sale," and mark-to-market elections are very complex and are affected by various factors in addition to those described above. U.S. Holders are strongly encouraged to consult their tax advisors regarding the application of the PFIC rules to their particular circumstances.

Non-U.S. Holders

The section applies to Non-U.S. Holders of Algoma Common Shares and Algoma Warrants. For purposes of this discussion, a Non-U.S. Holder means a beneficial owner (other than a partnership or an entity or arrangement so

characterized for U.S. federal income tax purposes) of Algoma Common Shares or Algoma Warrants that not a U.S. Holder, including:

- a nonresident alien individual, other than certain former citizens and residents of the U.S. subject to U.S. tax as expatriates;
- a foreign corporation; or
- a foreign estate or trust;

but generally does not include a beneficial owner who has been or is engaged in the conduct of a trade or business within the U.S. or an individual who is present in the U.S. for 183 days or more in the taxable year of the disposition of Algoma Common Shares or Algoma Warrants (except to the extent discussed below). If you are such an individual, you should consult your tax advisor regarding the U.S. federal income tax consequences of exercising redemption rights with respect to Legato Common Stock or the ownership and disposition of Algoma Common Shares or Algoma Warrants.

Non-U.S. Holders Exercising Redemption Rights with Respect to Legato Common Stock

The characterization for U.S. federal income tax purposes of the redemption of a Non-U.S. Holder's Legato Common Stock generally will correspond to the U.S. federal income tax characterization of such a redemption of a U.S. Holder's Legato Common Stock, as described above under *"– U.S. Holders Exercising Redemption Rights with Respect to Legato Common Stock*."

Subject to the discussion below concerning backup withholding, if such a redemption qualifies as a sale of the Legato Common Stock, any redeeming Non-U.S. Holder will generally not be subject to U.S. federal income tax or withholding tax on any gain recognized as a result of the redemption or be able to utilize a loss in computing U.S. federal income tax liability unless one of the exceptions described below under "*– U.S. Federal Income Tax Consequences of the Ownership and Disposition of Algoma Common Shares and Algoma Warrants to Non-U.S. Holders*" applies in respect of gain from the disposition of Legato Common Stock. Moreover, redeeming Non-U.S. Holders may be subject to U.S. federal income tax on any gain recognized as a result of the redemption if Legato Common Stock constitutes a U.S. real property interest by reason of Legato's status as a U.S. real property holding corporation for U.S. federal income tax purposes. Legato believes that it is not and has not been at any time since its formation a U.S. real property holding corporation.

If a Non-U.S. Holder receives cash for Legato Common Stock, and the redemption is treated as a corporate distribution (rather than a sale of stock under Section 302 of the Code), the Non-U.S. Holder will be subject to a 30% withholding tax (unless otherwise reduced by an applicable income tax treaty and the Non-U.S. Holder provides a proper certificate of its eligibility for such reduced rate (usually on an IRS Form W-8BEN or W-8BEN-E, as applicable)) on the gross amount of the distribution to the extent the distribution is paid from current or accumulated earnings and profits, as determined under U.S. federal income tax principles, and is treated as dividends, provided such dividends are not effectively connected with such Non-U.S. Holder's conduct of a trade or business within the U.S. Any distribution not constituting a dividend will be treated first as reducing (but not below zero) the Non-U.S. Holder's adjusted tax basis in its Legato Common Stock and then, to the extent such distribution exceeds the Non-U.S. Holder's adjusted tax basis, as gain realized from the sale or other disposition of such Legato Common Stock, which will be treated as described in the paragraph immediately above. A redemption treated as a dividend by Legato to a Non-U.S. Holder that is effectively connected with such Non-U.S. Holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, the Non-U.S. Holder maintains a permanent establishment or a "fixed base" in the United States to which such gain is attributable) will generally not be subject to U.S. withholding tax, provided such Non-U.S. Holder complies with certain certification and disclosure requirements (usually by providing an IRS Form W-8ECI). Instead, such dividends will generally be subject to U.S. federal income tax, net of certain deductions, at the same corporate or graduated individual rates applicable to U.S. Holders (together with branch profits tax, at a 30% rate, or such lower rate specified by an applicable tax treaty, as adjusted for certain items, if such Non-U.S. Holder is a corporation).

IF YOU ARE A NON-U.S. HOLDER OF LEGATO COMMON STOCK CONTEMPLATING EXERCISE OF YOUR REDEMPTION RIGHTS, WE URGE YOU TO CONSULT YOUR TAX ADVISOR CONCERNING THE U.S. FEDERAL, STATE, LOCAL, AND FOREIGN INCOME AND OTHER TAX CONSEQUENCES THEREOF.

U.S. Federal Income Tax Consequences of the Ownership and Disposition of Algoma Common Shares and Algoma Warrants to Non-U.S. Holders

Subject to the discussion below concerning backup withholding, any (i) dividends of cash or property (including constructive distributions treated as dividends as further described under the heading "*U.S. Holders – U.S. Federal Income Tax Consequences of the Ownership and Disposition of Algoma Common Shares and Algoma Warrants to U.S. Holders – Possible Constructive Distributions*") paid or deemed paid to a Non-U.S. Holder in respect of Algoma Common Shares or (ii) gain realized upon the sale or other taxable disposition of Algoma Common Shares and/or Algoma Warrants by a Non-U.S. Holder generally will not be subject to U.S. federal income taxation or withholding tax unless:

- the gain or dividend is effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, the Non-U.S. Holder maintains a permanent establishment or a "fixed base" in the United States to which such gain is attributable); or
- in the case of any gain, the Non-U.S. Holder is a nonresident alien individual present in the United States for 183 days or more during the taxable year of the disposition and certain other requirements are met.

Gain or distributions described in the first bullet point above generally will be subject to U.S. federal income tax on a net income basis at the regular rates. A Non-U.S. Holder that is a corporation also may be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on such effectively connected gain, as adjusted for certain items.

Gain described in the second bullet point above will be subject to U.S. federal income tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty), which may be offset by U.S. source capital losses of the Non-U.S. Holder (even though the individual is not considered a resident of the United States), provided the Non-U.S. Holder has timely filed U.S. federal income tax returns with respect to such losses.

The U.S. federal income tax treatment of a Non-U.S. Holder's exercise of an Algoma Warrant, or the lapse of an Algoma Warrant held by a Non-U.S. Holder, generally will correspond to the U.S. federal income tax treatment of the exercise or lapse of an Algoma Warrant by a U.S. Holder, as described under "*U.S. Holders – U.S. Federal Income Tax Consequences of the Ownership and Disposition of Algoma Common Shares and Algoma Warrants to U.S. Holders – Exercise, Lapse or Redemption of an Algoma Warrant*" above, although to the extent a cashless exercise or lapse results in a taxable exchange, the consequences would be similar to those described in the preceding paragraphs above for a Non-U.S. Holder's gain on the sale or other disposition of the Algoma Common Shares and Algoma Warrants.

The characterization for U.S. federal income tax purposes of the redemption of the Non-U.S. Holder's Algoma Warrants generally will correspond to the U.S. federal income tax treatment of such a redemption of a U.S. Holder's warrants, as described under "*U.S. Holders – U.S. Federal Income Tax Consequences of the Ownership and Disposition of Algoma Common Shares and Algoma Warrants to U.S. Holders – Exercise, Lapse or Redemption of an Algoma Warrant*" above, and the consequences of the redemption to the Non-U.S. Holder will be as described in the first paragraph above under the heading "*– U.S. Federal Income Tax Consequences of the Ownership and Disposition of Algoma Common Shares and Algoma Warrants to Non-U.S. Holders*" based on such characterization.

Non-U.S. Holders should consult their tax advisors regarding potentially applicable income tax treaties that may provide for different rules.

Information Reporting and Backup Withholding

Information reporting requirements may apply to cash received in redemption of Legato Common Stock, dividends received by U.S. Holders of Algoma Common Shares, and the proceeds received on the disposition of Algoma Common Shares effected within the U.S. (and, in certain cases, outside the U.S.), in each case other than U.S. Holders that are exempt recipients (such as corporations). Backup withholding (currently at a rate of 24%) may apply to such amounts if the U.S. Holder fails to provide an accurate taxpayer identification number (generally on an IRS Form W-9 provided to the paying agent of the U.S. Holder's broker) or is otherwise subject to backup withholding. Any redemptions treated as dividend payments with respect to Legato Common Stock or Algoma Common Shares and proceeds from the sale, exchange, redemption or other disposition of Algoma Common Shares may be subject to information reporting to the IRS and possible U.S. backup withholding. U.S. Holders should consult their tax advisors regarding the application of the U.S. information reporting and backup withholding rules.

Information returns may be required to be filed with the IRS in connection with, and Non-U.S. Holders may be subject to backup withholding on amounts received in respect of, a Non-U.S. Holder's disposition of Legato securities or their Algoma Common Shares, unless the Non-U.S. Holder furnishes to the applicable withholding agent the required certification as to its non-U.S. status, such as by providing a valid IRS Form W-8BEN, IRS Form W- 8BEN-E or IRS Form W-8ECI, as applicable, or the Non-U.S. Holder otherwise establishes an exemption. Dividends paid with respect to Algoma Common Shares and proceeds from the sale of other disposition of Algoma Common Shares received in the U.S. by a Non-U.S. Holder through certain U.S.-related financial intermediaries may be subject to information reporting and backup withholding unless such Non-U.S. Holder provides proof of an applicable exemption or complies with certain certification procedures described above, and otherwise complies with the applicable requirements of the backup withholding rules.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against the taxpayer's U.S. federal income tax liability, and a taxpayer may obtain a refund of any excess amounts withheld under the backup withholding rules by timely filing the appropriate claim for a refund with the IRS and furnishing any required information.

THE U.S. FEDERAL INCOME TAX DISCUSSION SET FORTH ABOVE IS INCLUDED FOR GENERAL INFORMATION ONLY AND MAY NOT BE APPLICABLE TO YOU DEPENDING UPON YOUR PARTICULAR SITUATION. YOU ARE URGED TO CONSULT YOUR OWN TAX ADVISOR WITH RESPECT TO THE TAX CONSEQUENCES TO YOU OF THE MERGER, THE EXERCISE OF YOUR REDEMPTION RIGHTS WITH RESPECT TO LEGATO COMMON STOCK, AND OF THE OWNERSHIP AND DISPOSITION OF ALGOMA COMMON SHARES AND ALGOMA WARRANTS, AS APPLICABLE, INCLUDING THE TAX CONSEQUENCES UNDER STATE, LOCAL, NON-U.S. AND OTHER TAX LAWS AND TAX TREATIES AND THE POSSIBLE EFFECTS OF CHANGES IN U.S. OR OTHER TAX LAWS.

CERTAIN MATERIAL CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following description is not intended to constitute a complete analysis of all tax consequences relating to the acquisition, ownership and disposition of the Algoma Common Shares and Algoma Warrants. You should consult your own tax advisor concerning the tax consequences of your particular situation, as well as any tax consequences that may arise under the laws of any provincial, territorial, state, local, foreign or other taxing jurisdiction.

The following summary describes the material Canadian federal income tax considerations under the *Income Tax Act* (Canada) and the regulations thereunder (collectively, the "Tax Act"), as of the date hereof, that are generally applicable to a beneficial owner of Algoma Common Shares acquired under the Merger that for the purposes of the Tax Act and at all relevant times: (i) is not, and is not deemed to be, resident in Canada, (ii) deals at arm's length with Algoma; (iii) is not affiliated with Algoma; and (iv) holds its Algoma Common Shares as capital property and does not use or hold, and is not deemed to use or hold, any such securities in a business carried on in Canada (each a "Holder"). Generally, the Algoma Common Shares will be capital property to a Holder unless such shares are held or acquired, or are deemed to be held or acquired, in the course of carrying on a business of trading or dealing in securities or in one or more transactions considered to be an adventure or concern in the nature of trade. This summary does not apply to a Holder that is an "authorized foreign bank" (as defined in the Tax Act). For greater certainty, this summary does not apply to Existing Algoma Investors.

This summary does not address persons who hold Algoma Warrants, and such persons should consult their own tax advisors with respect to the Canadian federal income tax consequences to them of the expiry, exchange, redemption or exercise of, the continued holding of, replacement or disposition of Algoma Warrants, and of the acquisition, holding and disposing of the Algoma Common Shares or any other securities in respect thereof, which may differ materially from the discussion provided in this summary.

This summary is based on the current provisions of the Tax Act and an understanding of the current administrative policies and assessing practices of the CRA published in writing prior to the date hereof. This summary takes into account all specific proposals to amend the Tax Act that have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "Proposed Amendments") and assumes that the Proposed Amendments will be enacted in the form proposed. However, no assurances can be given that the Proposed Amendments will be enacted as proposed, or at all. Except for the Proposed Amendments, this summary does not take into account or anticipate any changes in law or administrative policies or assessing practice of the CRA whether by legislative, regulatory, administrative or judicial action nor does it take into account tax legislation or considerations of any province, territory, state, local, foreign or other jurisdiction, which may be different from those discussed herein.

This summary is of a general nature only, is not exhaustive of all possible Canadian federal income tax considerations applicable in the respect of the Merger, and is not intended to be, and should not construed to be, legal, business or tax advice to any particular Holder. Accordingly, Holders should consult their own tax advisors having regard to their own particular circumstances, including with respect to the tax consequences to them of the Merger.

Currency Conversion

In general, for purposes of the Tax Act, any amount relating to the acquisition, holding or disposition of Algoma Common Shares, including dividends, adjusted cost base and proceeds of disposition, must be expressed in Canadian dollars using the applicable rate of exchange (for purposes of the Tax Act) quoted by the Bank of Canada on the date such amounts arose, or such other rate of exchange as is acceptable to the Minister of Finance (Canada).

Dividends on the Algoma Common Shares

Dividends received or deemed to be received by a Holder on Algoma Common Shares will be subject to withholding tax under the Tax Act at a rate of 25% unless the rate is reduced under the provisions of an applicable income tax treaty or convention. In the case of a beneficial owner of dividends who is a resident of the United States for purposes of the Canada-United States Tax Convention (1980), as amended, and who is fully entitled to the benefits of that treaty, the rate of withholding will generally be reduced to 15%. Holders should consult their own tax advisors in this regard.

Disposition of an Algoma Common Share

A Holder will not be subject to tax under the Tax Act on any capital gain realized on a disposition or deemed disposition of Algoma Common Shares, unless the Algoma Common Shares are "taxable Canadian property" to the Holder for purposes of the Tax Act and the Algoma Common Shares are not "treaty-protected property" of the Holder for purposes of the Tax Act at the time of disposition.

Generally, the Algoma Common Shares will not constitute taxable Canadian property to a Holder at the time of disposition provided that the Algoma Common Shares are listed at that time on a designated stock exchange (which includes Nasdaq and the TSX) unless at any particular time during the 60-month period that ends at that time: (i) one or any combination of: (a) the Holder; (b) persons with whom the Holder does not deal with at arm's length; and (c) partnerships in which the Holder or a person described in (b) holds a membership interest directly or indirectly through one or more partnerships, has owned 25% or more of the issued shares of any class or series of the capital stock of Algoma; and (ii) more than 50% of the fair market value of the Algoma Common Shares was derived directly or indirectly from one or any combination of: (a) real or immovable properties situated in Canada; (b) "Canadian resource properties" (as defined in the Tax Act); (c) "timber resource properties" (as defined in the Tax Act); and (d) options in respect of, or interests in, or for civil law rights in, property in any of the foregoing whether or not the property exists. Notwithstanding the foregoing, in certain circumstances set out in the Tax Act, Algoma Common Shares could be deemed to be taxable Canadian property.

Even if the Algoma Common Shares are taxable Canadian property to a Holder, a taxable capital gain resulting from the disposition of the Algoma Common Shares will not be included in computing the Holder's taxable income earned in Canada for the purposes of the Tax Act if, at the time of the disposition, the Algoma Common Shares constitute "treaty-protected property" of the Holder for purposes of the Tax Act. The Algoma Common Shares will generally be considered "treaty-protected property" of a Holder for purposes of the Tax Act at the time of the disposition if the gain from their disposition would, because of an applicable income tax treaty between Canada and the country in which the Holder is resident for purposes of such treaty and in respect of which the Holder is entitled to receive benefits thereunder, be exempt from tax under the Tax Act.

In the event that the Algoma Common Shares are considered to be taxable Canadian property but not treaty-protected property, such Holder will realize a capital gain (or capital loss) as if the Holder were resident in Canada.

Holders whose Algoma Common Shares are or may be taxable Canadian property should consult their own advisors for advice having regard to their particular circumstances, including whether their Algoma Common Shares constitute treaty-protected property.

INFORMATION ABOUT THE COMPANIES

Legato

References in this section to "Legato," "we," "our" or "us" refer to Legato Merger Corp., a Delaware corporation.

Legato is a blank check company formed on June 26, 2020 for the purpose of entering into a merger, share exchange, asset acquisition, stock purchase, recapitalization, reorganization or other similar business combination with one or more target businesses. Legato's efforts to identify a prospective target business were not limited to a particular industry or geographic region, although it focused on target businesses in the renewables, infrastructure, engineering and construction and industrial industries. Prior to executing the Merger Agreement, Legato's efforts were limited to organizational activities, completion of its initial public offering and the evaluation of possible business combinations.

In August 2020, Legato issued an aggregate of 5,031,250 shares of Legato Common Stock for an aggregate purchase price of $25,000. In January 2021, the Company effected a stock dividend of approximately 0.17 shares for each outstanding share resulting in there being an aggregate of 5,893,750 such shares outstanding. Such shares issued to the Founders included an aggregate of up to 768,750 shares subject to forfeiture by the holders to the extent that the underwriters' over-allotment was not exercised in full or in part. As a result of the underwriters' election to exercise their over-allotment option in full on January 25, 2021, such shares were no longer subject to forfeiture.

Legato's Units, the Legato Common Stock and the Legato Warrants are listed on the Nasdaq Capital Market under the symbols LEGOU, LEGO and LEGOW, respectively.

The mailing address of Legato's principal executive office is 777 Third Avenue, 37th Floor, New York, NY 10017, and its telephone number is (212) 319-7676. After the consummation of the Merger, Legato's principal executive office will be that of Algoma.

Algoma

Algoma, a corporation organized under the laws of the Province of British Columbia, is a fully integrated steel producer of hot and cold rolled steel products including sheet and plate. With a current production capacity of an estimated 2.8 million tons per year, Algoma's size and diverse capabilities enable it to deliver responsive, customer-driven product solutions straight from the ladle to direct applications in the automotive, construction, energy, defense, and manufacturing sectors. Algoma was incorporated in March 2021 and is the parent holding company of Algoma Steel Inc., which was transferred to Algoma on March 29, 2021.

The mailing address for Algoma's principal executive office is 105 West Street, Sault Ste. Marie, Ontario, P6A 7B4, Canada and its telephone number is (705) 945-2351.

Merger Sub

Algoma Merger Sub, Inc., is a newly formed Delaware corporation and a direct, wholly-owned subsidiary of Algoma. Merger Sub was formed solely for the purpose of effecting the proposed Merger with Legato and has not carried on any activities other than in connection with the proposed Merger. The address and telephone number for Merger Sub's principal executive offices are the same as those for Algoma.

LEGATO'S BUSINESS

References in this section to "Legato," "we," "our" or "us" refer to Legato Merger Corp., a Delaware corporation.

Introduction

Legato is a blank check company formed on June 26, 2020 for the purpose of entering into a merger, share exchange, asset acquisition, stock purchase, recapitalization, reorganization or other similar business combination with one or more target businesses. Legato's efforts to identify a prospective target business were not limited to a particular industry or geographic region, although it focused on target businesses in the renewables, infrastructure, engineering and construction and industrial industries. Prior to executing the Merger Agreement, Legato's efforts were limited to organizational activities, completion of its initial public offering and the evaluation of possible business combinations.

Initial Public Offering and Simultaneous Private Placement

In August 2020, Legato issued an aggregate of 5,031,250 shares of Legato Common Stock for an aggregate purchase price of $25,000. In January 2021, the Company effected a stock dividend of approximately 0.17 shares for each outstanding share resulting in there being an aggregate of 5,893,750 of such Founder Shares outstanding.

In August 2020, the Company issued to EBC and its designees an aggregate of 234,286 shares of Legato Common Stock (after giving effect to the dividend effected in January 2021) for nominal consideration.

On January 22, 2021, Legato closed its IPO of 20,500,000 Units, with each Unit consisting of one share of Legato Common Stock and one Public Warrant. Each Public Warrant entitles the holder to purchase one share of Legato Common Stock at a purchase price of $11.50 beginning 30 days following the consummation of an initial business combination. The Units from the initial public offering (including the over-allotment option) were sold at an offering price of $10.00 per Unit, generating total gross proceeds of $205,000,000.

Simultaneously with the consummation of the initial public offering, Legato consummated a private placement of 542,500 Private Units to certain of the Founders and EBC and its designees. The Private Units were sold at an offering price of $10.00 per unit, generating gross proceeds of $5,425,000. Each Private Unit consists of one share of Legato Common Stock and one Private Warrant. The Private Warrants are identical to the Public Warrants sold in the IPO, except that the Private Warrants will be exercisable for cash or on a cashless basis, at the holder's option, and be non-redeemable so long as they are held by the initial purchasers or their permitted transferees. Each purchaser of the Private Warrants has agreed that the Private Warrants will not be sold or transferred by it (except to certain permitted transferees) until after Legato has completed an initial business combination.

On January 25, 2021, the underwriters fully exercised their over-allotment option of 3,075,000 Units, generating gross proceeds of $30,750,000. In connection with the underwriters' exercise of their over-allotment option, Legato also consummated the sale of an additional 61,500 Private Units at $10.00 per unit, generating total proceeds of $615,000.

Offering Proceeds Held in Trust

The net proceeds from the IPO (including the exercise of the over-allotment option), plus the net proceeds from the sale of the Private Warrants, or an aggregate of $235,750,000 (including $8,251,250 payable to EBC upon completion of an initial business combination, of which $2.7 million has been allocated to BMO Capital Markets Corp., and an aggregate of $2,183,100 payable to the placement agents engaged by Legato in connection with the PIPE Investment), was placed in the Trust Account, with Continental Stock Transfer & Trust Company acting as trustee. Except with respect to interest earned on the funds held in the Trust Account that may be released to Legato to pay its tax obligations (and up to $100,000 of interest to pay dissolution expenses in the event that Legato is forced to liquidate), the proceeds will not be released from the Trust Account until the earlier of the completion of a business combination or the redemption of 100% of the outstanding Public Shares if Legato has not completed a business combination by July 22, 2022 (or such later date as may be approved by Legato's stockholders).

Fair Market Value of Target Business

The target business or businesses that Legato acquires must collectively have a fair market value equal to at least 80% of the balance of the funds in the Trust Account at the time of the execution of a definitive agreement for its initial business combination (excluding taxes payable on the income earned on, the Trust Account), although Legato may acquire a target business whose fair market value significantly exceeds 80% of the Trust Account balance. The Legato board of directors have determined that this test was met in connection with the proposed Merger with Algoma.

Stockholder Approval of Mergers

Under the Existing Legato Charter, in connection with any proposed Merger, Legato must either seek stockholder approval of an initial business combination at a meeting called for such purpose at which Public Stockholders may request to have their Public Shares redeemed, regardless of whether they vote for or against the proposed Merger or do not vote at all, and regardless of whether they held their Public Shares on the record date, subject to the limitations described in the prospectus for Legato's IPO, or provide all holders of Public Shares the opportunity to sell their shares to Legato, effective upon consummation of the initial business combination, for cash through a tender offer. The decision as to whether Legato seeks stockholder approval of a proposed business combination or conducts a tender offer is made by its management, solely in their discretion, based on a variety of factors such as the timing of the transaction and whether the terms of the transaction would require stockholder approval under the applicable law or stock exchange listing requirements. Because the Merger requires stockholder approval under the DGCL and the rules of Nasdaq, Legato is seeking stockholder approval of the Merger Proposal at the Special Meeting. Accordingly, in connection with the Merger with Algoma, Legato Public Stockholders may request to have their Public Shares redeemed in accordance with the procedures set forth in this proxy statement/prospectus.

Voting Restrictions in Connection with Stockholder Meeting

In connection with any vote held to approve its initial business combination, including the vote with respect to the Merger Proposal, Legato's Founders have agreed to vote their respective shares of Legato Common Stock owned by them immediately prior to the IPO and any shares purchased in the IPO or following the IPO in the open market in favor of the proposed business combination.

None of our Founders or their affiliates has purchased securities of Legato in the open market or in private transactions following Legato's IPO and simultaneous private placement. However, at any time prior to the Special Meeting, during a period when they are not then aware of any material nonpublic information regarding Legato or its securities, the Founders, Algoma, or the equityholders of Legato and/or their respective affiliates may purchase shares from institutional and other investors who vote, or indicate an intention to vote, against the Merger Proposal, or who redeem or indicate an intention to redeem their public shares, or they may enter into transactions with such investors and others to provide them with incentives to acquire shares of Legato Common Stock or vote their shares in favor of the Merger Proposal. The purpose of such share purchases and other transactions would be to increase the likelihood of satisfaction of the requirement that the holders of a majority of the then outstanding shares of Legato Common Stock vote at the meeting to approve the Merger Proposal and/or to decrease the number of Redemptions. While the nature of any such incentives has not been determined as of the date of this proxy statement/prospectus, they might include, without limitation, arrangements to protect such investors or holders against potential loss in value of their shares, including the granting of put options and the transfer to such investors or holders of shares or rights owned by the Founders for nominal value.

Entering into any such arrangements may have a depressive effect on the price of the Legato Common Stock. For example, as a result of these arrangements, an investor or holder may have the ability to effectively purchase shares at a price lower than the market price and may therefore be more likely to sell the shares he owns, either prior to or immediately after the Special Meeting.

If such transactions are effected, the consequence could be to cause the Merger Proposal to be approved in circumstances where such approval could not otherwise be obtained. Purchases of shares by the persons described above would allow them to exert more influence over the approval of the Merger Proposal and other proposals to be presented at the Special Meeting and would likely increase the chances that such proposals would be approved.

As of the date of this proxy statement/prospectus, there have been no such discussions and no agreements to such effect have been entered into with any such investor or holder. Legato will file a Current Report on Form 8-K to disclose any arrangements entered into or significant purchases made by any of the aforementioned persons.

Liquidation if No Merger

Under the Existing Legato Charter, if Legato does not complete the Merger with Algoma or another initial business combination by July 22, 2022 and stockholders have not otherwise amended the Existing Legato Charter to extend this date, Legato will (i) cease all operations except for the purpose of winding up, (ii) as promptly as reasonably possible but not more than ten business days thereafter, redeem 100% of the outstanding Public Shares, at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the Trust Account, including any interest not previously released to Legato but net of taxes payable and up to $100,000 of interest income that may be released to Legato for liquidation expenses, divided by the number of then outstanding Public Shares, which redemption will completely extinguish Public Stockholders' rights as stockholders (including the right to receive further liquidation distributions, if any), subject to applicable law, and (iii) as promptly as reasonably possible following such redemption, subject to the approval of Legato's remaining stockholders and its board of directors, dissolve and liquidate, subject (in the case of (ii) and (iii) above) to Legato's obligations under Delaware law to provide for claims of creditors and the requirements of other applicable law.

Legato's Founders have agreed that they will not propose any amendment to the Existing Legato Charter that would affect the Public Stockholders' ability to convert or sell their shares to Legato in connection with a business combination or affect the substance or timing of Legato's obligation to redeem 100% of its Public Shares if it does not complete a business combination by July 22, 2022 unless Legato provides the Public Stockholders with the opportunity to convert their Public Shares upon such approval at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the Trust Account, including interest not previously released to it but net of franchise and income taxes payable, divided by the number of then outstanding Public Shares. This redemption right shall apply in the event of the approval of any such amendment, whether proposed by Legato's initial stockholders, executive officers, directors or any other person.

Under the DGCL, stockholders may be held liable for claims by third parties against a corporation to the extent of distributions received by them in a dissolution. The pro rata portion of the Trust Account distributed to the Public Stockholders upon the redemption of 100% of the outstanding Public Shares in the event Legato does not complete an initial business combination within the required time period may be considered a liquidation distribution under Delaware law. If the corporation complies with certain procedures set forth in Section 280 of the DGCL intended to ensure that it makes reasonable provision for all claims against it, including a 60-day notice period during which any third-party claims can be brought against the corporation, a 90-day period during which the corporation may reject any claims brought, and an additional 150-day waiting period before any liquidating distributions are made to stockholders, any liability of stockholders with respect to a liquidating distribution is limited to the lesser of such stockholder's pro rata share of the claim or the amount distributed to the stockholder, and any liability of the stockholder would be barred after the third anniversary of the dissolution. Legato intends to redeem its Public Shares as soon as reasonably possible following its 18th month, and, therefore, it does not intend to comply with those procedures. As such, Legato's stockholders could potentially be liable for any claims to the extent of distributions received by them (but no more) and any liability of our stockholders may extend well beyond the third anniversary of such date.

Furthermore, if the pro rata portion of the Trust Account distributed to the Public Stockholders upon the redemption of 100% of the Public Shares in the event Legato does not complete an initial business combination by July 22, 2022 is not considered a liquidation distribution under Delaware law and such redemption distribution is deemed to be unlawful, then pursuant to Section 174 of the DGCL, the statute of limitations for claims of creditors could then be six years after the unlawful redemption distribution, instead of three years, as in the case of a liquidation distribution.

Because Legato will not be complying with Section 280 of the DGCL, Section 281(b) of the DGCL requires it to adopt a plan, based on facts known to it at such time that will provide for Legato's payment of all existing and pending claims or claims that may be potentially brought against it within the subsequent ten years. However, because Legato is a blank check company, rather than an operating company, and its operations will be limited to searching for prospective target businesses to acquire, the only likely claims to arise would be from Legato's vendors (such as lawyers, investment bankers, etc.) or prospective target businesses.

Legato is required to seek to have all third parties (including any vendors or other entities it has engages) and any prospective target businesses enter into agreements with it waiving any right, title, interest or claim of any kind they may have in or to any monies held in the Trust Account. As a result, the claims that could be made against Legato will be limited, thereby lessening the likelihood that any claim would result in any liability extending to the trust. Legato therefore believes that any necessary provision for creditors will be reduced and should not have a significant impact on its ability to distribute the funds in the Trust Account to the Public Stockholders. Nevertheless, WithumSmith+Brown, PC, Legato's independent registered public accounting firm, and the underwriters of the IPO, did not execute agreements with Legato waiving such claims to the monies held in the Trust Account. Furthermore, there is no guarantee that other vendors, service providers and prospective target businesses will execute such agreements. Nor is there any guarantee that, even if they execute such agreements with Legato, they will not seek recourse against the Trust Account. Crescendo, an entity affiliated with Mr. Rosenfeld, Legato's Chief SPAC Officer, has agreed that it will be liable to ensure that the proceeds in the Trust Account are not reduced below $10.00 per share by the claims of target businesses or claims of vendors or other entities that are owed money by Legato for services rendered or contracted for or products sold to Legato, but Legato cannot guarantee that Crescendo will be able to satisfy its indemnification obligations if it is required to do so. Legato has not independently verified whether Crescendo has sufficient funds to satisfy its indemnity obligations, has not asked it to reserve for such obligations and does not believe it has any significant liquid assets. Accordingly, Legato believes it is unlikely that Crescendo will be able to satisfy its indemnification obligations if it is required to do so. Additionally, the agreement Crescendo entered into specifically provides for two exceptions to the indemnity given: it will have no liability (1) as to any claimed amounts owed to a target business or vendor or other entity who has executed an agreement with Legato waiving any right, title, interest or claim of any kind they may have in or to any monies held in the Trust Account, or (2) as to any claims for indemnification by the underwriters of Legato's IPO against certain liabilities, including liabilities under the Securities Act. As a result, if Legato liquidates, the per-share distribution from the Trust Account could be less than $10.00 due to claims or potential claims of creditors.

Legato anticipates notifying the trustee of the Trust Account to begin liquidating such assets promptly after its 18th month and anticipates it will take no more than 10 business days to effectuate such distribution. The Founders have waived their rights to participate in any liquidation distribution from the Trust Account with respect to shares of Legato Common Stock owned by them. There will be no distribution from the Trust Account with respect to the Legato Warrants, which will expire worthless. Legato will pay the costs of any subsequent liquidation from its remaining assets outside of the Trust Account. If such funds are insufficient, Legato will use the up to $100,000 of interest earned on the funds held in the Trust Account that may be released to it for its liquidation expenses.

The Public Stockholders shall be entitled to receive funds from the Trust Account only in the event of Legato's failure to complete a business combination by July 22, 2022, if the stockholders seek to have Legato convert or purchase their respective shares upon a business combination which is actually completed by Legato or upon certain amendments to the Existing Legato Charter prior to consummating an initial business combination. In no other circumstances shall a stockholder have any right or interest of any kind to or in the Trust Account.

If Legato is forced to file a bankruptcy case or an involuntary bankruptcy case is filed against it which is not dismissed, the proceeds held in the Trust Account could be subject to applicable bankruptcy law, and may be included in Legato's bankruptcy estate and subject to the claims of third parties with priority over the claims of Legato's stockholders. To the extent any bankruptcy claims deplete the Trust Account, Legato cannot guarantee it will be able to return to the Public Stockholders at least $10.00 per share.

If Legato is forced to file a bankruptcy case or an involuntary bankruptcy case is filed against it which is not dismissed, any distributions received by stockholders could be viewed under applicable debtor/creditor and/or bankruptcy laws as either a "preferential transfer" or a "fraudulent conveyance." As a result, a bankruptcy court could seek to recover all amounts received by Legato's stockholders. Furthermore, because Legato intends to distribute the proceeds held in the Trust Account to the Public Stockholders promptly after 18 months from the closing of the IPO, this may be viewed or interpreted as giving preference to the Public Stockholders over any potential creditors with respect to access to or distributions from Legato's assets. Furthermore, Legato's board of directors may be viewed as having breached their fiduciary duties to Legato's creditors and/or may have acted in bad faith, and thereby exposing itself and Legato to claims of punitive damages, by paying Public Stockholders from the Trust Account prior to addressing the claims of creditors. Legato cannot guarantee that claims will not be brought against it for these reasons.

Facilities

Legato currently maintains its principal executive offices at 777 Third Avenue, 37th Floor, New York, New York 10017. The cost for this space is included in the $15,000 per-month fee Crescendo Advisors II, LLC, an entity controlled by Mr. Rosenfeld, charges Legato for general and administrative services pursuant to a letter agreement between Legato and Crescendo Advisors II, LLC. Legato believes, based on rents and fees for similar services, that the fee charged by Crescendo Advisors II, LLC is at least as favorable as Legato could have obtained from an unaffiliated person. Legato considers its current office space, combined with the other office space otherwise available to its executive officers, adequate for its current operations.

Employees

Legato has three executive officers. These individuals are not obligated to devote any specific number of hours to Legato's matters and intend to devote only as much time as they deem necessary to Legato's affairs. The amount of time they will devote in any time period will vary based on whether a target business has been selected for the business combination and the stage of the business combination process the company is in. Accordingly, once a suitable target business to acquire has been located, management may spend more time investigating such target business and negotiating and processing the business combination (and consequently spend more time on Legato's affairs) than had been spent prior to locating a suitable target business. Legato presently expects its executive officers to devote such amount of time as they reasonably believe is necessary to Legato's business. Legato does not intend to have any full-time employees prior to the consummation of a business combination.

Directors and Executive Officers

Legato's directors and officers are as follows:

Name	Age	Position
David D. Sgro	45	Chief Executive Officer and Director
Eric S. Rosenfeld	64	Chief SPAC Officer
Adam Jaffe	30	Chief Financial Officer and Secretary
Brian Pratt	69	Director and Non-Executive Chairman of the Board
Adam J. Semler	56	Director
D. Blair Baker	59	Director
Ryan Hummer	43	Director
Craig Martin	71	Director
John Ing	74	Director

David D. Sgro has served as Legato's chief executive officer and a member of Legato's board of directors since its formation. He has served as Chief Operating Officer of Allegro Merger Corp. since August 2017 and its chairman of the board since April 2018 and served as its Chief Financial Officer from November 2017 until April 2018. Mr. Sgro served as Harmony Merger Corp.'s chief operating officer and secretary since its inception in May 2014 until its merger with NextDecade in July 2017 and as a director from May 2014 to August 2016 and then again from its merger with NextDecade until June 2018. Mr. Sgro served as Quartet Merger Corp.'s chief financial officer, secretary and a member of its board of directors from April 2013 until its merger with Pangaea in October 2014 and has served as a director of Pangaea since such time. Mr. Sgro served as Trio Merger Corp.'s chief financial officer, secretary, and a member of its board of directors from its inception in June 2011, until its merger with SAE in June 2013 and served as a director of SAE from that time through July 2016. From April 2006 to July 2008, Mr. Sgro served as the chief financial officer of Rhapsody Acquisition Corp. and from July 2008 to May 2011, Mr. Sgro served as a director of Primoris. Mr. Sgro has been a Senior Managing Director of Crescendo Partners, L.P. since December 2014, and has held numerous positions with Crescendo Partners since December 2005. Mr. Sgro has served as the director of research for Jamarant Capital, L.P., a private investment partnership, since January 2016. Mr. Sgro also currently serves as chairman of the board of Hill International Inc., a NYSE listed construction project management firm. Mr. Sgro served on the boards of BSM Technologies, Inc., a TSX listed GPS enabled fleet management service provider from June 2016 until its sale to Geotab in June 2019; Bridgewater Systems, Inc., a TSX listed telecommunications software company, from June 2008 until its sale to Amdocs in August 2011; Imvescor Restaurant Group, a TSX listed restaurant franchisor, from March 2016 until its sale to MYR Group in March 2018; and COM DEV International Ltd., a global

designer and manufacturer of space hardware from April 2013 to February 2016. From August 2003 to May 2005, Mr. Sgro attended Columbia Business School. From June 1998 to May 2003, he worked as an analyst and then senior analyst at Management Planning, Inc., a firm engaged in the valuation of privately held companies. Simultaneously, Mr. Sgro worked as an associate with MPI Securities, Management Planning, Inc.'s boutique investment banking affiliate.

In 2001, Mr. Sgro became a Chartered Financial Analyst (CFA) Charterholder. Mr. Sgro is a regular guest lecturer at Columbia Business School and an adjunct faculty member of The College of New Jersey.

Eric S. Rosenfeld has served as Legato's chief SPAC officer since its formation and provides key services in connection with locating and consummating an initial business combination. Since August 2017, he has served as chief executive officer of Allegro and served as chairman of the board from August 2017 until April 2018. From May 2014 until its merger with NextDecade in July 2017, Mr. Rosenfeld served as the chairman of the board and chief executive officer of Harmony and served as a member of the board of NextDecade from that time until June 2020. Mr. Rosenfeld served as Quartet's chairman of the board and chief executive officer from its inception in April 2013 until its merger with Pangea in October 2014, and has served as a director of Pangaea since such time. Mr. Rosenfeld was chairman of the board and chief executive officer of Trio from its inception in June 2011 until its merger with SAE in June 2013 and served as a director of SAE from that time through July 2016. From April 2006 until its business combination with Primoris in July 2008, Mr. Rosenfeld served as the chairman of the board, chief executive officer and president of Rhapsody and served as a director of Primoris from the completion of its business combination until May 2014. From its inception in April 2004 until its business combination with Hill International in June 2006, he was the chairman of the board, chief executive officer and president of Arpeggio and served as a director of Hill International from the time of the business combination until June 2010. Mr. Rosenfeld has been the president and chief executive officer of Crescendo Partners, L.P., a New York-based investment firm, since its formation in November 1998. He has also been the senior managing member of Crescendo Advisors II LLC, the entity providing us with general and administrative services, since its formation in August 2000. Since November 2018, Mr. Rosenfeld has served as chairman emeritus of CPI Aerostructures, Inc. a NYSE American-listed company engaged in the contract production of structural aircraft parts for fixed wing aircraft and helicopters in both the commercial and defense markets. He became a director of CPI in April 2003 and served as chairman from January 2005 until November 2018. Mr. Rosenfeld has also served on the board of Primo Water Corp. (formerly Cott Corporation), a NYSE- and TSX-listed beverage company, since June 2008 and is currently the Lead Independent Director. Mr. Rosenfeld has served as a board member of Aecon Group Inc., a TSX listed provider of construction and infrastructure development services, since June 2017. Mr. Rosenfeld served as a board member of Canaccord Genuity Group Inc, a TSX listed investment bank, from August 2020 until March 2021.

Prior to forming Crescendo Partners, Mr. Rosenfeld had been managing director at CIBC Oppenheimer and its predecessor company Oppenheimer & Co., Inc. since 1985. He was also chairman of the board of Spar Aerospace Limited, a company that provides repair and overhaul services for aircraft and helicopters used by governments and commercial airlines, from May 1999 through November 2001, until its sale to L-3 Communications. He served as a director of Hip Interactive, a TSX-listed company that distributed and developed electronic entertainment products, from November 2004 until July 2005. Mr. Rosenfeld also served as a director of AD OPT Technologies Inc., which was a TSX-listed company from April 2003 to November 2004, when it was acquired by Kronos Inc. Mr. Rosenfeld also served as a director and head of the special committee of Pivotal Corporation, a Canadian-based customer relations management software company that was sold to Chinadotcom in February 2004. He was a director of Sierra Systems Group, Inc., a TSX-listed information technology, management consulting and systems integration firm based in Canada from October 2003 until its sale in January 2007. From October 2005 through March 2006, Mr. Rosenfeld was a director of Geac Computer Corporation Limited, a TSX and Nasdaq-listed software company, which was acquired by Golden Gate Capital. He was also a director of Emergis Inc., a TSX-listed company that enables the electronic processing of transactions in the finance and healthcare industries, from July 2004 until its sale to Telus Corporation in January 2008. Mr. Rosenfeld also served on the board of Matrikon Inc. a TSX-listed provider of solutions for industrial intelligence, from July 2007 until its sale to Honeywell International, Inc. in June 2010. He was also a member of the board of Dalsa Corporation, a TSX-listed company that designs and manufactures digital imaging products, from February 2008 until its sale to Teledyne in February 2011. From October 2005 until its final liquidation in December 2012, he was the chairman of the board of Computer Horizons Corp., quoted on the OTCBB, that, before the sale of the last of its operating businesses in February 2007 (at which time it was Nasdaq-listed), provided information technology professional services with a concentration in sourcing and managed services. From December 2012 until December 2019, Mr. Rosenfeld served as a board member of Absolute Software Corporation, a TSX listed provider of security and management for computers and ultra-portable devices.

Mr. Rosenfeld is a regular guest lecturer at Columbia Business School and Tulane Law School and has served on numerous panels at Queen's University Business Law School Symposia, McGill Law School, the World Presidents' Organization and the Value Investing Congress. He is a senior faculty member at the Director's College. He has also been a guest host on CNBC.

Adam H. Jaffe has served as Legato's Chief Financial Officer and Secretary since its inception. Mr. Jaffe has served as Chief Financial Officer of Allegro since April 2018. Mr. Jaffe joined Crescendo Partners, LP in February 2018 as the fund's controller and Chief Compliance Officer, and currently serves as Chief Financial Officer. Mr. Jaffe has also served as the Chief Financial Officer and Chief Compliance Officer for Jamarant Capital, L.P., an investment firm founded in 2015, since 2018. Prior to joining Crescendo Partners LP, Mr. Jaffe was the Senior Fund Accountant for the real estate private equity fund, GTIS Partners LP, from September 2016 to February 2018. While at GTIS Partners, Mr. Jaffe focused on the development of residential homes, land development, and single-family homes for rental properties across the United State and Brazil. From September 2014 to September 2016, Mr. Jaffe worked at EisnerAmper LLP. Mr. Jaffe is a New York State Certified Public Accountant (CPA).

Brian Pratt has served as a member of Legato's board of directors and non-executive chairman of the board since August 2020. Mr. Pratt served as Chairman of Primoris Services Corp from July 2008 until May 2019 and as a Director from July 2008 to February 2020. He served as Primoris' President and Chief Executive Officer from July 2008 to July 31, 2015. Mr. Pratt has been managing his personal investments since leaving Primoris. From 1983 through July 2015, he served as the President, Chief Executive Officer and Chairman of the Board of Primoris and its predecessor entity, ARB, Inc. Mr. Pratt has over 35 years of hands-on operations and management experience in the construction industry.

Adam J. Semler has served as a member of Legato's board of directors since August 2020. He has served as a member of the board of directors of Allegro since April 2018. Mr. Semler served as a member of Harmony's board of directors from July 2014 until its merger with NextDecade. Mr. Semler joined York Capital Management, LLC, an investment management fund, in 1995 and held several positions with the firm, most recently holding the position of chief operating officer and member of its managing partner until he retired in December 2011. While at York Capital Management, he was responsible for all financial operations of the firm. During this time, he also served as chief financial officer and secretary of York Enhanced Strategies Fund, LLC, a closed ended mutual fund. Previously, he was at Granite Capital International Group, an investment management firm, where Mr. Semler was responsible for the accounting and operations function for its equity products. He also previously worked as a senior accountant at Goldstein, Golub, Kessler & Co., where Mr. Semler specialized in the financial services industry, as well as a senior accountant at Berenson, Berenson, Adler. Mr. Semler has also served on the Board of Hebrew Public, a not for profit charter school network, since May 2015. Mr. Semler is a C.P.A.

D. Blair Baker has served as a member of Legato's Board since August 2020. Mr. Baker has served as the president of Precept Capital Management ("Precept"), an investment management company based in Dallas, Texas, since he founded Precept in 1998. Precept invests across multiple industries and asset types, focusing primarily on publicly-traded securities. Since August 2014, Mr. Baker has served on the board of publicly-traded SWK Holdings Corporation, and he currently chairs SWK's Audit Committee. He has also served on numerous private company boards. Prior to founding Precept, Mr. Baker was a portfolio manager at John McStay Investment Counsel, an investment management company based in Dallas that was acquired by AIG. Prior to McStay, Mr. Baker served as a portfolio manager at Friess Associates of Delaware. Mr. Baker also served as Vice President and Research Analyst at Rauscher, Pierce, Refsnes, which was acquired by RBC. Earlier in his career, Mr. Baker developed operating system software as a software engineer for a publicly-traded super-computer manufacturer named Convex Computer Corporation.

Ryan Hummer, CFA has served as a member of Legato's board since August 2020. Mr. Hummer joined Ancora Holdings Inc., a boutique investment services firm, in 2008 and serves as Director, Alternatives Portfolio & Risk Manager where he acts chiefly as the risk manager for Ancora's alternatives group. Mr. Hummer is also a portfolio manager for the arbitrage strategy of Ancora's multi-strategy investment partnership. Mr. Hummer previously worked as an equity analyst and portfolio manager at a boutique large-cap value RIA in Cleveland. He performed due diligence on potential equity investments including management interviews, site-visits, competitive sustainability research, and financial statement analysis. Mr. Hummer also built complex financial models to assign intrinsic values to these equities based on diligence findings. He began his career in the financial industry in Chicago where he spent three years working at proprietary trading firms trading derivatives, primarily options and futures. Mr. Hummer holds the Chartered Financial Analyst (CFA) designation.

Craig Martin has served as a member of Legato's board of directors since September 2020. Mr. Martin has over 45 years of experience in the international engineering and construction industry. He is currently a board member of Team, Inc. (NYSE:TISI), which provides asset performance assurance and optimization solutions, and is the Chairman of the Board of Yarlung Records, LLC, a private company. Mr. Martin served as a board member, Chairman and Executive Chairman of Hill International, Inc., a construction project management company, from 2016 to 2018. In December 2014, he retired as President and Chief Executive Officer of Jacobs Engineering Group Inc. (NYSE), a provider of technical, professional and construction services. Mr. Martin became President of Jacobs in July 2002 and Chief Executive Officer in April 2006. He also served as a member of Jacobs' board of directors from 2002 until his retirement. Before his promotion to President, Mr. Martin served in several positions, including as Jacobs' Executive Vice President of Global Sales and Marketing. Before joining Jacobs in 1994, Mr. Martin worked in various roles at CRSS Constructors Inc. and Martin K. Eby Construction Co. Mr. Martin is also a National Association of Corporate Directors Governance Leadership Fellow.

John Ing has served as a member of Legato's board of directors since September 2020. Mr. Ing has served as the President and Chief Executive Officer of Maison Placements Canada, an independent, Toronto-based IIROC investment dealer providing a comprehensive array of financial services to institutional investors and small to midsize corporate clients, since 1985. Throughout his four decade career, Mr. Ing has been an advocate of gold investment and authored numerous articles on the subject, appearing regularly in the media and giving speeches around the world. He is a recipient the Robert Elvers Mineral Economics Award, awarded in 2014 by the Canadian Institute of Mining, Metallurgy and Petroleum. Mr. Ing started his career with Jones Heward & Company in Montreal in 1969. He then joined Mead Company in 1972 and moved to Pitfield Mackay Ross in 1980 which was acquired by Dominion Securities in Toronto. Mr. Ing has served on numerous industry committees and on the TSX Stock List Committee as its Chairman from 1993 to 2007. He is a member of the CFA Society Toronto, the Toronto Mineral Analyst Group, the Canadian Institute of Mining and metallurgy, Phi Kappa Pi and the Cambridge Club. Mr. Ing is a director of Aequitas Innovations Inc, parent of the NEO Stock Exchange.

Legato Executive Officer and Director Compensation

No executive officer has received any cash compensation for services rendered to Legato. Commencing on January 19, 2021 through the acquisition of a target business or Legato's liquidation of the Trust Account, Legato will pay Crescendo Advisors II, LLC, an entity controlled by Mr. Rosenfeld, $15,000 per month for providing Legato with office space and certain office and secretarial services. However, this arrangement is solely for Legato's benefit and is not intended to provide Legato's officers or directors compensation in lieu of a salary.

Other than the $15,000 per month administrative fee, the payment of consulting, success or finder fees to Legato's officers, directors, initial stockholders or their affiliates in connection with the consummation of Legato's initial business combination and the repayment upon consummation of the IPO of a $65,000 loan made by Legato's executive officers to Legato, no compensation or fees of any kind will be paid to Legato's initial stockholders, members of Legato's management team or their respective affiliates, for services rendered prior to or in connection with the consummation of Legato's initial business combination (regardless of the type of transaction that it is). However, they will receive reimbursement for any out-of-pocket expenses incurred by them in connection with activities on Legato's behalf, such as identifying potential target businesses, performing business due diligence on suitable target businesses and business combinations as well as traveling to and from the offices, plants or similar locations of prospective target businesses to examine their operations, and, to the extent they loan funds to Legato, such funds may be repaid or converted into Legato Units with Algoma's consent immediately prior to the completion of the Merger. There is no limit on the amount of consulting, success or finder fees payable by Legato upon consummation of an initial business combination. Additionally, there is no limit on the amount of out-of-pocket expenses reimbursable by Legato; provided, however, that to the extent such expenses exceed the available proceeds not deposited in the Trust Account, such expenses would not be reimbursed by Legato unless we consummate an initial business combination.

After Legato's initial business combination, members of Legato's management team who remain with Legato may be paid consulting, management or other fees from the combined company with any and all amounts being fully disclosed to stockholders, to the extent then known, in the proxy solicitation materials furnished to Legato's stockholders. However, the amount of such compensation may not be known at the time of the stockholder meeting held to consider an initial business combination, as it will be up to the directors of the post-combination business to determine executive and director compensation. In this event, such compensation will be publicly disclosed at the time of its determination in a Current Report on Form 8-K or a periodic report, as required by the SEC.

Legal Proceedings

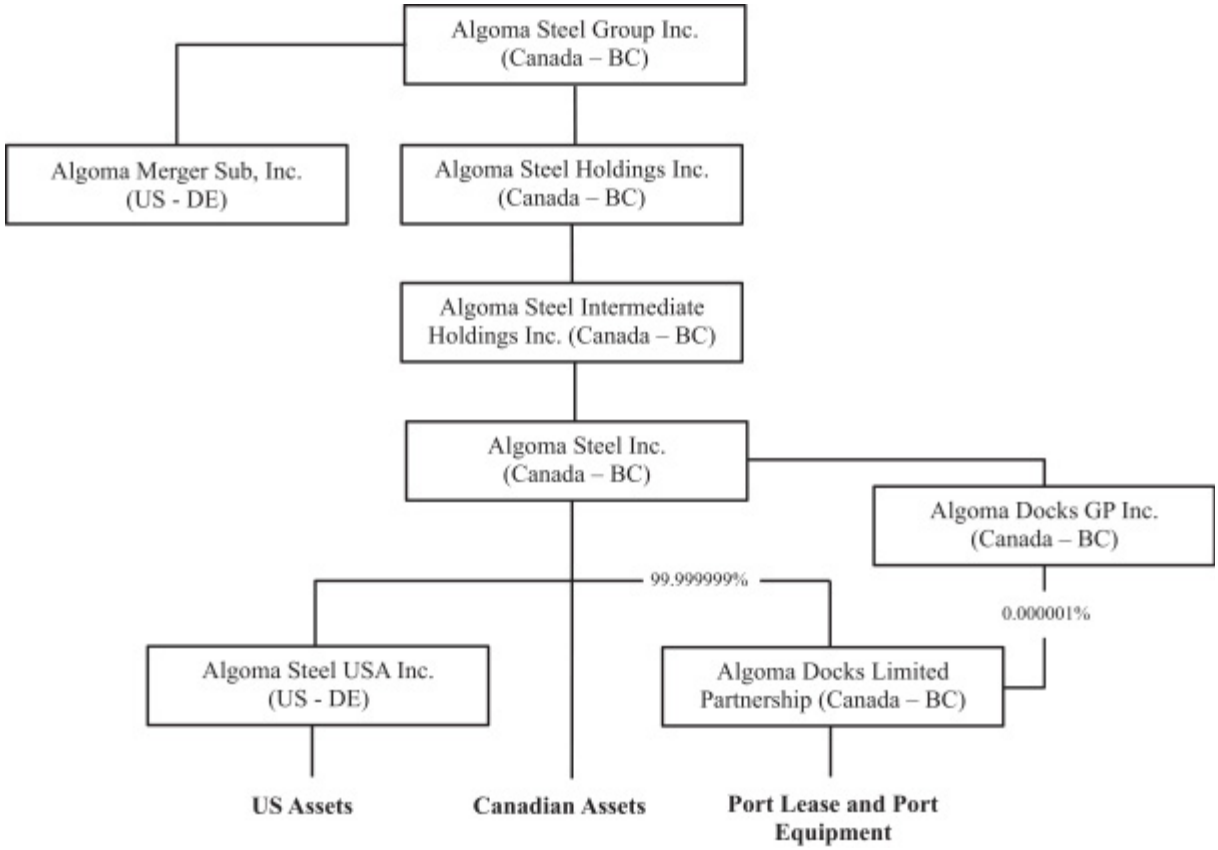
There is no material litigation, arbitration, governmental proceeding or any other legal proceeding currently pending against Legato or any members of Legato's management team in their capacity as such.

ALGOMA'S BUSINESS

Unless the context otherwise requires, all references in this section to "Algoma," "the Company," "we," "us," or "our" refer to Algoma Steel Group Inc. and its subsidiaries prior to the consummation of the Merger.

Corporate Structure

The following organization chart indicates the intercorporate relationships of the Company and its material subsidiaries, together with the jurisdiction of formation, incorporation or continuance of each entity:



Overview

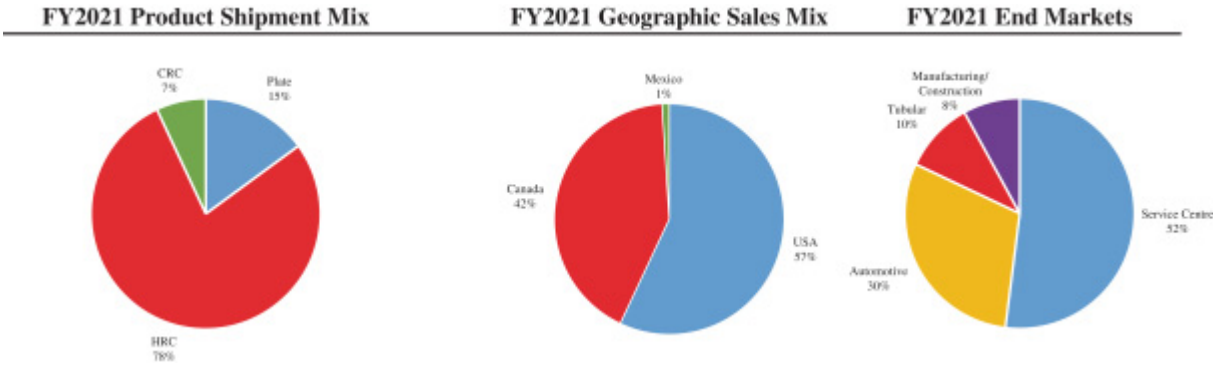
Algoma, a corporation organized under the laws of the Province of British Columbia, is a fully integrated steel producer of hot and cold rolled steel products including sheet and plate. With a current production capacity of an estimated 2.8 million tons per year, our size and diverse capabilities enable us to deliver responsive, customer-driven product solutions straight from the ladle to direct applications in the automotive, construction, energy, defense, and manufacturing sectors.

We manufacture a broad range of high-quality semi-finished and finished flat steel sheet and plate products. In 1995, approximately $450 million was invested in the construction of our Direct Strip Production Complex ("DSPC"), one of the world's first hot strip mills with integrated continuous casting and our cornerstone asset. In addition to the DSPC, our facilities include two blast furnaces, Blast Furnace No. 6 and Blast Furnace No. 7, of which Blast Furnace No. 7 is currently operating. Our discreet 106 inch hot strip and 166 inch plate rolling mills provide us with the flexibility to adjust product mix between our many sheet and plate products to take advantage of changes in market demand and pricing, allowing us to optimize our margins. Our idle blast furnace, Blast Furnace No. 6, provides redundancy and incremental flexibility to our operating platform, allowing for the management of any future re-lines for Blast Furnace No. 7, and could quickly add cost effective capacity with limited additional capital outlays. We believe a restart of Blast Furnace No. 6 could be achieved within approximately six months for an estimated C$60 million investment, including approximately C$18 million required to reduce casthouse emissions in Blast Furnace No. 6.

Our flat/sheet steel products include a wide variety of widths, gauges and grades, and are available unprocessed and with value-added temper processing for HRC, annealed and full hard cold-rolled coil ("CRC"), hot-rolled pickled and oiled products, floor plate and cut-to-length products. Primary end-users of our sheet products include service centers and automotive, manufacturing, construction, and tubular industries. Sheet steel products have represented approximately 85% of our total steel shipment volumes, on average, in our fiscal year ended March 31, 2021.

Our plate steel products consist of various carbon-manganese, high-strength and low-alloy grades, and are sold in the as-rolled condition as well as subsequent value-added heat-treated conditions. The primary end-user of our plate products is the fabrication industry, which uses our plate products in the manufacture or construction of railcars, buildings, bridges, off-highway equipment, storage tanks, ships, military applications, large diameter pipelines and power generation equipment. Plate steel products have represented approximately 15% of our total steel shipment volumes in fiscal year ended March 31, 2021.

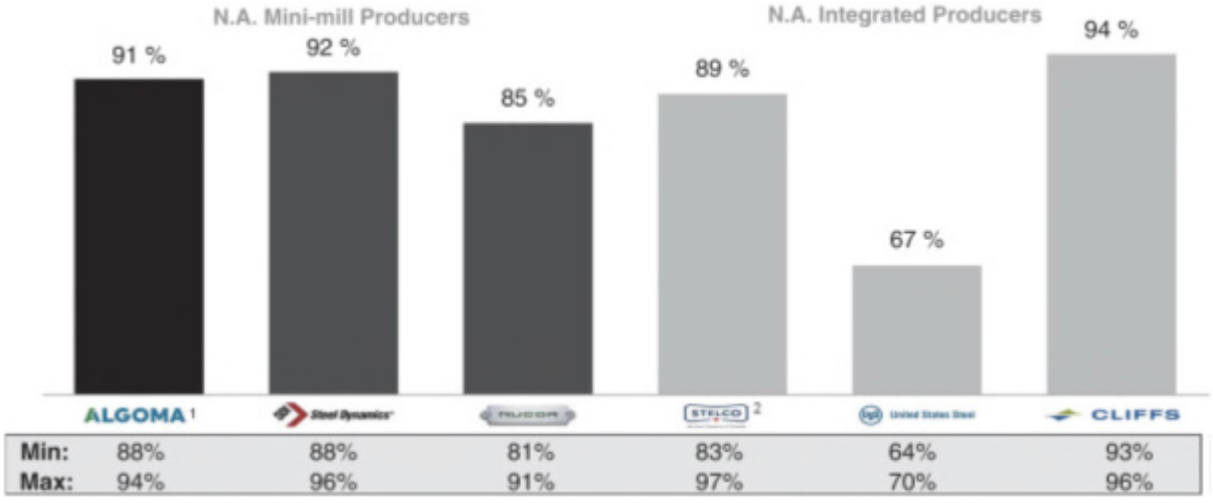
We sell our finished products to a geographically diverse customer base across North America. For fiscal year ended March 31, 2021, our sales by product, geography and end markets were as follows:



Source: Company information. Automotive comprised of direct automotive customer sales and estimated service center sales to the automotive industry.

The Company has consistently experienced capacity utilization comparable to or greater than is typical in the North American market, due in part to its flexible operations and ability to quickly respond to market drivers. Excluding the capacity of its idle second blast furnace, Algoma's 2017-2019 average capacity utilization was 91% while its peers averaged 86%.

2017-2019 Average Capacity Utilization (%)



Source: Company information.

1 Reflects Algoma's 2018-2020 average capacity utilization, based on Blast Furnace No. 7's total steel capacity of 2,600kt and 2018-2020 production of 2,300kt, 2,435kt and 2,305kt, respectively.

2 Steelco capacity utilization based on total capacity of 2,750kt and 2018 and 2019 steel production of 2,620kt and 2,444kt, respectively.

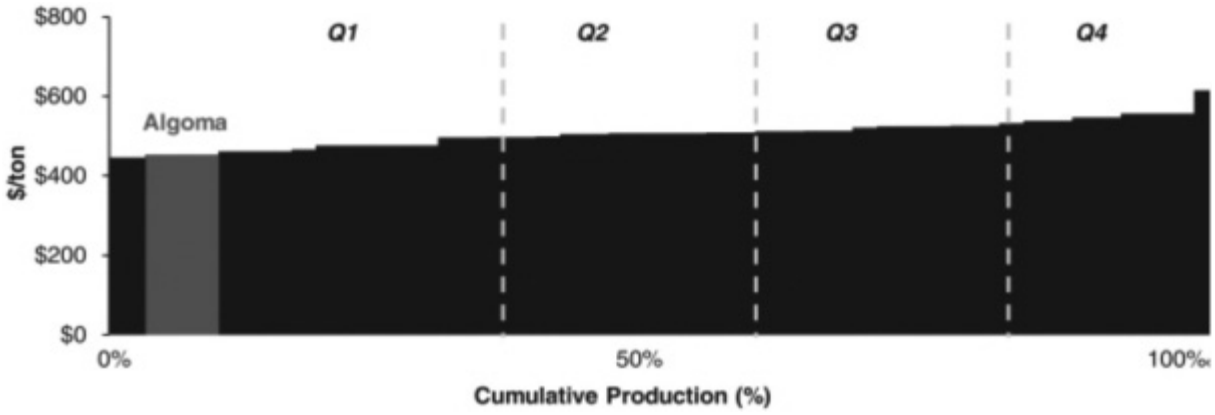
Superior Cost Position

We believe we have a superior structural cost position as a result of our cost-efficient DSPC asset, our geographic location on the Great Lakes, which provides economical access to key raw materials and steel-consuming markets, and our strong track record of implementing improvements in conversion costs.

Moreover, in connection with the purchase of substantially all of the operating assets and some of the liabilities of Old Steelco and its affiliates, Algoma re-established its control of the port of Algoma as a means to receive critical inbound raw materials and outbound shipment of finished goods. Our on-site port facilities enable access to low-cost water transportation across the Great Lakes. Additionally, Algoma has an advantage in power sourcing through a low-cost co-generation ("Co-Gen") facility. A 70 million watts Co-Gen facility fueled with by-product gases from Algoma's ironmaking and cokemaking operations provides on average approximately 45% of our power needs at favorable prices, reducing reliance on the Ontario power grid.

Our structural low cost position is evidenced by CRU's 2021 international data, which placed us among the lowest cash costs of North American steel plants.

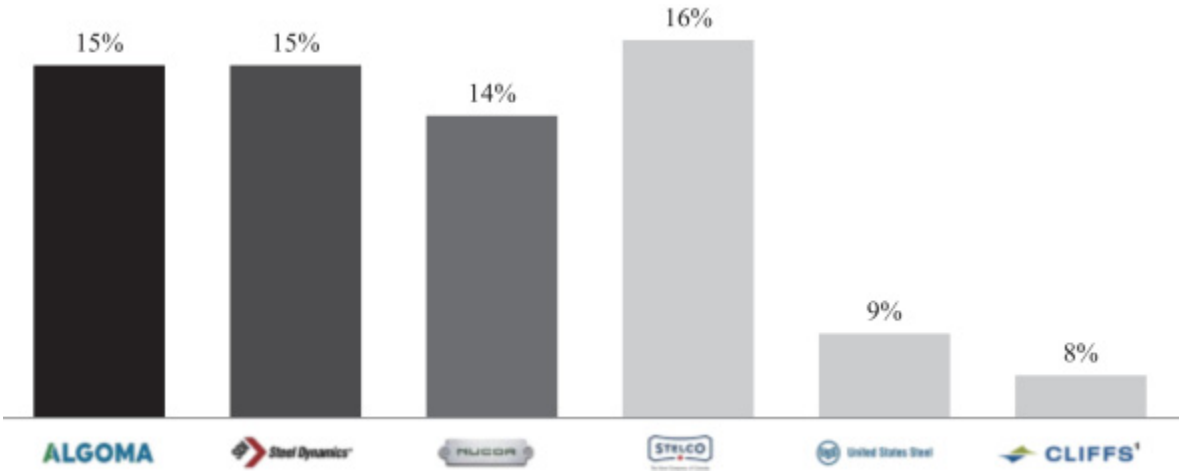
2021 Cash Cost Curve – Hot Rolled Coil (BOF / EAF)



Source: CRU International, 2021.

Our highly competitive cost position allows us to generate EBITDA margins above the industry average and sustain profitability through business cycles. Algoma's EBITDA margin from 2017 to 2019 averaged 15% compared to approximately 12% average of our North American peers over the same period of time.

2017-2019 Average EBITDA Margin (%)



Source: Company information. Cleveland-Cliffs EBITDA Margin based on Steel and Manufacturing Segment and includes the acquisition of AK Steel but not ArcelorMittal.

For the fiscal year ended March 31, 2021, we shipped approximately 621.8 million tons of steel products, which generated revenue of approximately C$632.9 million, net income of approximately C$114 million, and Adjusted EBITDA of approximately C$199.2 million.

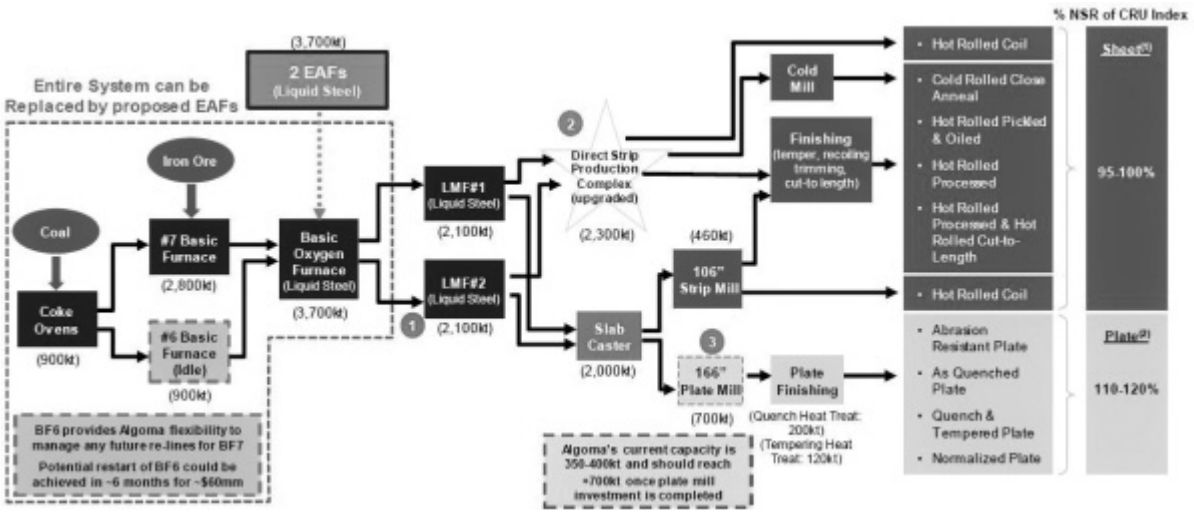
Unique Production Process Supports Superior Cost Position Among North American Steel Producers

As mentioned above, we are the only integrated steel producer in North America to operate a DSPC line that converts liquid steel directly into coil. The DSPC line is among the newest, continuous thin slab casters in North America. We believe that this process provides us with an estimated cost advantage over our competitors of between C$30 and C$40 per ton due to reduced manpower, reduced re-heating costs and reduced yield loss. Additionally, the DSPC allows for us to seamlessly execute the installation of EAF mills.

We have recently upgraded our process automation to incorporate the most recent original equipment manufacturer technology and enhanced the throughput and quality via software enhancements in casting controls and defect detection. We successfully completed mechanical upgrades of spindles, strand entry tables and the coiler mandrel, which have had a positive impact on quality and throughput, efficiency and reliability.

Current annualized production capacity of the DSPC complex is 2.3 million tons. Algoma is also the only plate producer in Canada with current capacity of 350,000-400,000 tons with the potential to increase capacity to 700,000 tons per year, once on-going debottlenecking, automation and productivity investments are completed.

Blast Furnace No.6, with current capacity of approximately 900,000 tons, provides Algoma flexibility to manage any future re-lines for Blast Furnace No.7 and we believe can be re-started in approximately six months for an estimated C$60 million investment including approximately C$18 million required to reduce casthouse emissions in Blast Furnace No. 6.



Source: Company information.

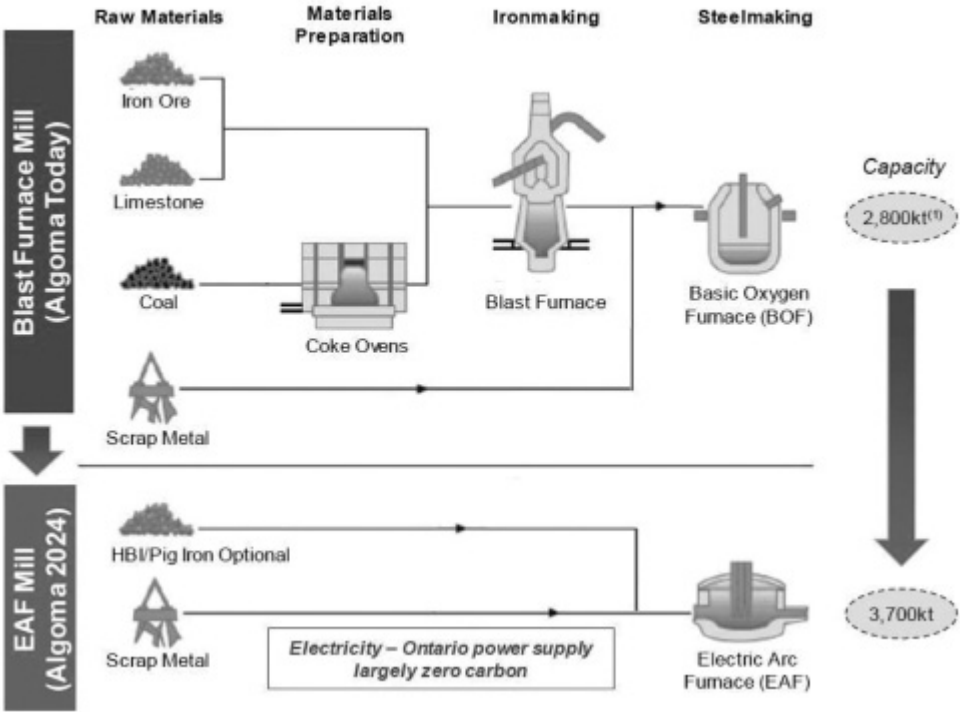
1 Represents percentage of a trailing 7-year average HRC CRU (USA Midwest Domestic HR Coil) Index, lagged one month.

2 Represents percentage of a trailing 7-year average AS Rolled CRU Index, lagged one month.

Proposed EAF Mill to Transform Operations

One of our reasons for undertaking the Merger is to provide us with access to capital to partially fund our proposed transformation to EAF steelmaking. The proposed EAF mill is expected to meaningfully reduce SG&A and improve EBITDA by approximately C$150 million per year with the majority of this benefit expected to be realized within the first year. We believe that the EAF mill has the potential to enhance our liquid steel capacity by 900,000 tons per year and would provide us with the ability to pursue a higher value-add product mix with a more flexible operating footprint. The proposed EAF mill would also reduce our exposure to iron pricing volatility since we would replace iron ore in our steelmaking process with readily available recycled regional scrap.

Additionally, we estimate that the transition to EAF steelmaking would result in a reduction of 3.0 million tonnes of CO2 emissions per year, representing a 70% reduction to current emissions levels with a goal of eliminating all coal use in our steelmaking operations over time, which we believe will allow us to become one of the greenest producers in North America and reduce the potential impact of the Canadian carbon tax regime on our business.


Raw Materials
Materials Preparation
Ironmaking
Steelmaking
Blast Furnace Mill (Algoma Today)
Iron Ore
Limestone
Coal
Coke Ovens
Blast Furnace
Basic Oxygen Furnace (BOF)
Scrap Metal
Capacity
2,800kt(1)
EAF Mill (Algoma 2024)
HBI/Pig Iron Optional
Scrap Metal
Electricity – Ontario power supply largely zero carbon
Electric Arc Furnace (EAF)
3,700kt

Strong Government and Local Community Support

We are the largest employer in Sault Ste. Marie, Ontario. As of March 31, 2021, the Company had 2,677 full-time employees, of which approximately 95% are represented by two locals of the USW under two collective bargaining agreements. As a result of the Company's good relationship with its unionized workforce, there has not been a work disruption in approximately 30 years, and we have achieved contract terms that are comparable to those achieved by our peers.

We believe the Company is critical to the local economy and has strong relationships with local, provincial and federal governments. Algoma represents approximately 40% of Sault Ste. Marie's GDP, and approximately 70% of the city's population is directly or indirectly dependent upon Algoma. Furthermore, Algoma is the only plate producer in Canada with current capacity of 350,000-400,000 tons and opportunity to increase capacity to 700,000 tons per year once on-going debottlenecking, automation and productivity initiatives are completed. These initiatives may significantly reduce Canada's reliance on plate imports and positively impact the trade balance. As a result of Algoma's significant contribution to the Canadian steel making industry, we benefit from strong federal and provincial government support in various forms. For example, the Canadian federal and Ontario provincial governments have provided support in the form of certain interest-free or low-interest loans and grants, which together total approximately C$150 million in the aggregate and have enabled us to undertake various capital expenditures to revitalize Algoma. See "*Description of Indebtedness*" for a description of these loans and grants. The Ontario government also enacted Ontario Regulation 484/14 as filed on November 30, 2018 (the "2018 Pension Regulations") and Ontario Regulation 2017/19 as filed on June 20, 2019 (the "Wrap Regulations") to facilitate our acquisition of substantially all of the assets and liabilities of Old Steelco in November 2018, including the DB Pension Plans and the Wrap Plan that has been maintained by Old Steelco. Among other things, the 2018 Pension Regulations significantly reduced our obligation for historical pension obligations by capping our special pension contributions (cash funding in addition to the current service funding) to the DB Pension Plans at C$31 million per year. As of March 1, 2021, the Company's solvency funded status on its Hourly Plan and Salaried Plan was greater than 85%, which reduces the Company's obligation with respect to special pension contributions to the DB Pension plan to near zero and also triggers the guarantees provided by the PBGF. On July 5, 2021, we announced the Green Steel Funding. See *"Summary of the Proxy Statement/Prospectus—Recent Developments."*

Strategic Initiatives to Further Strengthen Our Cost Position

Cost Saving Initiatives. We have implemented several measures to reduce costs and improve our operating performance. Algoma has implemented cost savings plans to achieve headcount reductions that bring us in-line with our peers and estimate that we realized approximately 60% of the full benefit in the fiscal year ended March 31, 2020. We estimate that the full realization of cost saving initiatives will be achieved in the fiscal year ended March 31, 2021, resulting in sustainable annual savings of approximately C$44 million excluding non-recurring cost to implement.

Ladle Metallurgical Furnace No2 Initiative. In February 2021, we completed the installation and commissioning of Ladle Metallurgical Furnace No2 ("LMF2"), which will eliminate a bottleneck in our production process and enable 100,000 tons of incremental volumes with approximately C$318 per ton margin, contributing an estimated C$32 million of EBITDA improvement annually. We invested C$35 million (net of government support) in this project and have completed the construction in a timely fashion against a challenging macroeconomic backdrop caused by the COVID-19 pandemic.

Plate Mill Modernization. We are Canada's only plate mill with current capacity of 350,000-400,000 tons and potential to ship up to 700,000 tons per year. We are undertaking a plate mill modernization project requiring capital expenditures of C$70 million (net of government support), which we expect to be completed in October 2022. This strategic initiative will enhance the capacity and quality of one of our key products and sources of competitive advantage. The Plate Mill Modernization Project will allow us to achieve product quality requirements of our customers with respect to surface and flatness, increase high strength capability with availability of new grades, ensure reliability of plate production with direct ship capability and increase overall plate shipment capacity through debottlenecking and automation. The modernization process will be comprised of two phases: quality focus and productivity focus. The first phase, which focuses on quality, is expected to be completed by March 2022 and includes the installation and commissioning upgrades of a new primary slab de-scaler (which improves surface quality), automated surface inspection system (which detects and maps surface quality), a new in-line hot leveler (which improves flatness), and automation of the 166 inch Mill (which expands grade offering). The second phase, which

focuses on productivity, is expected to be completed by October 2022 and includes installation and commissioning upgrades of the onboard descaling systems for both the 2Hi and 4Hi roughing roll stands, mill alignment and work roll offset at the 4Hi, 4Hi DC drive, in-line plate cutting including new cooling beds coupling the plate mill and shear line, dividing shear, new plate piler and automated marking machine.

Recent Strategic Initiatives (millions of U.S. dollars)

	Annualized Benefit	CapEx[1]	Schedule
• Ongoing cost-cutting initiatives • 200+ projects identified • Third party hired to review operational efficiency	~$44	—	2020: ~60% 2021: 100%
• Completed new 2.1 million ton ladle furnace in February 2021 • Unlocked 100,000 tons of additional capacity • Adds more advanced grades of steel to product mix	~$25	~$35	Feb-2021
• Overhaul and optimize plate mill to improve reliability and quality • Additional plate capacity of up to 350 kilotons • New grades capability unlocks new end markets	~$35	~$70 *($63 remaining)*	Quality: Oct-2021 Volume: Oct-2022

Source: Company information. Capex is net of government support.

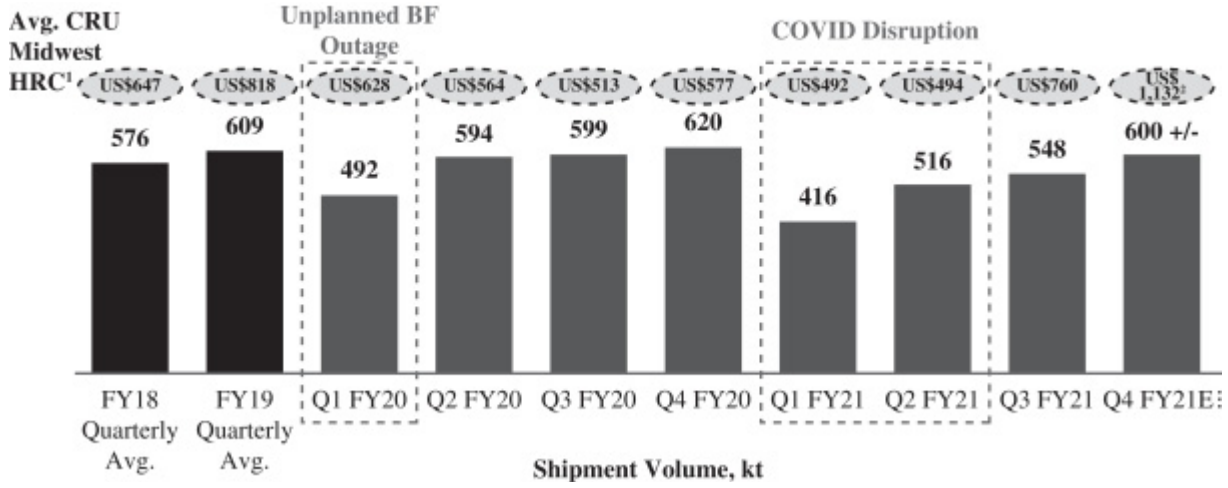
Well Positioned with Historical Issues Addressed

We experienced an unplanned outage in April 2019 that disrupted production in our Blast Furnace No. 7. This outage had no impact on the integrity of the furnace. The resulting lost production led to a shipping volume reduction in fiscal year 2020 of over 100,000 tons. During April 2019, the Company recorded a capacity utilization adjustment of C$32.7 million to cost of steel products sold. Planned maintenance, originally scheduled for later in the year, was accelerated and performed during this outage in April 2019. Rescheduling maintenance to align with the unplanned outage was part of the plan management implemented to make up for the lost production in the remaining quarters of fiscal year 2020. The outage, caused by a chemistry imbalance of certain materials, resulted from a poor and unforgiving construct of the blend of raw materials fed into the blast furnace. Operating parameters have been tightened and systems have been put in place to improve the overall monitoring of the Blast Furnace. We have modified operating practices following a deep-dive investigation with assistance from Hatch, our consulting engineering firm, undertook process control measures and personnel changes as well as adopted predictive modeling to ensure far greater control and less risk in our future operations.

The COVID-19 pandemic has significantly disrupted the steel industry, leading to idling, shutdowns and capacity reductions across the industry and driving an 18% decline in North American production levels during the period from April to September 2020. In March 2020, management took the precautionary measure of drawing on the Revolving Credit Facility (as defined below). At March 31, 2021, the Company had cash of C$21.2 million, and further availability under the Revolving Credit Facility of C$200.8 million. In addition, Algoma has benefitted from the

financial support from the Canadian federal government under the Canadian Emergency Wage Subsidy program which allowed us to maintain operations and headcount during the COVID-19 pandemic and the eventual return of demand.

Quarterly Shipment Volume



Source: Company information.

1 CRU USA Midwest Domestic Hot Rolled Coil Prices in US$/NT.
2 Represents average CRU price based on prices realized from January 1, 2021 through March 10, 2021.

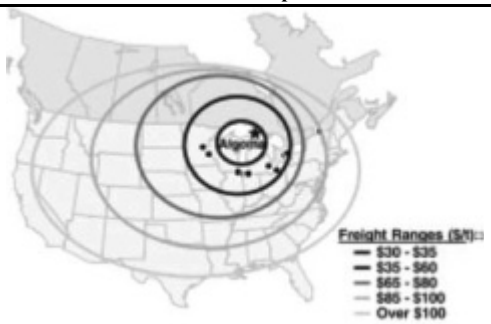
Our Competitive Strengths

Strategically Located on the Great Lakes in Close Proximity to Customers and Suppliers

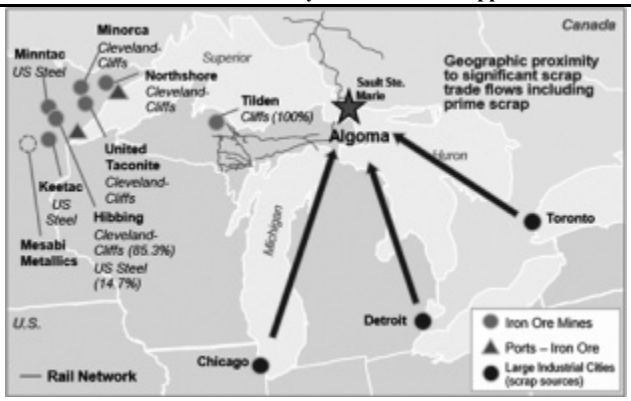
We are strategically located on Lake Superior, close to key steel consuming regions of the United States (the U.S. Mid-West, U.S. Northeast) and Canada (Southern Ontario), allowing us to serve our customers at competitive costs. Approximately 70% of our customers are located within a 500-mile radius of our facility.

Additionally, our location on the Great Lakes provides access to multiple modes of transportation, supporting our ability to negotiate competitive rates for inbound raw materials and outbound steel products. The Company's acquisition of the adjacent port facility as part of the 2018 restructuring transaction – the fourth largest port on the Great Lakes by volume, handling nearly 500 vessels a year and over 5 million tons of shipments – facilitated access to low cost transportation across the Great Lakes and secures our distribution network. Algoma has an option to pursue rail transportation from certain iron ore mines via well-established rail links, facilitating access to ore through the winter months when transport over the Great Lakes is less feasible.

Location Relative to Top 10 Customers



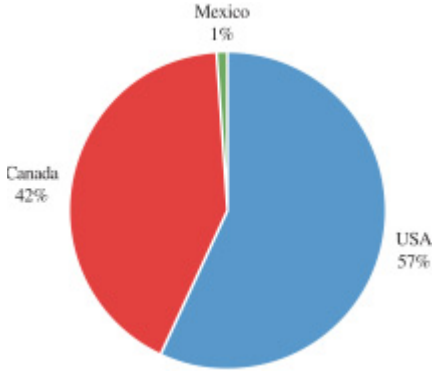
Location Relative to Key Raw Material Suppliers



Source: Company information. Top 10 customers determined by revenue in fiscal year 2021.

We sell steel products to a diverse base of over 200 customers across multiple sectors in North America with no single customer making up greater than 11% of sales. Our top ten customers accounted for approximately 52% of total revenue in fiscal year 2021. Our geographic, sector and customer diversity makes us less exposed to demand shifts. We have built strong customer relationships with the average tenure for Algoma's top ten customers of 20-25 years. Despite the U.S. tariffs imposed on Canadian steel producers on June 1, 2018, the Company was able to maintain its geographic mix with 57.1% of fiscal year 2021 revenue generated by our customers in the United States.

FY2021 Customer Concentration by Revenue



Source: Company information.

Operations to Meet the Needs of a Diversified Blue-Chip Customer Base in Attractive End Markets

Our hot strip and plate rolling mills provide the flexibility to adjust our product mix within our existing asset base to align with market pricing and customer demand, and maximize profitability. Plate products accounted for 15% of shipments, hot rolled sheet for 78% and Cold Rolled Sheet for 7% in fiscal year 2021. Additionally, flexible union labor contracts allow us to optimize manpower allocation across the entire facility to meet variations in demand.

Our product width, gauge and strength flexibility allows us to serve a broad customer base across various end markets, including service centers, automotive, manufacturing, construction and tubular markets. Furthermore, our research and development investments support higher quality, lower cost products and drive a value proposition for customers.

	Product Attributes	End Markets	Width Range	Gauge Range
Hot Rolled Coil 	✓ High strength formable hot rolled grades ✓ Broad width and strength capabilities	• Automotive • Hollow structural product and welded pipe manufacturers • Transportation • Light manufacturing	106"Strip Mill 30"-96" DSPC 32"-63"	106"Strip Mill 0.070"-0.500" DSPC 0.060"-0.625"
Cold Rolled Coil 	✓ Commercial grades ✓ High strength formable cold roll grades ✓ Full hard grades (not annealed)	• Automotive • Welded pipe manufacturers • Transportation • Light manufacturing	36"-74"	0.015"-0.129"
Plate 	✓ High strength, low-alloy grades ✓ Abrasion resistant and heat treat grades ✓ Only producer in Canada	• Fabrication industry-constructors or manufactures of railcars, buildings, bridges off-highway equipment, etc.	72"-154"	0.236"-4.500"

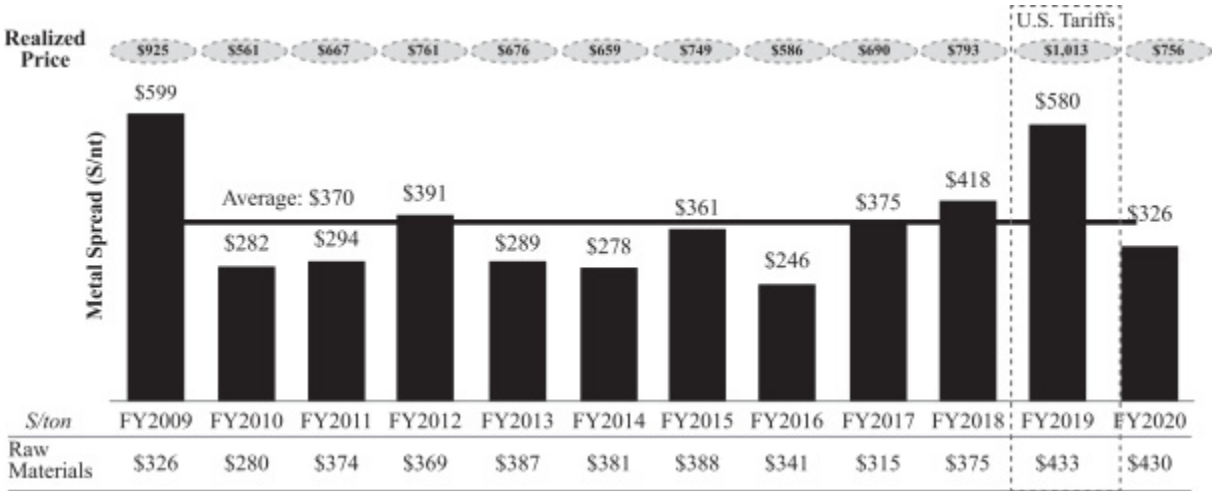
Source: Company information.

Low Cost Position Underpinned by Advantageous Raw Material Contracts

Algoma's largest input cost in the steel-making process is iron ore, which we purchase under supply contracts with Cliffs and U.S. Steel. Algoma had previously sourced 100% of its iron ore from Cliffs. To further improve stability in our raw material procurement, we recently entered into a contract with U.S. Steel to purchase iron ore pellets through the 2024 shipping season. We believe that having a second competitive supply arrangement for this critical raw material will help mitigate our supply risks for iron ore. Taken together, Algoma's agreements with Cliffs and U.S. Steel provide for supply of iron ore pellets through the close of the 2024 shipping season.

Algoma has historically earned a consistent metal spread. Metal spread is the difference between the average realized price of steel and the average cost of the various raw materials used to make it. Given the correlation between HRC prices and the prices of raw materials, we are able to cut costs in lower HRC price environments and maintain our metal spread.

Historical Metal Margins

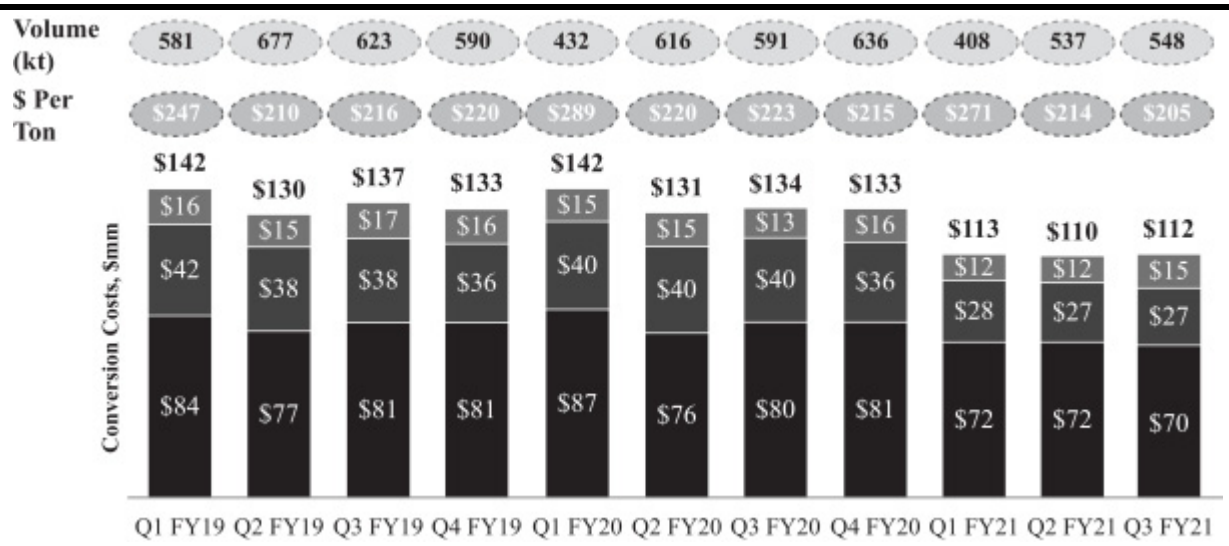


Source: Company information. Note: FY2019 metal spread impacted by U.S. tariffs. Key components of raw materials include iron ore, met coal and scrap.

Recent Cost Cutting Initiatives Further Strengthen Our Position

In addition to benefitting from favorable raw material contracts, recent cost cutting initiatives are beginning to be realized, significantly reducing conversion costs. Conversion costs, which consist of manufacturing and service labor costs, fixed consumables maintenance, services and sales and general and administrative costs, have declined steadily in fiscal year 2021 with average conversion costs demonstrating an approximately 20% reduction compared to the average quarterly conversion costs in fiscal year 2019.

Historical Conversion Costs



Source: Company Information.

Flexible Cost Structure Allows Algoma to Generate Significant Cash Flow Through-the-Cycle

A flexible cost structure and the ongoing reduction in fixed costs allows Algoma to generate significant cash flow through its business cycle. The illustrative hypothetical table below represents how Algoma can capitalize on its flexible cost structure to generate cash flows regardless of fluctuations in HRC prices. We believe the Company is well positioned to generate positive EBITDA and cash flow even with HRC prices as low as US$550 per net ton ("nt"). EBITDA is a non-IFRS measure. See "Non-IFRS Financial Measures" for information regarding the limitations of using EBITDA.

Run-Rate EBITDA Build up

Note: All Figures are illustrative			FY2018-FY2020 Avg. Price			Current Price Environment
Assumed HRC Price (US$/nt)	**US$ 550**	**US$ 650**	**US$ 685**	**US$ 750**	**US$ 850**	**C$ 1,200**
Assumed HRC Price (C$/nt)	**C$ 693**	**C$ 819**	**C$ 863**	**C$ 945**	**C$ 1,071**	**C$ 1,512**
Run-Rate Sales Volume (nt)[1]	2.5	2.5	2.5	2.5	2.5	2.5
Metal Margin (C$/nt)[2]	**C$ 352**	**C$ 416**	**C$ 438**	**C$ 480**	**C$ 544**	**C$ 768**
Illustrative Spread over Raw Materials (C$)	**C$ 880**	**C$ 1,040**	**C$ 1,096**	**C$ 1,200**	**C$ 1,360**	**C$ 1,919**
(-) Fixed Costs (C$)[3]	C$ (433)	C$ (433)	C$ (433)	C$ (433)	C$ (433)	C$ (433)
(-) Manufacturing & Service Labor (C$)	(272)	(272)	(272)	(272)	(272)	(272)
(-) Fixed CM&S (C$)	(101)	(101)	(101)	(101)	(101)	(101)
(-) SG&A (C$)	(60)	(60)	(60)	(60)	(60)	(60)
(-) Energy (C$)	(135)	(135)	(135)	(135)	(135)	(135)
(-) Other (C$)[4]	(92)	(92)	(92)	(92)	(92)	(92)
Run-Rate EBITDA (C$)	**C$ 220**	**C$ 379**	**C$ 435**	**C$ 539**	**C$ 699**	**C$ 1,259**
(-) Sustaining Capex (C$)[5]	(69)	(69)	(69)	(69)	(69)	(69)
Run-Rate EBITDA less Capex (C$)	**C$ 150**	**C$ 310**	**C$ 366**	**C$ 470**	**C$ 630**	**C$ 1,190**

Source: Company information. Note: Converted to Canadian dollars using an exchange rate of US$1.00 = C$1.26, the average exchange rate over the period (FY2018 – FY2020). Fixed Costs include Labor, Consumables & Repairs, SG&A.

1 Run-Rate based on illustrative shipments figure of 2.5 million tons.

2 Illustrative metal margin is estimated based on the slope of the regression line for HRC prices since 2009.

3 Illustrative Fixed costs represent annualized Q3 FY2021 which reflects Algoma’s achievements through cost reduction.

4 Includes outside processing, property taxes and variable consumables.

5 Sustaining capex of C$69mm reflects average capex from FY2018 to FY2020.

Legacy Liabilities Sustainably De-Risked from CCAA Process

On November 9, 2015, Algoma's predecessor, Old Steelco, filed for creditor protection in Canada under the CCAA and in the United States under chapter 15 of title 11 of the United States Bankruptcy Code. On November 30, 2018, pursuant to a transaction approved by the court in the CCAA proceedings, Algoma Steel Inc. completed the purchase of substantially all of the operating assets and some of the liabilities of Old Steelco and its affiliates. As part of the CCAA restructuring, Algoma achieved transformational improvements in its capital structure, pension funding obligations and environmental liabilities. Algoma emerged as a more resilient company with a strong balance sheet and stable operating profits.

Algoma successfully reduced outstanding debt by approximately 40%, when including government loans and 50%, when excluding government loans, as compared to pre-CCAA leverage.

The predecessor company, prior to the CCAA process, carried unsustainable leverage of approximately C$1,369 million in debt obligations and C$172 million in annual interest expense.

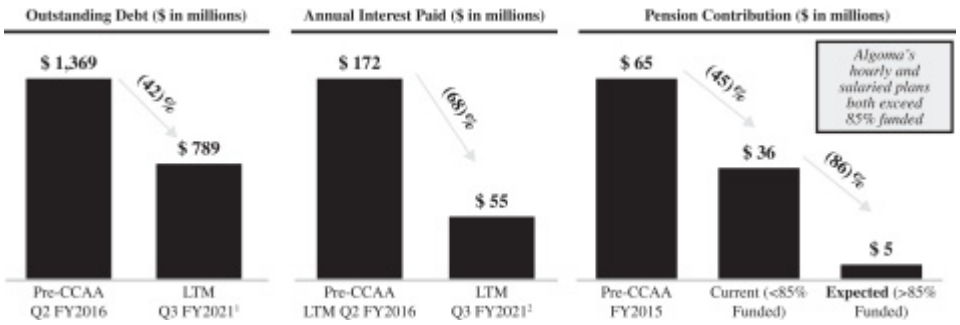
As part of the completion of the Purchase Transaction, Algoma assumed the following pension plans that had been maintained by Old Steelco: (i) the Hourly Plan; (ii) the Salaried Plan; and (iii) the Wrap Plan. The assumption of these pension plans was conditional upon, among other things, certain legislative amendments and the enactment of regulations applicable to the pension plans. As a result of the 2018 Pension Regulations implemented in connection with the Purchase Transaction, the aggregate going concern and solvency special payments to the DB Pension Plans equal C$31 million per annum until the solvency ratio of each of the DB Pension Plans is at least 85%. Once both DB Pension Plans obtain an 85% solvency ratio, ratio, which the Company expects will be confirmed upon the filing of valuations during the current fiscal year, the Company's required annual special payments to the DB Pension Plans are expected to reduce to zero. If the Company is required to make annual special payments to the DB Pension Plans in the future, these payments would remain subject to a C$31 million annual cap. Once the DB Pension Plan achieve an 85% solvency ratio, the DB Pension Plans will be eligible to participate in the PBGF.

The Wrap Regulations implemented by the province in 2019 to provide a funding framework for the Wrap Plan require the Company to make monthly contributions to the Wrap Plan equal to the lesser of C$416,667 and the amount of the prior month's benefit payments until the Wrap Plan's solvency ratio is 100%. This funding requirement supersedes the normal funding requirements under applicable law.

The revised funding framework implemented in connection with the Company's assumption of the pension plans provided significant funding relief in respect of historical pension obligations and established maximum annual contributions that provide enhanced certainty and reduced risk for the Company.

Algoma also developed LEAP in accordance with the Framework Agreement Concerning Environmental Issues entered into with the Ontario Ministry of the Environment, Conservation and Parks ("MECP") in connection with the 2018 restructuring to address legacy environmental issues. The MECP provided a release in favor of the Company from any obligations under applicable environmental laws relating to legacy environmental issues at the Company's Sault Ste. Marie site with respect to the historical soil, groundwater and sediment contamination at the Sault Ste. Marie facility, which we acquired in connection with the CCAA process. Steel making activities have occurred on Algoma's site since 1901 and before the adoption of modern environmental best practices. Pursuant to LEAP, Algoma agreed to fund C$3.8 million per year for 20 years to a financial assurance fund, established to fund LEAP expenses and provided a C$10 million letter of credit to the MECP to provide financial assurance for these obligations. Additionally, Algoma was released from all legacy environmental issues with respect to the historical soil, groundwater and sediment contamination at Old Steelco's closed iron ore mines, which we did not acquire in connection with the CCAA process. Algoma agreed, among other things, to pay C$10 million to the ENDM in installments of C$250,000 semi-annually to be used to rehabilitate the closed iron ore mines that we did not acquire and provided a C$3.5 million letter of credit to the ENDM to provide financial assurance for these obligations.

Transformational Changes



Source: Company information.

1 Includes $147 million of Revolving Credit Facility, $304 million of Secured Term Loan Facility, $62 million of the Algoma Docks Term Loan Facility and $106 million of government loans. Converted to Canadian dollar using an exchange rate of $1.00 = C$1.34.

2 Includes interest expense on the Revolving Credit Facility, the Secured Term Loan Facility and the Algoma Docks Facility.

Experienced Management Team with Extensive Industry Experience

We have an experienced management team with significant operating experience in the global steel industry. Our executives collectively have almost 200 years of steel industry experience. Under the leadership of our current management team, we have made significant capital expenditures and have achieved significant operating performance improvements by employing benchmarking and implementing industry best practices. In addition, our management team has successfully navigated our business, even during the turbulent times of the U.S. steel tariffs and the COVID-19 pandemic that significantly disrupted the entire industry. Our management achieved higher capacity utilization rates as compared to our North American peers, significantly strengthened our raw material supply position and took measures to improve the stability of future profits. Furthermore, we maintain a strong relationship with our skilled unionized workforce, as evidenced by the near 30-year period since our last work disruption. We benefit from favorable collective bargaining agreements that allow us flexibility to adapt to changes in operational and production needs.

Business Strategy and Strategic Goals

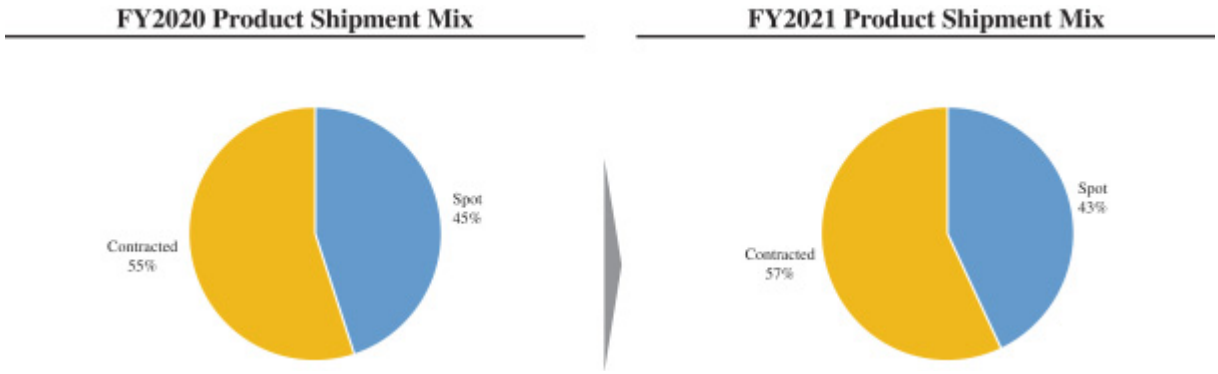
Our key strategic goals are:

Continuous Margin Stability Enhancement and Cost Improvement. We are striving to continue reducing our costs and improving our operating performance. Cost improvements include maintenance effectiveness and operational cost reductions, headcount reductions, power efficiency improvements, process yield improvements, improvements in product quality and optimization of gas usage. We have reduced our operating expenses and headcount by 20% since fiscal year 2019. We expect that our new raw material contract with U.S. Steel for procurement of iron ore pellets through 2024 will help reduce Algoma's earnings volatility in the future. Furthermore, we expect that such contract will create optionality that will benefit us when negotiating new contracts in the future.

Additionally, we are constantly striving to improve the stability of our revenue by increasing the share of contracted revenue while maintaining the ability to participate in increasing prices through flexible pricing mechanisms. The majority of our contracts are volume commitments with pricing tied to HRC and HRP CRU indexes on a one- and three-month lag basis. This results in exceptionally high correlation with the HRC and HRC CRU indexes on a one month lagging basis. Furthermore, the time lag allows Algoma's management to plan effectively and design solutions to navigate uncertain times.

We expect that our proposed transformation to EAF steelmaking will assist in reducing our costs and improving our operating performance. The proposed EAF mill is expected to improve EBITDA by approximately C$150 million per year with the majority of this benefit expected to be realized by 2024. We believe that the EAF mill has the potential to enhance our liquid steel capacity by 900,000 tons per year and would provide us with the ability to pursue a

higher value-add product mix with a more flexible operating footprint. The proposed EAF mill would also reduce our exposure to iron pricing volatility since we would replace iron ore in our steelmaking process with readily available recycled regional scrap.



Source: Company information.

Capitalize on Low Cost Growth Opportunities. Our goal is to continue enhancing our productivity and profitability through prudent capital investment projects. In addition to LMF2 debottlenecking our process flow and the added capacity from the plate mill modernization, we have an opportunity to restart the idled Blast Furnace No. 6 and bring it to production as needed in response to market demand changes with limited capital expenditure. The restart of Blast Furnace No. 6 would provide an incremental 900,000 tons of capacity of iron at an incremental capital investments of C$60 million over approximately six months. With both blast furnaces operating, our hot metal capacity will exceed our steelmaking capacity and thus our steelmaking capacity of 3.7 million becomes the constraint, resulting in the need for approximately 3.2 million tons of iron capacity from the two blast furnaces. Given the lag in our contracted prices and general lag in the industry due to long lead times, we believe we are well positioned to react quickly and take advantage of increasing demand.

Maintaining a Prudent Financial Policy. We are committed to creating a strong financial profile for Algoma. Our management is focused on generating disciplined growth while maintaining a strong credit profile. We will continue to seek to de-lever the balance sheet while maintaining adequate liquidity throughout the seasonality in our business cycle. By providing access to the public markets, we believe the Merger will help achieve this goal. Algoma utilizes hedging for both revenue and raw materials to further enhance earnings stability.

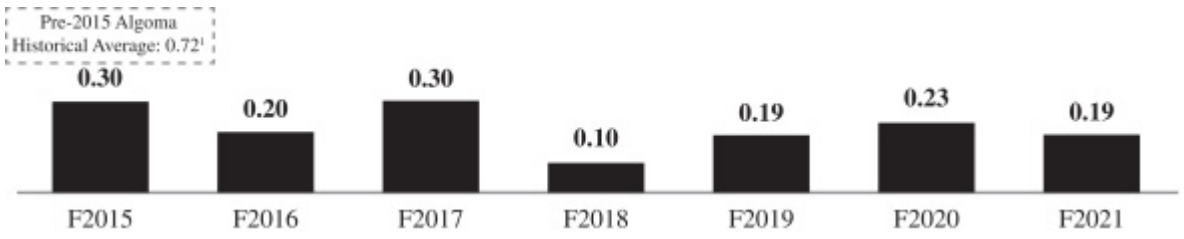
Focus on Safety and Environmental Compliance. Management is focused on sustainable and safe operations by engaging in projects to improve safety, including machinery and crane guarding upgrades and coke battery door and jamb cleaners. Since fiscal year 2015, we have reduced our LTIFR from 0.72 to approximately 0.19 in fiscal year 2021. Health and safety remains paramount and to further the Company's efforts to improve, we are implementing an ISO 45001 Safety Management System.

We are committed to being good environmental stewards and encourage open communication and reporting to our communities with regard to our environmental performance. Through our participation in the Canadian Steel Producers Association, we have committed to pursue the aspirational goal of carbon neutrality by 2050. We continue to evaluate strategies to both meet this goal and maintain our competitiveness, including through the modernization of our existing facilities and/or the adoption of other technologies such as less carbon-intensive iron making or EAF steel-making. We estimate that the transition to EAF steelmaking would result in a reduction of 3.0 million tonnes of CO2 emissions per year, representing a 70% reduction to current emissions levels with a goal of eliminating all coal use in our steelmaking operations over time, which we believe will allow us to become one of the greenest producers in North America and reduce the potential impact of the Canadian carbon tax regime on our business.

Algoma currently has three greenhouse gas reduction projects that are expected to reduce emissions by 79,000 tons a year. All of our facilities are registered to the world-wide ISO 14001 Environmental Management System Standard. We are supporting open dialogue on environmental issues with the community by establishing community outreach and ensuring frequent reporting on our environmental performance. For example, Algoma has established a

Community Liaison Committee as a forum for exchanging relevant environmental information with the public, conducting meetings on monthly basis and publishing meeting notes on our website.

Lost Time Injury Frequency



Source: Company information. Note: Lost Time Injury Frequency is calculated as ((Number of lost time injuries in the reporting period x 200,000) / Total hours worked in the reporting period).

1 Reflects the 2010-2015 Lost Time Injury Frequency.

Description of Algoma's Indebtedness

The following is a summary of the material terms and conditions of our material debt instruments. The description is only a summary and is not intended to describe all of the terms of our material debt instruments that may be important. All information in this section is as of March 31, 2021 unless otherwise specified.

Revolving Credit Facility

Algoma Steel Inc. is the borrower under a secured asset-based revolving credit facility (the "Revolving Credit Facility") made available pursuant to a revolving credit agreement dated November 30, 2018 among the Algoma Steel Inc., as borrower, Algoma Steel Intermediate Holdings Inc. and certain subsidiaries of Algoma Steel Inc., as guarantors, Wells Fargo Capital Finance Corporation Canada, as administrative agent and collateral agent (the "RCF Agent"), and the lenders party thereto from time to time.

The maximum availability under the Revolving Credit Facility is $250 million. The Revolving Credit Facility includes a sublimit for letters of credit and a sublimit for borrowings on same-day notice, referred to as swingline loans.

At March 31, 2021, we had drawn $71.7 million (C$90.1 million) under the Revolving Credit Facility and had $21.8 million (C$27.4 million) of outstanding letters of credit. We had unused availability of $156.5 million (C$200.8 million) under the Revolving Credit Facility as at March 31, 2021.

Interest rate and fees. Loans under the Revolving Credit Facility bear interest at an annual rate equal to, at the Borrower's option, Base Rate, London Interbank Offered Rate ("LIBOR"), Canadian Prime Rate or Canadian Dollar Offered Rate ("CDOR"), plus the "Applicable Margin". The Applicable Margin is determined on a quarterly basis based on the type of loan and historical excess availability under the Revolving Credit Facility.

Interest is payable quarterly in arrears in respect of Base Rate Loans and Canadian Prime Rate Loans and on the last date of each interest period (which may be, at the Borrower's option, one, three, six, or if approved by the lenders, twelve months) or in three month intervals, where the interest period is in excess of three months, in respect of LIBOR Loans and CDOR Loans, in each case subject to a requirement to pay accrued interest in connection with certain repayments of applicable loans or at maturity.

In addition to paying interest on outstanding principal under the Revolving Credit Facility, we are required to pay a commitment fee in respect of unutilized commitments and a letter of credit fee and facing fee in respect of outstanding letters of credit. These fees are payable quarterly in arrears.

Availability and repayments. Availability under the Revolving Credit Facility is governed by a conventional borrowing base calculation comprised of eligible accounts receivable, eligible inventory and cash. We are required to maintain a minimum borrowing base. Any shortfall in the borrowing base will trigger a mandatory loan repayment in the amount of the shortfall, subject to certain cure rights.

Maturity. The Revolving Credit Facility has a maturity date of November 30, 2023.

Guarantees and security. All obligations under the Revolving Credit Facility are jointly and severally guaranteed by Algoma Steel Intermediate Holdings Inc. and each Algoma Steel Inc.'s restricted subsidiaries (subject to certain exceptions) on a secured basis.

By way of pledge agreements separate from the Revolving Credit Facility agreement, Algoma Steel Inc. and Algoma Steel Intermediate Holdings Inc. have pledged certain collateral as continuing collateral security for the obligations, including all tangible and intangible personal property and all proceeds therefrom, all trademarks, goodwill, and proceeds therefrom, and our registered patents.

By way of security agreements separate from the Revolving Credit Facility agreement, Algoma Steel Inc. and Algoma Steel Intermediate Holdings Inc. have each granted a security interest to the RCF Agent for the benefit of the secured parties over the collateral.

Certain covenants and events of default. The Revolving Credit Facility contains covenants that, among other things, restrict, subject to certain exceptions, our ability to:

- incur liens;
- engage in mergers, consolidations or amalgamations;
- make certain investments or acquisitions;
- make certain restricted payments, including the payment of dividends, the repurchase of our capital stock, and the repayment of junior indebtedness prior to maturity;
- incur additional indebtedness;
- engage in certain transactions with our affiliates;
- amend or modify certain indebtedness;
- sell or transfer assets;
- in the case of Algoma Steel Intermediate Holdings Inc., engage in any material business or operations; and
- make changes to our defined benefit pension plans.

In addition, if availability under the Revolving Credit Facility falls below a specified threshold, we are required to maintain compliance with a springing minimum fixed charge coverage ratio test of 1.00:1.00.

The Revolving Credit Facility also contains certain customary affirmative covenants and events of default, including an event of default upon the occurrence of a change of control.

Secured Term Loan Facility

Algoma Steel Inc. is the borrower under a $285 million secured term loan facility (the "Secured Term Loan Facility") made available pursuant to a term loan credit agreement dated November 30, 2018 among Algoma Steel Inc., as borrower, Algoma Steel Intermediate Holdings Inc. and certain subsidiaries of Algoma Steel Inc., as guarantors, Cortland Capital Market Services LLC, as administrative agent and collateral agent (the "Term Agent"), and the lenders party thereto from time to time. The maturity date of the Secured Term Loan Facility is November 30, 2025. The collateral under the Secured Term Loan Facility includes all property (whether real or personal) with respect to which any security interests have been granted (or purported to be granted) pursuant to any Security Document (as defined in the Secured Term Loan Facility), which includes certain future property that may be acquired.

The Secured Term Loan Facility was fully advanced to Algoma Steel Inc. on November 30, 2018. As at March 31, 2021, the aggregate principal amount outstanding under the Secured Term Loan Facility was $304 million (C$378 million) after giving effect to principal repayments and the payment of interest in kind and added to the principal outstanding amount.

Algoma Docks Secured Term Loan Facility

Algoma Docks LP ("Algoma Docks"), a wholly-owned subsidiary of Algoma Steel Inc., is the borrower under a $73.0 million term loan facility (the "Algoma Docks Term Loan Facility") made available pursuant to a senior secured term loan credit agreement dated November 30, 2018 among Algoma Docks, as borrower, Algoma Docks GP Inc. ("Algoma Docks GP"), Algoma Steel Inc., as guarantor, Cortland Capital Market Services LLC, as administrative agent and collateral agent, and the investors party thereto from time to time. The maturity date of the Algoma Docks Term Loan Facility is May 30, 2025. The Algoma Docks Term Loan Facility is secured by a first priority security interest in all present and future real and personal property of Algoma Docks and a pledge of all equity interests held by us in Algoma Docks.

The Algoma Docks Term Loan Facility was fully advanced to Algoma Docks on November 30, 2018. As at March 31, 2021, the aggregate principal amount outstanding under the Algoma Docks Term Loan Facility was $62.5 million (C$76 million). The Algoma Docks Term Loan bears interest at a rate of LIBOR plus 5.00% per annum.

Federal AMF Loan

Algoma Steel Inc. is the recipient of an interest-free loan through the Advanced Manufacturing Fund of the Federal Economic Development Agency (the "Federal AMF Loan") pursuant to an amended and restated contribution agreement dated as of December 19, 2018 among Algoma Steel Inc., as borrower, Algoma Steel Intermediate Holdings Inc. and Algoma USA, as guarantors, and Her Majesty the Queen in Right of Canada as represented by the Minister responsible for the Federal Economic Development Agency for Southern Ontario (the "Federal Lender").

Under the Federal AMF Loan, Algoma Steel Inc. is reimbursed for certain eligible capital expenditures made between October 1, 2014 and March 31, 2021 (including eligible expenditures made by Old Steelco) in respect of Algoma Steel Inc.'s modernization project (as defined in the Federal AMF Loan, the "Project"). The amount to be advanced to Algoma Steel Inc. under the Federal AMF Loan is the lesser of (i) 50% of eligible capital expenditures, and (ii) $60 million.

As at March 31, 2021, the full C$60 million of funding under the Federal AMF Loan has been advanced to Algoma Steel Inc.

Interest rate and fees. The Federal AMF Loan is a non-interest bearing loan. Any overdue amounts will accrue interest in accordance with the *Interest and Administrative Charges Regulations* (Canada) in effect on the due date, compounded monthly.

Repayments. Algoma Steel Inc. is required to repay the loan in equal monthly instalments of C$833,000 beginning on April 1, 2022, with the final instalment payable on March 1, 2028. Algoma Steel Inc. may at any time make prepayments on account of repayment instalments, without premium or penalty.

Guarantees and security. Algoma Steel Intermediate Holdings Inc. and Algoma USA, as guarantors, provided an absolute and unconditional guarantee to the Federal Lender of all of Algoma Steel Inc.'s obligations under the Federal AMF Loan.

The obligations under the Federal AMF Loan are secured against substantially the same collateral as the Revolving Credit Facility, on a third priority basis (pari passu with the Provincial Loan).

Certain covenants and events of default. The Federal AMF Loan contains affirmative and negative covenants related to the Project. Algoma Steel Inc. is required to make capital expenditures of not less than C$600 million under its capital investment plan between October 1, 2014 and March 31, 2023 (including eligible expenditures made by Old Steelco), comply with Project related reporting obligations and complete the Project as described in the statement of work provided in the Federal AMF Loan.

The Federal AMF Loan contains negative covenants that are generally consistent with the negative covenants in the Revolving Credit Facility and the Secured Term Loan Facility and currently incorporates by reference certain affirmative and negative covenants and the "change of control" default from the Secured Term Loan Facility.

The Federal AMF Loan also contains certain customary affirmative covenants and contains customary events of default.

Provincial Loan

Algoma Steel Inc. is the borrower under a loan from the Ministry of Energy, Northern Development and Mines (the "Provincial Loan") pursuant to a credit agreement dated as of November 30, 2018 between Algoma Steel Inc., as borrower and Her Majesty the Queen in Right of Ontario as represented by the Minister of Energy, Northern Development and Mines, as lender (the "Provincial Lender").

Under the Provincial Loan, Algoma Steel Inc. receives advances equal to 50% of eligible capital expenditures incurred between April 1, 2017 and November 30, 2024 (including eligible expenditures made by Old Steelco), subject to an aggregate advance limit of C$60 million. As at March 31, 2021, the full C$60 million of funding under the Provincial Loan has been advanced to Algoma Steel Inc.

Interest rate. Advances under the Provincial Loan bear interest at an interest rate equal to the greater of (i) 2.5% per annum, and (ii) the lender's cost of funds for a ten-year non-amortizing bond, in each case calculated and compounded monthly. Since December 1, 2019, the applicable interest rate under the Provincial Loan has been 2.5% per annum.

Repayments. Algoma Steel Inc. is required to repay the loan in monthly blended payments of principal and interest beginning on December 31, 2024 and ending on November 30, 2028. The Provincial Loan matures on November 30, 2028.

Algoma Steel Inc. is also required to make a partial repayment of the Provincial Loan, determined pursuant to a formula set out in the Provincial Loan, if it does not maintain prescribed employment levels at its Sault Ste. Marie facility through March 31, 2024, and if Algoma Steel Inc. receives funds from other sources for the specified project in amounts greater than specified in the budget provided to the lender.

Algoma Steel Inc. may prepay, without penalty or bonus, amounts outstanding under the Provincial Loan.

Guarantees and security. Algoma Steel Intermediate Holdings Inc. and Algoma USA, as guarantors, provided an absolute and unconditional guarantee of all of Algoma Steel Inc.'s obligations under the Provincial Loan.

The obligations under the Provincial Loan are secured against substantially the same collateral as the Revolving Credit Facility, on a third priority basis (pari passu with the Federal AMF Loan).

Certain covenants and events of default. The Provincial Loan contains affirmative and negative covenants related to applicable capital projects. Among other covenants, Algoma Steel Inc. is required to make capital expenditures of not less than C$600 million under its capital investment plan between October 1, 2014 and March 31, 2023 (including eligible expenditures made by Old Steelco), meet certain job targets and refrain from making material changes to the project.

The Provincial Loan contains negative covenants that are generally consistent with the negative covenants in the Revolving Credit Facility and the Secured Term Loan Facility and currently incorporates by reference certain affirmative and negative covenants and the "change of control" default from the Secured Term Loan Facility.

The Provincial Loan also contains certain customary affirmative covenants.

The Provincial Loan also contains customary events of default, including an event of default if Algoma Steel Inc. abandons any project funded by the Provincial Loan prior to its completion.

Federal SIF Loan

Algoma Steel Inc. is the recipient of funding through the Government of Canada's Strategic Innovation Fund pursuant to an agreement dated as of March 29, 2019 (the "Federal SIF Agreement") among Algoma Steel Inc., as recipient, Algoma Steel Intermediate Holdings Inc., as guarantor, and Her Majesty the Queen in Right of Canada as represented by the Minister of Industry.

Under the Federal SIF Agreement, Algoma Steel Inc. receives contributions equal to 44.76% of eligible costs incurred between November 1, 2018 and May 1, 2021 associated with a project involving the adoption of new equipment to improve operations and production (the "SIF Project"), subject to an aggregate contribution limit of C$30 million. As at March 31, 2021, C$27 million of funding under the Federal SIF Agreement has been advanced to Algoma Steel Inc.

Algoma Steel Inc. is required to repay C$15.0 million of the funding received under the Federal SIF Agreement (the "Federal SIF Loan") pursuant to the Federal SIF Agreement. The remaining C$15.0 million received under the Federal SIF Agreement is not subject to repayment and has been treated as a grant for accounting purposes.

Interest rate. The Federal SIF Loan is a non-interest bearing loan. Interest is payable on any overdue payments, calculated and payable at the Bank Rate (as defined in the *Interest and Administrative Charges Regulations* (Canada) in effect on the due date plus 3.0%, compounded monthly.

Repayments. Algoma Steel Inc. is required to repay the Federal SIF Loan in equal annual payments of C$1,875,000 beginning on April 30, 2024 and ending on April 30, 2031. Algoma Steel Inc. may prepay any portion of the Federal SIF Loan at any time without premium or penalty.

Guarantees and security. The obligations of Algoma Steel Inc. under the Federal SIF Agreement are guaranteed by Algoma Steel Intermediate Holdings Inc. on an unsecured basis.

Certain covenants and events of default. The Federal SIF Agreement contains limited covenants related to, among other things, the SIF Project, the maintenance of employment levels, the reduction of greenhouse gas emissions, research and development spending, capital expenditures, collaborations with academic organizations, employee training, gender equality and diversity, and related reporting.

The Federal SIF Agreement contains covenants that, among other things, restrict, subject to certain exceptions, the ability of Algoma Steel Inc. to:

- sell, transfer or dispose of SIF Project assets the cost of which has been contributed to by the federal Minister of Industry under the Federal SIF Agreement;
- pay dividends or other shareholder distributions; and
- license intellectual property relating to the SIF Project or to utilize such intellectual property outside of Canada.

The Federal SIF Agreement also contains customary events of default, including the occurrence of a change of control without the prior written consent of the federal Minister of Industry.

Green Steel Funding

On July 5, 2021, Algoma announced that the Government of Canada has, subject to final documentation, committed up to C$420 million in financial support for Algoma's proposed EAF transformation. The C$420 million of financial support consists of (i) the SIF Funding, a loan of up to C$200 million from the Innovation Science and Economic Development Canada's Strategic Innovation Fund and (ii) the CIB Funding, a loan of up to C$220 million from the Canada Infrastructure Bank. It is currently expected that the CIB Funding will be a low-interest loan on commercial terms and that annual repayment of the SIF Funding will be scalable based on Algoma's GHG performance. The Green Steel Funding is subject to, and contingent on, the negotiation of definitive documentation.

Industry Overview

Macroeconomic Outlook. We believe steel consumption in North America is highly correlated to the macroeconomic state of the broader economy and growth in the construction and manufacturing sectors. According to the Bureau of Economic Analysis of the U.S. Department of Commerce, U.S. GDP increased at an annual rate of 4.3% in the fourth quarter of calendar year 2020, while in the third quarter, U.S. GDP increased 33.4%. The increase in real U.S. GDP reflects increases in exports, nonresidential fixed investment, personal consumption expenditures, residential fixed investment and private inventory investment, that were partly offset by decreases in state and local government spending as well as federal government spending.

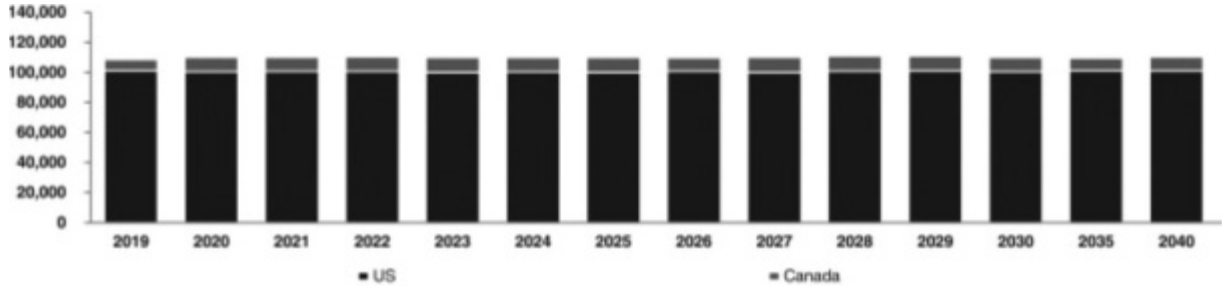
The International Monetary Fund ("IMF") further predicts that global GDP growth will be 3.4% in 2021. Similarly, the Purchasing Managers' Index ("PMI"), a barometer of manufacturing activity, registered 60.8% in February 2021, an increase of 2.1 percentage points from January. This figure indicates an expansion in the overall economy for the ninth consecutive month after a contraction in March, April and May 2020.

The steel product manufacturing market is driven by stable economic growth, which in turn increases investments in the end user markets. The sheet and plate portions of the steel industry, both of which we offer products in, are benefiting from this growth. Governments globally are increasingly spending on infrastructure projects that stimulate the demand for steel. Canada, for instance, has announced infrastructure investments of more than C$180 billion over a span of 12 years, and the Biden Administration recently announced its American Jobs Plan, which if passed would invest approximately $2 trillion in infrastructure in the United States this decade. This increased infrastructure spending is expected to drive the demand for steel and contribute to the growth of the steel market going forward.

Demand Dynamics. In the three month period ended March 31, 2021, U.S. steel mills produced 73.8 million tons of steel, a 18.3% decrease compared to the 90.3 million tons produced during the same period in 2019. This decline in production was a result of COVID-19 and the timing related to domestic supply and imports returning to the North American marketplace. Demand has rebounded alongside prices. The strong rebound is attributed to the recovery from the negative impact caused by COVID-19, along with unprecedented government stimulus around the world.

North American steel demand is expected to return to 2019 levels in 2023 due to better prospects for infrastructure and spending on durable goods. There are a number of encouraging demand signals for steel products generally, including as a result of the Biden Administration's American Jobs Plan, which if passed would invest approximately $2 trillion in infrastructure in the United States this decade, including through increased spending on roads, bridges, rail, ports, airports, and transit systems. Demand from the energy industry is expected to remain strong, amid an increasing transition to renewable energy sources such as wind and solar power, where steel is a key material.

Regional Finished Product Demand, 000 tons

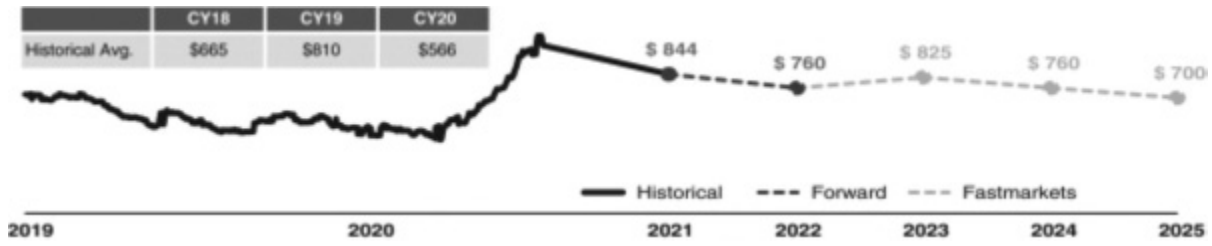


Source: Fastmarkets.

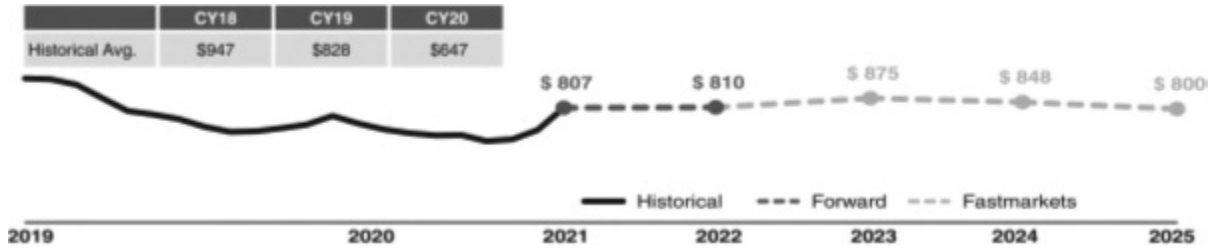
Steel Pricing. In addition to movements in supply and demand, our business is impacted by movements in steel pricing. Steel prices are impacted by a number of factors, including raw material costs, capacity utilization and foreign imports. Increasing steel demand and limited new capacity has led to a rebound in North American utilization. Since reaching a trough at approximately 34% utilization during the period from December 2008 through January 2009, North American capacity utilization rates have significantly improved, averaging approximately 78% in January of 2021. While Canadian demand is expected to be stable, capacity is projected to increase by approximately 500,000 tons due to infrastructure improvements. Our capacity utilization has averaged 91% between 2017 and 2019.

U.S. hot-rolled coil prices improved in the final months of 2020 with domestic spot prices exceeding $1,000 per ton, marking their highest level in 12 years. The increase in steel prices comes as mills have struggled to keep up with demand after end-users restarted their operations following the global pandemic. At the same time, rising raw material costs further place upward pressure on steel pricing. The uptrend for steel prices for the first quarter of 2021 continued higher, with U.S. average monthly hot-rolled coil prices increasing to $1,055 per ton in February, up 25.8% since the prior month, and up 141% since the beginning of August 2020 when CRU index hit a low of $437 per short ton. Prices are more volatile in the United States compared to Europe due to the U.S.-China trade war.

Hot Rolled Coil Prices – Historical & Forward Curve ($/ton)



Hot Rolled Plate Prices – Historical & Forward Curve ($/ton)



Source: Bloomberg, Fastmarkets.

Industry Consolidation. The outlook for the North American steel sector has also improved as a result of recent consolidation in the sector. In December 2019, for example, iron ore producer Cliffs announced its acquisition of AK Steel for $1.1 billion. Cliffs later acquired most of steelmaker ArcelorMittal USA in December of 2020 for $1.4 billion. In January 2021, U.S. Steel completed the acquisition of the remaining equity of Arkansas-based Big River Steel for approximately $774 million. Over the last several years, the steel industry has undergone significant consolidation. As one of the largest Canadian steel producers, we believe that future industry consolidation will provide our Company with competitive opportunities and paths for growth.

Products

Sheet Steel: Our flat/sheet steel products include a wide variety of widths, gauges, and grades, and are available unprocessed and with value-added processing such as temper rolling, cold rolled in both full-hard and annealed, hot-rolled pickled and oiled products, floor plate and cut-to-length products. The primary end-users of our flat/sheet products are the automotive industry, hollow structural product manufacturers and the light manufacturing and transportation industries. For the last five years, sheet steel products have represented approximately 85% of our total steel shipment volumes. Over the same period, value-added applications represented approximately 45% of total steel volume.

Plate Steel: Our plate steel products consist of various carbon-manganese, high-strength, low-alloy grades that are produced in as-rolled, hot-rolled and heat-treated. The primary end-user market of our plate products is the fabrication industry, which uses our plate products in the construction or manufacture of railcars, buildings, bridges, off-highway equipment, storage tanks, ships, armored products for military applications, large diameter pipelines and wind energy generation equipment. For the last five years, plate steel products have represented approximately 15% of our total steel shipment volumes.

Sales by Major Product Lines

Total sales, accounted for by each of our major product lines for the periods indicated below, were as follows:

	Twelve Months Ended March 31, 2021	Twelve Months Ended March 31, 2020	Twelve Months Ended March 31, 2019
		(in millions)	
Sheet & Strip	C$ 1,340.4	C$ 1,417.8	C$ 2,011.1
Plate	274.7	324.8	456.4
Freight	150.4	175.1	182.2
Non-steel sales	29.4	39.2	48.6
Total	**C$ 1,794.9**	**C$ 1,956.9**	**C$ 2,698.3**

Sales and Marketing

The principal markets for our products are steel service centers, the automotive industry, manufacturing and construction. We market our sheet and plate products direct to end-users and also through distributors in Canada and the United States. We are focused on leveraging various competitive attributes of our process and product technologies to improve market and customer segmentation. We pursue the development of applications and markets for our high strength and light gauge products to respond to application design factors. We are also focused on increasing the Company's product portfolio to include more value-added products.

As part of our strategy to increase direct sales to end users of plate products, we have reduced the percentage of products sold through service centers. However, due to the nature of the market and the customers for such products, we continue to sell through service centers.

The Company pursues a diversified market and customer strategy to manage earnings volatility in the North American steel market. It is critical that a North American steel producer provide products to customers in all sectors of the economy given the industry dynamics, strong competition and global overcapacity. Focusing on more than one commodity to one sector is key to ensuring earnings stability through the business cycle and achieving greater stability in economic downturns. The Company believes it has strong customer loyalty which helps it to manage through the volatility of the steel pricing cycle.

The distribution of total steel shipments by principal markets for the periods indicated below, was as follows:

Total North American Finished Steel Shipments by Major Markets

	April 1, 2020 to March 31, 2021		April 1, 2019 to March 31, 2020		April 1, 2018 to March 31, 2019	
	Tons (in thousands)	%	Tons (in thousands)	%	Tons (in thousands)	%
Steel service center[1]	1,092,000	52	1,012,000	22	1,091,000	45
Automotive (direct and indirect)	636,000	30	847,000	36	861,000	35
Manufacturing & Construction	199,000	9	246,000	11	291,000	12
Tubular and other	175,000	8	206,000	9	193,000	8
Total	2,102,000	100	2,311,000	100	2,436,000	100

(1) We believe that our shipments to service centers were predominantly resold to the automotive and the fabricating and manufacturing sectors, which have historically been the sectors that absorb the most finished steel.

Facilities

We are an integrated steelmaker in that we produce coke from coal, convert iron ore to iron, iron to liquid steel and produce finished and semi-finished steel products. Our production facilities, all of which are located in Sault Ste. Marie, include the following:

- three coke batteries;
- two blast furnaces (one currently idle);
- basic oxygen steelmaking shop consisting of two vessels and secondary steel refining facilities;
- DSPC with twin strand thin slab caster coupled with roughing and finishing hot mill;
- twin strand conventional slab caster;
- combination hot rolling mill capable of switching between plate and sheet products;
- plate heat treat facilities and plate finishing facilities; and
- downstream finishing operations consisting of pickling, cold rolling, annealing and tempering, sheet slitting, and cut to length facilities.

The following table sets forth the "nameplate" annual production capacity in tons and actual production for certain of our facilities for the periods indicated:

		Actual Production		
Annual Production Process Line	Capacity (NT)	Fiscal 2021	Annual Production Process Line	Capacity (NT)
Coke Batteries No. 7, No. 8 and No. 9	900,000	801,717	830,882	765,199
Blast Furnace No. 7	2,690,000	2,069,943	2,010,295	2,450,734
Blast Furnace No. 6	1,000,000	—	—	—
Basic Oxygen Furnace (BOF)	3,600,000	2,322,106	2,508,871	2,727,207
Direct Strip Production Complex	2,300,000	1,627,446	1,796,450	1,890,436
Slab Caster	2,000,000	618,963	625,476	742,150
106" Strip Mill	460,000	243,539	309,656	337,445
166" Plate Mill	400,000	356,313	369,627	432,865
Heat Treat	320,000	169,909	131,246	174,775
100" Pickler	800,000	528,139	566,041	667,306
80" Cold Reduction Mill	350,000	158,310	155,430	147,923
80" Temper/Skinpass Mill	800,000	516,874	602,381	692,032
Batch Annealing	250,000	130,293	140,846	146,007

Raw materials and energy

Iron ore

Our largest input cost in the steel-making process is iron ore, which we purchase under our supply contracts with Cliffs and U.S. Steel.

Our iron ore needs of 3.5 million tons are satisfied by our contracts with Cliffs and U.S. Steel. The Cliffs iron ore purchase contract was first negotiated in 2002 and has been amended and extended on a number of occasions. Our current contract, dated May 31, 2013 provides for the supply of iron ore through 2024.

In 2020, the Company secured a long term iron ore purchase contract with U.S. Steel for the supply of the Company's remaining tonnage requirement. The U.S. Steel contract, dated May 13, 2020, provides for the supply of iron ore through 2025. The Company believes that having a second competitive supply arrangement for this critical raw material will help mitigate the Company's supply risks for iron ore.

Taken together, the Company's agreements with Cliffs and U.S. Steel ensure supply of iron ore pellets through the close of the 2024 shipping season.

Coal

The Company's procurement team has worked with the operations team to develop a desired coal mix with reduced total volatile matter to produce more coke, which is stronger, creating less degradation and less gas. Coal is sourced from mines in Central Appalachia. Annual contracts have been set up with four suppliers which are incumbents for the past several years.

Coke

Our internal coke batteries produce the majority of our coke requirements for the Blast Furnace No. 7. Additional coke is purchased as required under contract or from the spot market.

Other raw materials

We purchase limestone, alloys and other raw materials for our manufacturing operation at what we believe to be competitive prices. We generate half of our scrap requirements internally and the balance is purchased from third parties, primarily from regional sources where we have a pricing advantage over other markets due to our proximity to the suppliers.

Energy

We purchase all of our natural gas from independent suppliers at market pricing. From time to time, we may use forward contracts over three- to twelve-month periods, mainly for peak winter months (January through March) to manage exposure to natural gas price changes. Currently, we do not have any fixed price natural gas commodity contracts in place. We do have fixed price contracts in place in relation to natural gas transportation.

The Company sources approximately 50-60% of its electricity needs internally and under a supply agreement with the operator of a low-cost cogeneration facility. We also obtain electricity from the Independent Electricity System Operator in Ontario and obtain electricity rebates under the Northern Industrial Electricity Rate program.

Oxygen is supplied by Praxair Canada Inc. through a supply agreement that extends to mid-2026.

Environment

The Company's environmental policy is to conduct our business in a manner that ensures the Company and its personnel act reasonably and responsibly with respect to the protection of the environment. Where appropriate, we have introduced environmental accountability to all employees. Activities that may have an impact on the natural environment have been identified and managed through the implementation of our ISO14001 compliant environmental management system. Our Environment Department regularly reviews and audits our operating practices to monitor compliance with our environmental policies and legal requirements.

The Company is required to comply with a stringent and evolving body of federal, provincial and local environmental laws concerned with, among other things, emissions into the air, carbon and greenhouse gas emissions, discharges to surface and ground water, the investigation and remediation of contaminated property, noise and odor control, waste management, recycling and disposal. Significant expenditures could be required for compliance with current or future laws or regulations relating to environmental compliance and remediation.

In the United States and Canada, certain environmental laws and regulations impose joint and several liabilities on certain classes of persons for the costs of investigation and remediation of contaminated properties. Liability may attach regardless of fault or the legality of the original management or disposal of the substance or waste. Some of our current and former facilities have been in operation for many years and, over such time, have used substances and disposed of wastes that may require investigation and remediation. The Company could be liable for the costs of such investigations and remediation. Costs for any remediation of contamination, on or off site, whether known or not yet discovered, or to address other issues relating to waste disposal, mine closure, emissions into the air or water, or the storage of materials, could be substantial and could have an adverse effect on our operating results.

The LEAP was developed in accordance with the Framework Agreement Concerning Environmental Issues that was signed by the MECP and the Company in connection with the Company's acquisition of substantially all of the operating assets and liabilities of Old Steelco concerning legacy environmental issues at the Company's site in Sault Ste. Marie, Ontario (the "Site"). The MECP provided a full environmental release in favor of the Company and its current and future directors and officers from any obligations under applicable environmental laws relating to legacy environmental contamination at the Site. The release was provided in consideration for the Company implementing the LEAP environmental management plan, maintained and funded by the Company, with the objectives of identifying, assessing, managing and mitigating off-Site adverse environmental effects caused by legacy environmental contamination at the Site. The LEAP Emergency Financial Assistance program requires a fixed annual amount of C$4.4 million from calendar years 2021 to 2023 inclusive and C$3.8 million thereafter until 2040 to either be invested in MECP approved LEAP activities or added to the existing C$10.7 million LEAP financial assurance provided to MECP at the end of each calendar year.

The Company is required by an agreement with the Ministry of Energy, Northern Development and Mines (the "ENDM") to fund a financial assurance associated with a mine closure at the former MacLeod Mine operations in Wawa, Ontario and other former mine properties. The amended agreement requires payment be made to the ENDM on April 1 and October 1 of each year. The amount for calendar years 2021 to 2023 inclusive is C$333,333, after which the amount reduces to C$250,000 until 2039. The agreement also requires that the Company provide, handle, blend and load any and all alkaline fill material required for the rehabilitation of certain mine properties (estimated at 114,000 tons), when directed by ENDM, at any time following reasonable advance written notice during the term of the agreement.

Pursuant to an Environmental Compliance Approval issued by the Ontario Ministry of Environment and Climate Change, we are required to install, within ten months after start up, certain equipment in the Blast Furnace No. 6 to reduce casthouse emissions. The cost of this equipment and its installation is currently estimated at approximately C$18.0 million. The actual cost of the equipment and its installation could vary significantly due to cost escalation, design changes, regulatory policies or other factors. In addition, the tightening of air emissions standards in Ontario for our blast furnace and cokemaking operations could result in significant costs for additional pollution controls or other equipment or operational changes. The foregoing costs would not be incurred until Blast Furnace No. 6, which is currently idled, is restarted.

Pursuant to an Environmental Compliance Approval issued by the Ontario Ministry of Environment and Climate Change, the Company is required to apply technology or process changes to mitigate noise levels from identified sources within the Sault Ste. Marie operations. It is estimated that the capital cost associated with the noise abatement plan is approximately C$4.0 million to be completed by 2023.

We provided financial assurance of C$3.6 million to the Province of Ontario in the form of a letter of credit for reclamation of the landfill site at our facility in Sault Ste. Marie, Ontario. The Province of Ontario may request further financial assurances of the Company for other close-out obligations or known or suspected contamination, particularly if it becomes concerned about the Company's ongoing financial viability. No assurance can be given that unforeseen changes, such as new laws or stricter enforcement policies, or a critical incident at one of our facilities, will not have a material adverse effect on our business, estimated capital or operating costs, financial position, or financial performance. Accordingly, we may be required to give additional financial assurances to the Province of Ontario.

The Company is currently subject to the Canadian federal Output-Based Pricing System ("OBPS Program") for GHG emissions, which requires payment by April 15, 2021 for any emissions above the OBPS Program benchmarks for emissions relating to the 2019 calendar year, which payment is approximately C$7.49 million. Compliance obligations for the 2020 calendar year are due by November 15, 2021 and have yet to be verified. A regulatory transition is currently underway to transition from the federal OBPS Program to the Ontario Emissions Performance Program ("EPS Program") for GHG emitters in Ontario. Details of the timeline for the transition and future compliance obligations are currently under development. See "Risk Factors – *Increased regulation associated with climate change and greenhouse gas emissions could impose significant additional costs on our operations*."

The Company is required to implement plans and measures to reduce the amount of sulphur dioxide emitted from the combustion of coke oven gas by-product in accordance with the Notice issued under subsection 56(1) of CEPA. The target date for desulphurization of coke oven gas is January 1, 2026. The Company currently estimates that it will

cost approximately C$60 million to comply with the Notice. See "Risk Factors – *Environmental compliance and site remediation obligations could result in substantially increased costs and could materially adversely affect our competitive position*."

On October 18, 2019, there was a rupture of a steam drain line which was located below an electrical room in our cokemaking BP, which resulted in a loss of power to the BP. In accordance with our emergency procedures, the coke oven gas bleeders were lit to flare the coke oven gas. Additionally, the loss of power caused the cokemaking south raw liquor tank and the tar running tanks to overflow. Raw liquor was conveyed to the MWFP via a sewer located in the BP. This resulted in effluent exceedances at the MWFP for phenol, ammonia and total cyanide and a toxicity failure for rainbow trout. The incident remains under investigation by MECP.

The Company is subject to an order from the MECP, which requires vapor collection and air pollution control devices to be installed on four sources by December 31, 2021 for the purpose of reducing benzene emissions from the site.

Information systems

Our information technology landscape supports a high level of business automation across three distinct segments of business processes: management decision systems, manufacturing execution/scheduling systems and process control systems. Our management decision systems, including the full order-to-cash cycle, are running on the SAP (Windows/Oracle) platform. Our manufacturing execution/scheduling systems run on the IBM mainframe environment. Our process control systems run on Windows, Vax, and Honeywell environments. Our infrastructure includes a LAN/WAN data network, desk/mobile phone services, approximately 100 servers, approximately 1400 PCs and two main datacenters (SAP at the Sault Ste. Marie, ON and Mainframe at Markham, ON). Daily incremental and full back-ups to disk and tape, including offsite replication and storage, are created for disaster recovery purposes.

Employees

The Company has 2,677 full-time employees as of March 31, 2021, of which approximately 95% are represented by two locals of the USW: Local 2251, which represents hourly employees, and Local 2724, which represents salaried employees. The Company's collective bargaining agreements with Local 2251 and 2724 were amended in connection with the Purchase Transaction and have terms extending to July 31, 2022.

The provisions of the collective bargaining agreements with Locals 2251 and 2724 are generally similar. Both collective bargaining agreements provide for the establishment of a Joint Steering Committee (''JSC'') whose mandate includes ensuring that changes that are implemented in the workplace will achieve the objectives agreed to in the strategic plan set by the board of directors. Further, the JSC is mandated to work with the Company's President and Chief Executive Officer and senior management on business matters generally and in particular with respect to the achievement of goals in our strategic plan, annual business plans and other general business goals and objectives.

We believe our management has built a constructive relationship with the USW and has successfully renegotiated its collective bargaining agreements over the last 30 years. Labor relations have been further strengthened through the success of a profit sharing plan that has provided substantial additional compensation to our employees.

Enterprise risk management

The Company employs an enterprise risk management ("ERM") process to coordinate risk management among departments to manage the organization's full range of risks as a whole. ERM offers a framework for effectively managing uncertainty, responding to risk and harnessing opportunities as they arise.

Competition

There has been a substantial increase in global steel capacity, particularly in China, which has become the largest producer and consumer of steel in the world. In addition, there has been consolidation of global steel producers and the emergence of China as an industry leader with global capacity exceeding 500 million metric tons. A significant slowdown in domestic Chinese growth and/or increases in capacity that exceed consumption rates in China could result

in surplus steel being exported to world markets. In addition, an economic downturn that affects demand for our products or an increase in the strength of the U.S. dollar or Canadian dollar relative to other currencies could increase imports. It is, therefore, possible that more unfairly priced imports could enter the North American markets at a future date, which could result in domestic price erosion, which would adversely affect our ability to compete, or generate revenue and reduce profitability.

We compete with numerous foreign and domestic steel producers, primarily from integrated producers, like ourselves, as well as EAF producers. We primarily compete with other steel producers based on the delivered price of finished steel products to customers. EAF producers typically require lower capital expenditures for construction and maintenance of facilities, and may have lower total employment costs. However, these competitive advantages may be reduced or eliminated when scrap prices are high.

Although freight costs for steel can often make it uneconomic for distant steel producers to compete with us, to the extent that they have lower cost of sales resulting from lower labor, raw material or energy costs or from government subsidies, they may be able to successfully compete. Although we are continually striving to improve our operating costs, we may not be successful in achieving labor, raw material and energy cost improvements or gaining operating efficiencies that may be necessary to remain competitive on a global scale.

Our competitive position is positively affected by lower transportation costs than those of other Canadian producers. Our position on the Great Lakes provides us with access to lower cost modes of transportation for our inbound raw materials and outbound steel products. Approximately 70% of our customers are located within a 500-mile radius of our facility in key steel consuming regions of the Midwest and Northeast United States and southern Ontario, allowing us to service our customers at competitive costs. In accordance with common industry practice, we may from time to time assume additional shipping costs when selling outside of our local geographic area in order to provide competitive pricing.

Trade

Our business has historically been affected by “dumping” – the selling of steel into Canadian or U.S. markets at prices below cost or below the price prevailing in a foreign company’s domestic market. Dumping may result in injury to steel producers in Canada or the U.S. in the form of suppressed prices, lost sales, lower profits and reductions in production, employment levels and the ability to raise capital. Some foreign steel producers are owned, controlled or subsidized by foreign governments. Decisions by these foreign producers to continue production at marginal facilities may be influenced to a greater degree by political and economic policy considerations than by prevailing market conditions and may further contribute to excess global capacity. Although trade legislation to limit dumping has had some success, it may be inadequate to prevent future unfair import pricing practices which individually or collectively could materially adversely affect our business. If Canadian or U.S. trade laws are weakened, an increase in the market share of imports into the U.S. and Canada may occur, which would have a material adverse effect on our business and financial performance.

There remains in place anti-dumping findings covering imports of (i) hot rolled sheet into Canada from Brazil, China, India and Ukraine and into the United States from Russia, China, India, Indonesia, Taiwan, Thailand, Ukraine, Australia, Japan, South Korea, Netherlands, Turkey and United Kingdom, among other countries, (ii) cold rolled sheet into Canada from China, South Korea and Vietnam and into the United States from Brazil, China, India, Japan, South Korea and United Kingdom, and (iii) hot rolled plate into Canada from China, Ukraine, Bulgaria, Czech Republic, Romania, South Korea, Italy, Brazil, Japan, Denmark, Indonesia, Taiwan and Germany and into the United States from China, Russia, Ukraine, India, Indonesia, South Korea, Austria, Belgium, Brazil, France, Germany, Italy, Japan, South Africa, Taiwan, and Turkey.

New trade cases in other jurisdictions are being considered to cover such exports. This and the potential for such exports to continue to displace hot rolled sheet product exports from other countries in markets worldwide may result in large quantities of hot rolled sheet products being exported into Canada and United States. The Company will continue to monitor imports of competing steel products into its customer markets and take appropriate action, including filing complaints, where such actions are warranted.

Properties

Our production facility is located on the St. Mary's River adjacent to other industrial facilities in Sault Ste. Marie, Ontario. It is on 686 hectares of land, much of which is available for expansion. Transportation services are provided by road, rail and water. Our facilities include raw material and commercial docks and we operate the only deep-water dock on the upper St. Mary's River, at Leigh's Bay.

Legal proceedings

There are no legal proceedings involving a material amount outstanding against us or our subsidiaries. We have various litigation matters pending that have arisen out of the ordinary course of our business. In the opinion of our management, the ultimate resolution of these matters will not have a material adverse effect on our financial position.

SELECTED HISTORICAL FINANCIAL DATA OF LEGATO

Legato is providing the following selected historical financial information to assist you in your analysis of the financial aspects of the Merger.

The historical financial statements of Legato have been prepared in accordance with U.S. GAAP.

Legato's balance sheet data as of March 31, 2021 reflects the consummation of Legato's IPO on January 22, 2021 (including the underwriters' overallotment exercise).

The information is only a summary and should be read in conjunction with Legato's consolidated financial statements and related notes and "*Legato's Management's Discussion and Analysis of Financial Condition and Results of Operations*" contained elsewhere in this proxy statement/prospectus. The historical results included below and elsewhere in this proxy statement/prospectus are not indicative of the future performance of Legato.

Legato's Selected Financial Information.

A total of $235,750,000 of the net proceeds from the sale of the Units, the Over-Allotment Units and the Private Units was placed in the Trust Account.

	As of March 31, 2021	As of December 31, 2020
Balance Sheet Data:		
Total current assets	$ 677,866	$ 3,790
Cash and Marketable Securities held in Trust Account	$ 235,787,065	—
Deferred Offering Costs	—	$ 103,254
Total assets	$ 236,464,931	$ 107,044
Total current liabilities	$ 47,236	$ 81,836
Warrant liability	$ 301,910	$ —
Total liabilities	$ 349,146	$ 81,836
Common stock, $0.0001 par value; 60,000,000 shares authorized, 7,195,458 and 6,128,036 shares issued and outstanding (excluding 23,111,578 and 0 shares subject to possible redemption as of March 31, 2021 and December 31, 2020, respectively)[(1)]	719	613
Total stockholders' equity	$ 5,000,005	$ 25,208
Total liabilities and stockholders' equity	$ 236,464,931	$ 107,044

(1) This number includes 768,750 Founders Shares that are no longer subject to forfeiture due to the underwriter's full exercise of the over-allotment option

	For the three months ended March 31, 2021
Statement of Operations Data:	
Net Income	$ 225,523
Weighted average shares of Common Stock outstanding, basic and diluted – Public Shares	23,575,000
Basic and diluted net income per share – Public Shares	$ 0.00
Weighted average shares of Common Stock outstanding, basic and diluted – Founders Shares[(1)]	5,923,036
Basic and diluted net income per share – Founders Shares	$ 0.03
Statement of Cash Flows Data:	
Net cash used in operating activities	$ (367,568)
Net cash used in investing activities	$ (235,750,000)
Net cash provided by financing activities	$ 236,601,271
Supplemental disclosure of non-cash financing activities:	
Change in value of Common Stock subject to possible redemption	$ 31,001,080

(1) This number includes 768,750 Founders Shares that are no longer subject to forfeiture due to the underwriter's full exercise of the over-allotment option

LEGATO'S MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

References in this section to "Legato," "we," "our," "us" or "the Company" refer to Legato Merger Corp., a Delaware corporation.

We are a blank check company formed under the laws of the State of Delaware on June 26, 2020, for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses. We intend to effectuate our business combination using cash from the proceeds of the Initial Public Offering and the sale of the Private Units, our capital stock, debt or a combination of cash, stock and debt.

We expect to continue to incur significant costs in the pursuit of our acquisition plans. We cannot assure you that our plans to raise capital or to complete our initial business combination will be successful.

Results of Operations

We have neither engaged in any operations nor generated any revenues to date. Our only activities through March 31, 2021 were organizational activities, those necessary to prepare for the Initial Public Offering and, after our Initial Public Offering, identifying a target company for a business combination. We do not expect to generate any operating revenues until after the completion of our business combination, at the earliest. We generate non-operating income in the form of interest income on marketable securities held in the Trust Account. We incur expenses as a result of being a public company (for legal, financial reporting, accounting and auditing compliance), as well as for due diligence expenses.

For the three months ended March 31, 2021, we had a net income of $225,523, which consisted of operating costs of $224,437 and offering costs attributable to the private placement warrants of $15,748, offset by an unrealized gain on marketable securities held in the Trust Account of $37,066 and a change in the value of the warrant liabilities by $428,642.

Liquidity and Capital Resources

On January 22, 2021, the Company consummated the Initial Public Offering of 20,500,000 Units at $10.00 per Unit, generating gross proceeds of $205,000,000 Simultaneously with the closing of the Initial Public Offering, the Company consummated the sale of 542,500 Private Units, at a price of $10.00 per unit in a private placement to certain Founders and EBC, generating gross proceeds of $5,425,000. On January 25, 2021, the underwriters fully exercised their over-allotment option, resulting in an additional 3,075,000 Units issued for an aggregate amount of $30,750,000. In connection with the underwriters' exercise of their over-allotment option, the Company also consummated the sale of an additional 61,500 Private Units at $10.00 per unit, generating total proceeds of $615,000.

Following the Initial Public Offering and the sale of the Private Units, a total of $235,750,000 was placed in the Trust Account and we had $861,801 of cash held outside of the Trust Account, after payment of costs related to the Initial Public Offering, and available for working capital purposes. We incurred $5,210,204 in transaction costs, including $4,715,000 of underwriting fees and $495,204 of other costs.

At March 31, 2021, we had marketable securities held in the Trust Account of $235,787,065. We intend to use substantially all of the funds held in the Trust Account (excluding interest to pay taxes) to acquire a target business or businesses and to pay our expenses relating thereto. To the extent that our common stock is used, in whole or in part, as consideration to complete our business combination, the remaining proceeds held in the Trust Account as well as any other net proceeds not expended will be used as working capital to finance the operations of the target business or businesses.

As of March 31, 2021, the Company had a cash balance of approximately $487,493 outside the Trust Account and a working capital balance of $630,629, but $37,066 can be paid with interest income from investments held in the Trust Account, which includes interest income of 37,066 that is available to the Company for tax obligations (as allowed by the Underwriting Agreement). During the quarter ended March 31, 2021, the Company has not withdrawn any interest income to pay its franchise and income taxes.

Until the consummation of a business combination, the Company will be using funds held outside of the Trust Account for paying existing accounts payable, identifying and evaluating prospective acquisition candidates, performing business due diligence on prospective target businesses, traveling to and from the offices, plants or similar locations of prospective target businesses, reviewing corporate documents and material agreements of prospective target businesses, selecting the target business to acquire and structuring, negotiating and consummating the business combination. If the Company's estimates of the costs of identifying a target business, undertaking in-depth due diligence and negotiating a business combination are less than the actual amount necessary to do so, the Company may have insufficient funds available to operate its business prior to a business combination. Moreover, the Company may need to obtain additional financing either to complete a business combination or because it becomes obligated to redeem a significant number of its public shares upon completion of a business combination, in which case the Company may issue additional securities or incur debt in connection with such business combination. In order to finance transaction costs in connection with a business combination, our officers, directors and initial stockholders and their affiliates may, but are not obligated to, loan us funds as may be required. If the Company completes a business combination, the Company would repay such loaned amounts. In the event that a business combination does not close, the Company may use any funds available to it outside of the Trust Account to repay any such loaned amounts.

If the Company is unable to raise additional capital, it may be required to take additional measures to conserve liquidity, which could include, but not necessarily be limited to, suspending the pursuit of a potential transaction. The Company cannot provide any assurance that new financing will be available to it on commercially acceptable terms, if at all.

Off-Balance Sheet Arrangements

We did not have any off-balance sheet arrangements as of March 31, 2021.

Contractual Obligations

We do not have any long-term debt, capital lease obligations, operating lease obligations or long-term liabilities.

Critical Accounting Estimates

The preparation of condensed financial statements and related disclosures in conformity with accounting principles generally accepted in the United States of America requires our management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and income and expenses during the periods reported. Actual results could materially differ from those estimates. We have not identified any critical accounting policies.

Recent Accounting Standards

Our management does not believe that any recently issued, but not yet effective, accounting standards, if currently adopted, would have a material effect on our condensed financial statements.

SELECTED HISTORICAL FINANCIAL DATA OF ALGOMA

The information presented below is derived from Algoma's audited consolidated financial statements for the years ended March 31, 2021, 2020 and 2019, and the consolidated balance sheets as of March 31, 2021 and 2020, each of which is included elsewhere in this proxy statement/prospectus. The information presented below should be read alongside Algoma's consolidated financial statements and accompanying footnotes included elsewhere in this proxy statement/prospectus. You should read the following financial data together with "*Risk Factors – Risks Related to Algoma's Business*," and "*Algoma Management's Discussion and Analysis of Financial Condition and Results of Operations.*"

The following table highlights key measures of Algoma's financial condition and results of operations:

Income Statement Data[1] (in millions)	**12 Months Ended March 31, 2021**	**12 Months Ended March 31, 2020**	**Combined Results 12 Months Ended March 31, 2019**	**Successor November, 30 2018 to March 31, 2019**	**Predecessor April 1, 2018 to November 30, 2018**
Revenue	C$ 1,794.9	C$ 1,956.9	C$ 2,698.3	C$ 869.7	C$ 1,828.6
Operating expenses					
Cost of sales	C$ 1,637.7	C$ 2,037.0	C$ 2,328.1	C$ 815.5	C$ 1,512.6
Administrative and selling expenses	72.4	56.9	66.4	21.9	44.5
Impairment Reserve[2]	—	—	105.4	—	105.4
Restructuring costs[3]	—	—	20.9	—	20.9
Profit (Loss) from operations	C$ 84.8	C$ (137.0)	C$ 303.8	C$ 32.3	C$ 245.5
Other income & expenses					
Finance income	C$ (1.1)	C$ (2.6)	C$ (0.7)	C$ (0.3)	C$ (0.4)
Finance costs	68.5	63.8	139.9	20.6	119.3
Interest on pension and other post-employment benefit obligations	17.0	17.3	19.0	7.0	12.0
Foreign exchange (gain) loss	76.5	(35.3)	(15.5)	(1.8)	(13.7)
	C$ 160.9	C$ 43.2	C$ 269.0	C$ 25.5	C$ 117.2
(Loss) income before income taxes	C$ (76.1)	C$ (180.2)	C$ 34.8	C$ 6.8	C$ 28.0
Income tax (recovery) expense[4]	C$ —	C$ (4.3)	C$ (2.6)	C$ 4.1	C$ (1.5)
Net (loss) income	C$ (76.1)	C$ (175.9)	C$ 32.3	C$ 2.7	C$ 29.5

(1) Due to the Purchase Transaction, as disclosed in Note 4 to the Algoma Audited Financial Statements, the Successor acquired assets at their fair value and, as a result, amortization increased for the year ended March 31, 2020 compared to the year ended March 31, 2019 (Combined). Further, finance costs for the Successor decreased due to the settlement of debt held by the Predecessor and new debt acquired by the Successor at a lower interest rate.

(2) Represents the impairment of inventories of C$92.1 million and of intangible assets of C$13.0 million in connection with the sale of substantially all of the assets and liabilities of Essar Algoma Steel Inc.

(3) Restructuring costs include professional fees and other expenses directly related to or resulting from the reorganization process under the CCAA Proceedings.

(4) As at March 31, 2021, the Company had non-capital tax losses available of C$579.8 million; C$380.0 million expire in 2038, C$113.1 million expire in 2039 and C$86.7 million expire in 2040.

Other Financial and Operating Data	12 Months Ended March 31, 2021	12 Months Ended March 31, 2020
	(in millions)	
Balance Sheet Data (at period end):		
Cash and Cash Equivalents[(1)]	C$ 21.2	C$ 265.0
Total Assets	C$1,553.9	C$1,829.7
Total Debt	C$ 629.4	C$ 813.1
Accrued pension liability	C$ 170.1	C$ 245.0
Total liabilities	C$1,370.1	C$1,529.8
Total shareholder's equity	C$ 183.8	C$ 299.9

(1) Excludes restricted cash held to provide collateral for letters of credit and other obligations of the Company.

ALGOMA'S MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following Management Discussion and Analysis ("MD&A") contains information regarding the financial position and financial performance of Algoma Steel Group Inc. and its consolidated subsidiaries and unless the context otherwise requires, all references in this section to "Algoma," "the Company," "Successor," "we," "us," or "our" refer to Algoma Steel Group Inc. and its consolidated subsidiaries. References to "Old Steelco" or "Predecessor" are to Essar Steel Algoma Inc.

The following MD&A provides Algoma management's perspective on the financial position and financial performance of the Company and its consolidated subsidiaries for the years ended March 31, 2021 and 2020 and combined twelve month period ended March 31, 2019. As described in Note 4 to the Algoma Audited Financial Statements (as defined below), the Company purchased substantially all of the operating assets and liabilities of Old Steelco on November 30, 2018, prior to which it had no operations. It is the Company's opinion that comparing the Company's results for the years ended March 31, 2021 and 2020 to the combined results of (i) the Company for the four-month period ended March 31, 2019 together with (ii) Old Steelco's results for the eight-month period ended November 30, 2018 (such combined results, the "Combined Results"), will be useful to the readers of this MD&A. Discussion in this MD&A that compares the year ended March 31, 2020 to the year ended March 31, 2019 is a comparison of the Company's results for the year ended March 31, 2020 to the Combined Results. Due to the Purchase Transaction disclosed in Note 4 to the Algoma Audited Financial Statements, the Successor acquired assets at their fair value and, as a result, amortization increased for the year ended March 31, 2020 compared to the year ended March 31, 2019 (Combined). Further, finance costs for the Successor decreased due to the settlement of debt held by Predecessor and new debt acquired by the Successor at a lower interest rate. Readers are cautioned that the Combined Results are not necessarily indicative of what the Company's results would have been had the Company been operating for the full year ended March 31, 2019. This MD&A provides information to assist readers of, and should be read in conjunction with, the Company's audited consolidated financial statements and the accompanying notes thereto as of March 31, 2021 and 2020 and for the years ended March 31, 2021, 2020 and for the four-month period ended March 31, 2019 and for the eight-month period ended November 30, 2018 for Old Steelco (the "Algoma Audited Financial Statements"), included elsewhere in this proxy statement/prospectus. The Company's year-end is March 31.

This discussion of the Company's business may include forward-looking information with respect to the Company, including its operations and strategies, as well as financial performance and conditions, which are subject to a variety of risks and uncertainties. Readers are directed to carefully review the sections entitled "Forward-Looking Statements," "Presentation of Algoma's Financial Information," "Non-IFRS Financial Measures" and "Risk Factors" included elsewhere in this proxy statement/prospectus.

Overview of the Business

Algoma Steel Group Inc., formerly known as 1295908 B.C. Ltd., was incorporated on March 23, 2021 under the BCA for the purpose of purchasing Algoma Steel Holdings Inc. under section 85(1) of *the Income Tax Act* (Canada), effecting the purchase on an income tax-deferred basis. A purchase agreement between the Company and Algoma Steel Intermediate S.A R.L. (the "Vendor") was executed March 29, 2021, whereby the Vendor sold its equity holdings in the capital of Algoma Steel Holdings Inc. to the Company. The transaction resulted in the Vendor transferring its 100,000,001 common shares of Algoma Steel Holdings Inc. to the Company in exchange for 100,000,000 common shares of the Company.

Algoma Steel Inc., the operating company and a wholly owned subsidiary of Algoma Steel Holdings Inc., was incorporated on May 19, 2016 under the BCA for the purpose of purchasing substantially all of the operating assets and liabilities of Old Steelco. Prior to the Purchase Transaction, which was completed on November 30, 2018, the Company had no operations and was capitalized with 1 common share with a nominal value. Further information about the Purchase Transaction is disclosed in Note 4 to the Algoma Audited Financial Statements included elsewhere in this proxy statement/prospectus. The Company is an integrated steel producer with its active operations located entirely in Canada. The Company produces sheet and plate products that are sold primarily in North America.

Factors Affecting Financial Performance

The Company's profitability is correlated to the pricing of steel, ore, coal and energy and the existence of tariffs on its sales outside of Canada. Changes in the underlying pricing of the Company's steel products and raw materials, and changes in tariffs on sales outside of Canada cause variation in operating results between periods. During periods of stronger or improving steel market conditions, the Company is more likely to be able to pass the increased costs of ore, coal and energy to its customers, protecting the Company's margins from significant erosion. During weaker or rapidly deteriorating steel market conditions, including due to weak steel demand, low industry utilization rates and/or increasing steel product imports, the competitive environment intensifies which results in increased pricing pressure. All of those factors, to some degree, impact pricing, which in turn impacts margins.

Steel pricing is largely dependent on global supply, the level of steel imports into North America and economic conditions in North America. Global steel production overcapacity continues to be a long-term challenge. Steel production in China rose in 2020, going from approximately 1.10 billion tons in 2019 to approximately 1.16 billion tons in 2020 – an increase of 5.5%. As a result, China's share of global crude steel production rose from 53.3% in 2019 to 56.6% in 2020 (*source: Worldsteel Association "2021 World Steel in Figures" and Worldsteel Association "2020 World Steel in Figures")*. This trend continued for the first three months of 2021 as steel production in China rose 15.6%, with China producing 271.0 million tons in this period (*source: Worldsteel Association Press Release "March 2021 Crude Steel Production" April 22, 2021)*. The Organisation for Economic Co-operation and Development ("OECD") projects that global excess steel production capacity was approximately 776 million tons in 2020, up from 624 million tons at the end of 2019, which was itself up significantly from the prior year.

COVID-19 Pandemic

On March 11, 2020, the coronavirus (COVID-19) was declared a pandemic by the World Health Organization. Concerns about the spread of the virus, and measures taken to control the spread of the virus have negatively affected economies globally and upset normal commercial patterns. The manufacture of steel was deemed an essential service by the government of Ontario, Canada, and as a result, operations at the Company have been ongoing since the onset of the COVID-19 pandemic.

From the onset of this global health crisis, management, has worked in close consultation with public health officials, to implement extensive preventative measures and safety protocols. Management has continued to adjust and refine preventative measures throughout this health crisis as regulations and best practice evolve. These measures include:

- Mandatory self-attestation and restricted eligibility for work for employees that fall under a self-isolation or quarantine scenario;
- Mandatory mask use in all shared areas;
- Visitor restrictions and protocols;
- Contractor self-attestation and pre-screening;
- Heightened sanitation protocols, including rotating deep cleaning measures;
- Immediate intensive sanitation of an area where a worker has displayed symptoms;
- Physical distancing protocols for employees and essential service providers, including truck drivers and couriers;
- Staggered shift starts, lunches and breaks to reduce congestion in welfare facilities and lunchrooms;
- Mandatory personal protective equipment, including respirator, disposable coveralls, safety glasses, masks, when working within two metres of another person.
- On-site worker transportation limit of two persons per vehicle, with mask usage;
- Revised vendor delivery protocols to provide for contactless delivery and maintain social distancing;
- Transitioned paper processes online;
- Facilitated work from home arrangements;

- Redesigned work station layout to provide for adequate spacing and limited pulpit occupancy;
- Directed teams to hold meetings via teleconference and video conference;
- Online training delivery; and
- An Employee Hotline where employees can call twenty-four hours a day with any questions or concerns.

Measures have also been taken to safeguard the Company's liquidity position. At March 31, 2021, the Company had cash of C$21.2 million (March 31, 2020 – C$265 million) and an outstanding balance of C$90.1 million on the Revolving Credit Facility (March 31, 2020 – C$256.2 million). During the year ended March 31, 2021, management elected to pay the interest due on the Secured Term Loan Facility in kind for interest accrued during April to September 2020, resulting in an increase in the principal amount of the Secured Term Loan Facility of C$11.3 million, C$11.0 million and C$10.9 million, respectively. In January 2021, interest of C$10.2 million on the Secured Term Loan Facility was paid in cash, not in kind.

At the onset of the COVID-19 pandemic disruptions in the businesses of our customers led to a reduction in demand, and accordingly the Company adjusted production to match demand and control costs. During the six month period ended March 31, 2021, production and shipment volumes improved, returning to pre-pandemic levels.

Management believes that the Company has sufficient resources to remain in compliance with its debt covenants and support the operations of the Company. However, future unanticipated disruptions in the Company's business activities, and costs incurred by the Company in response to changing conditions and regulations could have a material adverse impact on our business, operating results and financial condition. See "Risk Factors – Risks Related to Our Business".

Overall Results

Net Income (Loss)

Fiscal Year Ended March 31, 2021 Compared to Fiscal Year Ended March 31, 2020

The Company's net loss for the year ended March 31, 2021 was C$76.1 million compared to a net loss of C$175.9 million for the year ended March 31, 2020, resulting in a C$99.8 million reduction of net loss. This reduction of net loss was due primarily to decreased amortization (C$40.8 million), as well as funding received from the Canada Emergency Wage Subsidy ("CEWS") reflected in lower personnel costs. For the year ended March 31, 2021, the Company recorded a C$52.8 million reduction to cost of sales and a C$4.2 million reduction to administration and selling expenses as a result of CEWS (March 31, 2020 – nil), resulting in an overall increase to net income of C$57.0 million.

Fiscal Year Ended March 31, 2020 Compared to Combined Twelve-Month Period Ended March 31, 2019

The Company's net loss for the year ended March 31, 2020 was C$175.9 million, compared to C$32.2 million net income for the year ended March 31, 2019 (Combined), resulting in a C$208.1 million reduction in net income. This reduction in net income was due primarily to lower selling prices of steel products and increased amortization (C$57.1 million).

The Company experienced an unplanned outage in April 2019 that disrupted production in our Blast Furnace No. 7. This outage had no impact on the integrity of the furnace. However, the resulting lost production led to a shipping volume reduction during the year ended March 31, 2020, of over one hundred thousand tons. During April 2019, the Company recorded a capacity utilization adjustment of C$32.7 million to cost of steel products sold. Planned maintenance, originally scheduled for later in the year, was accelerated and performed during this outage in April. Rescheduling maintenance to align with the unplanned outage was part of the plan management implemented to make up for the lost production in the remaining quarters of the year ended March 31, 2020. The outage, caused by a chemistry imbalance of certain materials, resulted from operator error. Operating parameters have been tightened and systems have been put in place to improve the overall monitoring of the blast furnace.

The unplanned outage, discussed above, led to an increase in net loss of C$32.7 million for the year ended March 31, 2020. Additionally, decreased selling prices and lower shipment volumes for the year ended March 31, 2020 further increased net loss as compared to the year ended March 31, 2019.

Income (Loss) from Operations

Fiscal Year Ended March 31, 2021 Compared to Fiscal Year Ended March 31, 2020

The Company's income from operations for the year ended March 31, 2021 was C$84.8 million (March 31, 2020 – loss from operations of C$137.0 million), an increase of C$221.8 million, due primarily to the reasons mentioned above for net income.

Fiscal Year Ended March 31, 2020 Compared to Combined Twelve-Month Period Ended March 31, 2019

The Company's loss from operations for the year ended March 31, 2020 was C$137.0 million (Combined – March 31, 2019 – net income from operations of C$177.5 million), a decrease of C$314.5 million, due primarily to lower selling prices of steel products, offset in part by discontinuation of tariffs imposed on Canadian steel producers (25% on all steel revenues earned on shipments made to the United States) effective June 1, 2018, and subsequently lifted May 20, 2019.

EBITDA

Fiscal Year Ended March 31, 2021 Compared to Fiscal Year Ended March 31, 2020

As discussed above, the onset of the COVID-19 pandemic disrupted the operations of the Company's customers, and reduced the demand for steel products. Accordingly, the Company slowed production during the year ended March 31, 2021, to match the reduced demand. Steel shipments for the year ended March 31, 2021 were 8.8% lower compared to the year ended March 31, 2020. However, production was increased in the last six months of the year to match increased demand, resulting in increased shipments and steel revenue during such period.

The Company's EBITDA for the year ended March 31, 2021 was C$189.0 million (March 31, 2020 – (C$2.2) million), with an EBITDA margin of 10.5% (March 31, 2020 – (0.1%)), average net sales realization ("NSR") of C$768 per ton (March 31, 2020 – C$756 per ton) and costs of steel products sold of C$646 per ton (March 31, 2020 – C$732 per ton). The Company's net loss for the year ended March 31, 2021 was C$76.1 million (March 31, 2020 – net loss of C$175.9 million).

During the year ended March 31, 2021, the COVID-19 pandemic dampened demand for steel products, leading to a reduction in shipment volumes and decreased selling prices. However, during the last six months of the year, demand and selling prices rebounded strongly. The FY 2020 Q1 Outage (as defined below) led to a reduction in EBITDA of C$32.7 million for the year ended March 31, 2020.

In addition, for the year ended March 31, 2021, tariff expense in cost of sales was nil as the tariff on steel products was revoked as of May 20, 2019. For the year ended March 31, 2020, tariff costs of C$27.8 million were included in cost of sales.

Fiscal Year Ended March 31, 2020 Compared to Combined Twelve-Month Period Ended March 31, 2019

The Company's EBITDA for the year ended March 31, 2020, was (C$2.2) million, (Combined – March 31, 2019 – C$395.7 million), with an EBITDA margin of (0.1%) (Combined – March 31, 2019 – 14.7%), average NSR of C$756 per ton (Combined – March 31, 2019 – C$1,013 per ton) and costs of steel products sold of C$732 per ton (Combined – March 31, 2019 – C$825 per ton). The Company's net loss for the year ended March 31, 2020 was C$175.9 million (Combined – March 31, 2019 – net income of C$32.2 million).

In addition, the Company incurred tariff expense of C$27.8 million during the year ended March 31, 2020 (Combined – March 31, 2019 – C$225.5 million). The tariff was revoked as of May 20, 2019. Adjusted EBITDA for the year ended March 31, 2020 would have been C$58.3 million (Combined – March 31, 2019 – C$621.2 million).

Steel Revenue and Cost of Sales

		Change (FY2021 to FY2020)		Successor FY 2021		Change (FY2020 to Combined - FY2019)		Successor FY 2020		Successor Period from December 1, 2018 to March 31, 2019		Predecessor Period from April 1, 2018 to November 30, 2018		Combined - FY 2019
tons														
Steel Shipments	↓	**8.8%**		**2,102,086**	↓	**5.3%**		2,305,039		806,134		1,628,855		2,434,989
millions of dollars														
Revenue			**C$**	**1,794.9**			C$	1,956.9	C$	869.7	C$	1,828.6	C$	2,698.3
Less:														
Freight included in revenue				**(150.4)**				(175.1)		(64.0)		(118.2)		(182.2)
Non-steel revenue				**(29.4)**				(39.2)		(13.1)		(35.5)		(48.6)
Steel revenue	↓	**7.3%**	**C$**	**1,615.1**	↓	**29.4%**	C$	1,742.6	C$	792.6	C$	1,674.9	C$	2,467.5
Cost of steel revenue			**C$**	**1,457.9**			C$	1,822.7	C$	738.4	C$	1,358.9	C$	2,097.3
Less:														
Amortization included in cost of steel revenue				**(86.8)**				(127.6)		(29.2)		(41.3)		(70.5)
Carbon tax included in cost of steel revenue				**(13.4)**				(6.9)		—		—		—
Business combination adjustments				—				(1.4)		(16.4)		—		(16.4)
Cost of steel products sold	↓	**19.5%**	**C$**	**1,357.7**	↓	**16.1%**	C$	1,686.8	C$	692.8	C$	1,317.6	C$	2,010.4
dollars per ton														
Average net sales realization on steel sales	↑	**1.7%**	**C$**	**768**	↓	**25.4%**	C$	756	C$	983	C$	1,028	C$	1,013
Cost per ton of steel products sold	↓	**11.7%**	**C$**	**646**	↓	**11.3%**	C$	732	C$	858	C$	809	C$	825

(i) Due to the Purchase Transaction, as disclosed in Note 4 to the Algoma Audited Financial Statements, the Successor acquired assets at their fair value and, as a result, amortization increased for the year ended March 31, 2020 compared to the year ended March 31, 2019 (Combined).

Fiscal Year Ended March 31, 2021 Compared to Fiscal Year Ended March 31, 2020

The Company's NSR on steel sales (excluding freight) per ton shipped was C$768 for the year ended March 31, 2021 (March 31, 2020 – C$756), an increase of 1.7%. Steel revenue decreased by 7.3% and steel shipment volumes decreased by 8.8% during year ended March 31, 2021, as compared to the year ended March 31, 2020. The overall decrease in steel shipment volumes was a result of the reduction in demand caused by the COVID-19 pandemic as discussed above. However, increased steel prices and demand during the last six months of the year resulted in improved NSR for the year ended March 31, 2021 compared to the year ended March 31, 2020.

For the year ended March 31, 2021, the Company's cost of steel products sold decreased by 19.5% to C$1,357.7 (March 31, 2020 – C$1,686.8). For the year ended March 31, 2021, the Company's cost of steel products sold on a per ton basis decreased by 11.7% to C$646 (March 31, 2020 – C$732). The decrease in cost of steel products sold on a per ton basis was the result of a reduction in the purchase price of many inputs such as alloys, scrap and natural gas as well as certain cost control measures that were put in place to mitigate the impact of deteriorating market conditions at the onset of the pandemic.

The Government of Canada passed the CEWS in response to the COVID-19 pandemic. For the year ended March 31, 2021, the Company recorded a C$52.8 million reduction to cost of steel products sold in connection with the CEWS (March 31, 2020 and Combined – March 31, 2019 – nil).

Fiscal Year Ended March 31, 2020 Compared to Combined Twelve-Month Period Ended March 31, 2019

The Company's NSR on steel sales (excluding freight) per ton shipped was C$756 for the year ended March 31, 2020 (Combined – March 31, 2019 – C$1,013). The decrease was primarily as a result of declines in selling prices. NSR on steel sales, (excluding freight) decreased by 25.4%, steel revenue decreased by 27.6% and steel shipment volumes decreased by 5.3% during the year ended March 31, 2020, as compared to the year ended March 31, 2019.

The decrease in NSR for the year ended March 31, 2020, was a result of lower market prices. The decrease in shipment volumes for the year ended March 31, 2020 was the result of the unplanned outage described above.

For the year ended March 31, 2020, the Company's cost of steel products sold on a per ton basis was C$732 (Combined – March 31, 2019 – C$825 per ton). The reduction of 11.3% in the cost of steel products sold on a per ton basis was primarily the result of a decrease in the cost of raw materials and certain cost reduction initiatives undertaken by the Company.

Non-steel Revenue and Cost of Sales

Fiscal Year Ended March 31, 2021 Compared to Fiscal Year Ended March 31, 2020

For the year ended March 31, 2021, the Company's non-steel revenue was C$29.4 million (March 31, 2020 – C$39.2 million). The decrease of C$9.8 million was primarily due to lower sales volume and lower selling prices of tar, light oil and braize. For the years ended March 31, 2021 and 2020, non-steel cost of sales approximated non-steel sales.

Fiscal Year Ended March 31, 2020 Compared to Combined Twelve-Month Period Ended March 31, 2019

For the year ended March 31, 2020, the Company's non-steel revenue was C$39.2 million (Combined – March 31, 2019 – C$48.6 million). The decrease of C$9.4 million was primarily as a result of lower sales volumes of mill scale, ore fines and granulated slag. For the years ended March 31, 2020 and 2019, non-steel cost of sales approximated non-steel sales.

Administrative and Selling Expenses

	Successor			Predecessor	
millions of dollars	**FY 2021**	**FY2020**	**Period from December 1, 2018 to March 31, 2019**	**Period from April 1, 2018 to November 30, 2018**	**Combined - FY 2019**
Personnel expenses	**C$39.6**	C$29.7	C$ 11.3	C$ 23.2	C$ 34.5
Professional, consulting, legal and other fees	**22.2**	17.1	6.2	10.3	16.5
Software licenses	**3.1**	2.7	1.0	2.2	3.2
Amortization of intangible assets and non- production assets	**0.4**	0.5	0.4	2.9	3.3
Other administrative and selling	**7.1**	6.9	3.0	5.9	8.9
	C$72.4	C$56.9	C$ 21.9	C$ 44.5	C$ 66.4

Fiscal Year Ended March 31, 2021 Compared to Fiscal Year Ended March 31, 2020

As illustrated in the table above, the Company's administrative and selling expenses for the year ended March 31, 2021 were C$72.4 million (March 31, 2020 – C$56.9 million). The increase in administrative and selling expenses of C$15.5 million, comprising increased personnel expenses ($9.9 million) due primarily to share based compensation (see Note 36 to the Algoma Audited Financial Statements) and increased professional, consulting, legal and other fees (C$5.1 million) primarily due to costs associated with on-going cost reduction and efficiency projects.

In addition, for the year ended March 31, 2021, the Company recorded a C$4.2 million reduction in administration and selling expenses (personnel) in connection with the CEWS (March 31, 2020 and Combined – March 31, 2019 – nil).

Fiscal Year Ended March 31, 2020 Compared to Combined Twelve-Month Period Ended March 31, 2019

As illustrated in the table above, the Company's administrative and selling expenses for the year ended March 31, 2020, were C$56.9 million (Combined – March 31, 2019 – C$66.5 million). The decrease in administrative and selling expenses of C$9.6 million for the year ended March 31, 2020 is primarily the result of decreases in personnel expenses (C$4.8 million) and amortization (C$2.8 million).

Finance Costs, Finance Income, Interest on Pension and Other Post-employment Benefit Obligations, and Foreign Exchange Gains and Losses

The Company's finance costs represent interest cost on the Company's debt facilities, including the Revolving Credit Facility, Secured Term Loan Facility and Algoma Docks Term Loan Facility. Finance cost also includes the amortization of transaction costs related to the Company's debt facilities and the accretion of the benefits in respect of the Company's governmental loan facilities in respect of the interest free loan issued by, and the grant given by, the Canadian federal government, as well as the low interest rate loan from the Ontario provincial government, all of which are discussed below, and the unwinding of discounts on the Company's environmental liabilities.

	Successor			Predecessor	
millions of dollars	**FY 2021**	**FY2020**	**Period from December 1, 2018 to March 31, 2019**	**Period from April 1, 2018 to November 30, 2018**	**Combined - FY 2019**
Interest on the following facilities					
Revolving Credit Facility	**C$ 4.3**	C$ 2.1	C$ 0.3	C$ 2.7	C$ 3.0
DIP Facility	**—**	—	—	11.7	11.7
Secured Term Loan Facility	**43.0**	41.0	14.3	—	14.3
Algoma Docks Term Loan Facility	**4.7**	6.7	2.5	—	2.5
Revolving Credit Facility fees	**1.2**	2.2	—	—	—
7.5% Senior Secured Term Loan	**—**	—	—	34.3	34.3
9.5% Senior Secured Notes	**—**	—	—	32.6	32.6
14% Junior Secured Notes	**—**	—	—	34.3	34.3
Unwinding of issuance costs of debt facilities and discounts on environmental liabilities, and accretion of governmental loan benefits	**13.8**	10.3	1.2	1.9	3.1
Other interest expense	**1.5**	1.5	2.3	1.8	4.1
	C$68.5	C$63.8	C$ 20.6	C$ 119.3	C$ 139.9
Finance cost as a percent of revenue	**3.8%**	3.3%	2.4%	6.5%	5.2%

(i) Due to the Purchase Transaction, as disclosed in Note 4 to the Algoma Audited Financial Statements, finance costs for the Successor decreased due to the settlement of debt held by the Predecessor and new debt acquired by the Successor at a lower interest rate.

Fiscal Year Ended March 31, 2021 Compared to Fiscal Year Ended March 31, 2020

As illustrated in the table above, the Company's finance costs for the year ended March 31, 2021, was C$68.5 million compared to C$63.8 million for the year ended March 31, 2020 resulting in an increase of C$4.7 million. The increase is primarily attributable to the Revolving Credit Facility (C$2.2 million) and the unwinding of issuance costs/accretion of governmental loan benefits (C$3.5 million). The Company's finance cost as a percentage of revenue was higher by 0.5% at 3.8% for the year ended March 31, 2021 compared to 3.3% for the year ended March 31, 2020. On April 1, 2020, July 1, 2020 and October 1, 2020, management elected to pay the interest due on the Secured Term Loan Facility in kind which resulted in a 1.0% interest premium. Interest on the Secured Short Term Loan Facility of C$10.2 million in January 2021 was paid in cash.

The Company's finance income for the year ended March 31, 2021, was C$1.1 million compared to C$2.6 million for the year ended March 31, 2020, representing a decline of C$1.5 million primarily due to interest income from tariff overpayments.

The Company's interest in pension and other post-employment benefit obligations for the year ended March 31, 2021 was C$17.0 million compared to C$17.3 million for the year ended March 31, 2020.

The Company's foreign exchange loss for the year ended March 31, 2021 was C$76.5 million compared to a gain of C$35.3 million for the year ended March 31, 2020. These foreign exchange movements reflect the effect of US dollar exchange rate fluctuations on the Company's Canadian dollar denominated monetary assets and liabilities.

Fiscal Year Ended March 31, 2020 Compared to Combined Twelve-Month Period Ended March 31, 2019

As illustrated in the table above, the Company's finance costs for the year ended March 31, 2020, were C$63.8 million (Combined – March 31, 2019 – C$139.9 million). The Company's finance cost is significantly lower than Old Steelco's finance cost because of the reduction of approximately C$800.0 million in combined short-term and long-term debt as a result of the CCAA proceedings. Old Steelco's finance costs for the eight-month period ended November 30, 2018, represent interest costs on Old Steelco's debt facilities, the amortization of the transaction costs, discount and premiums as well as the revaluation of Old Steelco's mining related operations. See Note 4 to the Algoma Audited Financial Statements. The Company's finance cost as a percentage of revenue was 3.3% for the year ended March 31, 2020 (Combined – March 31, 2019 – 5.2%).

The Company's finance income for the year ended March 31, 2020, was C$2.6 million (Combined – March 31, 2019 – C$0.7 million), representing an increase of C$1.9 million primarily due to interest income from tariff overpayments.

The Company's interest on pension and other post-employment benefit obligations for the year ended March 31, 2020, was C$17.3 million (Combined – March 31, 2019 – C$19.0 million), representing a decrease of C$1.7 million primarily due to a decrease in the pension defined benefit obligation, in part, due to changes in financial assumptions.

The Company's foreign exchange gain for the year ended March 31, 2020, was C$35.3 million (Combined – March 31, 2019 – C$15.5 million). The increase was primarily as a result of the effect of U.S. dollar exchange rate fluctuations on the Company's and Old Steelco's Canadian dollar denominated monetary assets and liabilities.

Pension and Post-Employment Benefits

	Successor			Predecessor	
millions of dollars	**FY 2021**	**FY2020**	**Period from December 1, 2018 to March 31, 2019**	**Period from April 1, 2018 to November 30, 2018**	**Combined - FY 2019**
Recognized in loss before income taxes:					
Pension benefits expense	**C$ 27.6**	C$ 31.4	C$ 5.7	C$ 21.3	C$ 27.0
Post-employment benefits expense	**12.8**	12.9	0.1	9.5	9.6
	C$ 40.4	C$ 44.3	C$ 5.8	C$ 30.8	C$ 36.6
Recognized in other comprehensive loss (pre-tax):					
Pension benefits (gain) loss	**C$(51.8)**	C$(48.6)	C$ 19.5	C$ 27.4	C$ 46.9
Post-employment benefits loss (gain)	**28.8**	(33.2)	10.4	(11.4)	(1.0)
	C$(23.0)	C$(81.8)	C$ 29.9	C$ 16.0	C$ 45.9
	C$ 17.4	C$(37.5)	C$ 35.7	C$ 46.8	C$ 82.5

Fiscal Year Ended March 31, 2021 Compared to Fiscal Year Ended March 31, 2020

As illustrated in the table above, the Company's pension expense for the years ended March 31, 2021 and March 31, 2020 were C$27.6 million and C$31.4 million, respectively, representing a decrease of C$3.8 million. The Company's post-employment benefit expense for the year ended March 31, 2021, was C$12.8 million compared to C$12.9 million for the year ended March 31, 2020. The decrease in pension and post-employment benefit expense was primarily due to an increase in beginning-of-year discount rates.

All actuarial gains and losses that arise in calculating the present value of the defined benefit pension obligation net of assets and the defined benefit obligation in respect of other post-employment benefits, including the re-measurement components, are recognized immediately in other comprehensive income (loss).

For the year ended March 31, 2021, the Company recorded actuarially determined gain to the accrued defined pension liability and accrued other post-employment benefit obligation in other comprehensive loss of C$23.0 million. The gain was comprised primarily of pension fund returns being greater than expected and some demographic gains, partially offset by an increase in obligations due to a reduction in end-of-year discount rates.

For the year ended March 31, 2020, the Company recorded actuarially determined gain to the accrued defined pension liability and other post-employment benefits liability in other comprehensive loss of C$82.8 million (gain of C$74.6 million, net of income tax effect of actuarial gains recognized in other comprehensive loss of C$7.2 million). The C$81.8 million gain is primarily due to an increase in the end-of-year discount rate, offset by pension fund returns being less than expected and demographic losses.

Fiscal Year Ended March 31, 2020 Compared to Combined Twelve-Month Period Ended March 31, 2019

As illustrated in the table above, the Company's pension expense for the year ended March 31, 2020, was C$31.4 million (Combined – March 31, 2019 – C$27.0 million). The Company's post-employment benefit expense for the year ended March 31, 2020, was C$12.9 million (Combined – March 31, 2019 – C$9.6 million). The increase in pension and post-employment benefit expense was primarily the result of a decrease in the beginning-of-year discount rate.

Carbon Taxes

On June 28, 2019, the Company became subject to the Federal Greenhouse Gas Pollution Pricing Act (the "Carbon Tax Act"). The Carbon Tax Act was enacted with retroactive effect to January 1, 2019. The Company has chosen to remove the costs associated with the Carbon Tax Act from EBITDA to facilitate comparison with the results of its competitors in jurisdictions not subject to the Carbon Tax Act. For the year ended March 31, 2021, total Carbon Tax recognized in cost of sales was C$13.4 million, compared to C$6.9 in the year ended March 31, 2020, including $1.0 million for the period January 1 to March 31, 2019 (Combined – March 31, 2019 – nil). Carbon tax is primarily a function of the volume of our production, increasing as production increases. In addition, carbon tax recognized in the year ended March 31, 2020 for the prior year ended March 31, 2019 reflects the fact that the tax did not apply for the majority of such fiscal year.

Income Taxes

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Management assesses the available positive and negative evidence to estimate whether sufficient future taxable income will be generated to permit use of the existing deferred tax assets. A significant piece of objective evidence is the cumulative loss the Company has incurred over the first two years of its operations. Such objective evidence limits the ability to consider other subjective evidence, such as management's projections for future growth.

Fiscal Year Ended March 31, 2021 Compared to Fiscal Year Ended March 31, 2020

For the year ended March 31, 2021 and March 31, 2020, the Company's current income tax expense/recovery was nil. On the basis of the evaluation described above, for the year ended March 31, 2021, the Company's deferred income tax recovery was nil, net of deferred tax de-recognition. For the year ended March 31, 2020, the Company's deferred income tax recovery was C$4.3 million, net of deferred tax asset de-recognition, due to property, plant and equipment and intangible assets timing differences of tax deductions and non-capital losses carryforward.

As of March 31, 2021, the Company had non-capital tax losses available of C$579.8 million, C$380.0 million of which expire in 2038, C$113.1 million of which expire in 2039 and C$86.7 million of which expire in 2040.

Fiscal Year Ended March 31, 2020 Compared to Combined Twelve-Month Period Ended March 31, 2019

For the years ended March 31, 2020 and March 31, 2019 (Combined), the Company's current income tax expense was nil. For the year ended March 31, 2020, the Company's deferred income tax recovery, net of deferred tax asset de-recognition was C$4.3 million (Combined – March 31, 2019 – deferred income tax expense – C$2.4 million) due to property, plant and equipment and intangible assets timing differences of tax deductions and non-capital losses carryforward.

On the basis of the evaluation described above, the net deferred tax assets have been de-recognized as of March 31, 2020 due to management's assessment of the probability of utilizing these deferred tax assets. As at March 31, 2019, the company had recognized deferred income tax assets of C$3.4 million. These deferred income tax assets relate primarily to net operating loss carryforwards that can be used to offset taxable income in future periods and thereby reduce the Company's income taxes payable.

EBITDA (i)

The following table shows the reconciliation of EBITDA and Adjusted EBITDA to net income for the periods indicated:

	Successor			Predecessor	
millions of dollars	**FY 2021**	**FY2020**	**Period from December 1, 2018 to March 31, 2019**	**Period from April 1, 2018 to November 30, 2018**	**Combined - FY 2019**
Net (loss) income	**C$ (76.1)**	C$(175.9)	C$ 2.7	C$ 29.5	C$ 32.2
Amortization of property, plant and equipment and amortization of intangible assets	**86.9**	126.5	31.2	44.4	75.6
Finance costs	**68.5**	63.8	20.6	119.3	139.9
Interest on pension and other post-employment benefit obligations	**17.0**	17.3	7.0	12.0	19.0
Income taxes	**—**	(4.3)	4.1	(1.5)	2.6
Restructuring costs	**—**	—	—	20.9	20.9
Impairment reserve	**—**	—	—	105.4	105.4
Foreign exchange loss (gain)	**76.5**	(35.3)	(1.8)	(13.7)	(15.5)
Finance income	**(1.1)**	(2.6)	(0.3)	(0.4)	(0.7)
Carbon tax	**13.4**	6.9	—	—	—
Share based compensation related to performance share units	**3.9**	—	—	—	—
Business combination adjustments	**—**	1.4	16.4	—	16.4
EBITDA	**C$189.0**	C$ (2.2)	C$ 79.9	C$ 315.9	C$ 395.8
EBITDA Margin	**10.5%**	-0.1%	9.2%	17.3%	14.7%
EBITDA / ton	**C$89.91**	C$ —	C$ 99.13	C$ 193.92	C$ 162.54
Tariff expense included in Net income	**C$ —**	C$ 27.8	C$ 87.0	C$ 138.5	C$ 225.5
Capacity utilization adjustment included in Net income	**—**	32.7	—	—	—
Adjustments to EBITDA	**—**	60.5	87.0	138.5	225.5
Adjusted EBITDA	**C$189.0**	C$ 58.3	C$ 166.9	C$ 454.4	C$ 621.3
Adjusted EBITDA Margin	**10.5%**	3.0%	19.2%	24.8%	23.0%
Adjusted EBITDA / ton	**C$89.91**	C$ 26.25	C$ 207.04	C$ 278.95	C$ 255.16

(i) See "Non-IFRS Measures" for information regarding the limitations of using EBITDA and Adjusted EBITDA.

(ii) EBITDA and Adjusted EBITDA Margin is EBITDA and Adjusted EBITDA as a percentage of revenue.

(iii) Due to the Purchase Transaction, as disclosed in Note 4 to the Algoma Audited Financial Statements, the Successor acquired assets at their fair value and, as a result, amortization increased for the year ended March 31, 2020 compared to the year ended March 31, 2019 (Combined). Further, finance costs for the Successor decreased due to the settlement of debt held by the Predecessor and new debt acquired by the Successor at a lower interest rate.

Fiscal Year Ended March 31, 2021 Compared to Fiscal Year Ended March 31, 2020

EBITDA for the year ended March 31, 2021 was C$189.0 million, compared to (C$2.2) million for the year ended March 31, 2020, resulting in an increase of C$191.2 million. The EBITDA margin for the years ended March 31, 2021 and March 31, 2020 was 10.5% and (0.1%), respectively. The EBITDA per ton for the year ended March 31, 2021 was C$89.91 and was nil for the year ended March 31, 2020.

The increase in EBITDA and improvement in EBITDA margin for the year ended March 31, 2021 compared to the year ended March 31, 2020 was due primarily to increases in selling prices for steel products, as well as the funding received from the CEWS. For the year ended March 31, 2021, the Company recorded a C$52.8 million reduction to cost of sales and a C$4.2 million reduction in administration and selling expenses as a result of the CEWS (March 31, 2020 – nil) resulting in an overall increase to EBITDA of C$57.0 million.

Canadian steel producers became subject to 25% tariffs on all steel revenues earned on shipments made to the United States effective as of June 1, 2018. Tariff expense included in cost of steel sales were nil for the year ended March 31, 2021; however, for the year ended March 31, 2020, tariffs totaling C$27.8 million had a significant impact on the Company's EBITDA, EBITDA Margin, and EBITDA per ton as illustrated above. On May 17, 2019, the United States announced a complete lifting of this tariff effective May 20, 2019.

Algoma experienced an unplanned outage in the month of April 2019 that disrupted production in our #7 Blast Furnace (the "FY 2020 Q1 Outage"). The resulting lost production led to a shipping volume reduction during the three month period ended June 30, 2019 of over one hundred thousand tons and resulted in a capacity utilization adjustment of C$32.7 million being recorded to cost of steel products sold.

Fiscal Year Ended March 31, 2020 Compared to Combined Twelve-Month Period Ended March 31, 2019

As illustrated in the table above, EBITDA and Adjusted EBITDA for the year ended March 31, 2020 was (C$2.2) million and C$60.5 million, respectively (Combined – March 31, 2019 – C$395.8 million and C$225.5 million, respectively). The EBITDA margin and Adjusted EBITDA margin for the year ended March 31, 2020 was (0.1%) and 3.0%, respectively (Combined – March 31, 2019 – 14.7% and 23.0%, respectively). The EBITDA per ton and Adjusted EBITDA per ton for the year ended March 31, 2020 was nil and C$26.25 million, respectively (Combined – March 31, 2019 – C$162.54 and C$255.16, respectively). The decrease in EBITDA and Adjusted EBITDA were caused by a net loss in FY2020 compared to net income in 2019 of C$32.2 million primarily as a result of lower NSR and lower shipment volume, the impact of the carbon tax (as discussed below), as well as lower finance costs and higher foreign exchange losses from the movement in the U.S. dollar relative to the Canadian dollar. The reduction in shipment volume resulted from the unplanned outage discussed above. The increase in cost per ton of steel products sold resulted from a capacity utilization adjustment recorded by the Company of C$32.7 million as a result of the unplanned outage discussed above.

For the year ended March 31, 2020, total Carbon Tax recognized in cost of sales was C$6.9 million, including C$1.0 million for the period January 1, 2019 to March 31, 2019 (Combined – March 31, 2019 – nil) due to late recognition of the Carbon Tax for the period January 1, 2019 to March 31, 2019 recognized in the year ended March 31, 2020 results.

As described above, Canadian steel producers became subject to the 25% tariff on all steel revenues earned on shipments made to the United States effective as of June 1, 2018. On May 17, 2019, the United States announced that a complete lifting of the tariff effective May 20, 2019. Consequently, the tariff had a less significant impact on the Company's Adjusted EBITDA, Adjusted EBITDA Margin and Adjusted EBITDA for the year ended March 31, 2020 compared to the year ended March 31, 2019.

For the year ended March 31, 2020, business combination adjustments totaled C$1.4 million compared to C$16.4 million for the combined twelve-month period ended March 31, 2019. These adjustments are related to the

recognition in cost of sales of a portion of the fair value adjustment made to the carrying value of inventories and other adjustments related to the business combination discussed in Note 4 of the Algoma Audited Financial Statements. These costs were primarily offset by recovery of past service costs on the Company's pension and other post-employment benefit obligations discussed above.

Financial Resources and Liquidity

Summary of Cash Flows

	Successor			Predecessor	
millions of dollars	FY 2021	FY2020	Period from December 1, 2018 to March 31, 2019	Period from April 1, 2018 to November 30, 2018	Combined - FY 2019
Operating Activities:					
Cash generated by (used in) operating activities before changes in non-cash working capital and environmental liabilities paid	**C$ 147.4**	C$ (34.5)	C$ 41.8	C$ 287.6	C$ 329.4
Net change in non-cash working capital	**(137.7)**	34.3	116.4	(170.0)	(53.6)
Environmental liabilities paid	**(1.6)**	(4.5)	—	—	—
Cash generated by (used in) operating activities	**C$ 8.1**	C$ (4.7)	C$ 158.2	C$ 117.6	C$ 275.8
Investing activities					
Purchase transaction	**C$ —**	C$ —	C$ (481.2)	C$ —	C$ (481.2)
Acquisition of property, plant and equipment	**(71.7)**	(113.3)	(12.8)	(74.1)	(86.9)
Acquisition of intangible assets	**(0.1)**	(0.6)	(0.6)	(1.0)	(1.6)
Issuance of parent company promissory note	**(1.1)**	(1.2)	—	—	—
Cash used in investing activities	**C$ (72.9)**	C$(115.1)	C$ (494.6)	C$ (75.1)	C$ (569.7)
Financing activities					
Bank indebtedness advanced (repaid), net	**C$(145.2)**	C$ 249.3	C$ (7.0)	C$ —	C$ (7.0)
DIP Facility drawn	**—**	—	—	32.9	32.9
Repayment of DIP Facility	**—**	—	—	(34.5)	(34.5)
Secured Term Loan Facility issued, net of fees	**—**	—	371.0	—	371.0
Repayment of Secured Term Loan	**(3.8)**	(3.8)	—	—	—
Algoma Docks Term Loan issued	**—**	—	97.0	—	97.0
Repayment of Algoma Docks Term Loan Facility	**(8.8)**	(6.5)	(1.4)	—	(1.4)
Government loans issued, net of benefit	**6.5**	42.4	25.2	—	25.2
Restricted cash	**—**	7.2	—	(24.4)	(24.4)
Interest paid	**(15.6)**	(42.0)	(13.1)	(14.9)	(28.0)
Lease liability commenced (repaid)	**(0.5)**	0.4	—		—
Other	**—**	(0.3)	(0.2)	(0.8)	(1.0)
Cash (used in) generated by financing activities	**C$(167.4)**	C$ 246.7	C$ 471.5	C$ (41.7)	C$ 429.8
Effect of exchange rate changes on cash	**C$ (11.6)**	C$ 2.6	C$ 0.4	C$ 1.2	C$ 1.6
Change in cash and equivalents during the period	**C$(243.8)**	C$ 129.5	C$ 135.5	C$ 2.0	C$ 137.5

(i) Due to the Purchase Transaction, as disclosed in Note 4 to the Algoma Audited Financial Statements, the Successor acquired assets at their fair value and, as a result, amortization increased for the year ended March 31, 2020 compared to the year ended March 31, 2019 (Combined). Further, finance costs for the Successor decreased due to the settlement of debt held by the Predecessor and new debt acquired by the Successor at a lower interest rate.

Fiscal Year Ended March 31, 2021 Compared to Fiscal Year Ended March 31, 2020

As illustrated in the table above, the use of cash for the year ended March 31, 2021 was C$243.8, compared to the generation of cash of C$129.5 million for the year ended March 31, 2020. The decrease in the generation of cash for the year ended March 31, 2021, as compared to the year ended March 31, 2020, was C$373.3 million, and is primarily the result of the C$414.1 million increase in cash used in financing activities, a result of repayments on the bank indebtedness.

Fiscal Year Ended March 31, 2020 Compared to Combined Twelve-Month Period Ended March 31, 2019

As illustrated in the table above, the generation of cash for the year ended March 31, 2020, was C$129.5 million (Combined – March 31, 2019 – C$137.5 million). The decrease in the generation of cash for the year ended March 31, 2020, as compared to the year ended March 31, 2019 (Combined), was C$8.0 million, and is primarily the result of the decrease in cash generated by operating activities of C$280.5 million and decreased cash generated by financing activities of C$183.1 million, offset in part by a decrease in cash used in investing activities of C$454.6 million.

Cash Flow Generated by (Used In) Operating Activities

Fiscal Year Ended March 31, 2021 Compared to Fiscal Year Ended March 31, 2020

For the year ended March 31, 2021, the cash generated by operating activities was C$8.1 million, compared to C$4.7 million cash used in operating activities for the year ended March 31, 2020. The increase in cash generated from operating activities for the year ended March 31, 2021 was due to lower cost of steel products sold and higher NSR, offset in part by increased use of cash for working capital.

Fiscal Year Ended March 31, 2020 Compared to Combined Twelve-Month Period Ended March 31, 2019

For the year ended March 31, 2020, the cash used in operating activities was C$4.7 million, compared to C$275.8 million cash generated for the year ended March 31, 2019 (Combined). The decrease in cash generated by operating activities was due primarily to lower selling prices of steel products, offset, in part by discontinuation of tariffs imposed on Canadian steel producers (25% on all steel revenues earned on shipments made to the United States) effective June 1, 2018, and subsequently lifted May 20, 2019.

The following table shows changes in the Company's non-cash working capital for the periods indicated:

	Successor			Predecessor	
millions of dollars	FY 2021	FY2020	Period from December 1, 2018 to March 31, 2019	Period from April 1, 2018 to November 30, 2018	Combined - FY 2019
Accounts receivable	**C$ (47.2)**	C$ 88.4	C$ (37.2)	C$ (38.3)	C$ (75.5)
Inventories	**(33.6)**	(36.8)	96.6	(167.9)	(71.3)
Prepaid expenses, deposits and other current assets	**(70.3)**	20.2	17.9	(12.1)	5.8
Accounts payable and accrued liabilities	**(21.2)**	(42.4)	37.5	13.2	50.7
Taxes payable and accrued taxes	**16.7**	3.7	1.6	12.6	14.2
Derivative financial instruments (net)	**(15.3)**	1.2	—	—	—
Secured term loan interest payments in kind	**33.2**	—	—	—	—
Net related party accounts receivable and accounts payable	**—**	—	—	22.5	22.5
Total	**C$(137.7)**	C$ 34.3	C$ 116.4	C$ (170.0)	C$ (53.6)

Fiscal Year Ended March 31, 2021 Compared to Fiscal Year Ended March 31, 2020

As illustrated in the table above, the Company's use of cash due to changes in non-cash working capital during the year ended March 31, 2021, was C$137.7 million (March 31, 2020 – generation of cash of C$34.3 million). The net

change in working capital was a decrease of C$172.0 million due to a decrease in accounts receivable (C$135.6 million) and prepaid expenses and other current assets (C$90.5 million), offset, in part, by increase in secured term loan interest payments in kind (C$33.2 million) and accounts payable and accrued liabilities (C$21.2 million).

Fiscal Year Ended March 31, 2020 Compared to Combined Twelve-Month Period Ended March 31, 2019

As illustrated in the table above, the Company's generation of cash due to changes in non-cash working capital during the year ended March 31, 2020 was C$34.3 million (Combined – March 31, 2019 – use of cash – C$53.6 million). The net change in working capital was an increase C$87.9 million due to an increase in accounts receivable (C$163.9 million) and decrease in inventories (C$34.5 million), offset in part by a decrease in accounts payable and accrued liabilities (C$93.1 million) and a decrease in taxes payable and accrued taxes (C$10.5 million).

Cash Flow Used In Investing Activities

Fiscal Year Ended March 31, 2021 Compared to Fiscal Year Ended March 31, 2020

For the year ended March 31, 2021, cash used in investing activities was C$72.9 million (March 31, 2020 – C$115.1 million). Expenditures for the acquisition of property, plant and equipment for the years ended March 31, 2021 and March 31, 2020 were C$81.5 million and C$145.7 million, respectively. In addition, the Company recorded benefits of C$9.8 million (March 31, 2020 – C$33.4 million) in respect of the interest free loan issued by, and the grant given by, the Canadian federal government, as well as the low interest rate loan issued from the Ontario provincial government, all of which are discussed below. The acquisition, net of benefits, for the year ended March 31, 2021 was C$71.7 million (March 31, 2020 – C$112.3 million).

As discussed above, measures were taken to protect the Company's liquidity position in light of the COVID-19 pandemic. These measures included the stoppage or slow-down of capital projects.

During the year ended March 31, 2021, the Company disposed of property, plant and equipment with a cost of C$1.9 million (March 31, 2020 – nil). The disposal of property, plant and equipment during the year ended March 31, 2021 resulted in a net loss of C$1.7 million.

Expenditures for the acquisition of intangible assets for the year ended March 31, 2021 were C$0.1 million, (March 31, 2020 – C$0.6 million). During the year ended March 31, 2021, the Company disposed of intangible assets with a cost of C$0.8 million (March 31, 2020 – nil). The disposal of intangible assets during the year ended March 31, 2021 resulted in a net loss of C$0.8 million.

Fiscal Year Ended March 31, 2020 Compared to Combined Twelve-Month Period Ended March 31, 2019

For the year ended March 31, 2020, cash used in investing activities was C$115.1 million (Combined – March 31, 2019 – C$569.7 million), primarily due to the Purchase Transaction. Expenditures for the acquisition of property, plant and equipment for the year ended March 31, 2020 were C$156.8 million (Combined – March 31, 2019 – C$37.3 million). In addition, the Company recorded a benefit of C$43.5 million (Combined – March 31, 2019 – C$24.2 million) in respect of the interest free loans issued by, and the grant given by, the Canadian federal government, as well as the low interest rate loan issued from the Ontario provincial government, all of which are discussed below. The acquisition, net of benefits, for the year ended March 31, 2020 was C$113.3 million (Combined – March 31, 2019 – C$12.8 million).

The Company did not dispose of any property, plant and equipment or intangible assets during the year ended March 31, 2020 (Combined – March 31, 2019 – nil).

Expenditures for the acquisition of intangible assets for the year ended March 31, 2020, was C$0.6 million (Combined – March 31, 2019 – C$1.6 million).

As disclosed in Note 4 to the Algoma Audited Financial Statements, on November 30, 2018, the Company completed the Purchase Transaction, acquiring substantially all of the operating assets and liabilities of Old Steelco Inc. and the Port of Algoma, including property, plant and equipment of C$793.1 million. Additionally, during the year ended March 31, 2019 (Combined), the Company's net acquisition of property, plant and equipment totaled C$12.8 million; comprised of property, plant and equipment acquired with a total cost of C$37.3 million, against which the Company recognized benefits totaling C$24.2 million in respect of the governmental loans and grant, discussed below and in Note 22 of the Algoma Audited Financial Statements.

Cash Flow Generated By (Used In) Financing Activities

Fiscal Year Ended March 31, 2021 Compared to Fiscal Year Ended March 31, 2020

For the year ended March 31, 2021, cash used in financing activities was C$167.4 million (March 31, 2020 – C$246.7 million of cash generated). During the year ended March 31, 2021, the Company made repayments of its Revolving Credit Facility totaling C$318.4 million and drew down C$173.3 million (March 31, 2020 – repaid C$109.3 million and drew down C$358.0 million), its Secured Term Loan of C$3.8 million (March 31, 2020 – C$3.8 million) and its Algoma Docks Term Loan Facility of C$8.8 million (March 31, 2020 – C$6.5 million). In addition, during the year ended March 31, 2021, the Company recorded long-term governmental loans issued, net of benefits recorded, of C$6.5 million (March 31, 2020 – C$42.4 million), and paid interest of C$15.6 million (March 31, 2020 – C$42.0 million).

Fiscal Year Ended March 31, 2020 Compared to Combined Twelve-Month Period Ended March 31, 2019

For the year ended March 31, 2020, cash generated by financing activities was C$246.7 million (Combined – March 31, 2019 – C$429.8 million). During the year ended March 31, 2020, the Company repaid C$109.3 million of, and drew C$358.0 million from the Revolving Credit Facility. During the year ended March 31, 2019 (Combined), the Company repaid C$59.9 million of, and drew C$52.9 million, net of fees totaling C$7.0 million, from the Revolving Credit Facility. During the year ended March 31, 2019, the Company repaid C$34.5 million of, and drew C$32.9 million from the DIP Facility. During the year ended March 31, 2020, the Company made repayments of its Secured Term Loan Facility and its Algoma Docks Term Loan Facility of C$3.8 million and C$6.5 million, respectively (Combined – March 31, 2019 – Secured Term Loan Facility – nil; Algoma Docks Term Loan repayment – C$1.4 million). In addition, during the year ended March 31, 2020, the Company recorded long-term governmental loans issued, net of benefits recorded, of C$42.4 million (Combined – March 31, 2019 – C$25.4 million) and paid interest of C$42.0 million (Combined – March 31, 2019 – C$13.1 million). See Note 22 to the Algoma Audited Financial Statements.

Capital Resources - Financial Position and Liquidity

Fiscal Year Ended March 31, 2021 Compared to Fiscal Year Ended March 31, 2020

As at March 31, 2021, the Company had cash of C$21.2 million (March 31, 2020 – $265.0 million), and had unused availability under its Revolving Credit Facility of C$200.8 million ($156.5 million) (March 31, 2020 – C$61.4 million ($43.6 million)) after taking into account C$27.4 million ($21.8 million) of outstanding letters of credit (March 31, 2020 – C$27.8 million ($19.7 million)). The reduction in the Company's overall available cash (including availability under its Revolving Credit Facility) as of March 31, 2021 compared to March 31, 2020 is due to the factors discussed above.

Fiscal Year Ended March 31, 2020 Compared to Combined Twelve-Month Period Ended March 31, 2019

As at March 31, 2020, the Company had cash of C$265.0 million (March 31, 2019 – C$135.5 million), drawings under its Revolving Credit Facility of C$256.2 million ($182.2 million) (March 31, 2019 – nil) and had unused availability under its Revolving Credit Facility of C$61.4 million ($43.6 million) (March 31, 2019 – C$313.2 million ($234.6 million)) after taking into account C$27.8 million ($19.7 million) of outstanding letters of credit (March 31, 2019 – C$21.1 million ($15.4 million)). The increase in the Company's overall cash (including availability under its Revolving Credit Facility) as of March 31, 2020 compared to March 31, 2019 is due to the factors described above.

On November 30, 2018, the Company secured the following debt financing:

- $250.0 million in the form of a traditional asset-based revolving credit facility, with a maturity date of November 30, 2023;
- $285.0 million in the form of a Secured Term Loan Facility with a maturity date of November 30, 2025;
- $73.0 million in the form of a term loan facility with a maturity date of May 30, 2025;
- C$60.0 million interest free loan from the Federal Economic Development Agency, through the Advanced Manufacturing Fund. The Company will repay the loan in equal monthly installments beginning on April 1, 2022 with the final installment payable on March 1, 2028.; and

- C$60.0 million low interest loan from the Ministry of Energy, Northern Development and Mines. The Company will repay the loan in monthly blended payments of principal and interest beginning on December 31, 2024 and ending on November 30, 2028.

On March 29, 2019, the Company secured an agreement with the Minister of Industry whereby the Company will receive C$15.0 million in the form of a grant and C$15.0 million in the form of an interest free loan through the Federal Strategic Innovation Fund. The Company will repay the interest free loan portion of this funding in equal annual payments beginning on April 30, 2024 and ending on April 30, 2031.

The Revolving Credit Facility, the Secured Term Loan Facility, the Federal AMF Loan, the Provincial MENDM Loan and the Federal SIF Agreement are expected to service, the Company's principal liquidity needs (to finance working capital, fund capital expenditures and for other general corporate purposes) until the maturity of these facilities.

The Revolving Credit Facility is governed by a conventional borrowing base calculation comprised of eligible accounts receivable plus eligible inventory plus cash. At March 31, 2021, the Company had drawn C$90.1 million ($71.7 million), and there was C$200.8 million ($156.5 million) of unused availability after taking into account C$27.4 million ($21.8 million) of outstanding letters of credit. The Company is required to maintain a calculated borrowing base. Any shortfall in the borrowing base will trigger a mandatory loan repayment in the amount of the shortfall, subject to certain cure rights including the deposit of cash into an account controlled by the agent. As at March 31, 2021, the Company was in compliance with these requirements.

The Company anticipates making, on average, approximately C$50-C$60 million of capital expenditures relating to annual maintenance projects. Furthermore, supported by its agreements with the federal and provincial governments and using the cash expected to be received upon consummation of the Merger, the Company anticipates making significant capital expenditures relating to its modernization and expansion program over the next five years, including the potential for substantial investment in EAF steelmaking as described elsewhere in this proxy statement/prospectus.

Contractual Obligations and Off Balance Sheet Arrangements

The following table presents, at March 31, 2021, the Company's obligations and commitments to make future payments under contracts and contingent commitments. The following figures assume that the March 31, 2021 Canadian/US dollar exchange rate of US$1.00 = C$0.7952 remains constant throughout the periods indicated.

millions of dollars	Total	Less than 1 year	Year 2	Years 3-5	More than 5 years
Bank indebtedness	C$ 90.1	C$ 90.1	C$ —	C$ —	C$ —
Long-term debt	457.9	14.7	16.8	426.4	—
Long-term governmental loans	135.1	—	10.0	55.0	70.1
Purchase obligations	912.2	552.5	130.8	130.8	98.1
Environmental liabilities	82.6	4.5	4.9	14.0	59.2
Lease obligations	1.1	0.6	0.3	0.2	—
Total	C$1,679.0	C$ 662.4	C$162.8	C$626.4	C$ 227.4

Off balance sheet arrangements include letters of credit, and operating lease obligations as disclosed above. At March 31, 2021, the Company had C$27.4 million ($21.8 million) (March 31, 2020 - C$27.8 million ($19.7 million)) of outstanding letters of credit.

As discussed above, the Company maintains defined benefit pension plans and other post-employment benefit plans. At March 31, 2021, the Company's net obligation in respect of its defined benefit pension plans was C$172.1 million (March 31, 2020 – C$245.0 million) and the Company's obligation in respect of its other post-employment benefits plans was C$297.8 million (March 31, 2020 – C$267.3 million).

The Company's obligations, commitments and future payments under contract are expected to be financed through cash flow from operations and funds from the Company's Revolving Credit Facility.

Financial Instruments

The Company's financial assets and liabilities (financial instruments) include cash, restricted cash, accounts receivable, margin payments, parent company promissory note receivable, derivative financial instruments, bank indebtedness, accounts payable and accrued liabilities, long-term debt and long-term governmental loans.

Financial assets and financial liabilities, including derivatives, are recognized when the Company becomes a party to the contractual provisions of the financial instrument or non-financial derivative contract. Financial instruments are disclosed in Note 34 to the Algoma Audited Financial Statements.

Critical Accounting Estimates

As disclosed in Note 5 of the Algoma Audited Financial Statements, the preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenue and expenses during the years.

Significant items subject to such estimates and assumptions include the going concern assessment, allowance for doubtful accounts, carrying amount and useful life of property, plant and equipment and intangible assets, defined benefit retirement plans and income tax expense and scientific research and development investment tax credits. Actual results could differ from those estimates.

Going Concern Assessment

The Company continually monitors its ability to continue on a going concern basis. The Company assesses whether there are any indications that an impairment loss may have occurred. In doing so, the Company makes judgments, based on an internally generated short-term cash flow forecast, in concluding that there are no material uncertainties related to events or conditions that cast substantial doubt upon the Company's ability to continue as a going concern. Judgments and estimates are made in forming assumptions of future activities, future cash flows and timing of those cash flows. Significant assumptions used in preparing the short-term cash flow forecast include, but are not limited to, short-term commodity prices, production volumes, reserves, operating costs, financing costs and development capital. Changes to these assumptions could affect the estimate of the Company's available liquidity and conclusion as to whether there are material uncertainties related to events or conditions that cast substantial doubt upon the Company's ability to continue as a going concern.

Allowance for doubtful accounts

Management analyzes accounts receivable to determine the allowance for doubtful accounts by assessing the collectability of receivables owing from each individual customer. This assessment takes into consideration certain factors including the age of outstanding receivable, customer operating performance, historical payment patterns and current collection efforts, relevant forward looking information and the Company's security interests, if any.

Useful lives of property, plant and equipment and intangible assets

The Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each annual reporting period, and whenever events or circumstances indicate a change in useful life. Estimated useful lives of items of property, plant and equipment and intangible assets are based on a best estimate and the actual useful lives may be different. The useful life of property, plant and equipment and intangible assets affects the amount of amortization and the net book value disclosed in the Company's financial statements.

Impairment of property, plant and equipment and intangible assets

Any accounting estimate related to impairment of property, plant and equipment and intangible assets require the Company to make assumptions about future cash flows and discount rates. Further, determining whether property, plant and equipment and intangible assets are impaired requires the Company to determine the recoverable amount of the CGU to which the asset is allocated. To determine the recoverable amount of the cash generating unit ("CGU"), management is required to estimate its fair value. To calculate the value of the CGU in use, management determines

expected future cash flows, which involves, among other items, realization rates on future steel output, costs and volume of production, growth rate, and the estimated selling costs, using an appropriate weighted average cost of capital. Assumptions about future cash flows require significant judgment because actual operating levels have fluctuated in the past and are expected to do so in the future.

Defined Benefit Retirement Plans

The determination of employee benefit expense and obligations requires the use of assumptions such as the discount rate applied to determine the present value of all future cash flows expected in the plan. Since the determination of the cost and obligations associated with employee future benefits requires the use of various assumptions, there is measurement uncertainty inherent in the actuarial valuation process. Actual results could differ from estimated results which are based on assumptions.

Taxation

The Company computes an income tax provision in each of the jurisdictions in which it operates. Actual amounts of income tax expense and scientific research and experimental development investment tax credits only become final upon filing and acceptance of the returns by the relevant authorities, which occur subsequent to the issuance of the consolidated financial statements.

Additionally, the estimation of income taxes includes evaluating the recoverability of deferred income tax assets based on an assessment of the ability to use the underlying future tax deductions before they expire against future taxable income. The assessment is based upon existing tax laws and estimates of future taxable income. To the extent estimates differ from the final tax return, (loss) income would be affected in a subsequent period.

UNAUDITED PRO FORMA CONDENSED COMBINED CONSOLIDATED FINANCIAL INFORMATION

The following unaudited pro forma condensed combined consolidated financial information of Algoma and its consolidated subsidiaries after giving effect to the Merger. The following unaudited pro forma condensed combined consolidated financial information has been prepared in accordance with Article 11 of Regulation S-X.

On May 24, 2021, Algoma entered into the Merger Agreement, by and among Algoma, Merger Sub and Legato. Pursuant to the Merger Agreement, Merger Sub will merge with and into Legato, with Legato surviving such merger as a wholly owned subsidiary of Algoma and the stockholders of Legato becoming shareholders of Algoma. The Merger is expected to be consummated in the third quarter of 2021 after the required approval by the stockholders of Legato and the fulfillment of certain other conditions. Algoma has applied to list the Algoma Common Shares and Algoma Warrants on Nasdaq and intends to apply to list the Algoma Common Shares and Algoma Warrants on the TSX, in each case under the ticker symbols "ASTL" and "ASTLW" or "ASTL.WT", respectively.

Pursuant to the Merger Agreement:

(i) Algoma will effectuate the Stock Split, such that each outstanding Algoma Common Share will become such number of Algoma Common Shares, each valued at $10.00 per share, as determined by the Conversion Factor (as defined in the Merger Agreement); and

(ii) immediately prior to the Effective Time, each outstanding LTIP Award that has vested and that is held by a holder who has executed an exchange agreement and joinder to the Lock-up Agreement will be exchanged for Replacement LTIP Awards, such that after giving effect to the Stock Split and the LTIP Exchange, it is expected that immediately prior to the Merger there will be approximately 75.0 million Algoma Common Shares outstanding on a fully-diluted basis.

As a result of the Merger:

(i) each outstanding Legato Unit will be separated into the one share of Legato Common Stock and one Legato Warrant;

(ii) at the Effective Time each outstanding share of Legato Common Stock will be converted into and exchanged for the right to receive one newly issued Algoma Common Share; and

(iii) each outstanding Legato Warrant will be converted into an equal number of Algoma Warrants, with each warrant exercisable for one Algoma Common Share for $11.50 per share, subject to adjustment, with the exercise period beginning 30 days following Closing.

The unaudited pro forma condensed combined consolidated balance sheet as of March 31, 2021 assumes that the Merger occurred on March 31, 2021.

The unaudited pro forma condensed combined consolidated statements of net loss for the twelve months ended March 31, 2021 give pro forma effect to the Merger as if it had occurred on April 1, 2020.

The unaudited pro forma condensed combined consolidated financial information does not purport to represent, and is not necessarily indicative of, what the actual financial condition or results of operations of the combined company would have had the Merger taken place as at the dates indicated, nor is it indicative of the financial condition or results of operations of the combined company as of any future date.

The unaudited pro forma condensed combined consolidated financial information has been prepared using and should be read in conjunction with:

- Algoma's audited consolidated financial statements as of and for the year ended, March 31, 2021 included elsewhere in this proxy statement/prospectus; and
- Legato's audited financial statements as of and for the period ended December 31, 2020 and unaudited interim financial statements and relates notes as of, and for the three months ended, March 31, 2021, included elsewhere in this proxy statement/prospectus.

The historical financial information of Legato has been adjusted to give effect to the differences between U.S. GAAP and IFRS for the purposes of the condensed combined consolidated unaudited pro forma financial information. No adjustments were required to convert the Legato financial statements from U.S. GAAP to IFRS for purposes of the condensed combined consolidated unaudited pro forma financial information, except to reclassify Legato Common Stock subject to redemption as non-current liabilities under IFRS (the Legato Common Stock was presented as mezzanine equity under U.S. GAAP). The adjustments presented in the unaudited pro forma condensed combined consolidated financial information have been identified and presented to provide relevant information necessary for an understanding of the combined company after giving effect to the Merger.

The pro forma adjustments reflect the adjustments to the historical information of the Company and Legato necessary to depict the accounting for the Merger under IFRS. Algoma's management has made significant estimates and assumptions in its determination of the pro forma adjustments. As the unaudited pro forma condensed combined consolidated financial information has been prepared based on these preliminary estimates, the final amounts recorded may differ materially from the information presented.

The Merger was accounted for as an acquisition of assets (in exchange for shares) as the underlying transactions did not result in a business combination in accordance with IFRS 3, *Business Combinations* ("IFRS 3") as Legato does not constitute a business as defined under IFRS 3. Consequently, the Merger was accounted for under IFRS 2, *Share-Based Payment.* In the accompanying pro forma information, the net assets of Legato were recognized at its fair value, which was approximated by its carrying value, and no goodwill or other intangible assets were recorded. All direct costs of the Merger will be expensed.

The Company has been determined to be the accounting acquirer based on evaluation of the following facts and circumstances:

- Existing Algoma Investors will have the largest ownership interest and voting interest in the combined entity under the No Redemption Scenario and the Maximum Redemption Scenario with approximately 73.6% and 81.8% ownership voting interest, respectively, assuming that all of the Algoma Common Shares issuable pursuant to the Earnout Rights are issued.
- The combined company's board of directors will initially consist of ten directors, six of whom will initially be appointed by Algoma, three of whom will be initially appointed by Legato, and one of whom will be appointed as mutually agreed upon by Algoma and Legato.
- Legato and Algoma anticipate that the current executive officers and directors of Algoma Steel Inc., as of March 31, 2021, will become the executive officers and directors of Algoma following the Merger.
- Algoma is the larger entity, in terms of both revenues and total assets.

Description of the Transaction

Pursuant to the Merger Agreement, assuming no redemptions, the aggregate share consideration issued by the Company in the Merger is C$381.1 million ($303.4 million), consisting of 30.3 million newly issued Algoma Common Shares valued at $10.00 per share and Algoma Warrants C$0.4 million ($0.3 million). Assuming the Maximum Redemption Scenario, the aggregate share consideration issued by the Company in the Merger is C$84.9 million ($67.6 million), consisting of 6.7 million newly issued Algoma Common Shares assuming the value is $10.00 per share and Algoma Warrants C$0.4 million ($0.3 million).

The following represents the consideration at Closing:

(in thousands of C$)	Assuming No Redemptions	Assuming Maximum Redemptions
Algoma Common Share issuance to Legato Public Stockholders	C$ 296,149	C$ NIL
Algoma Common Share issuance to Founders & EBC	84,568	84,568
Algoma Warrants	379	379
Share consideration – at Closing	C$ 381,096	C$ 84,947
Listing Expense[(1)]	C$ 84,108	C$ 78,288

(1) The Merger was accounted for under IFRS 2, *Share-Based Payment*. Consequently, the difference between the fair value of the Algoma Common Shares issued to Legato stockholders and the fair value of the net assets of Legato acquired in connection with the Merger is accounted for as a listing expense.

The following summarizes the pro forma Algoma Common Shares outstanding taking into consideration the No Redemption Scenario and the Maximum Redemption Scenario, prior to the issuance of any additional Algoma Common Shares pursuant to the Earnout Rights:

	Assuming No Redemptions	Assuming Maximum Redemptions
Legato Public Stockholders	23,575,000	NIL
Founders & EBC	6,732,036	6,732,036
PIPE Investors[1]	10,000,000	10,000,000
Existing Algoma Investors	75,000,000	75,000,000
Pro Forma Shares Outstanding[2]	115,307,036	91,732,036

(1) Concurrent with the Merger, the Company is expected to issue 10.0 million shares at $10.00 per share to PIPE Investors for total cash consideration of $100.0 million.

(2) Pro Forma Shares Outstanding does not give effects to warrants.

The unaudited pro forma condensed combined consolidated financial information has been prepared assuming two alternative levels of redemptions of public shares:

- *Assuming No Redemptions:* This scenario assumes that no shares are redeemed by Legato's stockholders; and
- *Assuming Maximum Redemptions:* This scenario assumes that the PIPE Investment closes and that Legato will satisfy the requirement to have at least $5,000,001 in net tangible assets either immediately prior to or upon consummation of the Merger even if all Legato Public Stockholders holding approximately 23,575,000 Public Shares exercise their redemption rights for the $235,787,065 million of funds in the Trust Account as of March 31, 2021. Algoma's obligations under the Merger Agreement are subject to the condition that the funds contained in the Trust Account (after giving effect to redemptions and payment of certain Legato transaction costs), together with the aggregate amount of proceeds from the PIPE Investment and the cash on Legato's balance sheet, equal or exceed $200 million, which condition may be waived exclusively by Algoma. In addition, each of Algoma's and Legato's obligations under the Merger Agreement are subject to Legato having net tangible assets of at least $5,000,001 either immediately prior to or upon consummation of the Merger.

Unaudited Pro Forma Condensed Combined Consolidated Balance Sheet – As of March 31, 2021

(*in millions of C$*)	Algoma Steel Group Inc.	Legato Merger Corp.	No Redemption Scenario: Transaction Accounting Adjustments		No Redemption Scenario: Pro Forma Balance Sheet	Maximum Redemption Scenario: Transaction Accounting Adjustments		Maximum Redemption Scenario: Pro Forma Balance Sheet
ASSETS								
Current								
Cash	21.2	0.6	296.2	1(b)	411.9	6.3	2(b)	122.0
			125.6	1(d)		125.6	2(d)	
			(31.7)	1(e)		(31.7)	2(e)	
Restricted Cash	3.9	—			3.9			3.9
Taxes receivable	—	—			—			—
Accounts receivable, net	274.6	—			274.6			274.6
Inventories, net	415.3	—			415.3			415.3
Prepaid expenses and deposits	74.6	0.2			74.8			74.8
Margin payments	49.4	—			49.4			49.4
Other assets	3.8	—			3.8			3.8
Total current assets	842.8	0.8	390.1		1,233.7	100.2		943.8
Non-current								
Property, plant and equipment, net	699.9	—			699.9			699.9
Cash and marketable securities held in Trust Account	—	296.2	(296.2)	1(b)	—	(6.3)	2(b)	—
						(289.9)	2(h)	
Intangible assets, net	1.5	—			1.5			1.5
Parent company promissory note receivable	2.2	—			2.2			2.2
Other assets	7.5	—			7.5			7.5
Total non-current assets	711.1	296.2	(296.2)		711.1	(296.2)		711.1

(*in millions of C$*)	Algoma Steel Group Inc.	Legato Merger Corp.	No Redemption Scenario: Transaction Accounting Adjustments		No Redemption Scenario: Pro Forma Balance Sheet	Maximum Redemption Scenario: Transaction Accounting Adjustments		Maximum Redemption Scenario: Pro Forma Balance Sheet
Total assets	1,553.9	297.0	93.9		1,944.8	(196.0)		1,654.9
LIABILITIES AND SHAREHOLDERS' EQUITY								
Current								
Bank indebtedness	90.1	—			90.1			90.1
Accounts payable and accrued liabilities	163.8	—			163.8			163.8
Taxes payable and accrued taxes	27.2	—			27.2			27.2
Current portion of long-term debt	13.6	—			13.6			13.6
Current portion of environmental liabilities	4.5	—			4.5			4.5
Other financial liabilities	—	—	425.9	1(f)	426.8	425.9	2(f)	426.8
			0.9	1(g)		0.9	2(g)	
Derivative financial instruments	49.4	—			49.4			49.4
Total current liabilities	348.6	—	426.8		775.4	426.8		775.4
Non-current liabilities								
Long-term debt	439.3	—			439.3			439.3
Warrant liability	—	0.4			0.4			0.4
Long-term governmental loans	86.4	—			86.4			86.4
Accrued pension liability	170.1	—			170.1			170.1
Accrued other post-employment benefit obligation	297.8	—			297.8			297.8
Other long-term liabilities	2.5	—			2.5			2.5
Environmental liabilities	35.4	—			35.4			35.4
Common stock subject to possible redemption	—	290.3	(290.3)	1(c)	—	(290.3)	2(h)	—
Total non-current liabilities	1,031.5	290.7	(290.3)		1,031.9	(290.3)		1,031.9

(*in millions of C$*)	Algoma Steel Group Inc.	Legato Merger Corp.	No Redemption Scenario: Transaction Accounting Adjustments		No Redemption Scenario: Pro Forma Balance Sheet	Maximum Redemption Scenario: Transaction Accounting Adjustments		Maximum Redemption Scenario: Pro Forma Balance Sheet
Total liabilities	1,380.1	290.7	136.5		1,807.3	136.5		1,807.3
Common stock subject to possible redemption	—				—			—
Shareholders' equity								
Common stock subject to possible redemption	—	—			—			—
Capital Stock	409.5	—	380.7	1(c)	913.9	84.6	2(c)	617.8
			125.6	1(d)		125.6	2(d)	
			(1.9)	1(e)		(1.9)	2(e)	
Accumulated other comprehensive income	9.5	—			9.5			9.5
Contributed surplus	4.1	6.0	(6.0)	1(c)	45.0	(6.0)	2(c)	45.0
			40.9	1(g)		40.9	2(g)	
Retained Earnings (Accumulated deficit)		0.3	(0.3)	1(c)	—	(0.3)	2(c)	—
						—	2(h)	
Deficit	(249.3)	—	(84.1)	1(c)	(830.9)	(78.3)	2(c)	(824.7)
			(29.8)	1(e)		(29.8)	2(e)	
			(425.9)	1(f)		(425.9)	2(f)	
			(41.8)	1(g)		(41.8)	2(g)	
						0.4	2(h)	
Total shareholders' equity	173.8	6.3	(42.6)		137.5	(332.5)		(152.4)
Total liabilities and shareholders' equity	1,553.9	297.0	93.9		1,944.8	(196.0)		1,654.9

Unaudited Pro Forma Condensed Combined Consolidated Statement of Net Loss– For the Twelve Months Ended March 31, 2021

(*in millions of C$*)	Algoma Steel Group Inc.	Legato Merger Corp.	No Redemption Scenario: Transaction Accounting Adjustments		No Redemption Scenario: Pro Forma Income Statement	Maximum Redemption Scenario: Transaction Accounting Adjustments		Maximum Redemption Scenario: Pro Forma Income Statement
Revenue	1,794.9				1,794.9			1,794.9
Operating expenses								
Cost of sales	1,637.7				1,637.7			1,637.7
Administrative and selling expenses	72.4	0.3	41.8	1(d)	114.5	41.8	1(d)	114.5
Profit (loss) from operations	84.8	(0.3)	(41.8)		42.7	(41.8)		42.7
Other (income) and expenses								
Finance income	(1.1)				(1.1)			(1.1)
Investment income on Trust Account	——	(0.0)			(0.0)			(0.0)
Change in fair value of warrants	—	(0.6)			(0.6)			(0.6)
Finance costs	68.5	0.0			68.5			68.5
Interest on pension and other post-employment benefit obligations	17.0				17.0			17.0
Foreign exchange loss (gain)	76.5				76.5			76.5
Transaction costs	—		31.3	1(a)	119.9	31.3	1(a)	113.7
			88.6	1(b)		82.3	1(c)	
(Loss) income before income taxes	(76.1)	0.3	(161.7)		(237.5)	(155.5)		(231.3)
Income tax recovery	—	—	—		—	—		—
Net (loss) income	(76.1)	0.3	(161.7)		(237.5)	(155.5)		(231.3)
Net (loss) income	(76.1)	0.3	(161.7)		(237.5)	(155.5)		(231.3)

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED CONSOLIDATED FINANCIAL INFORMATION

1. Basis of Presentation

The unaudited pro forma condensed combined consolidated balance sheet as of March 31, 2021 assumes that the Merger occurred on March 31, 2021. The unaudited pro forma condensed combined consolidated statement of net loss have been prepared as if the Merger occurred on April 1, 2020.

The pro forma adjustments reflecting the consummation of the Merger are based on certain currently available information and certain assumptions and methodologies that Algoma believes are reasonable under the circumstances. The unaudited condensed pro forma adjustments, which are described in the accompanying notes, may be revised as additional information becomes available and is evaluated. Therefore, it is likely that the actual adjustments will differ from the pro forma adjustments and it is possible the differences may be material. Algoma believes that its assumptions and methodologies provide a reasonable basis for presenting all of the significant effects of the consummation of the Merger based on information available to management at the time and that the pro forma adjustments give appropriate effect to those assumptions and are properly applied in the unaudited pro forma condensed combined consolidated financial information.

The unaudited pro forma condensed combined consolidated financial information is not necessarily indicative of what the actual results of operations and financial position would have been had the Merger taken place on the dates indicated, nor are they indicative of the future consolidated results of operations or financial position of the combined company. They should be read in conjunction with the financial statements and notes thereto of each of Legato and Algoma included elsewhere in this proxy statement/prospectus.

2. Adjustments to Unaudited Pro Forma Condensed Combined Financial Information

The unaudited pro forma condensed combined consolidated financial information does not give effect to any anticipated synergies, operating efficiencies, tax savings or cost savings that may be associated with the Merger.

The historical financial information of Legato has been adjusted to give effect to the differences between U.S. GAAP and IFRS as issued by the IASB for the purposes of the combined unaudited pro forma financial information. No adjustments were required to convert the Legato financial statements from U.S. GAAP to IFRS for purposes of the combined unaudited pro forma financial information, except to classify Legato Common Stock subject to redemption as non-current liabilities under IFRS. The adjustments presented in the unaudited pro forma combined financial information have been identified and presented to provide relevant information necessary for an understanding of the combined company after giving effect to the Merger. Additionally, the historical financial information of Legato was presented in US dollars. The balance sheet as at March 31, 2021 was translated at a spot exchange rate of C$1.256 = $1.00. The condensed statements of operations for the twelve months ended March 31, 2021 were translated at the average exchange rate of C$1.306 = $1.00.

Legato Merger Corp. Statement of Net Income for the period from June 26, 2020 through March 31, 2021

	US$	Foreign Exchange Rate (*in millions*)	C$
General and administrative costs	0.2	1.31	0.3
Financing cost – derivative warrant liabilities	0.0	1.31	0.0
Loss from operations	(0.2)		(0.3)
Other (income):			
Change in fair value of warrants	(0.4)	1.31	(0.6)
Investment income on Trust Account	(0.0)	1.31	(0.0)
Income before income tax provision	0.2		0.3
Provision for income taxes	—	1.31	—
Net income	0.2		0.3

Legato Merger Corp Balance Sheet as at March 31, 2021

	US$	Foreign Exchange Rate (*in millions*)	C$	Adjustments for US GAAP to IFRS Conversion		Legato Merger Corp Balance Sheet (in C$ under IFRS)
ASSETS						
Current						
Cash	0.5	1.26	0.6			0.6
Prepaid expenses and deposits	0.2	1.26	0.2			0.2
Total current assets	0.7		0.8			0.8
Non-current						
Cash and marketable securities held in Trust Account	235.8	1.26	296.2			296.2
Total non-current assets						**296.2**
Total assets	236.5		297.0			297.0
LIABILITIES AND STOCKHOLDERS' EQUITY						
Current						
Taxes payable and accrued taxes	0.0	1.26	0.0			0.0
Total current liabilities	0.0		0.0			0.0
Non-current liabilities						
Warrant liability	0.3	1.26	0.4			0.4
Common stock subject to possible redemption	—		—	290.3	1 (a), 2 (a)	290.3
Total non-current liabilities	0.3		0.4			290.7
Total liabilities						290.7
Common stock subject to possible redemption	231.1	1.26	290.3	(290.3)	1 (a), 2 (a)	—
Stockholders' equity						
Additional paid-in capital	4.8	1.26	6.0			6.0
Retained Earnings (Accumulated deficit)	0.2	1.26	0.3			0.3
Total stockholders' equity	**5.0**					**6.3**
Total liabilities and stockholders' equity	236.5		297.0			297.0

Algoma and Legato did not have any intercompany transactions, accordingly, no pro forma adjustments were required to eliminate activities between the companies.

The pro forma basic and diluted loss per share amounts presented in the unaudited pro forma condensed combined consolidated statement of net loss are based upon the number of Algoma Common Shares outstanding, assuming the Merger occurred on April 1, 2020.

Adjustments to Unaudited Pro Forma Condensed Consolidated Combined Balance Sheet as of March 31, 2021

The adjustments included in the unaudited pro forma condensed combined consolidated balance sheet as of March 31, 2021 are as follows:

(1) Assuming no additional redemption:

a. Legato's Common Stock subject to possible redemption balance of C$290.3 million ($231.1 million) was classified as a temporary equity under U.S. GAAP and should be classified as a liability under IFRS because the right to redeem was at the option of the holder.

b. To reclassify cash and marketable securities held in the Trust Account of C$296.2 million ($235.8 million) that becomes available in connection with the Merger.

c. To record the fair value of the Algoma Common Shares issued to Legato stockholders in connection with the Merger in the amount of C$381.1 million ($303.4 million). Legato Common Stock subject to possible redemption will become part of the permanent share capital of the combined entity, resulting in an adjustment of C$290.3 million ($231.1 million) to Legato Common Stock subject to possible redemption. The difference between the fair value of the Algoma Common Shares issued to Legato stockholders and the fair value of the net assets of Legato acquired in connection with the Merger is a listing expense in the amount of C$84.1 million ($67.0 million).

d. To record the C$125.6 million ($100.0 million) investment pursuant to the PIPE Subscription Agreement.

e. To reflect payment of the estimated C$31.7 million ($25.2 million) of non-recurring Merger-related expenses. Of those expenses, C$1.9 million ($1.5 million) was related to the issuance of Algoma Common Shares and was reflected as a reduction of share capital.

f. To record the derivative liability related to the Earnout Rights granted to the existing shareholders of Algoma in the amount of C$425.9 million ($339.1 million) pursuant to First Earnout Event, Second Earnout Event, Third Earnout Event and Fourth Earnout Event. Algoma currently expects that the full amount of the earnout will be awarded, however, has not reflected any revaluations of the liability that may occur prior to its settlement in the pro forma condensed combined consolidated financial information as such amounts cannot be estimated.

g. To recognize the impact on the fair value measurement of the rights issued to eligible management shareholders in exchange for vested awards granted under the Long-Term Incentive Plan adopted by Algoma Steel Holdings Inc. effective as of May 13, 2020, and the cancellation of unvested awards as a result of the Merger, in the amount of C$41.8 million ($33.3 million).

(2) Assuming maximum redemption:

a. Legato Common Stock subject to possible redemption balance of C$290.3 million ($231.1 million) was classified as a temporary equity under U.S. GAAP and should be classified as a liability under IFRS because the right to redeem was at the option of the holder.

b. To reclassify cash and marketable securities held in the Trust Account of C$6.3 million ($5.0 million) that becomes available in connection with the Merger.

c. To record the fair value of the Algoma Common Shares issued to Legato stockholders in connection with the Merger in the amount of C$84.6 million ($67.3 million). The difference between the fair value of the Algoma Common Shares issued to Legato stockholders and the fair value of the net assets of Legato acquired in connection with the Merger is a listing expense in the amount C$78.3 million ($62.3 million).

d. To record the C$125.6 million ($100.0 million) investment pursuant to the PIPE Subscription Agreement.

e. To reflect payment of the estimated C$31.7 million ($25.2 million) of non-recurring Merger-related expenses. Of those expenses, C$1.9 million ($1.5 million) was related to the issuance of Algoma Common Shares and was reflected as a reduction of share capital.

f. To record the financial liability related to the Earnout Rights granted to the existing shareholders of Algoma in the amount of C$425.9 million ($339.1 million) pursuant to First Earnout Event, Second

Earnout Event, Third Earnout Event and Fourth Earnout Event. Algoma currently expects that the full amount of the earnout will be awarded, however, has not reflected any revaluations of the liability that may occur prior to its settlement in the pro forma condensed combined consolidated financial information as such amounts cannot be estimated.

g. To recognize the impact on the fair value measurement of the rights issued to eligible management shareholders in exchange for vested awards granted under the LTIP adopted by Algoma Steel Holdings Inc. effective as of May 13, 2021, and the cancellation of unvested awards as a result of the Merger, in the amount of C$41.8 million ($33.3 million).

h. To record the cash used in the redemption of shares of Legato stockholders under the Maximum Redemption Scenario of C$289.9 million ($230.8 million).

Adjustments to Unaudited Pro Forma Condensed Combined Consolidated Statement of Net Loss for the twelve months ended March 31, 2021

The unaudited pro forma condensed combined consolidated statement of net loss for the twelve months ended March 31, 2021 gives effect to the Merger as if it had been completed on April 1, 2020.

(1) The pro forma adjustments included in the unaudited pro forma condensed combined consolidated statement of net loss for the twelve months ended March 31, 2021 under the No Redemption Scenario and the Maximum Redemption Scenario are as follows:

a. To reflect payment of the estimated C$31.7 million ($25.2 million) of non-recurring Merger-related expenses. Of those expenses C$1.9 million ($1.5 million) was related to the issuance of Algoma Common Shares and was reflected as a reduction of share capital.

b. Under the No Redemption Scenario: To record the listing expense resulting from the difference between the fair value of the Algoma Common Shares issued to Legato stockholders and the fair value of the net assets of Legato acquired in connection with the Merger in the amount of C$88.6 million ($67.0 million).

c. Under the Maximum Redemption Scenario: To record the listing expense resulting from the difference between the fair value of the Algoma Common Shares issued to stockholders of Legato and the fair value of the net assets of Legato acquired in connection with the Merger in the amount of C$82.3 million ($62.3 million).

d. To recognize the impact on the fair value measurement of the rights issued to eligible management shareholders in exchange for vested awards granted under the LTIP adopted by Algoma Steel Holdings Inc. effective as of May 13, 2021, and the cancellation of unvested awards as a result of the Merger, in the amount of C$41.8 million ($31.6 million).

3. Loss per Share

Represents the net earnings per share calculated using the weighted average of Algoma Common Shares and the issuance of additional Algoma Common Shares in connection with the Merger, assuming the Algoma Common Shares were outstanding since April 1, 2020. As the Merger is being reflected as if it had occurred at the beginning of the period presented, the calculation of weighted average Algoma Common Shares outstanding for basic and diluted net loss per ordinary share assumes that the Algoma Common Shares issuable in connection with the Merger have been outstanding for the entire period presented. If the maximum number of shares of Legato Common Stock are redeemed, this calculation is retroactively adjusted to eliminate such shares for the entire periods.

The unaudited pro forma condensed combined consolidated financial information has been prepared assuming the No Redemption Scenario and Maximum Redemption Scenario, in each case prior to the issuance of any additional Algoma Common Shares pursuant to the Earnout Rights, for the twelve months ended March 31, 2021:

(Net loss presented in thousands of Canadian dollars) Pro Forma Basic and Diluted Loss Per Share	Assuming No Redemptions Twelve months ended March 31, 2021	Assuming Maximum Redemptions Twelve months ended March 31, 2021
Pro Forma net loss from continuing operations attributable to shareholders	($ 238,090)	($ 231,278)
Weighted average shares outstanding, basic and diluted:		
Algoma shareholders[1]	75,000,000	75,000,000
Legato Public Stockholders[2][3]	23,575,000	NIL
Founders & EBC[2][3]	6,732,036	6,732,036
PIPE shareholders [4]	10,000,000	10,000,000
Total outstanding Algoma Common Shares	115,307,036	91,732,036
Basic and diluted net loss per common share	($ 2.06)	($ 2.52)

(1) Pursuant to the Merger Agreement, Algoma will effectuate a reverse stock split at the time of the Merger based upon a conversion factor, such that the total number of Algoma Common Shares outstanding is 75.0 million.

(2) Under the scenario of no redemption by Legato's stockholders, 30.3 million shares of Legato Common Stock will be converted into 30.3 million Algoma Common Shares upon Closing.

(3) Under scenario of maximum redemption by Legato's stockholders, 23.6 million shares of Legato Common Stock will be redeemed in cash. 6.7 million shares of Legato Common Stock will be converted into 6.7 million Algoma Common Shares upon Closing.

(4) Concurrent with the Merger, Algoma is expected to issue 10.0 million shares at $10.00 per share to PIPE Investors for total cash consideration of $100.0 million.

As a result of pro forma net loss, the earnings per share amounts exclude the dilutive impact from the 37.5 million Earnout Rights granted to existing Algoma shareholders as part of the Merger Agreement, 24,179,000 Algoma Common Shares issuable to existing Legato stockholders upon conversion of warrants, and 4,498,992 Algoma Common Shares issuable to Algoma's management upon conversion of vested LTIP awards.

MANAGEMENT OF ALGOMA FOLLOWING THE MERGER

References in this section to "we," "our," "us" or "the Company" refer to Algoma.

Management and Board of Directors

Legato and Algoma anticipate that the current executive officers and directors of Algoma Steel Inc., as of March 31, 2021, will become the executive officers and directors of Algoma following the Merger. Michael McQuade, the sole director of Algoma, as of March 31, 2021, will remain as a director and serve as Chief Executive Officer of Algoma. Algoma has agreed to use reasonable best efforts to increase the size of Algoma's board of directors to ten members, of which three will be appointed by Legato, six will be appointed by Algoma, and Legato and Algoma will use reasonable efforts to mutually appoint the final director. The following persons are expected to serve as Algoma's executive officers and directors following the Merger. For biographical information concerning the executive officers and directors, see below.

Name	Age	Position
Michael McQuade	64	Chief Executive Officer and Director
Rajat Marwah	47	Chief Financial Officer
John Naccarato	54	Vice President Strategy and General Counsel
Robert Dionisi	65	Chief Commercial Officer
Shawn Galey	65	Vice President, Production
Mark Nogalo	57	Vice President, Maintenance and Operating Services
Robert Wesley	64	Vice President Human Resources
Michael Alexander	44	Director Nominee
Michael Bevacqua	55	Director Nominee
Andy Harshaw	66	Director Nominee
Brian Hook	36	Director Nominee
Andrew E. Schultz	66	Director Nominee
David D. Sgro	45	Director Nominee
Eric S. Rosenfeld	64	Director Nominee
Brian Pratt	69	Director Nominee

Executive Officers and Director

Michael McQuade, Chief Executive Officer and Director, was appointed Chief Executive Officer of Algoma Steel Inc. in March 2019. Prior to joining Algoma, Mr. McQuade acquired more than 35 years of progressive experience at Stelco Inc. – a Canadian steel producer. During his first 25 years at Stelco, he moved through a variety of roles in finance, accounting, operations and sales. In 2007, he was promoted to Vice President, Finance at Stelco and played a critical role in that year's sale to U.S. Steel. He carried on after the sale as the General Manager, Finance for U.S. Steel Canada, and in 2010 was appointed Chief Financial Officer for U.S. Steel Canada. In his final executive role, as President of Stelco/ U.S. Steel Canada, he led a successful financial restructuring and sale while under CCAA protection, which separated Stelco from U.S. Steel. He retired from Stelco in March 2018. Mr. McQuade holds a bachelor of mathematics degree from the University of Waterloo as well as the CPA, CMA and Chartered Director designations.

Rajat Marwah, Chief Financial Officer, joined Algoma Steel Inc. in 2008 as General Manager of Finance and Cost with accountability for the credit, cost, budget, pricing, planning and financial accounting divisions within his portfolio. He was appointed Vice President Finance in 2012 and became CFO in 2014. Rajat began his career with KPMG and subsequently entered the steel industry with ArcelorMittal as Head of Internal Audit in Romania moving on to become Financial Controller with Arcelor Mittal, Czech Republic. He is a Chartered Accountant with international experience in Romania, Czech Republic and India and holds a Bachelor of Commerce from the Sir Ram College of Commerce in Delhi, India. In his current role Rajat is charged with overall accountability for all finance functions with involvement in sales and procurement.

John Naccarato, Vice President Strategy and General Counsel, has responsibility for developing and enabling the execution of the strategic direction and go-to-market strategies for Algoma Steel Inc. Prior to rejoining Algoma Steel

Inc., Mr. Naccarato had acquired 30 years of experience in the steel and engineering sectors at progressive levels of responsibility for market/product development, facilities development, mergers/acquisitions and strategic growth initiatives. He has developed entrepreneurial businesses, and has held previous commercial and legal positions with Dofasco Inc., Algoma Steel Inc. (Director of Market and Product Development), and EVP & General Counsel for Bracknell Corporation. Mr. Naccarato holds a materials engineering degree from the University of Western Ontario, and a law degree from University of Windsor.

Robert Dionisi, Chief Commercial Officer, joined Algoma Steel Inc. in 1979 after graduating from Laurentian University with a Bachelor of Commerce Degree. Prior to moving into his current role as Chief Commercial Officer, he progressed through a number of positions in the company including General Manager for Plate and Shape Product Sales and General Manager of Service Centre and Fabrication Sales and Marketing. He was promoted to Vice President of Essar Steel Sales for the Americas in 2008 and is presently accountable for the company sales and marketing activities and the administration of the Algoma Steel Inc.'s commercial offices located in Canada and the United States. In addition to the commercial activities for Algoma Steel Inc., Robert is accountable for certain activities related to trade as well as outbound logistics and slab purchases. He has worked with and served on several industry institutes over the years including the Metals Service Centre Institute (MSCI), the Canadian Institute of Steel Construction (CISC) and the Supplier Council for the North American Steel Alliance (NASA).

Shawn Galey, Vice President, Production, has held multiple positions at Algoma Steel Inc. over the past 41 years at progressive levels of responsibility spanning superintendent and general manager of cokemaking, ironmaking, direct strip complex and corporate transformation projects. Mr. Galey holds a chemical engineering degree from the Michigan Technological University in Houghton, Michigan.

Mark Nogalo, Vice President, Maintenance & Operating Services, has held a variety of positions at Algoma Steel Inc. over the past 27 years spanning Operations, Engineering, Maintenance and Energy Management. Mr. Nogalo holds a Bachelor of Applied Science Degree in Mechanical Engineering from Queen's University and a Masters of Business Administration from Lake Superior State University. Mr. Nogalo is a Licensed Professional Engineer in the Province of Ontario and he currently serves as Chair of the Algoma University Board.

Robert Wesley, Vice President Human Resources, comes to Algoma Steel Inc. with over 35 years of Human Resources experience. Most recently Robert was employed by the City of Toronto as a Consultant. Prior to this he had been employed as a Vice President of Human Resources for WoodGreen, served as the Director of Labour Relations for Brewers Distributing Limited (The Beer Store), the Director of Human Resources for Bombardier Aerospace, and as Chief Labour Negotiator for Russell Metals Inc., Mr. Wesley has also served as the Director of Human Resources for Tectrol Inc. and as a Director of Human Resources at Via Rail Canada Ltd, where he began his HR career. Mr. Wesley has an Honours BA in Economics from the University of Toronto.

Director Nominees

Andy Harshaw, Director Nominee, earned a Metallurgical Engineering degree at McMaster University in 1987, and subsequently joined Dofasco as an entry-level Research Engineer. Over the ensuing years, he grew to ever more senior roles within the Dofasco organization. In 2004, he was named Works Manager and in 2005 was promoted to Vice President, Manufacturing. He stayed with Dofasco through its sale to Arcelor and ultimate transition to ArcelorMittal. In 2008, he took on responsibilities at ArcelorMittal in Burns Harbor, Indiana as the Vice President, Operations. In this role, he managed all operations including technology, safety and quality for all flat rolled and plate operations. He was ArcelorMittal's Chief Executive Officer when he retired from full-time executive work in December 2016.

Michael Alexander, Director Nominee, is a Managing Director at Marathon Asset Management, a New York based investment manager, which he joined in March 2005. Mr. Alexander focuses on corporate credit and restructuring transactions and covers multiple sectors including steel. Mr. Alexander spent three years in Marathon's London office from 2006 to 2009, helping build Marathon's European credit business, before returning to New York. Prior to joining Marathon, he worked at The Blackstone Group in its restructuring advisory business. Mr. Alexander received a B.S. in Commerce from the University of Virginia with a concentration in finance.

Michael Bevacqua, Director Nominee, joined Bain Capital Credit in 1999. He is a Managing Director in Distressed and Special Situations and the head of the Restructuring team based in Bain Capital Credit's Boston office.

Prior to his current role, he was responsible for investments in the industrials sector broadly. Previously, Mr. Bevacqua was a Vice President at First Union Capital Markets, an Associate in Corporate Finance at NationsBanc Capital Markets, and an officer in the United States Marine Corps. Mr. Bevacqua received an M.B.A. from The Pennsylvania State University and a B.S. from Ithaca College.

Brian Hook, Director Nominee, is a Director and desk analyst in the Distressed Credit Trading Group at Barclays. Prior to joining Barclays in 2012, he was an Analyst in the Restructuring & Special Situations Group at Macquarie Capital. Mr. Hook received a B.B.A in Finance from Loyola University Maryland and holds the Chartered Financial Analyst designation.

Andrew E. Schultz, Director Nominee, has had a varied career, applying an operational, legal and financial background to a wide range of businesses. He joined Holding Capital Group in 1999, a private equity firm focusing on under-performing middle market companies. His experience includes senior management positions at several companies and as general counsel to Greenwich Hospital and its board in Greenwich, CT, where, in addition to legal responsibilities (including leading the merger with Yale-New Haven Health System), was project executive for a $100 million expansion and new construction program. He has also practiced corporate, health care and administrative law. For the past 10 years, Mr. Schultz has served as an independent director for a variety of restructured companies (including publicly listed) across a wide range of industries, including Niagara LaSalle Steel. Additionally, he has been an advisor and consultant to numerous boards and companies, specializing in distressed or underperforming assets with a focus on value maximizing and out-of-court solutions. Mr. Schultz completed his undergraduate and graduate work in economics and in geography at Clark University, in Worcester, MA, and received his law degree from Fordham University in New York, NY.

For information regarding our director nominees, David D. Sgro, Eric S. Rosenfeld and Brian Pratt, please see “Legato’s Business – Directors and Executive Officers” above.

Family Relationships

There are no family relationships between any of our executive officers and our directors.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Other than as set out below, none of the directors or executive officers of Algoma, is, as at the date of this proxy statement/prospectus, or has been within the 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company that (a) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or (b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer. For the purposes of this paragraph, “order” means a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case, that was in effect for a period of more than 30 consecutive days.

Other than as set out below, none of the directors or executive officers of Algoma, and to the best of Algoma’s knowledge, no shareholder holding a sufficient number of securities to affect materially the control of Algoma, (a) is, as at the date of this proxy statement/prospectus, or has been within the 10 years before the date hereof, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (b) has, within the 10 years before the date of this proxy statement/prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

Each of Rajat Marwah, Mark Nogalo, Robert Dionisi and Robert Wesley served as an officer of Old Steelco during the period before and after Old Steelco filed for creditor protection in connection with a comprehensive restructuring under the CCAA on November 9, 2015. The sale and investment solicitation process was launched on February 11, 2016. On November 30, 2018, Old Steelco concluded the restructuring by way of the acquisition of substantially all of its operating assets and liabilities by Algoma Steel Inc. pursuant to a restructuring support agreement.

None of the directors or executive officers of Algoma, and to the best of Algoma's knowledge, no shareholder holding a sufficient number of securities to affect materially the control of Algoma, has been subject to (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

Arrangements for Election of Directors and Members of Management

In connection with the Transactions, Algoma has agreed to use reasonable best efforts to increase the size of Algoma's board of directors to ten members, of which three will be appointed by Legato (who will initially be Eric S. Rosenfeld, David D. Sgro, and Brian Pratt), six will be appointed by Algoma, and Legato and Algoma will use reasonable efforts to mutually appoint the final director. In addition, on or prior to the Closing Date, Algoma and the IRA Parties will enter into an Investor Rights Agreement. The Investor Rights Agreement will provide for, among other things, that certain IRA Parties that currently have board designation rights with respect to Algoma Steel Holdings Inc. will have the right to nominate, in the aggregate, four directors to the Algoma board for so long as they maintain % of outstanding Algoma Common Shares.

Corporate Governance Practices

After the closing of the Merger, we will be a "foreign private issuer," as such term is defined in Rule 405 under the Securities Act. As a foreign private issuer we will be permitted to comply with corporate governance practices of British Columbia and the TSX (collectively, "Home Country Practice") instead of the Nasdaq corporate governance rules, provided that we disclose which requirements we will not follow and the equivalent Home Country Practice that we will comply with instead.

We intend to rely on this "foreign private issuer exemption" with respect to the quorum requirement for shareholder meetings. Under Nasdaq corporate governance rules, a quorum would require the presence, in person or by proxy, of holders of at least 33⅓% of the total issued outstanding voting power of our shares at each general meeting of shareholders. Pursuant to our Restated Articles and as permitted under the BCA, the quorum required for a general meeting of shareholders will consist of at least two shareholders present in person or by proxy who hold or represent at least 25% of the total outstanding voting power of our shares. In addition, under Nasdaq corporate governance rules, an issuer is required, in certain circumstances, to obtain shareholder approval prior to an issuance of securities in connection with: (i) the acquisition of the stock or assets of another company; (ii) equity-based compensation of officers, directors, employees or consultants; (iii) a change of control; and (iv) transactions other than public offerings. We intend not to follow this Nasdaq corporate governance rule and will instead follow Home Country Practice, which has different requirements for shareholder approval (including, in certain instances, not requiring any shareholder approval) in connection with issuances of securities in the circumstances listed above. We otherwise intend to comply with the rules generally applicable to U.S. domestic companies listed on Nasdaq. We may, however, in the future decide to rely upon the "foreign private issuer exemption" for purposes of opting out of some or all of the other corporate governance rules.

The Canadian securities regulatory authorities have issued corporate governance guidelines pursuant to National Policy 58-201 – Corporate Governance Guidelines (the "Corporate Governance Guidelines"), together with certain related disclosure requirements pursuant to National Instrument 58-101 – Disclosure of Corporate Governance Practices ("NI 58-101"). The Corporate Governance Guidelines are recommended as "best practices" for issuers to follow. Algoma recognizes that good corporate governance plays an important role in its overall success and in enhancing shareholder value and, accordingly, Algoma has adopted, or will be adopting at Closing, certain corporate governance policies and practices which reflect its consideration of the recommended Corporate Governance Guidelines. The disclosure set out below includes disclosure required by NI 58-101 describing Algoma's expected approach to corporate governance in relation to the Corporate Governance Guidelines.

Board of Directors

Election and Appointment of Directors

Under the Restated Articles, Algoma's board is to consist of a minimum of three and a maximum of 20 directors. The Restated Articles do not provide for the board of directors to be divided into classes.

Pursuant to the Restated Articles, any casual vacancy occurring on the board of directors may be filled by the remaining directors. If Algoma has fewer directors in office than the number set by the Restated Articles as the necessary quorum for the directors, the directors may only act for the purpose of appointing directors up to that number or of calling a meeting of shareholders for the purpose of filling any vacancies on the board of directors. If Algoma has no directors or fewer directors in office than the number set by the Restated Articles as the necessary quorum for the directors, the shareholders may elect or appoint, by ordinary resolution, directors to fill the vacancies on the board. Pursuant to the Restated Articles, the Algoma directors may appoint one or more additional directors, but the number of additional directors shall not exceed one third the number of the first directors and, thereafter, one third of the number of current directors who were elected or appointed other than as such additional directors. The filling of a casual vacancy by the Algoma directors shall not be counted against such cap.

Orientation and Continuing Education

Following Closing, the board of directors will provide newly elected directors with an orientation program to educate them on the Company, their roles and responsibilities on the board of directors and its committees, the contribution that an individual director is expected to make, as well as the Company's internal controls, financial reporting and accounting practices. In addition, directors will, from time to time, as required, receive: (a) training to increase their skills and abilities, as it relates to their duties and their responsibilities on the board; and (b) continuing education about the Company to maintain a current understanding of the Company's business, including its operations, internal controls, financial reporting and accounting practices. In addition, the chair of each committee will be responsible for coordinating orientation and continuing director development programs relating to the committee's mandate.

Removal of Directors

Pursuant to the Restated Articles, the shareholders of Algoma may remove any director before the expiration of his or her term of office by special resolution, which requires a special majority requirement of two-thirds of the votes cast in favor of the resolution. In that event, the shareholders may elect, or appoint by ordinary resolution, another individual as director to fill the resulting vacancy. If the shareholders do not appoint a director to fill the vacancy contemporaneously with removal, then either the directors or the shareholders by ordinary resolution may appoint an additional director to fill that vacancy.

The directors of Algoma may remove a director before the expiration of his or her period of office if the director is convicted of an indictable offence or otherwise ceases to qualify as a director and the directors may appoint a director to fill the resulting vacancy.

Proceedings of Board of Directors

A resolution of the directors or of any committee of the directors consented to in writing by all of the directors entitled to vote on it is as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors duly called and held.

For purposes of managing any potential conflicts of interest, a director who has a material interest in a matter before our board of directors or any committee on which he or she serves is required to disclose such interest as soon as the director becomes aware of it. In situations where a director has a material interest in a matter to be considered by our board of directors or any committee on which he or she serves, such director may be required to absent himself or herself from the meeting while discussions and voting with respect to the matter are taking place. Directors will also be required to comply with the relevant provisions of the BCA regarding conflicts of interest.

Indemnification of Directors and Officers

Legato entered into indemnification agreements with each of its officers and directors to indemnify such individuals, to the fullest extent permitted by law and subject to certain limitations, against all liabilities, costs, charges and expenses reasonably incurred by such individuals in an action or proceeding to which any such individual was made a party by reason of being an officer or director of Legato or an organization of which Legato is a shareholder or creditor if such individual serves such organization at our request. Such indemnification obligation will survive the Merger. Additionally, prior to the completion of the Merger, we intend to enter into similar indemnification agreements with each of our directors and certain officers.

Director Independence

The board of directors shall be constituted with a majority of individuals who qualify as "independent" (as defined in NI 58-101 and within the meaning of applicable Nasdaq and SEC rules), provided, however, that if at any time a majority of the directors are not independent because of the death, resignation, bankruptcy, adjudicated incompetence, removal or change in circumstance of any director who was an independent director, this requirement shall not be applicable for a period of 60 days thereafter, during which time the remaining directors shall appoint a sufficient number of directors who qualify as "independent" to comply with this requirement. Pursuant to applicable rules, an independent director is one who has no direct or indirect relationship with the Company that could, in the view of the board of directors, be reasonably expected to interfere with a director's independent judgment.

Our board of directors has determined that (the chair of the board), , , and will be independent directors as defined in the Nasdaq corporate governance rules and National Instrument 52-110 – *Audit Committees* ("NI 52-110"). Mr. McQuade is considered non-independent due to the fact that he acts as Chief Executive Officer of Algoma and .

Given the size and structure of the board of directors, we believe it will be able to facilitate independent judgment in carrying out its responsibilities and will continue to do so following Closing. The board of directors may meet periodically without management and any non-independent directors present to ensure that it functions independently of management. At each board meeting, unless otherwise determined by the board of directors, an in-camera meeting of independent directors will take place. Further, while certain members of senior management may attend board meetings to provide information and opinion to assist the directors in their deliberations, in order to enhance independent judgement, management attendees who are not directors will be excused for any agenda items that are reserved for discussion among directors only.

Position Descriptions

Prior to Closing, the board of directors expects to develop adopt written position descriptions for the chair of the board, the chair of each board committee and the CEO. The primary functions of the chair of the board and the chair of each board committee will be to manage the affairs of the board or of such relevant committee, including ensuring the board or such committee is organized properly, functions effectively and meets its obligations and responsibilities. Each committee shall have a chairperson that will conduct the affairs of the applicable committee in accordance with the charter of such committee. The primary functions of the of the CEO will be to develop the Company's strategic plans and policies and recommending such plans and policies to the board, provide executive leadership, oversee a comprehensive operational planning and budgeting process, supervise day-to-day management, report relevant matters to the board, facilitate communications between the board and the senior management team, and identify business risks and opportunities and manage them accordingly.

Audit Committee

Listing Requirements

We will maintain an audit committee consisting of a minimum of three and a maximum of five independent directors, each of whom is financially literate and one of whom has accounting or related financial management expertise.

Following the closing of the Merger, our audit committee will consist of , , and . will serve as the chairperson of the audit committee. Our board of directors has determined that each member of our audit committee will be independent within the meaning of the Nasdaq corporate governance rules, NI 52-110 and the Exchange Act, and free from any relationship that, in the view of the board of directors, could be reasonably expected to interfere with the exercise of his or her independent judgment as a member of the audit committee.

Each member of the audit committee has direct experience relevant to the performance of his responsibilities as an audit committee member. All members of our audit committee will be financially literate (which is defined as the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements). In addition, one member of the audit committee will have accounting or related financial management expertise, qualifying as an audit committee financial expert as defined by the SEC rules, which our board of director has determined will be .

Audit Committee Role

Our board of directors will have adopted an audit committee charter setting forth the responsibilities of the audit committee, which are consistent with the BCA, NI 52-110, the SEC rules, and Nasdaq corporate governance rules. These responsibilities are expected to include:

- assisting board oversight of (1) the integrity of our financial statements, (2) our compliance with legal and regulatory requirements, (3) our independent auditor's qualifications and independence, and (4) the performance of our internal audit function and independent auditors;
- the appointment, compensation, retention, replacement, and oversight of the work of the independent auditors and any other independent registered public accounting firm engaged by us;
- preparing all reports as may be required of an audit committee under the rules and regulations promulgated under the Exchange Act or Canadian securities laws;
- pre-approving all audit and non-audit services to be provided by the independent auditors or any other registered public accounting firm engaged by us, and establishing pre-approval policies and procedures;
- reviewing and discussing with the independent auditors all relationships the auditors have with us in order to evaluate their continued independence;
- setting clear hiring policies for employees or former employees of the independent auditors;
- setting clear policies for audit partner rotation in compliance with applicable laws and regulations;
- obtaining and reviewing a report, at least annually, from the independent auditors describing (1) the independent auditor's internal quality-control procedures and (2) any material issues raised by the most recent internal quality-control review, or peer review, of the audit firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years respecting one or more independent audits carried out by the firm and any steps taken to deal with such issues;
- meeting to review and discuss our annual audited financial statements and quarterly financial statements with management and the independent auditor;
- reviewing and approving any related party transaction required to be disclosed pursuant to applicable rules prior to us entering into such transaction;
- reviewing with management, the independent auditors, and our legal advisors, as appropriate, any legal, regulatory or compliance matters, including any correspondence with regulators or government agencies and any employee complaints or published reports that raise material issues regarding our financial statements or accounting policies and any significant changes in accounting standards or rules promulgated by applicable accounting boards, the SEC or other regulatory authorities;
- identifying irregularities in our business administration, inter alia, by consulting with the internal auditor or with the independent auditor, and suggesting corrective measures to the board of directors; and
- establishing procedures for handling employee complaints relating to the management of our business and the protection to be provided to such employees.

Compensation Committee

Listing Requirements

We will maintain a compensation committee consisting of at least two independent directors.

Following the closing of the Merger, our compensation committee will consist of , and . will serve as chairperson of the compensation committee, each of whom will be considered an independent director as defined in the Nasdaq corporate governance rules and NI 52-110. Each member of the compensation committee has direct experience relevant to his responsibilities in executive compensation. Our board of directors has determined that each member of our compensation committee will be independent under Nasdaq corporate governance rules, including the additional independence requirements applicable to the members of a compensation committee.

Compensation Committee Role

Our board of directors will have adopted a compensation committee charter setting forth the responsibilities of the committee, which are consistent with Nasdaq corporate governance rules and are expected to include among others:

- recommending to our board of directors for its approval a compensation policy, as well as other compensation policies, incentive-based compensation plans, and equity-based compensation plans, overseeing the development and implementation of such policies, and recommending to our board of directors any amendments or modifications the committee deems appropriate;
- reviewing and approving the granting of options and other incentive awards to our Chief Executive Officer and other executive officers, including reviewing and approving corporate goals and objectives relevant to the compensation of our Chief Executive Officer and other executive officers, including evaluating their performance in light of such goals and objectives; and
- administering our equity-based compensation plans, including without limitation, approving the adoption of such plans, amending and interpreting such plans, and the awards and agreements issued pursuant thereto, and making and determining the terms of awards to eligible persons under the plans.

Nominating and Governance Committee

Following the closing of the Merger, our nominating and governance committee will consist of , and , each of whom will be considered an independent director as defined in the Nasdaq corporate governance rules and NI 52-110. Our board of directors will have adopted a nominating and governance committee charter setting forth the responsibilities of the committee, which is expected to include:

- overseeing and assisting our board in reviewing and recommending nominees for election of directors;
- assessing the performance of the board, each committee and each director regarding his, her or its effectiveness and contribution on a regular basis, and reporting the evaluation results to Algoma's board; and
- establishing and maintaining effective corporate governance policies and practices, including, but not limited to, developing and recommending to our board a set of corporate governance guidelines applicable to our business.

Code of Business Conduct and Ethics

In connection with the Closing, Algoma will adopt a Code of Business Conduct and Ethics (the "Code of Conduct"), applicable to all of its directors, officers and employees. The Code of Conduct will set out Algoma's fundamental values and standards of behavior that are expected from Algoma's directors, officers and employees with respect to all aspects of Algoma's business. The objective of the Code of Conduct will be to provide guidelines for maintaining Algoma's integrity, reputation and honesty with a goal of honoring others' trust in Algoma at all times. The Code of Conduct will set out guidance with respect to conflicts of interest, protection and proper use of corporate assets and opportunities, confidentiality of corporate information, fair dealing with third parties, compliance with laws and reporting of any illegal or unethical behavior.

Algoma's audit committee is responsible for reviewing and evaluating the Code of Conduct periodically and will recommend any necessary or appropriate changes thereto to the board of directors for consideration. The audit committee will also assist Algoma's Board with the monitoring of compliance with the Code of Conduct, and will be responsible for considering any waivers of the Code of Conduct (other than waivers applicable to Algoma's directors or executive officers, which shall be subject to review by the board of directors as a whole).

A copy of the Code of Conduct will be available on Algoma's website.

Diversity

Algoma recognizes the importance and benefit of having a board of directors and senior management composed of highly talented and experienced individuals having regard to the need to foster and promote diversity among board members and senior management with respect to attributes such as gender, ethnicity and other factors. In support of this goal, the nominating and governance committee will, when identifying candidates to nominate for election to Algoma's board of directors or appoint as senior management or in its review of senior management succession planning and talent management:

- consider individuals who are highly qualified, based on their talents, experience, functional expertise and personal skills, character and qualities having regard to Algoma's current and future plans and objectives, as well as anticipated regulatory and market developments;
- consider criteria that promote diversity, including with regard to gender, ethnicity, and other dimensions;
- consider the level of representation of women on its board of directors and in senior management positions, along with other markers of diversity, when making recommendations for nominees to Algoma's board or for appointment as senior management and in general with regard to succession planning for Algoma's board and senior management; and
- as required, engage qualified independent external advisors to assist Algoma's board of directors in conducting its search for candidates that meet the board of directors' criteria regarding skills, experience and diversity.

Algoma does not expect to adopt a written policy regarding the identification and nomination of women directors, or formal targets regarding the number of women on Algoma's board of directors or in executive officer positions, because it believes the nominating and governance committee and management will generally identify, evaluate and recommend candidates that, as a whole, consist of individuals with various and relevant career experience, industry knowledge and experience, and financial and other specialized experience, while taking diversity, including gender diversity, into account. Upon closing of the Merger, Algoma will have no women on its board of directors and no women as executive officer.

EXECUTIVE COMPENSATION

Overview

The following discussion provides an overview of the expected significant elements of the compensation program for Algoma's CEO – Michael McQuade, CFO – Rajat Marwah and three most highly compensated executive officers, other than Mr. McQuade and Mr. Marwah, who will be serving as executive officers for the fiscal year ending March 31, 2022 – John Naccarato (VP – Strategy & General Counsel), Mark Nogalo (VP – Maintenance & Operating Services) and Robert Dionisi (Chief Commercial Officer). Collectively, these individuals are referred to in this proxy statement/prospectus as Algoma's "Named Executive Officers."

To succeed in the North American steel industry and to achieve its business and financial objectives, Algoma needs to attract, retain and motivate a highly talented team of executive officers. Algoma's compensation philosophy is designed to align the compensation provided to its executives, including the Named Executive Officers, with the achievement of business objectives, while also enabling Algoma to attract, motivate and retain individuals who contribute to Algoma's long-term success. In addition, as Algoma transitions from being a privately-held company to a publicly-traded company, it will continue to evaluate its philosophy and compensation program as circumstances require and plans to continue to review compensation on an annual basis. As part of this review process, Algoma expects to be guided by the philosophy and objectives outlined above, as well as other factors that may become relevant, such as the cost to Algoma if it were required to find a replacement for a key employee.

We offer the Named Executive Officers cash compensation in the form of base salary and, in some cases, an annual performance bonus and LTIP Awards. Upon consummation of the Merger, we intend to adopt an incentive equity plan for senior employees such as the Named Executive Officers, allocating 5% of outstanding Algoma Common Shares as of Closing on a fully-diluted basis for issuance thereunder.

Compensation-Setting Process

Algoma's compensation committee will be responsible for recommending to our board of directors for its approval a compensation policy, as well as other compensation policies, and recommending to our board of directors any amendments or modifications thereto that the committee deems appropriate. The compensation committee will also be responsible for reviewing and approving the granting of incentive awards to the Named Executive Officers and other executive officers, including reviewing and approving corporate goals and objectives relevant to the compensation of the Named Executive Officers and other executive officers, including evaluating their performance in light of such goals and objectives. In addition, the compensation committee will be responsible for administering equity-based compensation plans, including without limitation, approving the adoption of such plans, amending and interpreting such plans, and the awards and agreements issued pursuant thereto, and making and determining the terms of awards to eligible persons under the plans. See "*Management Of Algoma Following The Merger – Compensation Committee*."

Components of Compensation

Upon consummation of the Merger, the compensation of the Named Executive Officers is expected to include three major elements: (i) base salary, (ii) short-term incentives, consisting of an annual bonus, and (iii) long-term equity incentives. The Named Executive Officers will be eligible to participate in benefits available generally to salaried employees, including benefits under Algoma's health and welfare plans and arrangements, and vacation pay or other benefits under Algoma's medical insurance plan. Additionally, certain of the Named Executive Officers will be entitled to receive benefits under the Company's defined benefit pension plan. Perquisites and benefits are not expected to be significant elements of compensation for the Named Executive Officers.

Base Salaries and Annual Incentive Bonuses

Annual base salaries are intended to provide a fixed component of compensation to the Named Executive Officers, reflecting their skill sets, experience, roles and responsibilities. Base salaries for the Named Executive Officers have generally been set at levels deemed necessary to attract and retain individuals with superior talent.
Algoma intends for any adjustments to base salaries to be determined annually and may increase base salaries based on

factors such as the Named Executive Officer's success in meeting or exceeding individual objectives and an assessment of the competitiveness of the then-current compensation. Additionally, Algoma may choose to adjust base salaries as warranted throughout the year to reflect promotions or other changes in the scope or breadth of a Named Executive Officer's role or responsibilities, as well as to maintain market competitiveness.

In accordance with the terms of their respective employment agreements, certain of Algoma's Named Executive Officers and other executive officers are eligible to receive discretionary annual bonuses based on individual performance, company performance or otherwise as may be determined by Algoma's board of directors from time to time.

Equity Incentive Plans

We believe that equity-based compensation awards will align Algoma's interests and those of its shareholders with those of its employees, including the Named Executive Officers, and motive such recipients to achieve strategic business and financial objectives. The principal features of Algoma's Legacy Incentive Plan and Omnibus Incentive Plan (each, as defined below) are summarized below. These summaries are qualified in their entirety by reference to the actual text of the plans evidencing the applicable awards, which are filed as exhibits to the registration statement this proxy statement/prospectus is a part, as well as the grant agreements evidencing the applicable awards.

Legacy Incentive Plan

Algoma Steel Holdings Inc. originally adopted the long-term incentive plan on May 13, 2020 (the "Legacy Incentive Plan"), pursuant to which LTIP Awards (specifically, Director Units, Incentive RSUs and Incentive PSUs (each, as described below)) have been granted to employees and directors of Algoma Steel Holdings Inc. and its affiliates. Algoma's Named Executive Officers executives generally are awarded an initial grant of LTIP Awards in connection with their commencement of employment with Algoma, and as part of their annual compensation thereafter.

Pursuant to the Merger Agreement, immediately prior to the Effective Time, each outstanding LTIP Award that has vested will be exchanged for a Replacement LTIP Award, subject to the holder of such LTIP Award executing an exchange agreement and joinder to the Lock-up Agreement. Upon the completion of the Merger, the Legacy Incentive Plan will be discontinued.

Purpose

The purpose of the Legacy Incentive Plan is (a) to advance the interests of Algoma Steel Holdings Inc. by enhancing the ability of Algoma Steel Holdings Inc. and its affiliates to attract, motivate and retain employees and directors; (b) to reward such persons for their sustained contributions; and (c) to encourage such persons to take into account the long-term corporate performance of Algoma Steel Holdings Inc. and its affiliates.

Administration of the Legacy Incentive Plan

The Legacy Incentive Plan is administered by the board of directors of Algoma Steel Holdings Inc., provided that the board of directors or Algoma Steel Holdings Inc. may, in its discretion, delegate its administrative powers under the Legacy Incentive Plan to one or more other persons (the "Legacy Plan Administrator").

Eligibility

Employees and directors of Algoma Steel Holdings Inc. and its affiliates are eligible to participate in the Legacy Incentive Plan.

Types of Awards

Director Units

The Legacy Plan Administrator may grant Director Units to directors of Algoma Steel Holdings Inc. and its affiliates in satisfaction of all or a portion of the retainer, committee chair, meeting and similar fees payable to such directors. The number of Director Units to be issued in satisfaction of a payment of such fees shall be equal to the amount of such fees divided by the Share Value (as defined in the Legacy Incentive Plan) at such time. Each grant of Director Units shall be evidenced by an award agreement, which may also include any additional terms and conditions applicable to such Director Unit grants, as determined by the Legacy Plan Administrator. Each Director Unit originally represented the right to purchase one non-voting common shares in the capital of Algoma Steel Holdings Inc. (a "Non-Voting Share") from treasury for the applicable exercise price, except as may otherwise be specified in the applicable award agreement. Except as may otherwise be specified in the applicable award agreement, (a) the exercise price for each Director Unit granted to a director shall be C$0.01 per Non-Voting Share; and (b) Director Units shall vest and become exercisable as of the Exercise Date (as defined in the Legacy Incentive Plan). Subject to any accelerated termination of Director Units specified in the Legacy Incentive Plan or in the applicable award agreement, each Director Unit shall, except as may otherwise be determined by the board of directors of Algoma Steel Holdings Inc., expire upon the Completion of a Liquidity Event (as defined in the Legacy Incentive Plan).

Incentive Restricted Share Units

Each Incentive RSU originally represented the right to purchase one Non-Voting Share from treasury for the applicable exercise price, except as otherwise specified in the applicable award agreement. Except as may otherwise be specified in the applicable award agreement, (a) the exercise price for each Incentive RSU granted to a participant shall be $0.01 per Non-Voting Share; and (b) Incentive RSUs shall vest as follows: (i) on the first anniversary of the grant date, one-third of the total number of Incentive RSUs granted on such date shall vest; (ii) on the second anniversary of the grant date, one-third of the total number of Incentive RSUs granted on such date shall vest; and (iii) on the third anniversary of the grant date of Incentive RSUs, one-third of the total number of Incentive RSUs granted on such date shall vest. Notwithstanding the foregoing, all unvested Incentive RSUs shall immediately vest as of the Exercise Date. Subject to any accelerated termination of Incentive RSUs specified in the Legacy Incentive Plan or the applicable award agreement, each Incentive RSU shall, except as may otherwise be specified in the applicable award agreement, expire upon the Completion of a Liquidity Event.

Incentive Performance Share Units

Each Incentive PSU originally represented the right to purchase one Non-Voting Share from treasury for the applicable exercise price, except as may otherwise be specified in the applicable award agreement. Except as may otherwise be specified in the applicable award agreement, (a) the exercise price for each Incentive PSU granted to a participant shall be C$0.01 per Non-Voting Share; and (b) no Incentive PSUs shall vest and become exercisable until the Exercise Date, with the formula for the portion of Incentive PSUs that will vest and become exercisable at the Exercise Date set out in Section 6.4 of the Legacy Incentive Plan. Subject to any accelerated termination specified in the Legacy Incentive Plan or the applicable award agreement, each Incentive PSU shall, except as may otherwise be specified in the applicable award agreement, expire upon the Completion of a Liquidity Event.

Termination of Employment or Services

Termination with Cause

Except as may otherwise be determined by the board of directors of Algoma Steel Holdings Inc. or specified in the applicable employment or engagement agreement, if a participant's employment with Algoma Steel Holdings Inc. or an affiliate is terminated with cause, all Incentive RSUs and Incentive PSUs held by the participant will be cancelled and forfeited. No Director Units held by such participant would be affected by such termination.

Termination without Cause

Except as may otherwise be determined by the board of directors of Algoma Steel Holdings Inc. or specified in the applicable employment or engagement agreement, if a participant's employment with Algoma Steel Holdings Inc.

is terminated without cause or due to constructive dismissal, the following provisions shall apply to such participant's Incentive RSUs and Incentive PSUs: (a) if the applicable cessation date occurs within the first six months following a particular grant date, all unvested Incentive RSUs and all unvested Incentive PSUs, in each case granted on such grant date shall be immediately cancelled and forfeited for no consideration with effect as of the applicable cessation date; (b) if the applicable cessation date occurs on or following the first six months, but within the first 12 months, following a particular grant date, (A) one-third of all Incentive RSUs granted on such grant date shall immediately vest and (B) all other Incentive RSUs and all Incentive PSUs, in each case, granted on such grant date, shall be immediately cancelled and forfeited for no consideration with effect as of the applicable cessation date; and (c) if the applicable cessation date occurs on or following the first 12 months following a particular grant date, then (A) in the case of (i) a participant who is not a U.S. Taxpayer (as defined in the Legacy Incentive Plan), all Incentive RSUs that would have vested upon the next anniversary of such grant date, shall immediately vest, or, (ii) a participant who is a U.S. Taxpayer, all Incentive RSUs that would have vested upon the next anniversary of such grant date if such participant were not a U.S. Taxpayer, shall remain in force and continue to be eligible to vest; (B) the portion of the Incentive PSUs granted on such grant date that is equal to (x) the total number of Incentive PSUs granted on such grant date multiplied by (y) the number of days elapsing between the grant date and the applicable participant's cessation date divided by (z) the number of days elapsing between the grant date and the date upon which the Completion of a Liquidity Event, if any, occurs, shall remain in force and continue to be eligible to vest and become exercisable, pursuant to Section 6.6 of the Legacy Incentive Plan, for six months from the applicable participant's cessation date (unless such Incentive PSUs expire pursuant to Section 6.6 thereof) and thereafter shall be immediately cancelled and forfeited for no consideration; and (C) all other unvested Incentive RSUs and all other Incentive PSUs, in each case, granted on or after such grant date shall (except as otherwise provided in the Legacy Incentive Plan) be immediately cancelled and forfeited for no consideration with effect as of the applicable cessation date. No Director Units held by such participant shall be affected as a result of such termination.

Resignation or Retirement

Except as may otherwise be determined by the board of directors of Algoma Steel Holdings Inc. or specified in the applicable employment or engagement agreement, if a participant's employment with Algoma Steel Holdings Inc. or an affiliate ceases due to their resignation or retirement, (a) in the case of a participant who is not a U.S. Taxpayer (as defined in the Legacy Incentive Plan), all unvested Incentive RSUs and all Incentive PSUs shall be immediately cancelled and forfeited for no consideration with effect as of the applicable cessation date; and (b) in the case of a participant who is a U.S. Taxpayer, all Incentive RSUs, other than Incentive RSUs that would have then vested, pursuant to Section 5.4(a) of the Legacy Incentive Plan, if such participant were not a U.S. Taxpayer, and all Incentive PSUs shall be immediately cancelled and forfeited for no consideration with effect as of the applicable cessation date. No other Incentive RSUs and no Director Units held by such participant shall be affected as a result of such cessation of employment or engagement.

Death or Disability

Except as may otherwise be determined by the Algoma Steel Holdings Inc. or specified in the applicable employment or engagement agreement, if a participant's employment with Algoma Steel Holdings Inc. or an affiliate ceases due to death or disability, (a) all Director Units shall immediately vest and become exercisable for 12 months from the applicable cessation date (unless they first expire pursuant to Section 4.6 of the Legacy Incentive Plan) and thereafter shall be immediately cancelled and forfeited for no consideration with effect as of the applicable cessation date, (b) all Incentive RSUs shall immediately vest (to the extent then unvested) and become exercisable for 12 months from the applicable cessation date (unless they first expire pursuant to Section 5.6 of the Legacy Incentive Plan) and thereafter shall be immediately cancelled and forfeited for no consideration, (c) the portion of the Incentive PSUs granted on a particular grant date that is equal to (x) the number of Incentive PSUs granted on such grant date multiplied by (y) the number of days elapsing between such grant date and the applicable participant's cessation date divided by (z) the number of days elapsing between such grant date and the date upon which the Completion of a Liquidity Event, if any, occurs, shall remain in force and continue to be eligible to vest and to become exercisable, pursuant to Section 6.4(a) of the Legacy Incentive Plan, by the participant or their estate, as applicable, for 12 months from the applicable participant's cessation date (unless they first expire pursuant to Section 6.6 of the Legacy Incentive Plan) and thereafter shall be immediately cancelled and forfeited for no consideration, and (d) all other Incentive PSUs shall be immediately cancelled and forfeited for no consideration with effect as of the applicable cessation date.

Amendments to the Legacy Incentive Plan.

The Legacy Plan Administrator may, without notice and without shareholder approval, amend, modify, change, suspend or terminate the Legacy Incentive Plan or any LTIP Awards granted pursuant to the Legacy Incentive Plan as it, in its discretion, determines appropriate, provided, however, that, except as otherwise provided therein: (a) no such amendment, modification, change, suspension or termination may materially impair any rights of a participant or materially increase any obligations of a participant without the consent of the participant, unless the Legacy Plan Administrator determines such adjustment is required or desirable in order to comply with any applicable law; and (b) any amendment that would cause an LTIP Award held by a U.S. Taxpayer be subject to the additional tax penalty under Section 409A(1)(B)(i)(II) of the Code shall be null and void *ab initio* with respect to the U.S. Taxpayer.

The following table sets forth the aggregate number of options (in the form of LTIP Awards) to purchase common shares of Algoma Steel Holdings Inc. that are outstanding as of the date of this proxy statement/prospectus. Pursuant to the Merger Agreement, immediately prior to the Effective Time, each outstanding LTIP Award that has vested will be exchanged for a Replacement LTIP Award, subject to the holder of such LTIP Award executing an exchange agreement and joinder to the Lock-up Agreement.

Category	Number of LTIP Awards[(1)]	Exercise Price[(1)]	Expiration Date
Executive officers and past executive officers, as a group (7 in total)	4,452,952	C$ 0.01	Not applicable
Directors and past directors who are not also executive officers or past executive officers, as a group (2 in total)	45,894	C$ 0.01	Not applicable
All other employees and past employees, as a group (0 in total)	0	0	Not applicable
Consultants, as a group (0 in total)	0	0	Not applicable

(1) Figures contained herein give effect to the Stock Split.

As of March 31, 2021, there were 563,334 vested LTIP Awards.

Omnibus Incentive Plan

We intend to adopt an incentive equity plan to grant long-term equity-based awards, including options, RSUs, PSUs and DSUs to eligible participants (the "Omnibus Incentive Plan") upon consummation of the Merger, allocating 5% of outstanding Algoma Common Shares as of Closing on a fully-diluted basis for issuance thereunder.

Purpose

The purpose of the Omnibus Incentive Plan will be to, among other things: (a) provide the Company with a mechanism to attract, retain and motivate qualified directors, officers, employees and consultants of the Company, including its subsidiaries; (b) reward directors, officers, employees and consultants that have been granted awards under the Omnibus Incentive Plan for their contributions toward the long-term goals and success of the Company; and (c) enable and encourage such directors, officers, employees and consultants to acquire Algoma Common Shares as long-term investments and proprietary interests in the Company.

Administration of the Omnibus Incentive Plan

The Plan Administrator (as defined in the Omnibus Incentive Plan) will be determined by the board of directors of the Company, and will initially be the Compensation Committee. The Omnibus Incentive Plan may in the future be administered by the board of directors itself or delegated to another committee of the board of directors. The Plan Administrator will determine which directors, officers, consultants and employees are eligible to receive awards under the Omnibus Incentive Plan, the time or times at which awards may be granted, the conditions under which awards may be granted or forfeited to the Company, the exercise price of any award, whether restrictions or limitations are to be imposed on the Algoma Common Shares issuable pursuant to grants of any award, and the nature of any such restrictions or limitations, any acceleration of exercisability or vesting, or waiver of termination regarding any award, based on such factors as the Plan Administrator may determine.

In addition, the Plan Administrator shall interpret the Omnibus Incentive Plan and may adopt administrative rules, regulations, procedures and guidelines governing the Omnibus Incentive Plan or any awards granted under the Omnibus Incentive Plan as it deems appropriate.

Eligibility

All directors, officers, consultants and employees of the Company are eligible to participate in the Omnibus Incentive Plan. The extent to which any such individual is entitled to receive a grant of an award pursuant to the Omnibus Incentive Plan will be determined in the discretion of the Plan Administrator.

Types of Awards

Awards of options, RSUs, PSUs and DSUs may be made under the Omnibus Incentive Plan. All of the awards described below will be subject to the conditions, limitations, restrictions, exercise price, vesting, settlement and forfeiture provisions determined by the Plan Administrator, in its sole discretion, subject to such limitations provided in the Omnibus Incentive Plan, and will generally be evidenced by an award agreement. In addition, subject to the limitations provided in the Omnibus Incentive Plan and in accordance with applicable law, the Plan Administrator may accelerate or defer the vesting or payment of awards, cancel or modify outstanding awards, and waive any condition imposed with respect to awards or Algoma Common Shares issued pursuant to awards.

Options

An option entitles a holder thereof to purchase a prescribed number of Algoma Common Shares at an exercise price set at the time of the grant. The Plan Administrator will establish the exercise price at the time each option is granted, which exercise price must in all cases be not less than the Market Price (as defined in the Omnibus Incentive Plan) on the date of grant. Subject to any accelerated termination as set forth in the Omnibus Incentive Plan, each option expires on its respective expiry date. The Plan Administrator will have the authority to determine the vesting terms applicable to grants of options. Once an option becomes vested, it shall remain vested and shall be exercisable until expiration or termination of the option, unless otherwise specified by the Plan Administrator, or as otherwise set forth in any written employment agreement, award agreement or other written agreement between the Company or a subsidiary of the Company and the participant. The Plan Administrator will have the right to accelerate the date upon which any option becomes exercisable. The Plan Administrator may provide at the time of granting an option that the exercise of that option is subject to restrictions, in addition to those specified in the Omnibus Incentive Plan, such as vesting conditions relating to the attainment of specified performance goals.

Unless otherwise specified by the Plan Administrator at the time of granting an option and set forth in the particular award agreement, an exercise notice must be accompanied by payment of the exercise price. A participant may, in lieu of exercising an option pursuant to an exercise notice, elect to surrender such option to the Company (a "Cashless Exercise") in consideration for an amount from the Company equal to (i) the Market Price of the Algoma Common Shares issuable on the exercise of such option (or portion thereof) as of the date such option (or portion thereof) is exercised, less (ii) the aggregate exercise price of the option (or portion thereof) surrendered relating to such Algoma Common Shares (the "In-the-Money Amount") by written notice to the Company indicating the number of options such participant wishes to exercise using the Cashless Exercise, and such other information that the Company may require. Subject to the provisions of the Omnibus Incentive Plan, the Company will satisfy payment of the In-the-Money Amount by delivering to the participant such number of Algoma Common Shares having an aggregate fair market value equal to the In-the-Money Amount. Any options surrendered in connection with a Cashless Exercise will not be added back to the number of Algoma Common Shares reserved for issuance under the Omnibus Incentive Plan.

Restricted Share Units

A RSU is a unit equivalent in value to an Algoma Common Share credited by means of a bookkeeping entry in the books of the Company which entitles the holder to receive one Algoma Common Share (or the value thereof) for each RSU after a specified vesting period. The Plan Administrator may, from time to time, subject to the provisions of the Omnibus Incentive Plan and such other terms and conditions as the Plan Administrator may prescribe, grant RSUs to any participant in respect of a bonus or similar payment in respect of services rendered by the applicable participant in a taxation year (the "RSU Service Year").

The number of RSUs (including fractional RSUs) granted at any particular time under the Omnibus Incentive Plan will be calculated by dividing (a) the amount of any bonus or similar payment that is to be paid in RSUs (including the elected amount, as applicable), as determined by the Plan Administrator, by (b) the greater of (i) the Market Price of an Algoma Common Share on the date of grant and (ii) such amount as determined by the Plan Administrator in its sole discretion. The Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of RSUs, provided that the terms comply with the Code, to the extent applicable.

Upon settlement, holders will receive (a) one fully paid and non-assessable Algoma Common Share in respect of each vested RSU, (b) a cash payment or (c) a combination of Algoma Common Shares and cash, in each case as determined by the Plan Administrator. Any such cash payments made by the Company shall be calculated by multiplying the number of RSUs to be redeemed for cash by the Market Price per Algoma Common Share as at the settlement date. Subject to the provisions of the Omnibus Incentive Plan and except as otherwise provided in an award agreement, no settlement date for any RSU shall occur, and no Algoma Common Share shall be issued or cash payment shall be made in respect of any RSU any later than the final business day of the third calendar year following the applicable RSU Service Year.

Performance Share Units

A PSU is a unit equivalent in value to an Algoma Common Share credited by means of a bookkeeping entry in the books of the Company which entitles the holder to receive one Algoma Common Share (or the value thereof) for each PSU after specific performance-based vesting criteria determined by the Plan Administrator, in its sole discretion, have been satisfied. The performance goals to be achieved during any performance period, the length of any performance period, the amount of any PSUs granted, the termination of a participant's employment and the amount of any payment or transfer to be made pursuant to any PSU will be determined by the Plan Administrator and by the other terms and conditions of any PSU, all as set forth in the applicable award agreement. The Plan Administrator may, from time to time, subject to the provisions of the Omnibus Incentive Plan and such other terms and conditions as the Plan Administrator may prescribe, grant PSUs to any participant in respect of a bonus or similar payment in respect of services rendered by the applicable participant in a taxation year (the "PSU Service Year").

The Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of PSUs. Upon settlement, holders will receive (a) one fully paid and non-assessable Algoma Common Share in respect of each vested PSU, (b) a cash payment, or (c) a combination of Algoma Common Shares and cash, in each case as determined by the Plan Administrator in its discretion. Any such cash payments made by the Company to a participant shall be calculated by multiplying the number of PSUs to be redeemed for cash by the Market Price per Algoma Common Share as at the settlement date. Subject to the provisions of the Omnibus Incentive Plan and except as otherwise provided in an award agreement, no settlement date for any PSU shall occur, and no Algoma Common Share shall be issued or cash payment shall be made in respect of any PSU any later than the final business day of the third calendar year following the applicable PSU Service Year.

Deferred Share Units

A DSU is a unit equivalent in value to an Algoma Common Share credited by means of a bookkeeping entry in the books of the Company which entitles the holder to receive one Algoma Common Share, the cash value thereof, or a combination of Algoma Common Shares and cash (as determined by the Plan Administrator in its sole discretion) for each DSU on a future date. The board of directors may fix from time to time a portion of the total compensation (including annual retainer) paid by the Company to a director in a calendar year for service on the board of directors (the "Director Fees") that is to be payable in the form of DSUs. In addition, each director will be given, subject to the provisions of the Omnibus Incentive Plan, the right to elect to receive a portion of the cash Director Fees owing to them in the form of DSUs.

Except as otherwise determined by the Plan Administrator, DSUs shall vest immediately upon grant. The number of DSUs (including fractional DSUs) granted at any particular time will be calculated by dividing (a) the amount of any Director Fees that are paid in DSUs (including any elected amount), by (b) the Market Price of an Algoma Common Share on the date of grant. Upon settlement, holders will receive (a) one fully paid and non-assessable Algoma Common Share in respect of each vested DSU, (b) a cash payment, or (c) a combination of Algoma Common Shares and cash as contemplated by (a) and (b) above, as determined by the Plan Administrator in its sole discretion. Any cash

payments made under the Omnibus Incentive Plan by the Company to a participant in respect of DSUs to be redeemed for cash shall be calculated by multiplying the number of DSUs to be redeemed for cash by the Market Price per Algoma Common Share as at the settlement date. Subject to the provisions of the Omnibus Incentive Plan and except as otherwise provided in an award agreement, the settlement date shall be no earlier than the date on which the participant ceases to be a director and no later than the last business day of the immediately following calendar year.

Insider Participation Limit

The Omnibus Incentive Plan will provide that the aggregate number of Algoma Common Shares (a) issuable to insiders at any time (under all of the Company's security-based compensation arrangements) cannot exceed 5% of the Company's issued and outstanding Algoma Common Shares and (b) issued to insiders within any one-year period (under all of the Company's security-based compensation arrangements) cannot exceed 5% of the Company's issued and outstanding Algoma Common Shares.

Furthermore, the Omnibus Incentive Plan will provide that within any one financial year of the Company, the aggregate fair market value on the date of grant of all awards granted to any one non-employee director under all of the Company's security-based compensation arrangements shall not exceed $ (with no more than $ in options), provided that such limits shall not apply to (i) awards taken in lieu of any cash retainer or other Director Fees, or (ii) a one-time initial grant to a non-employee director upon such director joining the board of directors.

Dividend Equivalents

RSUs, PSUs and DSUs shall be credited with dividend equivalents in the form of additional RSUs, PSUs and DSUs, as applicable. Dividend equivalents shall vest in proportion to, and settle in the same manner as, the awards to which they relate. Such dividend equivalents shall be computed by dividing: (a) the amount obtained by multiplying the amount of the dividend declared and paid per Algoma Common Share by the number of RSUs, PSUs and DSUs, as applicable, held by the participant on the record date for the payment of such dividend, by (b) the Market Price at the close of the first business day immediately following the dividend record date, with fractions computed to three decimal places.

Black-out Periods

If an award expires during, or within five business days after, a routine or special trading black-out period imposed by the Company to restrict trades in the Company's securities, then, notwithstanding any other provision of the Omnibus Incentive Plan, unless the delayed expiration would result in negative tax consequences to the holder of the award, the award shall expire five business days after the trading black-out period is lifted by the Company.

Term

While the Omnibus Incentive Plan will not stipulate a specific term for awards granted thereunder, as discussed below, shareholder approval shall be required to permit an award to be exercisable beyond 10 years from its date of grant, except where an expiry date would have fallen within a blackout period of the Company. All awards must vest and settle in accordance with the provisions of the Omnibus Incentive Plan and any applicable award agreement, which award agreement may include an expiry date for a specific award.

Termination of Employment or Services

The following table describes the impact of certain events upon the participants under the Omnibus Incentive Plan, including termination with cause, termination without cause, resignation, death or disability, subject, in each case, to the terms of a participant's applicable employment agreement, award agreement or other written agreement and subject to applicable employment standards legislation or regulations applicable to the participant's employment or other engagement with the Company or any of its subsidiaries:

Event	Provisions
Termination with Cause	• Any unvested awards held that have not been exercised, settled or surrendered as of the Termination Date (as defined in the Omnibus Incentive Plan) shall be forfeited and cancelled.
Termination without Cause **Resignation**	• Any vested awards may be exercised, settled or surrendered to the Company by the participant at any time during the period that terminates on the earlier of: (a) the expiry date of such award; and (b) the date that is 90 days after the Termination Date, with any award that has not been exercised, settled or surrendered at the end of such period being immediately forfeited and cancelled.
Death	• Any award held by the participant that has not vested as of the date of the death of such participant shall vest on such date and may be exercised, settled or surrendered to the Company by the participant at any time during the period that terminates on the earlier of: (a) the expiry date of such award; and (b) the first anniversary of the date of the death of such participant, with any award that has not been exercised, settled or surrendered at the end of such period being immediately forfeited and cancelled.
Disability	• Any award held by the participant that has not vested as of the date of the Disability (as defined in the Omnibus Incentive Plan) of such participant shall vest on such date and may be exercised or surrendered to the Company by the participant at any time until the expiry date of such award.

Change in Control

Under the Omnibus Incentive Plan, except as may be set forth in an employment agreement, award agreement or other written agreement between the Company or a subsidiary of the Company and a participant:

(a) If within 12 months following the completion of a transaction resulting in a Change in Control (as defined below), a participant's employment is terminated without Cause (as defined in the Omnibus Incentive Plan), without any action by the Plan Administrator: (i) any unvested awards held by the participant that have not been exercised, settled or surrendered as of the Termination Date shall immediately vest; and (ii) any vested awards may be exercised, settled or surrendered to the Company by the participant at any time during the period that terminates on the earlier of: (A) the expiry date of such award; and (B) the date that is 90 days after the Termination Date, with any award that has not been exercised, settled or surrendered at the end of such period being immediately forfeited and cancelled.

(b) Unless otherwise determined by the Plan Administrator, if, as a result of a Change in Control, the Algoma Common Shares will cease trading on the Nasdaq, the TSX and any other exchange on which the Algoma Common Shares are or may be listed from time to time (the "Exchanges"), the Company may terminate all of the awards, other than an option held by a participant that is a resident of Canada for the purposes of the Tax Act, granted under the Omnibus Incentive Plan at the time of, and subject to the completion of, the Change in Control transaction by paying to each holder an amount equal to the fair market value of their respective award (as determined by the Plan Administrator, acting reasonably) at or within a reasonable period of time following completion of such Change in Control transaction.

Subject to certain exceptions, a "Change in Control" includes (a) any transaction pursuant to which a person or group acquires more than 50% of the outstanding Algoma Common Shares, (b) the sale of all or substantially all of the Company's assets, (c) the dissolution or liquidation of the Company, (d) the acquisition of the Company via consolidation, merger, exchange of securities, purchase of assets, amalgamation, statutory arrangement or otherwise, or (e) individuals who comprise the board of directors at the last annual meeting of shareholders (the "Incumbent Board") cease to constitute at least a majority of the board of directors, unless the election, or nomination for election by the shareholders, of any new director was approved by a vote of at least a majority of the Incumbent Board, in which case such new director shall be considered as a member of the Incumbent Board.

Non-Transferability of Awards

Unless otherwise provided by the Plan Administrator, and except to the extent that certain rights may pass to a beneficiary or legal representative upon the death of a participant by will or as required by law, no assignment or transfer of awards granted under the Omnibus Incentive Plan, whether voluntary, involuntary, by operation of law or otherwise, shall be permitted.

Amendments to the Omnibus Incentive Plan

The Plan Administrator may also from time to time, without notice and without approval of the holders of voting shares, amend, modify, change, suspend or terminate the Omnibus Incentive Plan or any awards granted pursuant thereto as it, in its discretion, determines appropriate, provided that (a) no such amendment, modification, change, suspension or termination of the Omnibus Incentive Plan or any award granted pursuant thereto may materially impair any rights of a participant or materially increase any obligations of a participant under the Omnibus Incentive Plan without the consent of such participant, unless the Plan Administrator determines such adjustment is required or desirable in order to comply with any applicable securities laws or stock exchange requirements, and (b) any amendment that would cause an award held by a U.S. Taxpayer (as such term is defined in the Omnibus Incentive Plan) to be subject to the additional tax penalty under Section 409A(1)(b)(i)(II) of the Code, as amended, shall be null and void *ab initio*.

Notwithstanding the above, and subject to the rules of the Exchanges (which may require approval of disinterested shareholders), the approval of shareholders will be required to effect any of the following amendments to the Omnibus Incentive Plan:

(a) increasing the number of Algoma Common Shares reserved for issuance under the Omnibus Incentive Plan, except pursuant to the provisions in the Omnibus Incentive Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Company or its capital;

(b) increasing or removing the 5% limits on Algoma Common Shares issuable or issued to insiders;

(c) reducing the exercise price of an option award (for this purpose, a cancellation or termination of an award of a participant prior to its expiry date for the purpose of reissuing an award to the same participant with a lower exercise price shall be treated as an amendment to reduce the exercise price of an award) except pursuant to the provisions in the Omnibus Incentive Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Company or its capital;

(d) extending the term of an option award beyond the original expiry date (except where an expiry date would have fallen within a blackout period applicable to the participant or within five business days following the expiry of such a blackout period);

(e) permitting an option award to be exercisable beyond 10 years from its date of grant (except where an expiry date would have fallen within a blackout period);

(f) increasing or removing the limits on the participation of non-employee directors;

(g) permitting awards to be transferred to a person;

(h) changing the eligible participants; and

(i) deleting or otherwise limiting the amendments which require approval of the shareholders.

Except for the items listed above, amendments to the Omnibus Incentive Plan will not require shareholder approval. Such amendments include (but are not limited to): (a) amending the general vesting provisions of an award, (b) amending the provisions for early termination of awards in connection with a termination of employment or service, (c) adding covenants of the Company for the protection of the participants, (d) amendments that are desirable as a result of changes in law in any jurisdiction where a participant resides, and (e) curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error.

Perquisites and Other Benefits

The Named Executive Officers are eligible to participate in benefits available generally to salaried employees, including benefits under Algoma's health and welfare plans and arrangements, and vacation pay or other benefits under Algoma's medical insurance plan. Perquisites and benefits are not expected to be significant elements of compensation for the Named Executive Officers.

Agreements with Named Executive Officers and Payments upon Termination or Change of Control

Each of the Named Executive Officers have entered into an employment agreement with Algoma Steel Inc. The payments provided upon termination or a change of control under each Named Executive Officer's employment agreement are summarized below. For a summary of the benefits provided upon termination or a change of control of the Company pursuant to the Legacy Incentive Plan and Omnibus Incentive Plan, see "*Executive Compensation – Equity Incentive Plans*" above.

Michael McQuade, Chief Executive Officer

If Mr. McQuade's employment is terminated, howsoever caused, (a) the Company will pay to Mr. McQuade any base salary and vacation pay earned by, and remaining payable to, him up to the termination date or as otherwise may be required pursuant to the *Employment Standards Act, 2000* (the "ESA"); (b) Mr. McQuade will be provided with any benefits, perquisites and allowances to which he is entitled pursuant to the applicable plans and policies up to the termination date or as otherwise may be required pursuant to the ESA; (c) unless otherwise specifically set out in any plan or agreement, Mr. McQuade's participation in all bonus or incentive plans will terminate immediately on the termination date; and (d) any awards to, or entitlements of, Mr. McQuade to long-term incentive compensation will be determined in accordance with the Legacy Incentive Plan.

If Mr. McQuade's employment is terminated for cause, in addition to the Company's obligations set out above, subject to the Company's compliance with the ESA, he will have no entitlement to any payment in lieu of notice, severance, damages and, further, all benefits, perquisites, allowances and other entitlements will cease on the termination date except for any entitlement pursuant to any health and welfare or insurance benefit which may be payable in accordance with the applicable plans or policies as of the termination date or as may be required by the ESA.

If Mr. McQuade's employment is terminated without cause, in addition to the Company's obligations set out above, (a) the Company will, as severance, pay to Mr. McQuade an amount equal to his base salary as at the termination date; (b) except for all short-term and long-term disability insurance or any other benefits or entitlements which cannot be continued by the applicable plans or policies, the Company will continue all of the benefits in which Mr. McQuade was participating as at the termination date for the severance period; and (c) if Mr. McQuade has been terminated by the Company during the three month period immediately preceding or on the date of or within six months after a change of control, he will receive an annual bonus in an amount fixed at his full target for the fiscal year during which the change of control occurs; or where termination is not during the three month period immediately preceding nor on the date nor within six months after a change of control, he will receive an annual bonus in an amount fixed at his full target for the fiscal year in which the termination date occurs prorated for the period that he was actively employed during such fiscal year.

In the event Mr. McQuade's employment is terminated as a result of his death or disability, the Company's obligations will be as set out above. In the event of his disability, the Company will provide him with 30 calendar days' written notice of termination or termination pay in lieu of notice and severance pay, if applicable, and, in the event of his death or disability, there will be a continuation of any health and welfare or insurance benefit which may be payable in accordance with the applicable plans or policies as of the termination date or as may be required by the ESA.

If Mr. McQuade resigns, the Company's obligations will be as set out above. During the three-month notice period between his resignation and the termination date, he will continue to be paid the base salary and such wages as required by the ESA and be entitled to participate in any benefits, additional perquisites and such other benefits as required by the ESA. In certain circumstances, Mr. McQuade will also receive an annual bonus in an amount fixed at his full target for the fiscal year in which the termination date occurs prorated for the period that Mr. McQuade was actively employed during such fiscal year.

In addition, for the fiscal year ending March 31, 2022, if Mr. McQuade's employment is terminated for any reason other than for cause, he will entitled to an annual bonus calculated at target (that is, 100% of his base salary) or the annual bonus achieved pursuant to the terms of his employment agreement, whichever is greater, but prorated based on the number of completed months of employment during such fiscal year with the Company prior to the termination date. Furthermore, if Mr. McQuade's employment is terminated on or before December 31, 2021, other than for cause or as a result of his resignation, he will be entitled to a one-time retention bonus of up to a maximum of $240,000.

Rajat Marwah, Chief Financial Officer

If Mr. Marwah's employment is terminated for cause, he will receive the sum of his accrued but unpaid base salary, earned but unused vacation pay, earned but unpaid Variable Compensation Incentive Plan ("VCIP") payments, and reimbursement for unreimbursed business expenses properly incurred (collectively, the "Accrued Amounts"). The Company will have no other obligations to Mr. Marwah, save and except for any obligations under the ESA.

If Mr. Marwah's employment is terminated without cause, Mr. Marwah will receive, in the form of base salary continuance, (a) if his service is less than five years, 12 months' base salary; or (b) if his service is five years or more, 24 months' base salary (the "Salary Continuance Period").

In the event of a change of control, if Mr. Marwah's employment is terminated without cause, or he resigns due to constructive dismissal, within, if it is a direct consequence of an anticipated change of control, six months prior to a change of control or within one year following a change of control, he will be entitled to severance in an amount equal to: (a) 1.5 times the total amount of base salary that otherwise was to have been provided during the Salary Continuance Period, to a maximum payment of 30 months' base salary; and (b) a pro rata VCIP payment for the period up to the termination date and then, for the 24 month period after the termination date, a VCIP payment at full target under the VCIP.

In certain circumstances, Mr. Marwah will receive amounts payable prior to the termination date in accordance with the VCIP and will be entitled to receive a pro rata VCIP payment at full target under the plan for the partial fiscal year up to the termination date. During the Salary Continuance Period or until he obtains alternate employment, Mr. Marwah will, (a) subject to and in accordance with the terms of the applicable benefit plan, receive medical, dental and life insurance coverage; and (b) subject to and in accordance with the terms of the applicable retirement plan, participate in the retirement plans. Mr. Marwah will also receive short or long-term disability benefit coverage during the period corresponding to the statutory notice period as required under the ESA.

In the event of Mr. Marwah's employment is terminated following his death or disability, no compensation will be owed by the Company to him or his estate other than the Accrued Amounts, if any, and any amounts that may be owing under the ESA.

In the event Mr. Marwah resigns, the Company will be entitled to accept his resignation effective immediately and pay to Mr. Marwah his applicable salary and any earned VCIP payment during a 13-week resignation notice period, in which case the Company will continue his benefits only as required under the ESA. He will also be entitled to any unpaid VCIP incentive payment confirmed for a prior fiscal period.

John Naccarato, Vice President – Strategy & General Counsel

If Mr. Naccarato's employment is terminated for cause, he will receive the sum of his Accrued Amounts and the Company will have no other obligations to Mr. Naccarato, save and except for any obligations under the ESA.

If Mr. Naccarato's employment is terminated without cause, Mr. Naccarato will continue to receive his base salary during the Salary Continuance Period.

In the event of a change of control, if Mr. Naccarato's employment is terminated without cause, or he resigns due to constructive dismissal, within, if it is a direct consequence of an anticipated change of control, six months prior to a change of control or within one year following a change of control, he will be entitled to severance in an amount equal to: (a) 1.5 times the total amount of base salary that otherwise was to have been provided during the Salary Continuance Period, to a maximum payment of 30 months' base salary; and (b) a pro rata VCIP payment for the period up to the termination date and then, for the 24 month period after the termination date, a VCIP payment at full target under the VCIP.

In certain circumstances, Mr. Naccarato will receive amounts payable prior to the termination date in accordance with the VCIP and will be entitled to receive a pro rata VCIP payment at full target under the plan for the partial fiscal year up to the termination date. During the Salary Continuance Period or until he obtains alternate employment, Mr. Naccarato will, (a) subject to and in accordance with the terms of the applicable benefit plan, receive medical,

dental and life insurance coverage; (b) subject to and in accordance with the terms of the applicable retirement plan, participate in the retirement plans; and (c) receive a continuation of the applicable perquisites set out in his employment agreement. Mr. Naccarato will also receive short or long-term disability benefit coverage during the period corresponding to the statutory notice period as required under the ESA.

In the event of Mr. Naccarato's employment is terminated following his death or disability, no compensation will be owed by the Company to him or his estate other than the Accrued Amounts, if any, and any amounts that may be owing under the ESA.

In the event Mr. Naccarato resigns, the Company will be entitled to accept his resignation effective immediately and pay to Mr. Naccarato his applicable salary and any earned VCIP payment during a 13-week resignation notice period, in which case the Company will continue his benefits only as required under the ESA. He will also be entitled to any unpaid VCIP incentive payment confirmed for a prior fiscal period.

Mark Nogalo, Vice President – Maintenance & Operating Services

If Mr. Nogalo's employment is terminated for cause, he will receive the sum of his Accrued Amounts and the Company will have no other obligations to Mr. Nogalo, save and except for any obligations under the ESA.

If Mr. Nogalo's employment is terminated without cause, Mr. Nogalo will continue to receive his base salary during the Salary Continuance Period.

In the event of a change of control, if Mr. Nogalo's employment is terminated without cause, or he resigns due to constructive dismissal, within, if it is a direct consequence of an anticipated change of control, six months prior to a change of control or within one year following a change of control, he will be entitled to severance in an amount equal to: (a) 1.5 times the total amount of base salary that otherwise was to have been provided during the Salary Continuance Period, to a maximum payment of 30 months' base salary; and (b) a pro rata VCIP payment for the period up to the termination date and then, for the 24 month period after the termination date, a VCIP payment at full target under the VCIP.

In certain circumstances, Mr. Nogalo will receive amounts payable prior to the termination date in accordance with the VCIP and will be entitled to receive a pro rata VCIP payment at full target under the plan for the partial fiscal year up to the termination date. During the Salary Continuance Period or until he obtains alternate employment, Mr. Nogalo will, (a) subject to and in accordance with the terms of the applicable benefit plan, receive medical, dental and life insurance coverage; and (b) subject to and in accordance with the terms of the applicable retirement plan, participate in the retirement plans. Mr. Nogalo will also receive short or long-term disability benefit coverage during the period corresponding to the statutory notice period as required under the ESA.

In the event of Mr. Nogalo's employment is terminated following his death or disability, no compensation will be owed by the Company to him or his estate other than the Accrued Amounts, if any, and any amounts that may be owing under the ESA.

In the event Mr. Nogalo resigns, the Company will be entitled to accept his resignation effective immediately and pay to Mr. Nogalo his applicable salary and any earned VCIP payment during a 13-week resignation notice period, in which case the Company will continue his benefits only as required under the ESA. He will also be entitled to any unpaid VCIP incentive payment confirmed for a prior fiscal period.

Robert Dionisi, Chief Commercial Officer

If Mr. Dionisi's employment is terminated for cause, he will receive the sum of his Accrued Amounts and the Company will have no other obligations to Mr. Dionisi, save and except for any obligations under the ESA.

If Mr. Dionisi's employment is terminated without cause, Mr. Dionisi will continue to receive his base salary during the Salary Continuance Period.

In the event of a change of control, if Mr. Dionisi's employment is terminated without cause, or he resigns due to constructive dismissal, within, if it is a direct consequence of an anticipated change of control, six months prior to a change of control or within one year following a change of control, he will be entitled to severance in an amount equal to: (a) 1.5 times the total amount of base salary that otherwise was to have been provided during the Salary Continuance Period, to a maximum payment of 30 months' base salary; and (b) a pro rata VCIP payment for the period up to the termination date and then, for the 24 month period after the termination date, a VCIP payment at full target under the VCIP.

In certain circumstances, Mr. Dionisi will receive amounts payable prior to the termination date in accordance with the VCIP and will be entitled to receive a pro rata VCIP payment at full target under the plan for the partial fiscal year up to the termination date. During the Salary Continuance Period or until he obtains alternate employment, Mr. Dionisi will, (a) subject to and in accordance with the terms of the applicable benefit plan, receive medical, dental and life insurance coverage; (b) subject to and in accordance with the terms of the applicable retirement plan, participate in the retirement plans; and (c) receive a continuation of the applicable perquisites set out in his employment agreement. Mr. Dionisi will also receive short or long-term disability benefit coverage during the period corresponding to the statutory notice period as required under the ESA.

In the event of Mr. Dionisi's employment is terminated following his death or disability, no compensation will be owed by the Company to him or his estate other than the Accrued Amounts, if any, and any amounts that may be owing under the ESA.

In the event Mr. Dionisi resigns, the Company will be entitled to accept his resignation effective immediately and pay to Mr. Dionisi his applicable salary and any earned VCIP payment during a 13 week resignation notice period, in which case the Company will continue his benefits only as required under the ESA. He will also be entitled to any unpaid VCIP incentive payment confirmed for a prior fiscal period.

Review of Employment Agreements

During the fiscal year ending March 31, 2022, Algoma expects to conduct a review of the terms and conditions of the current employment agreements, and enter into new employment agreements with the Named Executive Officers, which agreements will replace, effective as of the time they are entered into, the current employment agreements for the Named Executive Officers described herein. Such review will form part of a broader process pursuant to which Algoma expects to retain an independent consulting firm to provide services to review compensation matters and, among other things, support Algoma in establishing a peer comparator group of public companies with similar attributes to Algoma for the purpose of benchmarking its compensation policies and plans, setting a compensation program for Named Executive Officers for the year ending March 31, 2022, and designing a compensation structure for non-employee directors.

Summary Compensation Table

The following table sets out the anticipated compensation to be earned by, paid to, or awarded to the Named Executive Officers for the year ending March 31, 2021.

				Non-equity incentive plan compensation (C$)				
Name and principal position	Salary (C$)	Share-based awards (C$)[2]	Option-based awards (C$)	Annual incentive plans[1]	Long-term incentive plans	Pension value (C$)	All other compensation (C$)	Total compensation (C$)
Michael McQuade, CEO	904,151	2,310,617	Not applicable	738,691	Not applicable	29,210	13,846	3,996,515
Rajat Marwah, CFO	365,908	693,185	Not applicable	213,233	Not applicable	29,210	5,169	1,306,705
John Naccarato, VP – Strategy & General Counsel	330,000	693,185	Not applicable	192,308	Not applicable	29,210	19,130	1,263,833
Mark Nogalo, VP – Maintenance & Operating Services	345,000	594,159	Not applicable	201,049	Not applicable	28,610	1,130	1,169,948
Robert Dionisi, CCO	325,762	396,106	Not applicable	176,156	Not applicable	0	13,684	911,708

(1) As a percentage of annualized salary, represents target annual incentive plan compensation of approximately 81.7% for Mr. McQuade, 58.3% for Mr. Marwah, 58.3% for Mr. Naccarato, 58.3% for Mr. Nogalo, and 54.1% for Mr. Dionisi. For the year ending March 31, 2022, actual awards will be determined relative to achievement of the applicable criteria for such awards.

(2) Represents vested Restricted Share Units based on a fair value at grant date of C$10.44.

Outstanding Equity Awards

The following table provides certain information regarding the outstanding equity awards expected to be held by each of the Named Executive Officers upon consummation of the Merger (as adjusted to reflect the Stock Split and the LTIP Exchange).

	Option-based Awards				Share-based Awards		
Name	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money options ($)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ($)	Market or payout value of vested share-based awards not paid out or distributed ($)[1]
Michael McQuade, CEO	Not applicable	Not applicable	Not applicable	Not applicable	$ Nil	$ Nil	$22,020,583
Rajat Marwah, CFO	Not applicable	Not applicable	Not applicable	Not applicable	$ Nil	$ Nil	$ 6,595,050
John Naccarato, VP – Strategy & General Counsel	Not applicable	Not applicable	Not applicable	Not applicable	$ Nil	$ Nil	$ 6,595,050
Mark Nogalo, VP – Maintenance & Operating Services	Not applicable	Not applicable	Not applicable	Not applicable	$ Nil	$ Nil	$ 5,652,900
Robert Dionisi, CCO	Not applicable	Not applicable	Not applicable	Not applicable	$ Nil	$ Nil	$ 3,768,600

(1) Represents rights to Algoma common shares issuable to replace Restricted Share Units, Performance Share Units and Director Units previously granted under the Company's Long-Term Incentive Plan, valued at C$12.56 ($10.00) per unit. All awards granted under the Long-Term Incentive Plan are considered to be vested on a one-to-one basis.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table indicates, for each of the Named Executive Officers, a summary of the value of the option-based awards and share-based awards expected to be vested in accordance with their terms for the fiscal year ending March 31, 2022 (as adjusted to reflect the Stock Split and the LTIP Exchange and assuming the continued employment of each Named Executive Officer).

Name and principal position	Option-based awards – Value expected to be vested during the year ($)	Share-based awards – Value expected to be vested during the year (C$)[1]	Non-equity incentive plan compensation – Value expected to be earned during the year ($)
Michael McQuade, CEO	Not applicable	22,020,583	Not applicable
Rajat Marwah, CFO	Not applicable	6,595,050	Not applicable
John Naccarato, VP – Strategy & General Counsel	Not applicable	6,595,050	Not applicable
Mark Nogalo, VP – Maintenance & Operating Services	Not applicable	5,652,900	Not applicable
Robert Dionisi, CCO	Not applicable	3,768,600	Not applicable

(1) Represents rights to Algoma Common Shares issuable to replace Restricted Share Units, Performance Share Units and Director Units previously granted under the Company's Long-Term Incentive Plan, valued at $10.000 per unit. All awards granted under the Long-Term Incentive Plan are considered to be vested on a one-to-one basis.

Pension Plan Benefits

Defined Benefit Plans Table

The following table provides certain information regarding the pension plans of the Company that are expected to be in place following the consummation of the Merger, which will provide for payments or benefits at, following, or in connection with the retirement of a Named Executive Officer, excluding defined contribution plans.

Name	Number of years credited service as of March 31, 2022 (#)	Annual benefits payable ($)		Opening present value of defined benefit obligation as of April 1, 2021 ($)	Compensatory change ($)	Non-compensatory change ($)	Closing present value of defined benefit obligation ($)
		At year end	At age 65				
Michael McQuade, CEO	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Rajat Marwah, CFO	N/A	N/A	N/A	N/A	N/A	N/A	N/A
John Naccarato, VP – Strategy & General Counsel	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mark Nogalo, VP – Maintenance & Operating Services	33.4	108,500	113,600	1,725,400	48,800	88,700	1,862,900
Robert Dionisi, CCO	35.00	113,600	113,600	1,685,100	0	103,400	1,788,500

Defined Contribution Plans Table

The following table provides certain information regarding the pension plans of the Company that are expected to be in place following the consummation of the Merger, which will provide for payments or benefits at, following or in connection with retirement of a Named Executive Officer, excluding defined benefit plans.

Name	Accumulated value as of April 1, 2021 (C$)	Compensatory (C$)	Expected accumulated value at year ending March 31, 2022 (C$)
Michael McQuade, CEO	66,362	0	95,572
Rajat Marwah, CFO	275,542	0	304,752
John Naccarato, VP – Strategy & General Counsel	52,481	0	81,691
Mark Nogalo, VP – Maintenance & Operating Services	N/A	N/A	N/A
Robert Dionisi, CCO	N/A	N/A	N/A

Director Compensation

General

The following discussion provides an overview of the significant elements of the expected compensation program for the members of Algoma's board of directors and its committees. The compensation of our directors is designed to attract and retain committed and qualified directors and to align Algoma's interests and those of its shareholders with those of its directors.

Director Compensation

Algoma intends to approve a non-employee director compensation scheme to become effective following the Closing pursuant to which we will pay our non-employee directors annual cash retainers and meeting fees for board and board committee service. All directors will also be reimbursed for their reasonable out-of-pocket expenses incurred while serving as directors. The director compensation scheme will be designed to attract and retain the most qualified

individuals to serve on the board of directors. The board of directors, on the recommendation of our compensation committee, will be responsible for reviewing and approving any changes to the directors' compensation arrangements.

The chart below outlines the proposed director compensation program for our directors.

Type of fee	Position	Amount per annum ($C)
Board retainer	Chair	
	Director	
Committee retainer	Audit committee chair	
	Audit committee member	
	Compensation committee chair	
	Compensation committee member	
	Nominating and governance committee chair	
	Nominating and governance committee member	
Meeting fees	Board/committee meeting	

CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS

Certain Relationships and Related Person Transactions – Legato

Founders Shares

In August 2020, Legato issued an aggregate of 5,031,250 shares of Legato Common Stock to the Founders for an aggregate purchase price of $25,000. In January 2021, Legato effected a stock dividend of approximately 0.17 shares for each outstanding share resulting in there being an aggregate of 5,893,750 shares of Legato Common Stock outstanding and held by the Founders.

The Founders have agreed not to transfer, assign or sell any of the shares of Legato Common Stock held by them (except to certain permitted transferees) until the earlier of (i) one year after the completion of an initial business combination, (ii) the date on which the closing price of the Legato Common Stock equals or exceeds $12.50 per share (as adjusted for share splits, share capitalizations, reorganizations and recapitalizations) for any 20 trading days within any 30-trading day period commencing after completion of an initial business combination, and (iii) the date subsequent to an initial business combination that Legato completes a liquidation, merger, share exchange or other similar transaction which results in all of Legato's stockholders having the right to exchange their ordinary shares for cash, securities or other property.

Additionally, pursuant to the Lock-Up Agreement, the Founders have agreed that the Algoma Common Shares to be issued to the Founders in exchange for their Founder Shares (and, in the case of Eric S. Rosenfeld, David Sgro, and Brian Pratt, the Algoma Common Shares and Algoma Warrants to be issued to them in exchange for their Private Units), but not including any PIPE Shares will be subject to transfer restrictions until the earlier of (a) the twelve-month anniversary of the Closing and (b) the date on which the closing share price of the Algoma Common Shares equals or exceeds $12.50 per share (as adjusted for share splits, share dividends, reorganizations, recapitalizations and the like) for any 20 trading days within any 30-trading day period following the Closing.

Administrative Service Fee

Legato presently occupies office space provided by an entity controlled by Crescendo Advisors II, LLC, an affiliate of Eric S. Rosenfeld. Such entity has agreed that until Legato consummates its initial business combination, it will make such office space, as well as general and administrative services including utilities and administrative support, available to Legato as may be required by Legato from time to time. Legato has agreed to pay an aggregate of $15,000 per month to Crescendo Advisors II, LLC for such services commencing on the effective date of the Initial Public Offering. Legato incurred and paid $36,290 for such services for the three months ended March 31, 2021.

Promissory Note – Related Party

On August 11, 2020, Eric S. Rosenfeld, Legato's Chief SPAC Officer, issued a $65,000 principal amount unsecured promissory note to Legato. The note was non-interest bearing and payable on the earlier of (i) August 10, 2021, (ii) the consummation of the Initial Public Offering or (iii) the date on which Legato determined not to proceed with the Initial Public Offering. The outstanding balance under the promissory note of $65,000 was repaid at the closing of the Initial Public Offering on January 22, 2021.

Working Capital Loans

In order to finance transaction costs in connection with an initial business combination, the Founders, Legato's officers and directors or their affiliates may, but are not obligated to, loan Legato funds from time to time or at any time, as may be required ("Working Capital Loans"). Each Working Capital Loan would be evidenced by a promissory note. The Working Capital Loans would either be paid upon consummation of an initial business combination, without interest, or would be convertible at the option of the holder into shares of Legato Units at a price of $10.00 per unit. In the event that Legato does not complete an initial business combination, Legato may use a portion of the proceeds held outside the Trust Account to repay the Working Capital Loans, but no proceeds held in the Trust Account would be used to repay the Working Capital Loans.

Pursuant to the Merger Agreement, Legato agreed that Working Capital Loans, if any, outstanding immediately prior to the completion of the Merger, would be either repaid from the Trust Account or convertible, with the consent of Algoma, into Legato Units immediately prior to the Effective Time at an exchange rate of $10.00 per unit.

As of March 31, 2021, no Working Capital Loans were outstanding.

Certain Relationships and Related Person Transactions – Algoma

Advances to Shareholder

Algoma's ultimate shareholder, Algoma Steel Parent S.C.A. (the "Ultimate Parent"), and its commonly controlled affiliates are related parties. During the year ended March 31, 2020, Algoma entered into a promissory note with the Ultimate Parent (the "Promissory Note"). During the year ended March 31, 2021, Algoma advanced C$1.1 million ($0.8 million) to the Ultimate Parent to fund the Ultimate Parent's reasonable expenses, liabilities and other obligations. The Promissory Note is unsecured and is non-interest-bearing. At March 31, 2021, the balance of the Promissory Note receivable was C$2.2 million ($1.7 million) (March 31, 2020 – C$1.3 million ($0.9 million)).

All amounts owing under Promissory Note will be repaid and the Promissory Note will be extinguished on or prior to Closing.

Shareholders Agreement

Algoma Steel Inc. is a party to a Shareholders Agreement, dated as of November 30, 2018 (the "Shareholders Agreement"), among the Algoma Steel Inc., Algoma Steel Intermediate Holdings Inc., Algoma Steel Holdings Inc. and the shareholders of Holdings, including Ultimate Parent. The Shareholders Agreement provides for, among other things, the governance of Holdings, including the composition of the boards of Holdings and Ultimate Parent and the rights of certain shareholders to designate or remove the members of the boards of Holdings and Ultimate Parent. The Shareholders Agreement sets forth specified corporate actions that may not be taken without approval of holders of a majority of the shares of Holdings. The Shareholder Agreement includes customary indemnification and confidentiality provisions, restrictions on transfer of shares, drag-along and tag-along rights and preemptive rights. In addition, the Shareholders Agreement provides shareholders customary demand and piggyback registrations rights following an initial public offering or listing of shares of Holdings in the United States or Canada (or if Holdings otherwise become a reporting company in the United States or Canada).

Algoma shall cause all rights and obligations with respect to Algoma and its subsidiaries pursuant to the Shareholders Agreement to be terminated on or prior to Closing.

Investor Rights Agreement

On or prior to the Closing Date, Algoma, the IRA Parties will enter into an Investor Rights Agreement. The Investor Rights Agreement will provide that the Algoma Warrants and Algoma Common Shares held by the IRA Parties, including the Algoma Common Shares issuable upon the exercise of Algoma Warrants and other derivative securities, shall bear customary registration rights and nomination rights. Specifically, Algoma will agree to file a registration statement as soon as practicable upon a request from certain IRA Parties to register the resale of certain registrable securities under the Securities Act and Canadian securities laws, subject to required notice provisions to other IRA Parties; provided, Algoma shall not be obligated to effect a demand registration (i) unless the aggregate proceeds expected to be received from the sale of the registrable securities equals or exceeds C$50,000,000 or (ii) if Algoma has effected a demand registration within the six-month period prior to receipt of the request therefor. Algoma has also agreed to provide customary "piggyback" registration rights with respect to any valid demand registration request. Algoma will pay certain expenses relating to such registrations and indemnify the IRA Parties against certain liabilities. Additionally, certain IRA Parties that currently have board designation rights with respect to Algoma Steel Holdings Inc. will have the right to nominate, in the aggregate, four directors to the Algoma board for so long as they maintain % of outstanding Algoma Common Shares.

Indemnification Agreements

Prior to the completion of the Merger, we intend to enter into indemnification agreements with our directors and certain officers to indemnify such individuals, to the fullest extent permitted by law and subject to certain limitations, against all liabilities, costs, charges and expenses reasonably incurred by such individuals in an action or proceeding to which any such individual was made a party by reason of being an officer or director of Algoma or an organization of which Algoma is a shareholder or creditor if such individual serves such organization at our request.

Indebtedness of Directors and Executive Officers

No person who is, as of the date of this proxy statement/prospectus, or who is proposed to be a director or executive officer of Algoma, is or has been indebted to Algoma or is indebted to another entity that is, or has been at any time, the subject of a guarantee, support agreement, letter of credit or similar arrangement provided by Algoma.

DESCRIPTION OF ALGOMA WARRANTS

Pursuant to the Merger Agreement, upon the consummation of the Merger each Legato Warrant will be converted into an equal number of Algoma Warrants exercisable for Algoma Common Shares, with the exercise period beginning 30 days following Closing in accordance with the terms of the Warrant Agreement. The following provides a summary of the material provisions governing the Algoma Warrants. References in this section to the Warrant Agreement shall mean the Amended and Restated Warrant Agreement, to be entered into immediately prior to the Effective Time, by and among Legato, Algoma and Continental Stock Transfer & Trust Company, as warrant agent.

Warrants

Each Algoma Warrant entitles the registered holder to purchase one Algoma Common Share at a price of $11.50 per share, subject to adjustment as discussed below, at any time commencing 30 days following the consummation of an initial business combination. However, no Algoma Warrants will be exercisable for cash unless Algoma has an effective and current registration statement covering the Algoma Common Shares issuable upon exercise of the Algoma Warrants and a current prospectus relating to such Algoma Common Shares. Notwithstanding the foregoing, if a registration statement covering the Algoma Common Shares issuable upon exercise of the public Algoma Warrants is not effective within a specified period following the consummation of the Merger, warrant holders may, until such time as there is an effective registration statement and during any period when we shall have failed to maintain an effective registration statement, exercise Algoma Warrants on a cashless basis pursuant to the exemption provided by Section 3(a)(9) of the Securities Act, provided that such exemption is available. If that exemption, or another exemption, is not available, holders will not be able to exercise their Algoma Warrants on a cashless basis. In the event of such cashless exercise, each holder would pay the exercise price by surrendering the Algoma Warrants for that number of Algoma Common Shares equal to the quotient obtained by dividing (x) the product of the number of Algoma Common Shares underlying the Algoma Warrants, multiplied by the difference between the exercise price of the Algoma Warrants and the "fair market value" (defined below) by (y) the fair market value. The "fair market value" for this purpose will mean the average reported last sale price of the Algoma Common Shares for the 5 trading days ending on the trading day prior to the date of exercise. The Algoma Warrants will expire on the fifth anniversary of the completion of the Merger, at 5:00 p.m., New York City time, or earlier upon redemption or liquidation of the Trust Account.

The private Algoma Warrants, are identical to the public Algoma Warrants except that the private Algoma Warrants are exercisable for cash or on a cashless basis, at the holder's option, and are not redeemable by Algoma, in each case so long as they are still held by the Founders, EBC, or their permitted transferees.

We may call the Algoma Warrants for redemption (excluding the private Algoma Warrants and any Algoma Warrants underlying additional units issued to the Founders in payment of working capital loans made to Legato), in whole and not in part, at a price of $0.01 per Algoma Warrant,

- at any time after the Algoma Warrants become exercisable,
- upon not less than 30 days' prior written notice of redemption to each warrant holder,
- if, and only if, the reported last sale price of the Algoma Common Shares equals or exceeds $18.00 per Algoma Common Share (as adjusted for stock splits, stock dividends, reorganizations and recapitalizations), for any 20 trading days within a 30 trading day period commencing at any time after the Algoma Warrants become exercisable and ending on the third business day prior to the notice of redemption to warrant holders; and
- if, and only if, there is a current registration statement in effect with respect to the Algoma Common Shares underlying such Algoma Warrants.

The right to exercise will be forfeited unless the Algoma Warrants are exercised prior to the date specified in the notice of redemption. On and after the redemption date, a record holder of an Algoma Warrant will have no further rights except to receive the redemption price for such holder's Algoma Warrant upon surrender of such Algoma Warrant.

The redemption criteria for the Algoma Warrants have been established at a price which is intended to provide warrant holders a reasonable premium to the initial exercise price and provide a sufficient differential between the then-prevailing Algoma Common Share price and the Algoma Warrant exercise price so that if the Algoma Common Share price declines as a result of a redemption call, the redemption will not cause the Algoma Common Share price to drop below the exercise price of the Algoma Warrants.

If we call the Algoma Warrants for redemption as described above, our management will have the option to require all holders that wish to exercise Algoma Warrants to do so on a "cashless basis." In such event, each holder would pay the exercise price by surrendering the Algoma Warrants for that number of Algoma Common Shares equal to the quotient obtained by dividing (x) the product of the number of Algoma Common Shares underlying the Algoma Warrants, multiplied by the difference between the exercise price of the Algoma Warrants and the "fair market value" (defined below) by (y) the fair market value. The "fair market value" for this purpose shall mean the average reported last sale price of the Algoma Common Shares for the 5 trading days ending on the third trading day prior to the date on which the notice of redemption is sent to the holders of Algoma Warrants.

The Algoma Warrants, which are the Legato Warrants that will become exercisable for Algoma Common Shares, are in registered form and will be governed by a Warrant Agreement between Continental Stock Transfer & Trust Company, as warrant agent, and Legato, as assigned to Algoma pursuant to an assignment, assumption and amendment agreement, to be entered into between Algoma, Legato and Continental Stock Transfer & Trust Company. The Warrant Agreement will provide that the terms of the Algoma Warrants may be amended without the consent of any holder to cure any ambiguity or correct any defective provision, but requires the approval, by written consent or vote, of the holders of at least a majority of the then outstanding Algoma Warrants in order to make any change that adversely affects the interests of the registered holders.

The exercise price and number of Algoma Common Shares issuable on exercise of the Algoma Warrants may be adjusted in certain circumstances including in the event of a stock dividend, extraordinary dividend or Algoma's recapitalization, reorganization, merger or consolidation. However, except as described below, the Algoma Warrants will not be adjusted for issuances of Algoma Common Shares at a price below their respective exercise prices.

The Algoma Warrants may be exercised upon surrender of the warrant certificate on or prior to the expiration date at the offices of the warrant agent, with the exercise form on the reverse side of the warrant certificate completed and executed as indicated, accompanied by full payment of the exercise price, by certified or official bank check payable to us, for the number of Algoma Warrants being exercised. The warrant holders do not have the rights or privileges of holders of Algoma Common Shares and any voting rights until they exercise their Algoma Warrants and receive Algoma Common Shares. After the issuance of Algoma Common Shares upon exercise of the Algoma Warrants, each holder will be entitled to one vote for each share held of record on all matters to be voted on by shareholders.

Warrant holders may elect to be subject to a restriction on the exercise of their Algoma Warrants such that an electing warrant holder would not be able to exercise their Algoma Warrants to the extent that, after giving effect to such exercise, such holder would beneficially own in excess of 9.8% of the Algoma Common Shares outstanding.

The Founders and EBC have agreed not to transfer, assign or sell any of the Private Warrants until after the completion of the Merger. Additionally, pursuant to the Lock-Up Agreement, Eric S. Rosenfeld, David Sgro, and Brian Pratt have agreed that the Algoma Warrants held by them will be subject to transfer restrictions until the earlier of (a) the twelve-month anniversary of the Closing and (b) the date on which the closing share price of the Algoma Common Shares equals or exceeds $12.50 per share (as adjusted for share splits, share dividends, reorganizations, recapitalizations and the like) for any 20 trading days within any 30-trading day period following the Closing.

Listing

We intend to seek to list the Algoma Warrants on Nasdaq and the TSX, subject only to official notice of issuance thereof and/or the satisfaction of the conditions of approval. There is no assurance that we will be able to satisfy Nasdaq's or the TSX's listing requirements initially or on an ongoing basis.

In connection with the listing of the Algoma Warrants on the TSX, in accordance with the TSX's listing requirements in respect of warrants, Algoma will provide certain undertakings to the TSX to the effect that Algoma

will not exercise certain of its rights under the Warrant Agreement, including, notably, (i) lowering of the exercise price of the Algoma Warrants and (ii) extending the duration of the Algoma Warrants by delaying the expiration date thereof.

Warrant Agent

The U.S. warrant agent for the Algoma Warrants will be Continental Stock Transfer & Trust Company. Its address is 1 State Street, 30th Floor, New York, New York 10004, and its telephone number is 212-509-4000. The Canadian warrant agent for the Algoma Warrants will be TSX Trust Company. Its address is 301 – 100 Adelaide Street West, Toronto, Ontario M5H 4H1 and its telephone number is (416) 261-0930.

DESCRIPTION OF ALGOMA COMMON SHARES

A summary of the material provisions governing Algoma's share capital immediately following the completion of the Merger is described below. This summary is not complete and should be read together with the Restated Articles, a copy of which is appended to this proxy statement/prospectus as Annex B.

General

This section summarizes the material rights of Algoma shareholders under the BCA, and the material provisions of Algoma's Restated Articles that will become effective upon the effectiveness of the Merger.

Share Capital

The authorized share capital of Algoma consists of an unlimited number of Algoma Common Shares without par value and an unlimited number of preferred shares without par value issuable in series (the "Algoma Preferred Shares").

As of , 2021, there were Algoma Common Shares issued and outstanding, and no Algoma Preferred Shares issued and outstanding.

Upon the consummation of the Merger, there will be approximately Algoma Common Shares outstanding, assuming, among other matters, that none of Legato's existing Public Stockholders exercise their redemption rights.

Under the Restated Articles, holders of the Algoma Common Shares are entitled to receive notice of, and to attend and vote at all meetings of shareholders, except meetings at which only holders of a specified class of shares are entitled to vote. Each Algoma Common Share entitles its holder to one vote. Under the Restated Articles, Algoma's board of directors has the authority to create and issue one or more series of Algoma Preferred Shares, with such special rights and restrictions to be attached to such series as are authorized by the directors of Algoma.

The following descriptions of share capital and provisions of the Restated Articles to be effective upon the consummation of the Merger are summaries and are qualified by reference to the Restated Articles. Copies of these documents will be filed with the SEC as exhibits to this registration statement.

Dividend Rights

Under the BCA, a corporation may pay a dividend out of profits, capital or otherwise: (1) by issuing shares or warrants by way of dividend or (2) in property, including money. Further, under the BCA, a corporation cannot declare or pay a dividend if there are reasonable grounds for believing that the corporation is insolvent or payment of the dividend would render the corporation insolvent.

Holders of Algoma Common Shares will be entitled to receive dividends as and when declared by Algoma's board of directors at its discretion out of funds properly applicable to the payment of dividends, subject to the rights, if any, of shareholders holding shares with special rights to dividends. The timing, declaration, amount and payment of future dividends will depend on our financial condition, earnings, capital requirements and debt service obligations, as well as legal requirements, regulatory constraints, industry practice and other factors that Algoma's board of directors deems relevant. Under the Restated Articles, a resolution declaring a dividend may direct payment of the dividend wholly or partly by the distribution of specific assets or of fully paid shares or of bonds, debentures or other securities of Algoma, or in any one or more of those ways.

Subject to the special rights and restrictions attached to the Algoma Preferred Shares, the holders of Algoma Common Shares shall receive the remaining property of Algoma upon dissolution in equal rank with the holders of all other Algoma Common Shares.

Except as otherwise disclosed in the section titled "*Certain Material Canadian Federal Income Tax Considerations*" in this proxy statement/prospectus, there is no Canadian law applicable to Algoma that affects the remittance of dividends and other payments by Algoma to nonresident holders of the Algoma securities.

Preemptive Rights

There are no preemptive rights relating to Algoma Common Shares.

Amendment of Notice of Articles and Articles and Alteration of Share Capital

Under the BCA, Algoma may amend the Restated Articles by (1) the type of resolution specified in the BCA, (2) if the BCA does not specify a type of resolution, then by the type specified in the Restated Articles, or (3) if the Restated Articles do not specify a type of resolution, then by special resolution, which requires two-thirds of the votes cast by shareholders in order to pass. The BCA permits many substantive changes to a corporation's articles (such as a change in the corporation's authorized share structure or a change in the special rights or restrictions that may be attached to a certain class or series of shares) to be changed by the resolution specified in that company's articles. The Restated Articles provide that alterations to Algoma's authorized share structure (other than a subdivision or consolidation of all or any of its shares) and the applicable alteration to its Notice of Articles may be authorized by special resolution. A subdivision or consolidation of all or any of its shares or a change in Algoma's name may be authorized by a resolution of the directors. Furthermore, the Restated Articles state that, if the BCA does not specify the type of resolution required for an alteration, and if the Restated Articles do not specify a type of resolution, Algoma may resolve to alter the Restated Articles by ordinary resolution, which requires a majority of shareholder votes cast in order to pass.

Dissent Rights

Under the BCA, shareholders of a corporation are entitled to exercise dissent rights in respect of certain matters and to be paid the fair value of their shares in connection therewith. The dissent right is applicable where the company resolves to: (1) alter its articles to alter the restrictions on the powers of the company or on the business it is permitted to carry on; (2) approve certain amalgamations; (3) approve a statutory arrangement, where the terms of the arrangement permit dissent; (4) sell, lease or otherwise dispose of all or substantially all of its undertaking; or (5) continue the company into another jurisdiction. The BCA provides that beneficial owners of shares who wish to exercise their dissent rights with respect to their shares must dissent with respect to all of the shares beneficially owned by them, whether or not they are registered in their name.

Annual Meetings

The Restated Articles provide that, unless an annual general meeting is deferred or waived in accordance with the BCA, Algoma must hold its first annual general meeting within 18 months after the date on which it was incorporated or otherwise recognized, and after that must hold an annual general meeting at least once in each calendar year and not more than 15 months after the last annual reference date at such time and place as may be determined by the directors. An annual general meeting may be partially or entirely virtual.

Board and Shareholder Ability to Call Special Meetings

The Restated Articles provide that meetings of the shareholders may be called by the board of directors at any time. In addition, under the BCA, the holders of not less than 5% of the issued shares of a corporation that carry the right to vote at a general meeting may requisition that the directors call a meeting of shareholders for such purposes as stated in the requisition. Upon meeting the technical requirements set out in the BCA, the directors must, within 21 days after receiving the requisition, call a meeting of shareholders to be held not more than four months after receiving the requisition. If the directors do not call such a meeting within 21 days after receiving the requisition, the requisitioning shareholders or any of them holding in aggregate more than 2.5% of the issued shares of the company that carry the right to vote at general meetings may send notice of a meeting to be held to transact the business stated in the requisition.

Shareholder Meeting Quorum

The Restated Articles provide that two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 25% of the issued shares of Algoma entitled to be voted at the meeting, constitute a quorum at any annual or special meeting of the shareholders.

Voting Rights

Under the BCA, at any meeting of shareholders at which a quorum is present, any action that must or may be taken or authorized by the shareholders, except as otherwise provided under the BCA and Restated Articles, may be taken or authorized by an "ordinary resolution," which is a simple majority of the votes cast by shareholders voting shares that carry the right to vote at general meetings. The Restated Articles provide that every motion put to a vote at a meeting of shareholders will be decided by a show of hands or the functional equivalent unless a poll is directed by the chair or demanded by any shareholder entitled to vote who is present in person or by proxy. Votes by a show of hands or functional equivalent result in each person having one vote (regardless of the number of shares such person is entitled to vote). If voting is conducted by poll, each holder of Algoma Common Shares is entitled to one vote for each Algoma Common Share held.

There are no limitations on the right of nonresident or foreign owners to hold or vote Algoma securities imposed by Canadian law or by the charter or other constituent document of Algoma.

Shareholder Action by Written Consent

Under the BCA, shareholder action without a meeting may be taken by a "consent resolution" of shareholders, which requires that, after being submitted to all shareholders entitled to vote at a general meeting, the resolution is consented to in writing by: (1) in the case of a matter that would normally require an ordinary resolution, shareholders who, in the aggregate, hold shares carrying at least 66 2/3% of the votes entitled to be cast on such consent resolution, or (2) in the case of any other resolution of the shareholders, all of the shareholders entitled to vote on such resolution. A consent resolution of shareholders is deemed to be a proceeding at a meeting of those shareholders and to be as valid and effective as if it had been passed at a meeting of shareholders that satisfies all the requirements of the BCA and its related regulations, and all the requirements of the Restated Articles, relating to meetings of shareholders.

Inspection of Corporation Records

Algoma must keep at its records office, or at such other place as the BCA may permit, the documents, copies, registers, minutes and other records which Algoma is required by the BCA to keep at such places. Algoma must keep adequate accounting records to record properly its financial affairs and condition in compliance with the provisions of the BCA. Under the BCA, any director or shareholder may, without charge, inspect certain of Algoma's records at Algoma's records office or such other place where such records are kept during the corporation's statutory business hours. Former shareholders and directors may also inspect certain records, free of charge, but only those records pertaining to the times that they were shareholders or directors. Further, a public company must allow all persons to inspect certain records of the company free of charge. As permitted by the BCA, the Restated Articles prohibit shareholders from inspecting any accounting records of Algoma, unless the directors determine otherwise.

Election and Appointment of Directors

The Restated Articles do not provide for the board of directors to be divided into classes.

Pursuant to the Restated Articles, any casual vacancy occurring on the board of directors may be filled by the remaining directors. If Algoma has fewer directors in office than the number set by the Restated Articles as the necessary quorum for the directors, the directors may only act for the purpose of appointing directors up to that number or of calling a meeting of shareholders for the purpose of filling any vacancies on the board of directors. If Algoma has no directors or fewer directors in office than the number set by the Restated Articles as the necessary quorum for the directors, the shareholders may elect or appoint, by ordinary resolution, directors to fill the vacancies on the board. Pursuant to the Restated Articles, the Algoma directors may appoint one or more additional directors, but the number of additional directors shall not exceed one third the number of the first directors and, thereafter, one third of the number of current directors who were elected or appointed other than as such additional directors. The filling of a casual vacancy by the Algoma directors shall not be counted against such cap.

Removal of Directors

Pursuant to the Restated Articles, the shareholders of Algoma may remove any director before the expiration of his or her term of office by special resolution, which requires a special majority requirement of two-thirds of the votes cast in favor of the resolution. In that event, the shareholders may elect, or appoint by ordinary resolution, another individual as director to fill the resulting vacancy. If the shareholders do not appoint a director to fill the vacancy contemporaneously with removal, then either the directors or the shareholders by ordinary resolution may appoint an additional director to fill that vacancy.

The directors of Algoma may remove a director before the expiration of his or her period of office if the director is convicted of an indictable offence or otherwise ceases to qualify as a director and the directors may appoint a director to fill the resulting vacancy.

Proceedings of Board of Directors

A resolution of the directors or of any committee of the directors consented to in writing by all of the directors entitled to vote on it is as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors duly called and held.

Requirements for Advance Notification of Shareholder Nominations

Pursuant to the Restated Articles, shareholders of record may nominate persons for election to our Board only by providing notice to Algoma's secretary that is both timely and in proper written form. To be timely, a shareholder's notice shall be received by the secretary of Algoma (a) in the case of an annual general meeting of shareholders, not less than 30 days prior to the date of the annual general meeting of shareholders; provided, however, that in the event that the annual general meeting of shareholders is to be held on a date that is less than 50 days after the date (the "Notice Date") on which the first public announcement of the date of the annual general meeting was made, notice by the nominating shareholder may be made not later than the close of business on the tenth day following the Notice Date, and (b) in the case of a special meeting (which is not also an annual general meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes as well), not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting of shareholders was made. To be in proper written form, such notice must include, among other information, certain information with respect to each proposed nominee and each shareholder nominating persons for elections to the Board and must disclose about any contract, agreement, arrangement, understanding or relationship pursuant to which the nominating shareholder has a right to vote shares of Algoma or between the proposed nominee and the nominating shareholder and any other information relating to the proposed nominee or nominating shareholder that would be required to be disclosed in a dissident's proxy circular under applicable securities laws.

Approval of Mergers and Other Corporate Transactions

Under the BCA, certain corporate actions, such as: (1) amalgamations (other than with certain affiliated corporations); (2) continuances; (3) sales, leases or exchanges of all, or substantially all, the undertaking of a corporation other than in the ordinary course of business; (4) reductions of paid-up capital for any purpose, e.g. in connection with the payment of special distributions (subject, in certain cases, to the satisfaction of solvency tests) that does not render the articles or notice of articles incorrect; and (5) other actions such as liquidations or arrangements, are required to be approved by "special resolution." A "special resolution" is a resolution passed by not less than two-thirds of the votes cast by the shareholders who voted in respect of the resolution or signed by all shareholders entitled to vote on the resolution.

In certain specified cases where share rights or special rights may be prejudiced or interfered with, a special separate resolution of shareholders of the affected class or series, including a class or series of shares not otherwise carrying voting rights, to approve the corporate action in question is also required. In specified extraordinary corporate actions, such as approval of plans of arrangement and amalgamations, all shares have a vote, whether or not they generally vote and, in certain cases, have separate class votes.

Limitations on Director Liability

Under the BCA, no provision in a contract or the articles may relieve a director or officer from (1) the duty to act in accordance with the BCA and its related regulations, or (2) liability that by virtue of any enactment or rule of law or equity would otherwise attach to that director or officer in respect of any negligence, default, breach of duty or breach of trust of which the director or officer may be guilty in relation to a corporation.

A director is not liable under the BCA for certain acts if the director relied, in good faith, on (1) financial statements of the corporation represented to the director by an officer of the corporation or in a written report of the auditor of the corporation to fairly reflect the financial position of the corporation, (2) a written report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by that person, (3) a statement of fact represented to the director by an officer of the corporation to be correct, or (4) any record, information or representation that the court considers provides reasonable grounds for the actions of the director, whether or not the record was forged, fraudulently made or inaccurate or the information or representation was fraudulently made or inaccurate. Further, a director is not liable for certain acts if the director did not know and could not reasonably have known that the act done by the director or authorized by the resolution voted for or consented to by the director was contrary to the BCA.

Derivative Actions and Other Remedies

Under the BCA, a complainant (a director or shareholder of a corporation, which includes a beneficial shareholder, and any other person that a court considers to be an appropriate person to make such an application) may apply to the Supreme Court of the Province of British Columbia for leave to bring an action in the name and on behalf of Algoma for the purpose of prosecuting or defending an action on behalf of Algoma.

The court may grant leave if: (1) the complainant has made reasonable efforts to cause the directors of Algoma to prosecute or defend the action; (2) notice of the application for leave has been given to Algoma and any other person that the court may order; (3) the complainant is acting in good faith; and (4) it appears to the court to be in the best interests of Algoma for the action to be brought, prosecuted or defended.

Under the BCA, the court in a derivative action may make any order it determines to be appropriate. In addition, under the BCA, a court may order a corporation to pay the shareholder's interim costs, including legal fees and disbursements. However, the shareholder may be held accountable for the costs on final disposition of the action.

The BCA also contains an oppression remedy, which enables a court to make almost any order to rectify the matters complained of if the court is satisfied upon application by a shareholder (including a beneficial shareholder and any other person that the court considers to be an appropriate person to make such an application) that the affairs of Algoma are being or have been conducted, or that the powers of the directors are being or have been exercised, in a manner that is oppressive to one or more shareholders, or that some action has been or may be taken that is unfairly prejudicial to one or more shareholders. The applicant must be one of the persons being oppressed or prejudiced and the application must be brought in a timely manner.

The oppression remedy provides the court with extremely broad and flexible jurisdiction to intervene in corporate affairs to protect shareholders. While conduct that is in breach of fiduciary duties of directors or that is contrary to the legal right of a complainant would normally be expected to trigger the court's jurisdiction under the oppression remedy, the exercise of that jurisdiction does not depend on a finding of a breach of such legal and equitable rights.

Exclusive Forum

The Restated Articles do not provide for an exclusive forum.

Listing

We intend to seek to list the Algoma Common Shares and the Algoma Warrants on Nasdaq and the TSX, subject only to official notice of issuance thereof and/or the satisfaction of the conditions of approval. There is no assurance that we will be able to satisfy Nasdaq's or the TSX's listing requirements initially or on an ongoing basis.

Transfer Agent and Registrar

The U.S. transfer agent and registrar for Algoma Common Shares is Continental Stock Transfer & Trust Company. Its address is 1 State Street, 30th Floor, New York, New York 10004, and its telephone number is 212-509-4000. The Canadian transfer agent and registrar for Algoma Common Shares is TSX Trust Company. Its address is 301 – 100 Adelaide Street West, Toronto, Ontario M5H 4H1 and its telephone number is (416) 261-0930.

ALGOMA COMMON SHARES ELIGIBLE FOR FUTURE SALE

Upon completion of the Merger, Algoma will have Algoma Common Shares authorized and, based on the assumptions set out elsewhere in this proxy statement/prospectus, up to Algoma Common Shares issued and outstanding, assuming no Public Shares are redeemed in connection with the Merger. All of the Algoma Common Shares issued in connection with the Merger will be freely transferable by persons other than by Algoma's "affiliates" without restriction or further registration under the Securities Act, except Algoma Common Shares issued to the Founders, which are subject to the lock-up described below and PIPE Shares issued in the United States, which are being issued in a transaction exempt from registration under the Securities Act. The remaining shares held by existing Algoma shareholders are subject to the lock-up restrictions described below and, because they were issued in a private placement, may only be resold pursuant to Rule 144. Sales of substantial amounts of Algoma's Common Shares in the public market could adversely affect prevailing market prices of Algoma's Common Shares.

Registration Rights

Investor Rights Agreement

On or prior to the Closing Date, Algoma, the IRA Parties will enter into an Investor Rights Agreement. The Investor Rights Agreement will provide that the Algoma Warrants and Algoma Common Shares held by the Founders and the IRA Parties, including the Algoma Common Shares issuable upon the exercise of Algoma Warrants and other derivative securities, shall bear customary registration rights and nomination rights. Specifically, Algoma will agree to file a registration statement as soon as practicable upon a request from certain IRA Parties to register the resale of certain registrable securities under the Securities Act and Canadian securities laws, subject to required notice provisions to other IRA Parties; provided, Algoma shall not be obligated to effect a demand registration (i) unless the aggregate proceeds expected to be received from the sale of the registrable securities equals or exceeds C$50,000,000 or (ii) if Algoma has effected a demand registration within the six-month period prior to receipt of the request therefor. Algoma has also agreed to provide customary "piggyback" registration rights with respect to any valid demand registration request. Algoma will pay certain expenses relating to such registrations and indemnify the IRA Parties against certain liabilities. Additionally, certain IRA Parties that currently have board designation rights with respect to Algoma Steel Holdings Inc. will have the right to nominate, in the aggregate, four directors to the Algoma board for so long as they maintain % of outstanding Algoma Common Shares.

PIPE Resale Shelf

Pursuant to the PIPE Subscription Agreements relating to the PIPE Investment, Algoma has agreed that, as soon as practicable (but in any case no later than thirty (30) calendar days after the consummation of the Merger, it will file with the SEC (at Algoma's sole cost and expense) a registration statement registering the resale of the Algoma Common Shares held by the PIPE Investors (the "Resale Registration Statement"), and Algoma will use its commercially reasonable efforts to have the Resale Registration Statement declared effective as soon as practicable after the filing thereof, but in any event, no later than the earlier of (i) ninety (90) calendar days after the consummation of the Merger if the SEC notifies Algoma that it will "review" the Resale Registration Statement and (ii) ten (10) business days after Algoma is notified (orally or in writing, whichever is earlier) by the SEC that the Resale Registration Statement will not be "reviewed" or will not be subject to further review, subject to certain conditions.

Lock-Up Agreement

Concurrently with the execution and delivery of the Merger Agreement, Algoma's sole shareholder and the Founders entered into a Lock-Up Agreement. The Lock-Up Agreement provides that the Algoma Common Shares to be issued to Algoma Investors immediately prior to the Effective Time will be subject to transfer restrictions until the earlier of (a) the six-month anniversary of the Closing and (b) the date on which the closing share price of the Algoma Common Shares equals or exceeds $12.50 per share (as adjusted for share splits, share dividends, reorganizations, recapitalizations and the like) for any 20 trading days within any 30-trading day period following the Closing. The Founders will be subject to the same lock-up as the Algoma Investors with respect to the Algoma Common Shares to be issued to the Founders in exchange for their Founder Shares (and, in the case of Eric S. Rosenfeld, David Sgro, and Brian Pratt, the Algoma Common Shares and Algoma Warrants to be issued to them in exchange for their Private Units), but not including any PIPE Shares, except that the release date will be the twelve-month anniversary of the Closing, rather than the six-month anniversary. In addition, the Merger Agreement provides that each person who will receive Algoma Common Shares issued pursuant to the LTIP Exchange will sign a joinder to the Lock-Up Agreement.

Rule 144

Pursuant to Rule 144 under the Securities Act ("Rule 144"), a person who has beneficially owned restricted Algoma Common Shares for at least six months would, subject to the restrictions noted in the section below, be entitled to sell their securities provided that (i) such person is not deemed to have been an affiliate of Algoma at the time of, or at any time during the three months preceding, a sale and (ii) Algoma has been subject to the Exchange Act periodic reporting requirements for at least three months before the sale and has filed all required reports under Section 13 or 15(d) of the Exchange Act during the twelve months (or such shorter period as Algoma was required to file reports) preceding the sale.

Persons who have beneficially owned restricted Algoma Common Shares for at least six months but who are affiliates of Algoma at the time of, or at any time during the three months preceding, a sale, would be subject to additional restrictions, by which such person would be entitled to sell within any three-month period only a number of securities that does not exceed the greater of:

- 1% of the total number of Algoma's Common Shares then outstanding; or
- the average weekly reported trading volume of the Algoma Common Shares during the four calendar weeks preceding the filing of a notice on Form 144 with respect to the sale.

Sales by affiliates of Algoma under Rule 144 are also limited by manner of sale provisions and notice requirements and to the availability of current public information about Algoma.

CANADIAN SECURITIES LAWS MATTERS

Distribution and Resale of Algoma Common Shares and Algoma Warrants Received in the Merger and Algoma Common Shares underlying Algoma Warrants under Canadian Securities Laws

The Algoma Common Shares and Algoma Warrants to be issued in connection with the Merger, and the Algoma Common Shares issued upon the exercise of the Algoma Warrants in accordance with the terms and conditions thereof and of the Warrant Agreement, will not be legended and may be resold through registered dealers in each of the provinces and territories of Canada, *provided* that: (i) the trade is not a "control distribution" (as defined in National Instrument 45-102 – *Resale of Securities* of the Canadian Securities Administrators); (ii) no unusual effort is made to prepare the market or create a demand for those securities; (iii) no extraordinary commission or consideration is paid in respect of that trade; (iv) if the selling securityholder is an insider or officer of Algoma (as defined under applicable Canadian securities legislation), the insider or officer has no reasonable grounds to believe that Algoma is in default of applicable Canadian securities legislation; and (v) Algoma is and has been a reporting issuer in a jurisdiction of Canada for the four months immediately preceding the trade (subject to the abridgment of such four month period upon Algoma becoming a reporting issuer by filing a non-offering prospectus in the province of Ontario). Each Algoma securityholder is urged to consult the holder's professional advisors with respect to restrictions applicable to trades in Algoma Common Shares (including Algoma Common Shares underlying Algoma Warrants) and Algoma Warrants under applicable Canadian securities legislation.

Following Closing, Algoma is expected to become a reporting issuer in the province of Ontario by filing a non-offering prospectus and, subject to the Algoma Common Shares and/or the Algoma Warrants being listed on the TSX, to become a reporting issuer in the province of Ontario. As neither the Algoma Common Shares nor the Algoma Warrants are currently listed on a stock exchange, unless and until such a listing is obtained, holders of Algoma Common Shares and/or Algoma Warrants may not have a market for their securities. Algoma has applied to list the Algoma Common Shares and Algoma Warrants on Nasdaq under the proposed symbols "ASTL" and "ASTLW", respectively, to be effective at the consummation of the Merger. In addition, Algoma intends to apply for listing of the Algoma Common Shares and Algoma Warrants on the TSX under the proposed symbols "ASTL" and "ASTL.WT," respectively, to be effective at the consummation of the Merger. Approval of the listing on Nasdaq and the TSX of the Algoma Common Shares and Algoma Warrants (subject only to official notice of issuance thereof and/or the satisfaction of the conditions of approval) is a condition to each party's obligation to complete the Merger.

Ongoing Canadian Reporting Obligations of Algoma

Following Closing, Algoma is expected to become a reporting issuer in the province of Ontario by filing a non-offering prospectus and will be subject to Canadian continuous disclosure and other reporting obligations under applicable Canadian securities laws. Among these reporting obligations is the requirement that its reporting insiders file reports with respect to, among other things, their beneficial ownership of, or control or direction over, securities of Algoma and their interests in, and rights and obligations associated with, related financial instruments. As Algoma will not be a foreign issuer under applicable Canadian securities law, it will generally not be entitled under exemptions available to such foreign issuers to satisfy its Canadian reporting obligations through periodic and current reports that it files with the SEC to satisfy its U.S. reporting obligations but, as an "SEC Issuer" (as such term is defined under Canadian securities laws) may, in certain instances, rely on other available exemptions from its Canadian continuous disclosure and other reporting obligations by filing in Canada its periodic and current reports filed with the SEC to satisfy its U.S. reporting obligations.

COMPARISON OF RIGHTS OF ALGOMA SHAREHOLDERS AND LEGATO STOCKHOLDERS

The rights of the shareholders of Algoma and the relative powers of the Algoma board of directors are governed by applicable law of British Columbia, Canada, including the Business Corporations Act (British Columbia) ("BCA"), and Algoma's articles. As a result of the Merger, the Legato Common Stock will be automatically converted into the right to receive Algoma Common Shares and the Legato Warrants will be converted into an equal number of Algoma Warrants, each of which will be exercisable for one Algoma Common Share for $11.50 per share, subject to adjustment. Each Algoma Common Share will be issued in accordance with, and subject to the rights and obligations of, the Restated Articles to be in effect following the Merger, in substantially the form attached hereto as *Annex B*. Because Algoma will be, at the Effective Time, a corporation organized under the laws of British, Columbia, the rights of the securityholders of Legato will be governed by applicable law of British Columbia, Canada, including the BCA and the Restated Articles.

Many of the principal attributes of Algoma Common Shares and Legato Common Stock will be similar. However, there are differences between the rights of shareholders of Algoma under the BCA and the rights of securityholders of Legato under the laws of Delaware. In addition, there are differences between the Restated Articles as such will be in effect from and after the consummation of the Merger and the Existing Legato Charter.

The following is a summary comparison of the material differences between the rights of Legato stockholders under the Existing Legato Charter, Legato's bylaws (the "Legato Bylaws"), the laws of Delaware, and the rights of Algoma shareholders under the BCA and the Restated Articles. The discussion in this section does not include a description of rights or obligations under the U.S. federal securities laws, Nasdaq or TSX listing requirements or of Algoma's or Legato's governance or other policies.

This summary is not intended to be a complete discussion of the respective rights of Legato stockholders and Algoma shareholders and may not contain all of the information that is important to you. This summary is qualified in its entirety by reference to the DGCL, the BCA, and the governing documents of Legato and Algoma, which we urge you to read carefully and in their entirety. Legato and Algoma urge you to carefully read this entire proxy statement/prospectus, the relevant provisions of the DGCL, the BCA, and the other documents to which we refer in this proxy statement/prospectus for a more complete understanding of the differences between the rights of an Algoma shareholder and the rights of a Legato stockholder. Legato has filed its governing documents with the SEC and will send copies of these documents to you, without charge, upon your request. See the section titled "*Where You Can Find Additional Information*." The form of Algoma's Restated Articles, which will be adopted at the Closing, are included as Annex B to this proxy statement/prospectus.

	Legato	Algoma
Authorized and Outstanding Capital Stock	The total number of shares of all classes of capital stock which Legato is authorized to issue is 61,000,000 shares, consisting of (a) 60,000,000 shares of Legato Common Stock and (b) 1,000,000 shares of Legato preferred stock, par value $0.0001 per share. As of the record date, there were 30,307,036 shares of Legato Common Stock outstanding and no shares of Legato preferred stock outstanding.	The authorized share capital of Algoma consists of an unlimited number of Algoma Common Shares without par value and an unlimited number of Algoma Preferred Shares without par value. The Algoma board of directors has the authority to issue one or more series of Algoma Preferred Shares, with such special conditions to be created, defined and attached to such series by the directors of Algoma. As of , 2021, there were Algoma Common Shares issued and outstanding, and no Algoma Preferred Shares issued and outstanding.
Issuance of Additional Shares	The Existing Legato Charter provides that, prior to the consummation of Legato's initial business combination,	Pursuant and subject to the BCA, Restated Articles and subject to the rights, if any, of the holders of issued

	Legato	Algoma
	Legato shall not issue any shares of Legato Common Stock or any securities convertible into Legato Common Stock or any securities which participate in or are otherwise entitled in any manner to any of the proceeds in the Trust Account or which vote as a class with the Legato Common Stock on any matter.	shares, Algoma may issue, sell or otherwise dispose of the unissued shares, and issued shares held by Algoma, at the times, to the persons, including directors, in the manner, on the terms and conditions and for the issue prices that the directors may determine.
Reduction of Capital	Under the DGCL, Legato, by resolution of its board of directors, may reduce its capital by reducing or eliminating the capital associated with shares of capital stock that have been retired, by applying to an otherwise authorized purchase or redemption of shares some or all of the capital represented by the shares being repurchased or redeemed, or any capital that has not been allocated to any particular class of its stock, by applying to an otherwise authorized conversion or exchange of outstanding shares some or all of the capital represented by the shares being converted or exchanged, or some or all of any capital that has not been allocated to any particular class of its stock, or both, to the extent that such capital in the aggregate exceeds the total aggregate par value or the stated capital of any previously unissued shares issuable upon such conversion or exchange or by transferring or by transferring to surplus some or all of the capital not represented by any particular class of its capital stock, some or all of the capital represented by issued shares of its par value capital stock, which capital is in excess of the aggregate par value of such shares or some of the capital represented by issued shares of its capital stock without par value. Notwithstanding the foregoing, no reduction of capital may be made or effected unless the assets of the corporation remaining after the reduction are sufficient to pay any debts for which payment has not otherwise been provided. No reduction of capital shall release any liability of any stockholder whose shares have not been fully paid.	Under the BCA, Algoma may reduce its capital if it is authorized to do so: (1) by a court order, or (2) by a special resolution, provided that there are not reasonable grounds for believing that the realizable value of Algoma's assets would, after the reduction, be less than the aggregate of its liabilities.

	Legato	Algoma
Voting Rights	The Existing Legato Charter provides that, except as required by law or the Existing Legato Charter, the holders of shares of Legato Common Stock shall be entitled to one vote for each such share on each matter properly submitted to the stockholders of Legato on which the holders of the shares of Legato Common Stock are entitled to vote.	The Restated Articles provide that each Algoma Common Share shall entitle its holder to one vote at all meetings of the shareholders of Algoma, except meetings at which only holders of another specified class of shares are entitled to vote pursuant to the provisions of the BCA or the Restated Articles.
Dividends and Distributions	The Existing Legato Charter provides rights to distributions from the Trust Fund to shares of Public Shares only in the event (i) the holder demands redemption of his shares in accordance with the Existing Legato Charter in connection with a proxy solicitation, (ii) the holder sells his shares to the Legato in accordance with the Existing Legato Charter in connection with a tender offer, (iii) that Legato has not consummated a business combination within 18 months of Legato's IPO or (iv) Legato seeks to amend the provisions of Article Sixth of the Existing Legato Charter prior to the consummation of a business combination. In no other circumstances shall a holder of Public Shares have any right or interest of any kind in or to the Trust Fund.	Under the BCA, dividends may be paid out of profits, capital or otherwise. However, a corporation cannot declare or pay a dividend if there are reasonable grounds for believing that the corporation is insolvent or payment of the dividend would render the corporation insolvent. The Restated Articles provide that the directors may from time to time declare and authorize payment of such dividends as the directors may deem advisable, subject to the rights, if any, of shareholders holding shares with special rights to dividends.
Preemptive Rights	The Existing Legato Charter does not provide preemptive rights to shares of Legato Common Stock.	There are no preemptive rights relating to Algoma Common Shares.
Number of Directors	The Existing Legato Charter does not provide for a minimum number of directors.	The BCA requires that public companies have a minimum of three directors. The Restated Articles provide that the number of directors shall be set by directors' resolution but must be at least three and no more than 20. Algoma directors may appoint additional directors, but the number of additional directors shall not exceed one third the number of first directors, if, at the time of their first appointments, one or more of the first directors have not yet completed their first term office, and, in any other case, one-third the number of current directors who were elected or appointed other than as such additional directors.

	Legato	Algoma
Term of Office of Directors	The Existing Legato Charter provides that Legato's board of directors shall be divided into three classes of directors, as nearly equal as possible and designated Class A, Class B, and Class C, each of which will generally serve for a term of three years with only one class of directors being elected in each year, subject to their earlier death, resignation or removal from office.	Each director shall hold office until the next annual general meeting and until his or her successor is elected or appointed, subject to prior death, resignation, retirement, disqualification or removal from office.
Nomination of Director Candidates	Legato's bylaws provide that, except as may be otherwise provided by the terms of one or more series of Legato preferred stock, nominations of persons for election to Legato's board of directors may be made at any annual meeting of stockholders, or at any special meeting of stockholders called for the purpose of electing directors as set forth in Legato's notice of such special meeting, by any stockholder of Legato who is a stockholder of record on the date of such stockholder's notice of nomination and on the record date for the determination of stockholders entitled to vote at such meeting and who complies with the notice procedures set forth in Legato's bylaws. Legato's bylaws provide that, to be timely, a stockholder's notice of nomination must be delivered to Legato's Secretary at the principal executive offices of Legato not less than sixty (60) days nor more than ninety (90) days prior to the meeting; provided however, that in the event that less than seventy (70) days' notice or prior public disclosure of the date of the meeting is given or made to stockholders, notice by the stockholder, to be timely, must be received no later than the close of business on the tenth (10th) day following the day on which such notice of the date of the meeting was mailed or such public disclosure was made, whichever first occurs.	The Restated Articles provide that nominations of persons for election to Algoma's board of directors may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the meeting was called was the election of directors, by, among others, any person who, as of the record date for notice of such meeting and on the date notice of the nomination is given, is either a shareholder of record or beneficially owns shares that are entitled to be voted at such meeting and such person complies with the notice procedures set forth in the Restated Articles, including that the notice of nomination is both timely and in proper written form. The Restated Articles provide that, to be timely, a shareholder's notice shall be received by the secretary of Algoma (a) in the case of an annual general meeting of shareholders, not less than 30 days prior to the date of the annual general meeting of shareholders; provided, however, that in the event that the annual general meeting of shareholders is to be held on a date that is less than 50 days after the date (the "Notice Date") on which the first public announcement of the date of the annual general meeting was made, notice by the nominating shareholder may be made not later than the close of business on the tenth day following the Notice Date, and (b) in the case of a special meeting (which is not also an annual general meeting) of shareholders called for the purpose of electing directors

	Legato	Algoma
		(whether or not called for other purposes as well), not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting of shareholders was made. To be in proper written form, such notice must include certain information with respect to each proposed nominee and each nominating shareholder.
Election of Directors	The Existing Legato Charter and Legato's bylaws provide that, subject to the rights of holders of one or more series of Legato preferred stock, the election of directors shall be determined by a plurality of the votes cast by the stockholders present in person or represented by proxy at the meeting and entitled to vote thereon.	Pursuant to the BCA and the Restated Articles, at every annual general meeting, the shareholders entitled to vote for the election of directors must elect a board of directors consisting of not more than the number of directors set under the Restated Articles. Properly nominated candidates are elected by a plurality of the votes cast by shareholders entitled to vote for the election of directors, or appointed by ordinary resolution.
Removal of Directors	Legato's bylaws provide that the entire board of directors or any individual director may be removed from office with or without cause by a majority vote of the holders of the outstanding shares then entitled to vote at an election of directors. If Legato's board is classified, stockholders may effect such removal only for cause. In case the board of directors or any one or more directors be so removed, new directors may be elected at the same time for the unexpired portion of the full term of the director or directors so removed.	The Restated Articles provide the shareholders of Algoma may remove any director before the expiration of his or her term of office by special resolution, which requires a special majority requirement of two-thirds of the votes cast in favor of the resolution. The directors of Algoma may remove a director before the expiration of his or her period of office if the director is convicted of an indictable offence or otherwise ceases to qualify as a director and the directors may appoint a director to fill the resulting vacancy.
Board Vacancies	The Existing Legato Charter provides that, unless otherwise provided in the Existing Legato Charter, vacancies and newly created directorships resulting from any increase in the authorized number of directors or from any other cause may be filled by a majority of the directors then in office, although less than a quorum, or by a sole remaining director and each director so chosen shall hold office until the next election of the class for which such director shall have been chosen, and until his successor shall	The Restated Articles provide that where a director is removed by special resolution, the shareholders may elect or appoint, by ordinary resolution, another individual as director to fill the resulting vacancy. If the shareholders do not appoint a director to fill the vacancy contemporaneously with removal, then either the directors or the shareholders by ordinary resolution may appoint a director to fill that vacancy.

	Legato	Algoma
	be elected and qualified, or until such director's earlier resignation, removal from office, death or incapacity.	Any casual vacancy occurring on the board of directors may be filled by the remaining directors. If Algoma has fewer directors in office than the number set by the Restated Articles as the necessary quorum for the directors, the directors may only act for the purpose of appointing directors up to that number or of calling a meeting of shareholders for the purpose of filling any vacancies on the board of directors. If Algoma has no directors or fewer directors in office than the number set by the Restated Articles as the necessary quorum for the directors, the shareholders may elect or appoint, by ordinary resolution, directors to fill the vacancies of the board.
Board Action by Written Consent	Legato's bylaws provide that, unless otherwise restricted by the Existing Legato Charter or Legato's bylaws, any action required or permitted to be taken at any meeting of Legato's board of directors or any committee thereof may be taken without a meeting if all members of Legato's board of directors or committee thereof, as the case may be, consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions (or paper reproductions thereof) are filed with the minutes of proceedings of Legato's board of directors or committee thereof.	The Restated Articles provide that a resolution of the directors or of any committee of the directors consented to in writing by all of the directors entitled to vote on it is as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors duly called and held.
Power of Board of Directors to Manage the Business and Affairs of the Corporation	The Existing Legato Charter and Legato's bylaws provide that the business and affairs of Legato shall be managed by, or under the direction of, Legato's board of directors. The Existing Legato Charter provides that, in addition to the powers and authority expressly conferred upon Legato's board of directors by statute, the Existing Legato Charter or Legato's bylaws, Legato's board of directors is empowered to exercise all such powers and do all such acts and things as may be exercised or done by Legato, subject, nevertheless, to the provisions of the DGCL, the Existing	The Restated Articles provide, subject to the BCA, that the directors must manage or supervise the management of the business and affairs of Algoma and have the authority to exercise all such powers of Algoma as are not, by the BCA or the Restated Articles, required to be exercised by the shareholders.

	Legato	Algoma
	Legato Charter and any bylaws adopted by the stockholders of Legato.	
Fiduciary Duties of Directors	Under Delaware common law, for so long as Legato is solvent, Legato's directors owe the fiduciary duties of care and loyalty (including good faith) to Legato and its stockholders.	The BCA requires that directors and officers (1) act honestly and in good faith with a view to the best interests of Algoma, (2) exercise the care, diligence and skill that a reasonably prudent individual would exercise in comparable circumstances, (3) act in accordance with the BCA and its related regulations, and (4) subject to the above, act in accordance with the Restated Articles.
Directors' Conflicts of Interest; Corporate Opportunities	The Existing Legato Charter provides that the doctrine of corporate opportunity, or any other analogous doctrine, shall not apply with respect to Legato or any of its officers or directors in circumstances where the application of any such doctrine would conflict with any fiduciary duties or contractual obligations they may have as of the date of the Existing Legato Charter or in the future. The Existing Legato Charter provides that the doctrine of corporate opportunity shall not apply to any other corporate opportunity with respect to any of the directors or officers of Legato unless such corporate opportunity is offered to such person solely in his or her capacity as a director or officer of Legato and such opportunity is one Legato is legally and contractually permitted to undertake and would otherwise be reasonable for Legato to pursue.	The BCA provides that a director or senior officer holds a disclosable interest in a contract or transaction if (a) the contract or transaction is material to Algoma, (b) Algoma has entered, or proposes to enter, into the contract or transaction and (c) the director or senior officer either has a material interest in the contract or transaction or is a director or senior officer of, or has a material interest in, a person who has a material interest in the contract or transaction. The director or senior office is required to account to Algoma for any profits that accrue to the director or senior office under or as a result of a contract or transaction in which he or she holds a disclosable interest unless the director or senior officer complies with the disclosure requirements in the BCA.
Limitation on Liability of Directors	The Existing Legato Charter provides that a director of Legato shall not be personally liable to Legato or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to Legato or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the DGCL, or (iv) for any transaction from which	Under the BCA, no provision in a contract or the articles may relieve a director or officer from (1) the duty to act in accordance with the BCA and its related regulations, or (2) liability that by virtue of any enactment or rule of law or equity would otherwise attach to that director or officer in respect of any negligence, default, breach of duty or breach of trust of which the director or officer may be guilty in relation to a corporation.

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	the director derived an improper personal benefit. If the DGCL is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the DGCL, as so amended.	However, a director will not be liable under the BCA for certain acts if the director relied, in good faith, on certain records, documents or statements made by officers or experts.
Indemnification of Directors and Officers	The Existing Legato Charter and Legato's bylaws provide that to the fullest extent permitted by Section 145 of the DGCL, as amended from time to time, Legato shall indemnify all persons whom it may indemnify pursuant thereto. Expenses (including attorneys' fees) incurred by an officer or director in defending any civil, criminal, administrative, or investigative action, suit or proceeding for which such officer or director may be entitled to indemnification hereunder shall be paid by Legato in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director or officer to repay such amount if it shall ultimately be determined that he or she is not entitled to be indemnified by Legato as authorized pursuant to the Existing Legato Charter.	Under the BCA, a corporation may indemnify a director or officer, a former director or officer, or a person who acts or acted at the corporation's request as a director or officer, or an individual acting in a similar capacity, of another entity, which we refer to as an eligible party, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably imposed on or incurred by him or her in respect of any proceeding in which he or she is involved because of that association with the corporation or other entity, unless: (1) the individual did not act honestly and in good faith with a view to the best interests of such corporation or the other entity, as the case may be; or (2) in the case of a proceeding other than a civil proceeding, the individual did not have reasonable grounds for believing that the individual's conduct was lawful. On application from a corporation or an eligible party, a court may make any order the court considers appropriate in respect of an eligible proceeding, including the indemnification of any liabilities or expenses incurred in any such proceedings and the enforcement of an indemnification agreement. The Restated Articles specify that failure of an eligible party to comply with the provisions of the BCA or Restated Articles, or if applicable, any former articles, will not invalidate any indemnity to which he or she is entitled. The Restated Articles also allow for Algoma to purchase and maintain insurance for the benefit of specified eligible parties.

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Advancement of Expenses	The Existing Legato Charter and Legato's bylaws provide that Legato shall to the fullest extent not prohibited by Section 145 of the DGCL, as amended from time to time, pay the expenses (including attorneys' fees) incurred by an officer or director in defending any civil, criminal, administrative, or investigative action, suit or proceeding for which such officer or director may be entitled to indemnification under the Existing Legato Charter shall be paid by Legato in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director or officer to repay such amount if it shall ultimately be determined that he or she is not entitled to be indemnified.	The BCA provides that Algoma may pay expenses of an eligible party actually and reasonably incurred in advance of a final disposition of an eligible proceeding; provided, however, that the eligible party first provides an undertaking to repay the amounts advanced if it is ultimately determined that the payment of expenses is prohibited by the BCA.
Annual Meeting of Stockholders	Legato's bylaws provide that the annual meeting of stockholders shall be held on such date and at such time as may be fixed by the board of directors of Legato and stated in the notice of the meeting, for the purpose of electing directors and for the transaction of only such other business as is properly brought before the meeting in accordance with Legato's bylaws. The DGCL provides that if there is a failure to hold an annual meeting of stockholders or take action by written consent to elect directors in lieu of a meeting for a period of 30 days after the date designated for the annual meeting, or if no date has been designated, for a period of 13 months after the latest to occur of the organization of Legato, its last annual meeting of stockholders or the last action by written consent to elect directors in lieu of an annual meeting of stockholders, the Court of Chancery of the State of Delaware may summarily order a meeting to be held upon the application of any stockholder or director.	The Restated Articles provide that, unless an annual general meeting is deferred or waived in accordance with the BCA, Algoma must hold its first annual general meeting within 18 months after the date on which it was incorporated or otherwise recognized, and after that must hold an annual general meeting at least once in each calendar year and not more than 15 months after the last annual reference date at such time and place as may be determined by the directors.

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Special Meetings of Stockholders	Legato's bylaws provide that special meetings of the stockholder, for any purpose or purposes, unless otherwise prescribed by statute or by the Existing Legato Charter, may only be called by a majority of its entire board of directors, or the President or the Chairman, and shall be called by the Secretary at the request in writing of stockholders owning a majority in amount of the entire capital stock of the corporation issued and outstanding and entitled to vote. Such request shall state the purpose or purposes of the proposed meeting.	The Restated Articles provide that the board of directors may, at any time, call a meeting of shareholders. In addition, under the BCA, the holders of not less than 5% of the issued shares of a corporation that carry the right to vote at a general meeting may requisition that the directors call a meeting of shareholders for such purposes as stated in the requisition. Upon meeting the technical requirements set out in the BCA, the directors must call a meeting of shareholders to be held not more than four months after receiving the requisition. If the directors do not call such a meeting within 21 days after receiving the requisition, the requisitioning shareholders or any of them holding in aggregate more than 2.5% of the issued shares of the corporation that carry the right to vote at general meetings may send notice of a meeting to be held to transact the business stated in the requisition.
Notice of Stockholders Meetings	Legato's bylaws provide that, unless otherwise provided by law, written notice of a special meeting of stockholders, stating the time, place and purpose or purposes thereof, shall be given to each stockholder entitled to vote at such meeting, not less than ten (10) or more than sixty (60) days before the date fixed for the meeting. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice.	Pursuant to the Restated Articles, Algoma must send notice of the date, time and location of any meeting of shareholders, in the manner provided in the Restated Articles to each shareholder entitled to attend the meeting, and to each director and to the auditor of Algoma, unless the Restated Articles otherwise provide, at least the following number of days before the meeting: (1) if and for so long as Algoma is a public company, 21 days; or (2) otherwise, 10 days. The notice of meeting for a meeting of shareholders to consider special business must state: (1) the general nature of the special business, and (2) the text of any resolution to be submitted to the meeting in respect of such special business.
Quorum at Stockholder Meetings	Legato's bylaws provide that, except as otherwise provided by applicable law, the Existing Legato Charter or Legato's bylaws, the presence, in person or by proxy, at a stockholders meeting of the holders of shares of outstanding capital stock of Legato	The Restated Articles provide that, subject to the special rights and restrictions attached to the shares of any class or series of shares, the quorum for the transaction of business at a meeting of shareholders is two persons who are, or who represent by

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	representing a majority of the voting power of all outstanding shares of capital stock of Legato entitled to vote at such meeting shall constitute a quorum for the transaction of business at such meeting, except that when specified business is to be voted on by a class or series of stock voting as a class, the holders of shares representing a majority of the voting power of the outstanding shares of such class or series shall constitute a quorum of such class or series for the transaction of such business.	proxy, shareholders who, in the aggregate, hold at least 25% of the issued shares entitled to be voted at the meeting. The BCA provides that, if the number of shareholders entitled to vote at a meeting is less than the quorum required under the Restated Articles, the quorum for the transaction of business at the meeting is all of the shareholders entitled to vote at the meeting whether present in person or by proxy.
Record Date	In order that Legato may determine may determine the stockholders entitled to notice or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, Legato's bylaws provide that Legato's board of directors may fix a record date, which shall not precede the date upon which the resolution fixing the record date is adopted by Legato's board of directors, and which record date shall not be more than 60 nor less than 10 days before the date of such meeting, nor more than 10 days after the date upon which the resolution fixing the record date of action with a meeting is adopted by the Board of Directors, nor more than 60 days prior to any other action. If no record date is fixed: (a) the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held; (b) the record date for determining stockholders entitled to	The Restated Articles provide that the directors may set a date as the record date for the purpose of determining shareholders entitled to notice of any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months (or four months if the meeting is requisitioned by shareholders under the BCA), or by fewer than: (1) if and for so long as Algoma is a public company, 21 days; or (2) otherwise, 10 days. If no record date is set, the record date is 5 p.m. (Vancouver time) on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting. Additionally, the Restated Articles provide the directors may set a date as the record date for the purpose of determining shareholders entitled to vote at any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months (or four months if the meeting is requisitioned by shareholders under the BCA). If no record date is set, the record date is 5 p.m. (Vancouver time) on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

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	express consent to corporate action in writing without a meeting, when no prior action by the board of directors is necessary, shall be the first date on which a signed written consent is delivered to Legato; and (c) the record date for determining stockholders for any other purpose shall be at the close of business on the day on which the board of directors adopts the resolution relating thereto. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the board of directors may fix a new record date for the adjourned meeting.	
Vote Required	Unless otherwise required by law, the Existing Legato Charter or Legato's bylaws, Legato's bylaws require that all matters (other than the election of directors) presented to stockholders at a meeting at which a quorum is present be determined by the vote of a majority of the votes cast by the stockholders present in person or represented by proxy at the meeting and entitled to vote thereon. At all meetings of stockholders for the election of directors, a plurality of the votes cast shall be sufficient to elect.	Under the BCA, at any meeting of shareholders at which a quorum is present, any action that must or may be taken or authorized by the shareholders, except as otherwise provided under the BCA or the Restated Articles, may be taken or authorized by an "ordinary resolution," which is a simple majority of the votes cast by shareholders voting shares that carry the right to vote at general meetings. The Restated Articles provide that, subject to the BCA, every motion put to a vote at a meeting of shareholders will be decided by a show of hands or the functional equivalent unless a poll is directed by the chair or demanded by any shareholder entitled to vote who is present in person or by proxy. Votes by a show of hands or functional equivalent result in each person having one vote (regardless of the number of shares such person is entitled to vote). If voting is conducted by poll, each holder of Algoma Common Shares is entitled to one vote for each Algoma Common Share held.
No Cumulative Voting	The Existing Legato Charter does not provide for cumulative voting in connection with the election of directors.	The holders of Algoma Common Shares do not have cumulative voting rights.

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Stockholder Action by Written Consent	The Existing Legato Charter and Legato's bylaws provide that, no action that is required or permitted to be taken by the stockholders of Legato at any annual or special meeting of stockholders may be effected by written consent of stockholders in lieu of a meeting.	Under the BCA, shareholder action without a meeting may be taken by a "consent resolution" of shareholders, which requires that, after being submitted to all shareholders entitled to vote at a general meeting, the resolution is consented to in writing by: (1) in the case of a matter that would normally require an ordinary resolution, shareholders who, in the aggregate, hold shares carrying at least 66 2/3% of the votes entitled to be cast on such consent resolution, or (2) in the case of any other resolution of the shareholders, unanimous consent of the shareholders entitled to vote on such consent resolution. A consent resolution of shareholders is deemed to be a proceeding at a meeting of those shareholders and to be as valid and effective as if it had been passed at a meeting of shareholders that satisfies all the requirements of the BCA and its related regulations, and all the requirements of the Restated Articles, relating to meetings of shareholders.
Stockholder Proposals	Legato's bylaws provide that business (other than nominations of individuals for election to the Legato board of directors) may be brought before an annual meeting of stockholders by any stockholder of Legato who is a stockholder of record on the date notice of such proposal of business is given and on the record date for the determination of stockholders entitled to vote at such meeting and who complies with the notice procedures set forth in Legato's bylaws. To be timely, a stockholder's notice of such proposal of business shall be delivered to the principal executive offices of Legato not less than sixty (60) days nor more than ninety (90) days prior to the meeting; provided, however, that in the event that less than seventy (70) days' notice or prior public disclosure of the date of the annual meeting is given or made to stockholders, notice by a stockholder, to be timely, must be received no later than the close of business on the tenth	Under the BCA, shareholders' proposals may be made by registered or beneficial owners of shares entitled to vote at general meetings of shareholders who have been the registered or beneficial owner of such shares for an uninterrupted period of at least two years before the date of signing of the proposal, and who together in the aggregate constitute at least 1% of the issued shares that carry on the right to vote at general meetings or have a fair market value of shares in excess of C$2,000. Those registered or beneficial holders must, alongside the proposal, submit and sign a declaration providing the requisite information under the BCA. To be a valid proposal, the proposal must be submitted at least three months before the anniversary of the previous year's annual reference date.

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	(10th) day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure was made, whichever first occurs.	
Inspection of Books and Records	Under the DGCL, any stockholder may, upon proper demand, and for any proper purpose, inspect the Delaware corporation's stock ledger, list of stockholders and other books and records during the usual hours for business.	Algoma must keep at its records office, or at such other place as the BCA may permit, the documents, copies, registers, minutes and other records which Algoma is required by the BCA to keep at such places. Algoma must keep adequate accounting records for each of its financial years. Under the BCA, any director or shareholder may, without charge, inspect certain of Algoma's records at Algoma's records office or such other place where such records are kept during the corporation's statutory business hours. Former shareholders and directors may also inspect certain records, free of charge, but only those records pertaining to the times that they were shareholders or directors. Further, a public company must allow all persons to inspect certain records of the corporation free of charge. As permitted by the BCA, the Restated Articles prohibit shareholders from inspecting any accounting records of Algoma, unless the directors determine otherwise.
Derivative or Other Suits	Pursuant to the DGCL, in any derivative suit instituted by a stockholder of a Delaware corporation, it must be averred in the complaint that the plaintiff was a stockholder of record at the time of the transaction of which such stockholder complains or that such stockholder's stock thereafter devolved upon such stockholder by operation of law. Pursuant to Delaware law, the complaint must set forth with particularity the efforts of the plaintiff to obtain action by the Delaware corporation's board of directors ("demand refusal") or the reasons for not making such effort ("demand excusal").	Under the BCA, a complainant (a director or shareholder of a corporation, which includes a beneficial shareholder, and any other person that a court considers to be an appropriate person to make such an application) may apply to the Supreme Court of the Province of British Columbia for leave to bring an action in the name and on behalf of Algoma for the purpose of prosecuting or defending an action on behalf of Algoma. Under the BCA, a complainant (a director or shareholder of a corporation, which includes a beneficial shareholder, and any other

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		person that a court considers to be an appropriate person to make such an application) may apply to the Supreme Court of the Province of British Columbia for leave to bring an action in the name and on behalf of Algoma for the purpose of prosecuting or defending an action on behalf of Algoma. The BCA's oppression remedy enables a court to make almost any order to rectify the matters complained of if the court is satisfied upon application by a shareholder that the affairs of Algoma are being or have been conducted, or that the powers of the directors are being or have been exercised, in a manner that is oppressive to one or more shareholders, or that some action has been or may be taken that is unfairly prejudicial to one or more shareholders. The applicant must be one of the persons being oppressed or prejudiced and the application must be brought in a timely manner. While conduct that is in breach of fiduciary duties of directors or that is contrary to the legal right of a complainant would normally be expected to trigger the court's jurisdiction under the oppression remedy, the exercise of that jurisdiction does not depend on a finding of a breach of such legal and equitable rights.
Approval of Mergers and Other Corporate Transactions	Pursuant to the DGCL, the sale, lease or exchange of all or substantially all of the property and assets of a Delaware corporation, including its goodwill and its corporate franchise, requires the approval of the corporation's board of directors and the holders of a majority of the outstanding stock of the corporation entitled to vote thereon. Pursuant to the DGCL, the merger or consolidation of a Delaware corporation generally requires the approval of the corporation's board of directors and the holders of a majority of the outstanding stock of the corporation entitled to vote thereon.	Under the BCA, certain corporate actions, such as: (1) amalgamations (other than with certain affiliated corporations); (2) continuances; (3) sales, leases or other dispositions of all, or substantially all, the undertaking of the corporation other than in the ordinary course of business; (4) reductions of capital for any purpose, e.g. in connection with the payment of special distributions (subject to the satisfaction of solvency tests); and (5) other actions such as liquidations, or arrangements, are required to be approved by "special resolution" that requires two-thirds of the votes cast to pass.

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	Pursuant to the DGCL, a corporation that owns at least 90% of the outstanding shares of each class of stock of another corporation that, absent such law, would be entitled to vote on such merger, may (unless laws of the jurisdiction under which a foreign corporation party to the merger prohibit such merger) either merge the other corporation into itself and assume all of its obligations or merge itself into the other corporation by executing, acknowledging and filing with the Secretary of State of the State of Delaware, a certificate of such ownership and merger setting forth a copy of the resolutions of its board of directors authorizing such merger. Pursuant to the DGCL, if the parent corporation is a Delaware corporation that is not the surviving corporation, the merger must also be approved by a majority of the outstanding stock of the parent corporation entitled to vote thereon. Pursuant to the DGCL, if the parent corporation does not own all of the stock of the subsidiary corporation immediately prior to the merger, the minority stockholders of the subsidiary corporation party to the merger have appraisal rights.	In certain specified cases where share rights or special rights may be prejudiced or interfered with, a special separate resolution of shareholders of the affected class or series, including a class or series of shares not otherwise carrying voting rights, to approve the corporate action in question is also required. In specified extraordinary corporate actions, such as approval of plans of arrangements and amalgamations all shares have a vote, whether or not they generally vote and, in certain cases, have separate class votes.
Business Combinations with Interested Stockholders	The DGCL generally prohibits a publicly held company from engaging in a business combination with an "interested stockholder" (generally a person who beneficially owns 15% or more of a corporation's voting stock) for a period of three years after the date of the transaction in which the person became an interested stockholder, unless: (a) the business combination or the transaction that resulted in the stockholder becoming an interested stockholder was approved by the corporation's board of directors prior to the date the interested stockholder acquired shares; (b) the interested stockholder acquired at least 85% of the voting stock of the corporation in the transaction in which it became an interested stockholder; or (c) the	Not applicable.

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	business combination is approved by a majority of the corporation's board of directors and by the affirmative vote of at least two thirds of the outstanding voting stock owned by disinterested stockholders at an annual or special meeting and not by written consent. A business combination generally includes mergers, asset sales, and other transactions resulting in a financial benefit to the interested stockholder. A corporation may elect not to be governed by Section 203 of the DGCL. Neither the Existing Legato Charter nor the Legato bylaws contain this election.	
Appraisal Rights	The DGCL provides that qualifying stockholders of a Delaware corporation may, in connection with certain mergers and consolidations in which the corporation is a constituent party, be entitled to an appraisal by the Court of Chancery of the State of Delaware of the fair value of such stockholder's shares.	Under the BCA, shareholders of a corporation are entitled to exercise dissent rights in respect of certain matters and to be paid the fair value of their shares in connection therewith. The dissent right is applicable where the corporation resolves to: (1) alter its articles to alter the restrictions on the powers of the corporation or on the business it is permitted to carry on; (2) approve certain amalgamations; (3) approve a statutory arrangement, where the terms of the arrangement permit dissent; (4) sell, lease or otherwise dispose of all or substantially all of its undertaking; or (5) continue the corporation into another jurisdiction. The BCA provides that beneficial owners of shares who wish to exercise their dissent rights with respect to their shares must dissent with respect to all of the shares beneficially owned by them, whether or not they are registered in their name.
Redemption Rights	The Existing Legato Charter provides that, in connection with its initial business combination, Legato shall provide the holders of Legato Common Stock with the opportunity to have Legato redeem their public	None.

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	shares for cash equal to their pro rata share of the aggregate amount then on deposit in the Trust Account, less taxes payable, upon the consummation of an initial business combination.	
Liquidation if No Business Combination	The Existing Legato Charter provides that in the event that Legato has not consummated an initial business combination within is 18 months from the consummation of its IPO or, if such date is not a date on which government offices in Delaware are open, the next date on which such offices are open, Legato shall (i) cease all operations except for the purpose of winding up, (ii) as promptly as reasonably possible but not more than ten business days thereafter subject to lawfully available funds therefor, redeem 100% of the public shares in consideration of a per-share price, payable in cash, equal to the quotient obtained by dividing (A) the aggregate amount then on deposit in the Trust Account, including interest (which shall be net of taxes payable and less up to $100,000 to pay dissolution expenses), by (B) the total number of then outstanding public shares, which redemption will completely extinguish rights of Legato's Public Stockholders (including the right to receive further liquidating distributions, if any), subject to applicable law, and (iii) as promptly as reasonably possible following such redemption, subject to the approval of the remaining stockholders and Legato's board of directors in accordance with applicable law, dissolve and liquidate, subject in each case to Legato's obligations under the DGCL to provide for claims of creditors and other requirements of applicable law.	Not applicable.
Anti-Takeover Measures	The Existing Legato Charter and Legato's bylaws contain certain provisions that may make it difficult for a third party to acquire Legato, or for a change in the composition of Legato's board of directors or	The BCA does not contain a provision comparable to Section 203 of the DGCL with respect to business combinations or takeover regulation.

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management to occur, including a staggered board of directors, the absence of cumulative voting rights, a prohibition on stockholder action by written consent and the establishment of advance notice requirements for director nominations. See also "– *Business Combinations with Interested Stockholders*" above.	The Restated Articles provide for some general safeguards against take-over transactions, including the absence of cumulative voting rights, which allows for the holders of a majority of the common shareholders to elect all of the directors standing for election and advance notice requirements for director nominations. However, National Instrument 62-104 – Take-Over Bids and Issuer Bids is applicable to Algoma and provides that a take-over bid is triggered when a person makes an offer to acquire outstanding voting securities or equity securities of a class made to one or more persons any of whom are in the local jurisdiction where the securities subject to the offer to acquire, together with the offeror's securities, constitute in the aggregate 20% or more of the outstanding securities of that class of securities at the date of the offer to acquire. When a take-over bid is triggered, an offeror must comply with certain requirements. These include making the offer of identical consideration to all holders of the class of security that is the subject of the bid; making a public announcement of the bid in a newspaper; and sending out a bid circular to security holders which explains the terms and conditions of the bid. Directors of an issuer whose securities are the subject of a take-over bid are required to evaluate the proposed bid and circulate a directors' circular indicating whether they recommend to accept or reject the bid or state that they are unable to make or are not making a recommendation regarding the bid. Strict timelines must be adhered to. National Instrument 62-104 also contains a number of exemptions to the take-over bid and issuer bid requirements. Compulsory Acquisitions (1) The BCA provides for a compulsory acquisition procedure where an offer made by an acquiring

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	person to acquire shares, or any class of shares, of Algoma (an "acquisition offer") is accepted. (2) For the purposes of those provisions of the BCA, (a) every acquisition offer for shares of more than one class of shares is deemed to be a separate acquisition offer for shares of each class of shares, and (b) each acquisition offer is accepted if, within four months after the making of the offer, the offer is accepted regarding the shares, or regarding each class of shares involved, by shareholders who, in the aggregate, hold at least 9/10 of those shares or of the shares of that class of shares, other than shares already held at the date of the offer by, or by a nominee for, the acquiring person or its affiliate. (3) If an acquisition offer is accepted within the meaning of sub-section (2)(b), the acquiring person may, within five months after making the offer, send written notice to any offeree who did not accept the offer, that the acquiring person wants to acquire the shares of that offeree that were involved in the offer. (4) If a notice is sent to an offeree under subsection (3), the acquiring person is entitled and bound to acquire all of the shares of that offeree that were involved in the offer for the same price and on the same terms contained in the acquisition offer unless the court orders otherwise on an application made by that offeree within two months after the date of the notice. (5) On the application of an offeree under subsection (4), the court may set the price and terms of payment, and make consequential orders and give directions the court considers appropriate.

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Exclusive Forum	The Existing Legato Charter provides that, unless Legato consents in writing to the selection of an alternative forum (except as provided in the next sentence), the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for any stockholder (including a beneficial owner) to bring (i) any derivative action or proceeding brought on behalf of Legato, (ii) any action asserting a claim of breach of fiduciary duty owned by any director, officer or other employee of Legato to Legato or its stockholders, (iii) any action asserting a claim against Legato, its directors, officers or employees arising pursuant to any provision of the DGCL or the Existing Legato Charter or Legato's bylaws, or (iv) any action asserting a claim against Legato, its directors, officers or employees governed by the internal affairs doctrine and, if brought outside of Delaware, the stockholder bringing the suit will be deemed to have consented to service of process on such stockholder's counsel. The Court of Chancery of the State of Delaware shall not be the sole and exclusive forum for any of the following actions: (A) as to which the Court of Chancery in the State of Delaware determines that there is an indispensable party not subject to the jurisdiction of the Court of Chancery (and the indispensable party does not consent to the personal jurisdiction of the Court of Chancery within ten days following such determination), (B) which is vested in the exclusive jurisdiction of a court or forum other than the Court of Chancery, (C) for which the Court of Chancery does not have subject matter jurisdiction, or (D) any action arising under the Securities Act of 1933. The Existing Legato Charter provides that the foregoing provisions will not apply to suits brought to enforce any liability or duty created by the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction.	The Restated Articles do not provide for an exclusive forum.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT OF ALGOMA

The following table and accompanying footnotes set forth information known to Algoma regarding (i) the actual beneficial ownership of the Algoma Common Shares, as of June 30, 2021 and (ii) expected beneficial ownership of Algoma immediately following consummation of the Merger, assuming no Public Shares of Legato are redeemed, and alternatively that the maximum number of Public Shares of Legato permitted to be redeemed in the Maximum Redemption Scenario are redeemed, by:

- each person who is, or is expected to be, the beneficial owner of more than 5% of the outstanding Algoma Common Shares or Algoma Preferred Shares, as applicable;
- each of Algoma's current directors and named executive officers;
- each person who will become a director or named executive officer of Algoma; and
- all directors and officers of Algoma, as a group.

The beneficial ownership of Algoma is based on one Algoma Common Share issued and outstanding as of June 30, 2021. In computing the number of Algoma Common Shares beneficially owned by a person and the percentage ownership of such person, Algoma deemed to be outstanding all Algoma Common Shares subject to options held by the person that are currently exercisable or exercisable within 60 days of June 30, 2021. Algoma did not deem such shares outstanding, however, for the purpose of computing the percentage ownership of any other person.

The expected beneficial ownership of Algoma Common Shares, assuming no Public Shares of Legato are redeemed, prior to the issuance of any additional Algoma Common Shares pursuant to the Earnout Rights, has been determined based upon the following: (i) no Public Stockholder of Legato has exercised its redemption rights to receive cash from the Trust Account in exchange for its Public Shares and Legato has not issued any additional shares of Legato Common Stock; (ii) 10,000,000 Algoma Common Shares have been issued pursuant to the PIPE Subscription Agreements; and (iii) there will be an aggregate of 115,307,036 Algoma Common Shares issued and outstanding at the closing of the Merger.

The expected beneficial ownership of shares of the Algoma Common Shares in the Maximum Redemption Scenario, prior to the issuance of any additional Algoma Common Shares pursuant to the Earnout Rights, has been determined based on the following: (i) Public Stockholders have exercised their redemption rights with respect to approximately 23,575,000 shares of Legato Common Stock; (ii) 10,000,000 Algoma Common Shares have been issued pursuant to the PIPE Subscription Agreements; and (iii) there will be an aggregate of 91,732,036 Algoma Common Shares issued and outstanding at the closing of the Merger.

Name and Address of Beneficial Owner	Beneficial Ownership of Legato Common Stock			Beneficial Ownership of Algoma Common Shares After Consummation of the Merger			
				No Redemption Scenario		Maximum Redemption Scenario	
		Number of Shares	Percentage of Legato Common Stock	Number of Algoma Common Shares[11]	Percentage of Algoma Common Shares	Number of Algoma Common Shares[11]	Percentage of Algoma Common Shares
Legato Officers, Directors and 5% Holders Pre-Merger (1)							
Eric S. Rosenfeld	(2)	2,079,086	6.9%	2,115,880	1.8%	2,115,880	2.3%
David D. Sgro	(3)	1,271,917	4.2%	1,277,377	1.1%	1,277,377	1.4%
Brian Pratt	(4)	1,778,334	5.9%	3,996,334	3.5%	3,996,334	4.4%
Adam Jaffe	(5)	29,447	*	30,093	*	30,093	*
Adam Semler	(6)	65,333	*	77,333	*	77,333	*
D. Blair Baker	(7)	65,444	*	77,333	*	77,333	*
John Ing	(8)	95,333	*	247,333	*	247,333	*
Craig Martin	(9)	110,333	*	137,333	*	137,333	*
Ryan Hummer	(10)	185,334	*	237,334	*	237,334	*
Total Legato Officers and Directors Pre-Merger		5,680,561	18.7%	8,196,350	7.1%	8,196,350	8.9%
Algoma Officers, Directors and 5% Holders Post-Merger (1)							
Michael McQuade				1,752,952	1.5%	1,752,952	1.9%
Rajat Marwah				525,000	*	525,000	*
John Naccarato				525,000	*	525,000	*
Robert Dionisi				300,000	*	300,000	*
Shawn Galey				450,000	*	450,000	*
Mark Nogalo				450,000	*	450,000	*
Robert Wesley				450,000	*	450,000	*
Michael Alexander				—	—	—	—
Michael Bevacqua				—	—	—	—
Andy Harshaw				22,947	*	22,947	*
Brian Hook				—	—	—	—
Andrew E. Schultz				22,947	*	22,947	*
Eric S. Rosenfeld				2,115,880	1.8%	2,115,880	2.3%
David D. Sgro				1,277,377	1.1%	1,277,377	1.4%
Brian Pratt				3,996,334	3.5%	3,996,334	4.4%
Total Algoma Officers and Directors Post-Merger				11,888,437	10.3%	11,888,437	13.0%

* Less than 1%.

(1) Unless otherwise indicated, the business address of each of the Legato officers, directors and 5% holders prior to the Merger is c/o Legato Merger Corp., 777 Third Avenue, 37th Floor, New York, New York 10017, and the business address of each of the Algoma officers, directors and 5% holders following the merger is 105 West Street, Sault Ste. Marie, Ontario, P6A 7B4, Canada.

(2) After the Merger, includes 36,794 Algoma Common Shares issuable upon the exercise of Algoma Warrants which become exercisable 30 days following completion of the Merger.

(3) Before the Merger, includes an aggregate of 511,687 shares of Legato Common Stock held by trusts established for Mr. Rosenfeld's children (the "Rosenfeld Children's Trusts"). After the Merger, includes 511,687 Algoma Common Shares held by the Rosenfeld Children's Trusts and 5,460 Algoma Common Shares issuable upon the exercise of Algoma Warrants held by Mr. Sgro, which Algoma Warrants become exercisable 30 days following completion of the Merger. Mr. Sgro is the trustee of the Rosenfeld Children's Trusts and has sole voting and dispositive power over the shares held by the Rosenfeld Children's Trusts. Mr. Sgro disclaims beneficial ownership of such shares except to the extent of his ultimate pecuniary interest therein.

(4) Prior to the Merger, includes an aggregate of 80,000 shares of Legato Common Stock held by the Pratt Grandchildren's Irrevocable Trust, U/A/D July 30, 2020 ("Pratt Grandchildren's Trust"). Following the Merger, includes (i) 1,998,000 Algoma Common Shares purchased by Mr. Pratt in connection with the PIPE Investment, (ii) 80,000 Algoma Common Shares held by the Pratt Grandchildren's Trust, and (iii) 220,000 Algoma Common Shares issuable upon the exercise of Algoma Warrants (of which 50,000 Algoma Warrants are held by the Pratt Grandchildren's Trust), which Algoma Warrants become exercisable 30 days following completion of the Merger. Mr. Pratt is the trustee and has sole voting and dispositive power over the shares held by the Pratt Grandchildren's Trust. Mr. Pratt disclaims beneficial ownership of the shares held by Pratt Grandchildren's Trust except to the extent of his ultimate pecuniary interest therein

(5) After the Merger, includes 646 Algoma Common Shares issuable upon the exercise of Algoma Warrants which become exercisable 30 days following completion of the Merger.

(6) Before the Merger, represents shares of Legato Common Stock held by Triple J Holdings II, LLC ("Triple J"). After the Merger, represents Algoma Common Shares held by Triple J, including 12,000 Algoma Common Shares issuable upon the exercise of Algoma Warrants which become exercisable 30 days following completion of the Merger. Triple J is an entity managed by Mr. Semler. Mr. Semler disclaims beneficial ownership of such shares except to the extent of his ultimate pecuniary interest therein.

(7) Before the Merger, represents shares of Legato Common Stock held by White Star Partners LP ("White Star"). After the Merger, represents Algoma Common Shares held by White Star, including 12,000 Algoma Common Shares issuable upon the exercise of Algoma Warrants which become exercisable 30 days following completion of the Merger. Mr. Baker is the general partner and has sole voting and dispositive power over the shares held by White Star. Mr. Baker disclaims beneficial ownership of such shares except to the extent of his ultimate pecuniary interest therein.

(8) Before the Merger, represents shares of Legato Common Stock held by The Mont Blanc Investment Corporation ("Mont Blanc"). After the Merger, represents Algoma Common Shares held by Mont Blanc, including (i) 130,000 Algoma Common Shares purchased by Mont Blanc in connection with the PIPE Investment and (ii) 22,000 Algoma Common Shares issuable upon the exercise of Algoma Warrants which become exercisable 30 days following completion of the Merger. Mr. Ing is the President of Mont Blanc and has sole voting and dispositive control over the shares held by Mont Blanc. Mr. Ing disclaims beneficial ownership of such shares except to the extent of his ultimate pecuniary interest therein.

(9) After the Merger, includes 27,000 Algoma Common Shares issuable upon the exercise of Algoma Warrants which become exercisable 30 days following completion of the Merger.

(10) Before the Merger, represents shares of Legato Common Stock held by affiliates of Ancora Holdings Inc. ("Ancora"). After the Merger, represents Algoma Common Shares held by affiliates of Ancora, including an aggregate of 52,000 Algoma Common Shares issuable upon the exercise of Algoma Warrants which become exercisable 30 days following completion of the Merger. Mr. Hummer is a director of each such Ancora affiliate and may be deemed to share voting and dispositive control over the shares held by such entities. Mr. Hummer disclaims beneficial ownership of such shares except to the extent of his ultimate pecuniary interest therein.

(11) Assumes all rights to Algoma Common Shares issuable to replace Restricted Share Units, Performance Share Units and Director Units previously granted under the Company's Long-Term Incentive Plan, have been exercised. All rights granted are considered to be vested on a one-to-one basis.

APPRAISAL RIGHTS

Neither Legato stockholders nor holders of Legato Warrants have appraisal rights under the DGCL in connection with the Merger.

PRIOR SALES

The following table summarizes issuances of Algoma Common Shares, or securities convertible into Algoma Common Shares, during the 12-month period preceding the date of this proxy statement/prospectus.

Date of Issuance	Type of Security	Number of Securities/ Principal Amount Issued	Issuance/ Exercise Price per Security
March 23, 2021	Common Share	1	$
March 29, 2021	Common Share	100,000,000	$

ANNUAL MEETING STOCKHOLDER PROPOSALS

If the Merger is consummated, you will be entitled to attend and participate in Algoma's annual meetings of shareholders. If Algoma holds a 2022 annual meeting of shareholders, it will provide notice of or otherwise publicly disclose the date on which the 2022 annual meeting will be held. As a foreign private issuer, Algoma will not be subject to the SEC's proxy rules.

OTHER STOCKHOLDER COMMUNICATIONS

Stockholders and interested parties may communicate with the Legato board of directors, any committee chairperson or the non-management directors as a group by writing to the Legato board of directors or committee chairperson in care of Legato, 777 Third Avenue, 37th Floor, New York, NY 10017. Following the Merger, such communications should be sent in care of Algoma, 105 West Street, Sault Ste. Marie, Ontario, P6A 7B4, Canada. Each communication will be forwarded, depending on the subject matter, to the Legato board of directors, the appropriate committee chairperson or all non-management directors.

LEGAL MATTERS

Certain legal matters relating to U.S. law will be passed upon for Algoma by Paul, Weiss, Rifkind, Wharton & Garrison LLP, New York, New York. Certain Canadian legal matters will be passed upon for Algoma by Goodmans LLP, Toronto, Ontario, Canada. The legality of the Algoma Common Shares to be issued in connection with the Merger will be passed upon by Lawson Lundell LLP. Certain legal matters will be passed upon for Legato by Graubard Miller, New York, New York.

EXPERTS

The balance sheet of Legato Merger Corp. as of December 31, 2020 and the related statements of operations, change in stockholders' equity and cash flows for the period from June 26, 2020 (inception) through December 31, 2020, appearing in this proxy statement/prospectus have been audited by WithumSmith+Brown, PC, independent registered public accounting firm, as set forth in their report thereon appearing elsewhere in this proxy statement/prospectus, and is included in reliance on such report given on the authority of such firm as an expert in accounting and auditing.

Representatives of WithumSmith+Brown, PC are not expected to be present at the Special Meeting.

The financial statements of Algoma Steel Group Inc. included in this proxy statement/prospectus, have been audited by Deloitte LLP, an independent registered public accounting firm, as stated in their report appearing herein. Such financial statements have been included in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

Deloitte LLP is independent with respect to the Algoma within the meaning of the Securities Act and the applicable rules and regulations thereunder adopted by the SEC and the Public Company Accounting Oversight Board (United States) and within the meaning of the rules of professional conduct of the Chartered Professional Accountants of Ontario. The offices of Deloitte LLP, Chartered Professional Accountants, are located at 8 Adelaide Street West, Suite 200, Toronto, Ontario, Canada M5H 0A9.

DELIVERY OF DOCUMENTS TO STOCKHOLDERS

Pursuant to the rules of the SEC, Legato and services that it employs to deliver communications to its stockholders are permitted to deliver to two or more stockholders sharing the same address a single copy of Legato's proxy statement. Upon written or oral request, Legato will deliver a separate copy of the proxy statement to any stockholder at a shared address to which a single copy of each document was delivered and who wishes to receive separate copies of such documents. Stockholders receiving multiple copies of such documents may likewise request that Legato deliver single copies of such documents in the future. Stockholders may notify Legato of their requests by calling or writing Legato at its principal executive offices at Legato Merger Corp., 777 Third Avenue, 37th Floor, New York, NY 10017. Following the Merger, such requests should be made by calling (705) 945-2351 or writing Algoma at 105 West Street, Sault Ste. Marie, Ontario, P6A 7B4, Canada.

ENFORCEABILITY OF CIVIL LIABILITY

Algoma is incorporated under the laws of the British Columbia, Canada. Service of process upon us and upon certain of our directors and officers and the experts named in this proxy statement/prospectus, who reside outside the U.S., may be difficult to obtain within the U.S. Furthermore, because a substantial amount of our assets and certain of our directors and officers are located outside the U.S., any judgment obtained in the U.S. against us or any of our directors and officers may not be collectible within the U.S.

We have irrevocably appointed Algoma Steel USA Inc. as our agent to receive service of process in any action against us in any U.S. federal or state court arising out of this offering or any purchase or sale of securities in connection with this offering. The address of our agent is 1209 Orange Street, Wilmington, Delaware 19801.

We have also been advised by Goodmans LLP, our Canadian legal advisor, that there is doubt as to the enforceability, in original actions in Canadian courts, of liabilities based on the U.S. federal securities laws or "blue sky" laws of any state within the United States and as to the enforceability in Canadian courts of judgments of U.S. courts obtained in actions based on the civil liability provisions of the U.S. federal securities laws or any such state securities or blue sky laws. Therefore, it may not be possible to enforce those judgments against us, certain of our directors and officers, the experts named in this proxy statement/prospectus.

WHERE YOU CAN FIND MORE INFORMATION

Algoma has filed a registration statement on Form F-4 to register the issuance of securities described elsewhere in this proxy statement/prospectus. This proxy statement/prospectus is a part of that registration statement.

Legato files reports, proxy statements and other information with the SEC as required by the Exchange Act. You may access information on Legato at the SEC web site containing reports, proxy statements and other information at: *http://www.sec.gov.*

Information and statements contained in this proxy statement/prospectus or any annex to this proxy statement/prospectus are qualified in all respects by reference to the copy of the relevant contract or other annex filed as an exhibit to this proxy statement/prospectus.

All information contained in this document relating to Legato has been supplied by Legato, and all such information relating to Algoma has been supplied by Algoma. Information provided by one entity does not constitute any representation, estimate or projection of the other entity.

If you would like additional copies of this document or if you have questions about the Merger, you should contact via phone or in writing:

Legato:
777 Third Avenue, 37th Floor
New York, NY 10017
(212) 319-7676

Proxy Solicitor:
MacKenzie Partners, Inc.
1407 Broadway, 27th Floor
New York, NY 10018
Tel: (800) 322-2885

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Consolidated Financial Statements

ALGOMA STEEL GROUP INC.

As at March 31, 2021 and March 31, 2020
and for the years ended
March 31, 2021 and March 31, 2020
and for the periods ended
March 31, 2019 and November 30, 2018

Report of Independent Registered Public Accounting Firm

To the shareholders and the Board of Directors of
Algoma Steel Group Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated statements of financial position of Algoma Steel Group Inc. and subsidiaries (the "Successor") as of March 31, 2021 and 2020, the related consolidated statements of net loss (income), comprehensive loss, changes in shareholder's equity, and cash flows for each of the two years in the period ended March 31, 2021 and for the period from December 1, 2018 to March 31, 2019 (Successor), and the related notes to the consolidated financial statements, and we have also audited the consolidated statement of net loss (income), comprehensive loss, changes in shareholder's equity, and cash flows of Essar Steel Algoma Inc. and subsidiaries (the "Predecessor") for the period from April 1, 2018 to November 30, 2018 (Predecessor), and related notes to the consolidated financial statements (collectively referred to as the "financial statements", Successor and Predecessor collectively referred to as the "Company"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the of Algoma Steel Group Inc. and subsidiaries as of March 31, 2021 and 2020 (Successor), and its financial performance and its cash flows for each of the two years in the period ended March 31, 2021 and the period ended December 1, 2018 to March 31, 2019 (Successor), and the financial performance and cash flows of Essar Steel Algoma Inc. and subsidiaries for the period from April 1, 2018 to November 30, 2018 (Predecessor), in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Derivative financial instruments – Refer to Notes 3 and 21 to the financial statements

Critical Audit Matter Description

The Company entered into new agreements to hedge revenue on the sale of steel, specifically hedging the NYMEX price of hot rolled coil steel. The agreement also requires the Company to make margin payments to satisfy the cash collateral requirements based on market-to-market (MTM) exposure of the steel price. The fair value derivative liability of the steel price hedge is calculated using the MTM forward prices of NYMEX hot rolled coil steel based on the applicable settlement dates of the outstanding hedge contracts. The margin payments are recorded as a separate asset as cash collateral, which does not meet the offsetting criteria in IAS 32.

The determination of the accounting treatment for the price of steel hedges required management's judgment to interpret the key agreements and evaluate the effectiveness of the steel price hedge. Auditing management's determination of the accounting treatment of the steel price hedge and the fair value of the derivative liability required a high degree of subjectivity which resulted in an increased extent of audit effort, including the need to involve fair value specialists and professionals in our firm with expertise in financial instruments.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the accounting treatment and the fair value of the steel price hedge included the following, among others:

- Confirmed the key hedge agreements, including their legal terms, and other supporting documents and assessed whether all key facts and circumstances were incorporated into management's assessment.
- With the assistance of professionals in our firm with expertise in financial instruments, evaluated management's assessment of the hedge documentation to assess whether the related accounting treatment was in accordance with the relevant accounting guidance and that the hedge was effective.
- With the assistance of fair value specialists, evaluate the fair value of the steel price hedge by developing a range of independent estimates using market price of steel and other third party data, and comparing it to the fair value recorded by management.

/s/ Deloitte LLP
Chartered Professional Accountants
Licensed Public Accountants
Toronto, Canada
July 6, 2021

We have served as the Company's auditor since fiscal 2011.

Algoma Steel Group Inc.
Consolidated Statements of Net Loss (Income)

expressed in millions of Canadian dollars (except per share amounts)	Successor			Predecessor
	For the year ended March 31, 2021	For the year ended March 31, 2020	Period from December 1, 2018 to March 31, 2019	Period from April 1, 2018 to November 30, 2018
Revenue (Note 7)	**$ 1,794.9**	$ 1,956.9	$ 869.7	$ 1,828.6
Operating expenses				
Cost of sales (Note 8)	**$ 1,637.7**	$ 2,037.0	$ 815.5	$ 1,512.6
Administrative and selling expenses (Note 9)	**72.4**	56.9	21.9	44.5
Impairment reserve (Note 15, 17)	**—**	—	—	105.4
Restructuring costs (Note 12)	**—**	—	—	20.9
Profit (loss) from operations	**$ 84.8**	$ (137.0)	$ 32.3	$ 145.2
Other (income) and expenses				
Finance income	**$ (1.1)**	$ (2.6)	$ (0.3)	$ (0.4)
Finance costs (Note 10)	**68.5**	63.8	20.6	119.3
Interest on pension and other post-employment benefit obligations (Note 11)	**17.0**	17.3	7.0	12.0
Foreign exchange loss (gain)	**76.5**	(35.3)	(1.8)	(13.7)
	$ 160.9	$ 43.2	$ 25.5	$ 117.2
(Loss) income before income taxes	**$ (76.1)**	$ (180.2)	$ 6.8	$ 28.0
Income tax recovery (Note 28)	**—**	(4.3)	4.1	(1.5)
Net (loss) income	**$ (76.1)**	$ (175.9)	$ 2.7	$ 29.5
Net (loss) income per common share				
Basic (Note 31)	**$ (0.76)**	$ (1.76)	$ 0.03	$ 0.05
Diluted (Note 31)	**$ (0.76)**	$ (1.76)	$ 0.03	$ 0.05

Algoma Steel Group Inc.
Consolidated Statements of Comprehensive Loss

expressed in millions of Canadian dollars	Successor			Predecessor
	For the year ended March 31, 2021	**For the year ended March 31, 2020**	**Period from December 1, 2018 to March 31, 2019**	**Period from April 1, 2018 to November 30, 2018**
Net (loss) income	**$ (76.1)**	$ (175.9)	$ 2.7	$ 29.5
Other comprehensive loss, net of income tax, that will be reclassifed subsequently to profit or loss				
Net unrealized loss on cash flow hedges (Note 23)	**$ (64.8)**	$ —	$ —	$ —
Other comprehensive (loss) income, net of income tax, that will not be reclassified subsequently to profit or loss				
Foreign exchange (loss) gain on translation to presentation currency	**$ (12.3)**	$ 9.5	$ 1.9	$ (45.8)
Remeasurement of pension and other post-employment benefit obligations, net of tax nil, ($7.2) million, $7.5 million and $1.3 million, respectively (Note 24, 25)	**$ 23.0**	$ 74.6	$ (22.4)	$ (15.9)
	$ (54.1)	$ 84.1	$ (20.5)	$ (61.7)
Total comprehensive loss	**$ (130.2)**	$ (91.8)	$ (17.8)	$ (32.2)

Algoma Steel Group Inc.
Consolidated Statements of Financial Position

As at, *expressed in millions of Canadian dollars*	March 31, 2021	March 31, 2020
Assets		
Current		
Cash (Note 13)	**$ 21.2**	$ 265.0
Restricted cash (Note 13)	**3.9**	3.9
Taxes receivable	**—**	0.4
Accounts receivable, net (Note 14)	**274.6**	248.9
Inventories, net (Note 15)	**415.3**	436.9
Prepaid expenses and deposits	**74.6**	65.1
Margin payments (Note 23)	**49.4**	—
Other assets	**3.8**	—
Total current assets	**$ 842.8**	$1,020.2
Non-current		
Property, plant and equipment, net (Note 16)	**$ 699.9**	$ 799.5
Intangible assets, net (Note 17)	**1.5**	2.8
Parent company promissory note receivable (Note 33)	**2.2**	1.3
Other assets	**7.5**	5.9
Total non-current assets	**$ 711.1**	$ 809.5
Total assets	**$1,553.9**	$1,829.7
Liabilities and Shareholder's Equity		
Current		
Bank indebtedness (Note 18)	**$ 90.1**	$ 256.2
Accounts payable and accrued liabilities (Note 19)	**163.8**	151.4
Taxes payable and accrued taxes (Note 20)	**27.2**	12.3
Current portion of long-term debt (Note 21)	**13.6**	11.3
Current portion of environmental liabilities (Note 27)	**4.5**	4.1
Derivative financial instruments (Note 23)	**49.4**	—
Total current liabilities	**$ 348.6**	$ 435.3
Non-current		
Long-term debt (Note 21)	**$ 439.3**	$ 473.0
Long-term governmental loans (Note 22)	**86.4**	72.6
Accrued pension liability (Note 24)	**170.1**	245.0
Accrued other post-employment benefit obligation (Note 25)	**297.8**	267.3
Other long-term liabilities (Note 26)	**2.5**	1.8
Environmental liabilities (Note 27)	**35.4**	34.8
Total non-current liabilities	**$1,031.5**	$1,094.5
Total liabilities	**$1,380.1**	$1,529.8
Shareholder's equity		
Capital stock (Note 30)	**$ 409.5**	$ 409.5
Accumulated other comprehensive income	**9.5**	63.6
Deficit	**(249.3)**	(173.2)
Contributed surplus (Note 36)	**4.1**	—
Total shareholder's equity	**$ 173.8**	$ 299.9
Total liabilities and shareholder's equity	**$1,553.9**	$1,829.7

Algoma Steel Group Inc.
Consolidated Statement of Changes in Shareholder's Equity

expressed in millions of Canadian dollars	Capital stock	Contributed Surplus	Foreign exchange gain on translation to presentation currency	Actuarial loss on pension and other post-employment benefit	Cash flow hedge reserve - unrealized loss (Note 23)	Accumulated other comprehensive loss	Retained earnings (Deficit)	Total Shareholder's equity
Predecessor								
Balance at April 1, 2018	$ 822.3	$ 58.2	$ (49.5)	$ 139.9	$ —	$ 90.4	$(2,625.7)	$ (1,654.8)
Net income	—	—	—	—	—	—	29.5	29.5
Other comprehensive income (loss)	—	—	(45.8)	(15.9)	—	(61.7)	—	(61.7)
Balance at November 30, 2018	$ 822.3	$ 58.2	$ (95.3)	$ 124.0	$ —	$ 28.7	$(2,596.2)	$ (1,687.0)
Successor								
December 1, 2018 (Note 1)	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Consideration issued for the acquisition of the Predecessor (Note 30)	409.5	—	—	—	—	—	—	409.5
Net income	—	—	—	—	—	—	2.7	2.7
Other comprehensive income (loss)	—	—	1.9	(22.4)	—	(20.5)	—	(20.5)
Balance at March 31, 2019	$ 409.5	$ —	$ 1.9	$ (22.4)	$ —	$ (20.5)	$ 2.7	$ 391.7
Net loss	—	—	—	—	—	—	(175.9)	(175.9)
Other comprehensive income	—	—	9.5	74.6	—	84.1	—	84.1
Balance at March 31, 2020	**$ 409.5**	$ —	$ 11.4	$ 52.2	$ —	**$ 63.6**	**$ (173.2)**	**$ 299.9**
Net loss	—	—	—	—	—	**—**	**(76.1)**	**(76.1)**
Exercise of performance share units and director units (Note 36)	—	**4.1**	—	—	—	**—**	**—**	**4.1**
Other comprehensive (loss) income	—	—	(12.3)	23.0	(64.8)	**(54.1)**	**—**	**(54.1)**
Balance at March 31, 2021	**$ 409.5**	**$ 4.1**	$ (0.9)	$ 75.2	$ (64.8)	**$ 9.5**	**$ (249.3)**	**$ 173.8**

Algoma Steel Group Inc.
Consolidated Statements of Cash Flows

	Successor			Predecessor
	For the year ended March 31, 2021	For the year ended March 31, 2020	Period from December 1, 2018 to March 31, 2019	Period from April 1, 2018 to November 30, 2018
expressed in millions of Canadian dollars				
Operating activities				
Net (loss) income	**$ (76.1)**	$(175.9)	$ 2.7	$ 29.5
Items not affecting cash:				
Amortization of property, plant, equipment and intangible assets	**87.2**	128.1	29.6	44.2
Deferred and current income tax (recovery) expense (Note 28)	**0.1**	(4.3)	4.1	(1.5)
Pension funding in excess of expense	**(30.5)**	(28.2)	(14.8)	6.3
Post-employment benefit funding in excess of expense	**(7.8)**	(7.6)	(6.7)	(5.8)
Unrealized foreign exchange gain (loss) on accrued pension liability	**32.1**	(13.8)	(1.2)	(7.3)
Unrealized foreign exchange gain (loss) on accrued post-employment benefit obligations	**34.3**	(16.0)	(1.3)	(8.9)
Impairment reserve (Note 15, 17)	**—**	—	—	105.4
Finance costs (Note 10)	**68.5**	63.8	20.6	119.3
Loss on disposal of property, plant, equipment and intangible assets (Note 16, 17)	**2.5**	—		—
Restructuring costs paid in excess of restructuring expense	**—**	—	—	(5.4)
Interest on pension and other post-employment benefit obligations	**17.0**	17.3	7.0	12.0
Accretion of governmental loans and environmental liabilities	**10.3**	7.2	—	—
Unrealized foreign exchange gain (loss) on government loan facilities	**9.0**	(4.3)	—	—
Other	**0.8**	(0.8)	1.8	(0.2)
	$ 147.4	$ (34.5)	$ 41.8	$ 287.6
Net change in non-cash operating working capital (Note 32)	**(137.7)**	34.3	116.4	(170.0)
Environmental liabilities paid (Note 27)	**(1.6)**	(4.5)	—	—
Cash generated by (used in) operating activities	**$ 8.1**	$ (4.7)	$ 158.2	$ 117.6
Investing activities				
Acquisition of Predeccessor (Note 4)	**$ —**	$ —	$ (481.2)	$ —
Acquisition of property, plant and equipment (Note 16)	**(71.7)**	(113.3)	(12.8)	(74.1)
Acquisition of intangible asset (Note 17)	**(0.1)**	(0.6)	(0.6)	(1.0)
Issuance of parent company promissory note (Note 33)	**(1.1)**	(1.2)	—	—
Cash used in investing activities	**$ (72.9)**	$(115.1)	$ (494.6)	$ (75.1)
Financing activities				
Bank indebtedness advanced (repaid), net (Note 18)	**$ (145.2)**	$ 249.3	$ (7.0)	$ —
DIP facility issued	**—**	—	—	32.9
Repayment of DIP facility	**—**	—	—	(34.5)
Term Loans issued, net of fees (Note 21)	**—**	—	468.0	—
Repayment of Term Loans (Note 21)	**(12.6)**	(10.3)	(1.4)	—
Governmental loans issued, net of benefit (Note 22)	**6.5**	42.4	25.2	—
Restricted cash (Note 13)	**—**	7.2	—	(24.4)
Interest paid	**(15.6)**	(42.0)	(13.1)	(14.9)
Other	**(0.5)**	0.1	(0.2)	(0.8)
Cash (used in) generated by financing activities	**$ (167.4)**	$ 246.7	$ 471.5	$ (41.7)
Effect of exchange rate changes on cash	**$ (11.6)**	$ 2.6	$ 0.4	$ 1.2
Cash				
Change	**(243.8)**	129.5	135.5	2.0
Opening balance	**265.0**	135.5	—	31.2
Ending balance (Note 13)	**$ 21.2**	$ 265.0	$ 135.5	$ 33.2
Supplementary information				
Business acquisition financed through issuance of share capital	**$ —**	$ —	$ (409.5)	$ —

1. GENERAL INFORMATION

Algoma Steel Group Inc., formerly known as 1295908 B.C. Ltd. (the "Company" and "Successor"), was incorporated on March 23, 2021 under the Business Corporations Act of British Columbia solely for the purpose of purchasing Algoma Steel Holdings Inc. under section 85(1) of the Income Tax Act (Canada) effecting the purchase on an income tax-deferred basis. Algoma Steel Group Inc. is the parent holding company of Algoma Steel Inc. and does not conduct any business operations. The address of the Company's registered office is 1600-295 Georgie Street West, British Columbia, Vancouver, Canada.

Algoma Steel Inc. ("ASI"), the operating company and a wholly owned subsidiary of Algoma Steel Holdings Inc. was incorporated on May 19, 2016 under the Business Corporations Act of British Columbia. Algoma Steel Inc. was incorporated solely for the purpose of purchasing substantially all of the operating assets and liabilities in of Essar Steel Algoma Inc. ("Old Steelco Inc." and the "Predecessor"). The purchase transaction was completed November 30, 2018. Prior to November 30, 2018, the Company had no operations, and was capitalized with 1 common share with a nominal value. The Company is an integrated steel producer with its active operations located entirely in Sault Ste. Marie, Ontario and Canada. The Company produces sheet and plate products that are sold primarily in Canada and the United States. The Company's ultimate parent company is Algoma Steel Parent S.C.A. The address of the Company's registered office is 1055 West Hastings Street, Vancouver, British Columbia, Canada.

The consolidated financial statements of the Company for the years ended March 31, 2021 and 2020, and the four-month period ended March 31, 2019 are comprised of the Company and its wholly owned subsidiaries as follows:

- Algoma Steel Holdings Inc.
- Algoma Steel Intermediate Holdings Inc.
- Algoma Steel Inc.
- Algoma Steel Inc. USA
- Algoma Docks GP Inc.
- Algoma Docks Limited Partnership

The consolidated financial statements of the Company for the eight-month period ended November 30, 2018 is comprised of Essar Steel Algoma Inc. and its wholly owned subsidiaries as follows:

- Essar Steel Algoma Inc.
- Essar Steel Algoma Inc. USA
- Cannelton Iron Ore Company
- Essar Steel Algoma (Alberta ULC)

Successor and Predecessor collectively are referred to as the "Company" herein.

2. BASIS OF PRESENTATION

Statement of compliance

These consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (the "IASB").
The consolidated financial statements as at March 31, 2021, and March 31, 2020, and for the years ended March 31, 2021, March 31, 2020 and the four month period ended March 31, 2019, represent the consolidated financial information of the Successor. Prior to, and including November 30, 2018, the consolidated financial statements include the accounts of the Predecessor.

These consolidated financial statements have been approved and authorized for issuance by the Board of Directors on July 5, 2021.

Entities under common control

On March 29, 2021, the Company entered into an agreement with Algoma Steel Intermediate Parent S.A.R.L. to purchase all of the issued and outstanding Common shares (100,000,001) held in Algoma Steel Holdings Inc. in exchange for 100,000,000 additional Common shares in the Company.

This acquisition is deemed a transaction among entities under common control. The ultimate parent company, Algoma Steel Parent S.C.A. is unchanged. The transaction is among entities under common control and therefore do not result in a change in control at the ultimate parent level. Accordingly, the Company accounted for this transaction at the carrying amount of net assets. The difference between the share consideration received or transferred and the carrying amount of the net assets was considered immaterial, as such no gain or loss was recognized in the consolidated financial statements of the Company. Resultantly, the Company's financial position and results of operations are presented as though they were operating continuously from the beginning.

The consolidated financial statements have been prepared on a going concern assumption using historical cost basis, except for certain financial instruments that are measured at fair value, as explained in the accounting policies disclosed in Note 3. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The going concern assumption assumes the realization of assets and the discharge of liabilities in the normal course of business.

COVID-19 Pandemic

On March 11, 2020, the coronavirus (COVID-19) was declared a pandemic by the World Health Organization. Many countries have implemented measures to control the spread of the virus. Concerns about the spread of the virus, and measures taken to control the spread of the virus have negatively affected economies globally, and upset normal commercial patterns, causing the slowdown and/or closure of companies around the world.

The Government of Ontario, Canada, announced on March 23, 2020, that steel manufacturers, such as the Company, and their suppliers, were deemed essential businesses due to their importance to the Ontario economy and their support of critical infrastructure projects. Accordingly, the Company has implemented many measures designed to protect the health and safety of its employees, and the health and safety of our customers and suppliers.

At the onset of the pandemic, slowdowns and disruptions in the operations of our customers led to a reduction in demand. In response, during the six month period ended September 30, 2020 the Company adjusted production to match demand and to control costs. During the six month period ended March 31, 2021, production and shipment volumes improved, returning to pre-COVID-19 levels.

As disclosed in Note 18, in March 2020, management had taken the precautionary measure of drawing on its Revolving Credit Facility resulting in cash of $265.0 million, and further availability under the Revolving Credit Facility of $64.1 million. At March 31, 2021, the Company had cash of $21.2 million and further availability under the Revolving Credit Facility of $200.8 million.

The Government of Canada passed the CEWS (Canada Emergency Wage Subsidy) in response to the COVID-19 pandemic. For the year ended March 31, 2021 (March 31, 2020 – nil), the Company recorded a $57.0 million reduction to personnel expenses in connection with the CEWS program.

Functional and presentation currency

The Company and its subsidiaries' functional currency is the United States dollar ("US dollar"). The US dollar is the currency of the primary economic environment in which the Company and subsidiaries operate.

For reporting purposes, the consolidated financial statements are presented in millions of Canadian dollars ("$C"). The assets and liabilities are translated into the reporting currency using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at average exchange rates for the reporting period. Exchange differences arising are recognized in other comprehensive (loss) income and accumulated in equity under the heading 'Foreign exchange on translation to presentation currency'.

Equity transactions, as disclosed in Note 30, are translated at the historical exchange rates. The resulting net translation adjustment has been recorded in other comprehensive (loss) income for the year.

3. SIGNIFICANT ACCOUNTING POLICIES

Foreign exchange transactions

Transactions in currencies other than the Company's functional currency are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost are not re-translated. Exchange gains or losses arising from translations of foreign currency monetary assets, liabilities and transactions are recorded in foreign exchange gain in the consolidated statements of net (loss) income.

Financial Instruments

The Company's financial assets and liabilities (financial instruments) include cash, restricted cash, accounts receivable, margin payments, parent company promissory note receivable, derivative financial instruments, bank indebtedness, accounts payable and accrued liabilities, long-term debt and long-term governmental loans.

Fair value of financial instruments

Fair value is the price that would be received when selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In assessing the fair value of a particular contract, the market participant would consider the credit risk of the counterparty to the contract. Consequently, when it is appropriate to do so, the Company adjusts the valuation models to incorporate a measure of credit risk. Fair value represents management's estimates of the current market value at a given point in time.

The Company has certain financial assets and liabilities that are measured at fair value. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability (for example, interest rate and yield curves observable at commonly quoted intervals, forward pricing curves used to value currency and commodity contracts), or inputs that are derived principally from or corroborated by observable market data or other means. Level 3 inputs are unobservable (supported by little or no market activity). The fair

value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. There were no transfers among Levels 1, 2 and 3 during the year ended March 31, 2021, March 31, 2020 and the four-month period ended March 31, 2019. The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

The fair value of cash, restricted cash, accounts receivable, margin payments, bank indebtedness and accounts payable and accrued liabilities approximates their carrying value due to the short-term nature of these instruments. The fair value of the Revolving Credit Facility, disclosed in Note 18, the Secured Term Loan Facility, the Algoma Docks Term Loan Facility, disclosed in Note 21, approximate the respective carrying value due to variable interest rates for each facility. The Parent Company Promissory Note Receivable, disclosed in Note 32, approximates the carrying value because the instrument is payable on demand.

The fair values of natural gas and steel commodity swaps are classified as Level 2 and is calculated using the mark-to-market forward prices of NYMEX natural gas and hot rolled coil steel based on the applicable settlement dates of the outstanding swap contracts.

The classification of financial instruments is determined at the time of initial recognition, within the following categories:

- Amortized cost
- Fair value through profit or loss
- Fair value through other comprehensive (loss) income (FVTOCI(L))

The Company's financial assets and financial liabilities are classified and measured as follows:

As at,	Category	March 31, 2021 Carrying Value	March 31, 2021 Fair Value	March 31, 2020 Carrying Value	March 31, 2020 Fair Value
Financial assets					
Cash[1]	Financial assets at amortized cost	$ **21.2**	$ **21.2**	$ 265.0	$ 265.0
Restricted cash[1]	Financial assets at amortized cost	$ **3.9**	$ **3.9**	$ 3.9	$ 3.9
Accounts receivable[2]	Financial assets at amortized cost	$ **274.6**	$ **274.6**	$ 248.9	$ 248.9
Margin payments[1]	Financial assets at amortized cost	$ **49.4**	$ **49.4**	$ —	$ —
Parent company promissory note receivable[1]	Financial assets at amortized cost	$ **2.2**	$ **2.2**	1.3	1.3
Financial liabilities					
Bank indebtedness[1]	Financial liabilities at amortized cost	$ **90.1**	$ **90.1**	$ 256.2	$ 256.2
Accounts payable and accrued liabilities[1]	Financial liabilities at amortized cost	$ **163.8**	$ **163.8**	$ 151.4	$ 151.4
Long-term debt[1]	Financial liabilities at amortized cost	$ **439.3**	$ **439.3**	$ 473.0	$ 473.0
Long-term governmental loans[1]	Financial liabilities at amortized cost	$ **86.4**	$ **86.4**	$ 72.6	$ 72.6
Derivative instruments[3]	Financial instruments at FVTOCI(L)	$ **49.4**	$ **49.4**	$ —	$ —

[1] *- Initial measurment at fair value and subsequent remeasurement at amortized cost.*
[2] *- Initial measurement at transaction price and subsequent remeasurement at amortized cost.*
[3] *- Level 2; hedging instruments with initial measurement at fair value and subsequent remeasurement at FVTOCI(L)*

Impairment of financial assets carried at amortized cost

The Company utilizes an 'expected credit loss' ("ECL") model, as required by IFRS 9 – *Financial Instruments*. Accounts receivable are subject to lifetime ECL which is measured as the difference in the present value of the contractual cash flows that are due under the contract, and the cash flows that are expected to be received.

The Company applies the simplified approach at each reporting date on its accounts receivable and considers both current and forward-looking macro-economic factors that may affect historical default rates when estimating ECL.

Accounts receivable, together with the associated allowance, are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Company. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or decreased by adjusting the carrying value of the loan or receivable. If a past write-off is later recovered, the recovery is recognized in the consolidated statements of net (loss) income.

Hedge accounting

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently measured at their fair value. The method of recognizing the resulting gain and loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The derivatives are designated as hedges of a particular risk associated with a recognized asset or liability or highly probable forecasted transaction (cash flow hedge).

The Company designates certain derivatives as hedging instruments in respect of commodity price risk which are accounted for as cash flow hedges.

At the inception of the hedge relationship, the Company documents the relationship between the hedging instrument and hedged item, as well as its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, the Company documents its assessment, both at hedge inception and on an ongoing basis, as to whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk. Hedge relationship meets effectiveness requirements when it meets all of the following:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Company actually hedges and the quantity of the hedging instrument that the Company actually uses to hedge that quantity of hedged item.

The full fair value of a derivative financial instrument is classified as a non-current asset or liability when the remaining life of the hedged item is more than 12 months and as a current asset or liability when the remaining life of the hedged item is less than 12 months.

Cash flow hedges

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedge is recognized in other comprehensive (loss) income and accumulated under the heading of cash flow hedge reserve – unrealized loss, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss, and is included in sales (steel hedges) and cost of sales (natural gas hedge) line items.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss in equity at that time remains in equity and is recognized when the forecasted transaction affects (loss) income. When a forecasted transaction does not occur, the cumulative gain or loss that was reported in equity is immediately classified to the statement of profit and loss.

Business Combinations

The Company accounts for business acquisitions using the acquisition method. The consideration for each acquisition is measured as the aggregate of the fair values of assets given, liabilities incurred or assumed, and the equity instruments issued by the Company in exchange for control of the acquired company or business. Acquisition-related costs are recognized in the consolidated statement of net loss (income) as incurred. When the consideration of the acquisition includes any asset or liability resulting from a contingent consideration arrangement, it is measured at fair value at the acquisition date. Contingent consideration is remeasured at subsequent reporting dates at its fair value, and the resulting gain or losses recognized in the consolidated statement of net loss (income).

Accounts receivable

Accounts receivable are recognized initially at transaction price and are non-interest bearing. Management analyzes accounts receivable and notes receivable to determine the allowance for doubtful accounts by assessing the collectability of receivables owing from each individual customer.

This assessment takes into consideration certain factors including the age of outstanding receivable, customer operating performance, historical payment patterns and current collection efforts, relevant forward looking information and the Company's security interests, if any. Recoveries of accounts receivables previously provided for in the allowance for doubtful accounts are credited against administrative and selling expenses in the consolidated statements of profit and loss.

Inventories

Raw materials, work in process and finished products inventories are measured at the lower of average cost and net realizable value. Average cost for finished goods and work in process is comprised of direct costs and an allocation of production overheads, including depreciation expense. Supplies inventories are measured at the lower of average cost and net realizable value.

Property, plant and equipment, net

Items of property, plant and equipment are recorded at cost less accumulated amortization and impairment. The cost of an item of property or equipment comprises costs that can be directly attributed to its acquisition and to bringing the asset to a working condition for its intended use, including borrowing costs that meet the criteria for capitalization and initial estimates of the cost of dismantling and removing the item and restoring the site on which it is located. The cost of self-constructed and self-installed assets includes the cost of direct labour in addition to the costs listed above.

Depreciation is calculated generally by the straight-line method based on estimated useful lives as follows:

Category of Property, Plant and Equipment	Range of Estimated Useful Life
Buildings	5 to 30 years
Machinery and equipment	5 to 40 years
Vehicles	6 to 12 years
Computer hardware	3 to 5 years

The Company also separately recognizes the cost of replacement parts and major overhaul or inspection costs if the cost of the item can be reliably measured or estimated and it is probable that the future economic benefits will be realized by the Company. When such items are replaced the carrying amount of the replaced component is derecognized. The costs of maintenance and repairs of property, plant and equipment are recognized in profit or loss as incurred.

Componentization

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items and depreciated over the respective useful lives.

Useful life, depreciation method, residual value

Estimates of the useful lives of items of property, plant and equipment are based on management's judgement as to the physical and economic useful lives of assets and as such are subject to change in future periods. Depreciation methods, useful lives and residual values are reviewed at each reporting date with the effect of any changes in estimate being accounted for on a prospective basis.

Derecognition of property plant and equipment

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Accounting policies relevant to government funding

The benefit of Government funding is not recognized until there is reasonable assurance that the Company will comply with the conditions attaching to it and that the funding will be received. Benefits related to Government funding in the form of low interest rate loans, interest free loans and grants for items of capital are presented in the consolidated statements of financial position as an offset to the carrying value of the property, plant and equipment to which the benefits relate. In the case of low interest rate loans and interest free loans, the benefit is calculated as the difference between the fair value amount of the low interest rate loan or the interest free loan and the proceeds received. Claims under government grant programs related to income are recorded within the consolidated statement of profit and loss as a reduction of the related item the grant is intended to offset, in the period in which the eligible expenses were incurred or when the services have been performed.

Intangible assets, net

Intangible assets are measured and stated at cost, net of accumulated depreciation and any recognized impairment in value. The Company's intangible assets comprising computer software are amortized on a straight-line basis over their estimated useful lives ranging from 3 to 10 years.

Derecognition of intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from its use. Gains or losses arising from derecognition of an intangible asset measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognized in profit or loss when the asset is derecognized.

Impairment of tangible and intangible assets

Property, plant and equipment and intangible assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists then the recoverable amount of the asset is estimated. The recoverable amount of an asset is defined as the higher of its fair value less costs to sell and its value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the Cash Generating Unit ("CGU") to which the asset belongs. The CGU corresponds to the smallest identifiable group of assets whose continuing use generates cash inflows that are largely independent of the cash flows from other groups of assets.

An impairment loss is recognized when the carrying amount of an asset, or of the CGU to which it belongs, exceeds the recoverable amount. In determining value in use, the Company estimates cash flows before taxes based on most recent actual results and forecasts and then determines the current value of future estimated cash flows.

Impairment losses are recognized in the consolidated statements of profit and loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. The increased carrying amount of an asset attributable to a reversal of impairment loss may not exceed the carrying amount that would have been determined had no impairment loss been recognized in prior periods.

Leases

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company, as a lessee, recognizes a right-of-use asset and lease liability at commencement of the lease at the present value of the future lease payments using the interest rate implicit in the lease (if readily determinable) or the Company's incremental rate of borrowing. Subsequent to initial measurement, the asset is depreciated using the straight-line method from the commencement date to the earlier of the end of its useful file or the end of the lease term. The lease liability is measured at amortized cost using the effective interest rate method. Lease related finance charges are recorded in finance costs in the consolidated statement of profit and loss.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases defined as leases with a lease term of 12 months or less and low-value assets. These types of leases are recorded in the consolidated statement of profit and loss on a straight-line basis over the term of the lease.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

Retirement benefit costs

The Company provides pensions and certain health care, dental care, life insurance and other benefits for certain retired employees pursuant to Company policy. For defined benefit pension plans and other post-employment benefits, the defined benefit cost is actuarially determined on an annual basis by independent actuaries using the projected unit credit method. Remeasurement comprising of actuarial gains and losses, the effect of the asset ceiling and the return on plan assets (excluding interest) are recognized immediately in the consolidated statements of financial position with a charge to other comprehensive (loss) income in the period in which they occur. Remeasurement recorded in other comprehensive (loss) income is not recycled. However, the Company has elected to transfer those amounts recognized in other comprehensive (loss) income to a separate reserve within equity. Net-interest is calculated by applying the discount rate to the net defined benefit liability. Defined benefit and other post-employment benefit costs are split into three categories:

- service cost, past-service cost, gains and losses on curtailments and settlements;
- net interest expense; and
- remeasurement.

The Company recognizes the first two components of defined benefit costs in profit or loss in its consolidated statements of net (loss) income: service cost, past service cost, gains and losses on curtailments and settlements in Cost of sales and Administrative and selling expenses; and net interest expense in Interest on pension and other post-employment benefit obligations. The determination of a benefit expense requires assumptions such as the discount rate, the expected mortality, the expected rate of future compensation increases and the expected healthcare cost trend rate. Actual results will differ from estimated results which are based on assumptions. Curtailment gains and losses are accounted for as past-service cost. Past service costs are recognized immediately in profit or loss.

The asset or liability recognized in the consolidated statements of financial position represents the actual plan situation in the Company's defined benefit and other post-employment benefit plans. All actuarial gains and losses that arise in calculating the present value of the defined benefit obligation and the plan assets, the remeasurement components, are recognized immediately in other comprehensive (loss) income. Any defined benefit asset resulting from this calculation is limited to the present value of any economic benefit in the form of refunds from the plan or reduction in future contributions to the plan. Any annual change in the limit applied to a defined benefit asset will create an entry in the remeasurement components.

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

Termination benefits

Termination benefits are recognized as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized the earlier of the date when the Company recognizes related restructuring costs and the date when the Company can no longer withdraw the offer of the benefits related to the voluntary redundancy.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Accounts payable and accrued liabilities

Accounts payable and accrued liabilities are recognized initially at fair value and subsequently measured at amortized cost.

Environmental liabilities

An environmental liability is recognized if, as a result of an agreement, the Company has a present legal obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. The amount recognized as an environmental liability is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account risks and uncertainty of cash flow. Where the effect of discounting is material, environmental liabilities are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

Long-term debt

Long-term debt is recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; transaction costs related to the Secured Term Loan Facility and the Algoma Docks Term Loan Facility are amortized in profit or loss using the effective interest method.

Revenue recognition

The Company's revenue is generated primarily from contracts to produce, ship and deliver steel products, and to a lesser extent, to deliver non-steel by-products of the steelmaking processes, such as tar, crude light oil and related freight revenue.

Revenue is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts, volume rebates and other incentives. Revenue from the sale of goods is recognized to the extent that it is probable that the economic benefits will flow to the Company, can be reliably measured, and at a point-in-time when the performance obligation is satisfied by transferring the promised good to a customer. A good is considered transferred when the customer obtains control, which is defined as the ability to direct the use of and obtain substantially all of the remaining benefits of an asset. Upon the fulfillment of these criteria, revenue and costs associated with such are included in the consolidated statements of profit and loss.

The Company offers industry standard payment terms that typically requires payment from customers 30 days after title and control transfers.

Research

Research costs are charged to operations as incurred, due to the nature of the projects. Where government incentives in the form of investment tax credits and grants are received for research projects initiated by the Company for its own purposes, these incentives are deducted from the applicable category of expenditures.

Finance income

Finance income is comprised of interest income on short-term deposits.

Interest income

Interest income from financial assets is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Finance cost

Finance cost is comprised of interest expense on borrowings, amortization of issuance costs, and accretion of environmental liabilities. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

Costs related to issuance of the Secured Term Loan Facility and the Algoma Docks Term Loan Facility are recorded as a component of the carrying amount of the related debt and are amortized to profit or loss using the effective interest method. Costs related issuance of the Revolving Credit Facility are recorded in other assets and are amortized to profit or loss on a straight line basis over the period of the facility.

Actuarially determined interest costs related to the defined benefit pension obligation and the other post-employment benefit obligation are recorded respectively as components of the carrying amount of the Accrued pension liability and the Accrued other post-employment benefit obligation.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred income tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statements of net (loss) income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax

Deferred income tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred income tax liabilities are generally recognized for all taxable temporary differences. Deferred income tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. The Company has incurred net losses for the years ended March 31, 2021 and March 31, 2020. Therefore the Company does not have the sufficient evidence to support a determination

that sufficient future taxable profit is probable. In accordance with IFRS, the Company has not recognized deferred tax assets. For periods prior to November 30, 2018, the Predecessor did not have deferred tax assets recognized on the consolidated statement of financial position, however deferred tax liabilities were reflected.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the asset realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred income tax assets and liabilities reflects the tax consequences, based on management's expectation at the end of the reporting period that would follow from the recovery or settlement of the carrying amount of its assets and liabilities.

Current and deferred income tax for the year

Current and deferred income tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive (loss) income or directly in equity, in which case, the current and deferred income tax are also recognized in other comprehensive (loss) income or directly in equity, respectively.

Share-based payments

The Company provides certain executives with a long-term incentive plan. Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value includes the effect of market based vesting conditions but excludes the effect of non-market-based performance conditions. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 36.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the expected vesting period, which is determined based on the Company's expected timing on meeting the non-market performance condition. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity.

For cash-settled share-based payments, a liability is recognized for the goods or services acquired, measured initially at the fair value of the liability. At each reporting date until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognized in profit or loss for the year.

Comprehensive (Loss) Income

Other comprehensive (loss) income ("OC(L)I") includes foreign exchange gain on translation to the Company's presentation currency from the US Dollar functional currency. OC(L)I includes actuarially determined gains and losses on post employment benefits offered to certain employees and the effect of the limit applied (if any) to the defined benefit asset. OC(L)I also includes unrealized loss on cash flow hedge reserve. Comprehensive (loss) income is composed of net (loss) income and OC(L)I.

Accumulated OC(L)I is a separate component of Shareholder's equity which includes the accumulated balances of all components of OC(L)I which are recognized in comprehensive (loss) income but excluded from profit or loss.

New IFRS Standards, Amendments and Interpretations adopted as of April 1, 2020 (effective January 1, 2020)

The Company adopted the following amendments which did not have a material impact on its financial statements:

Interest Rate Benchmark Reform (Phase 1)

IFRS 9 "Financial Instruments", IAS 39 "Financial Instruments: Recognition and Measurement (when IFRS 9 application is deferred) and IFRS 7 "Financial Instruments: Disclosure" were amended to provide temporary relief from applying specific hedge accounting requirements to hedging relationships directly affected by interbank offered rates (LIBOR) reform and certain related disclosures. The Company does not have any hedging relationships tied to LIBOR. The Company's derivative financial instruments for steel hedges are tied to CRU (US Midwest Hot-Rolled Coil Steel Index). The application of these amendments did not have a significant impact on the financial position and performance of the Company, or on the Company's financial reporting.

Standards and Interpretations issued and not yet adopted

Interest Rate Benchmark Reform – Phase 2

In August 2020, the IFRS Board issued amendments that complemented those issued in 2019 and focus on the effects of the interest rate benchmark reform on a Company's financial statements that arise when, for example, an interest rate benchmark used to calculate interest on a financial asset is replaced with an alternative benchmark rate. The Phase 2 amendments address issues that might affect financial reporting during the reform of an interest rate benchmark, including the effects of changes to contractual cash flows or hedging relationships arising from the replacement of an interest rate benchmark with an alternative benchmark rate (replacement issues). The amendment is effective for annual reporting periods beginning on or after January 1, 2021. The Company is currently assessing the impact of this amendment however preliminary assessments indicate the impact to be immaterial.

Proceeds before Intended Use

IAS 16 "Property, Plant and Equipment (PPE)" sets out an amendment prohibiting an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. The application of this amendment is not expected to have a significant impact on the financial position and performance of the Company, or on the Company's financial reporting. The amendment is effective for annual reporting periods beginning on or after January 1, 2022.

Cost of Fulfilling a Contract

IAS 37 "Onerous Contracts" sets out an amendment clarifying the meaning of "costs to fulfil a contract". The amendment clarifies that, before a separate provision for an onerous contract is established, an entity recognizes any impairment loss that has occurred on assets used in fulfilling the contract, rather than on assets dedicated to that contract. The application of this amendment is not expected to have a significant impact on the financial position and performance of the Company, or on the Company's financial reporting. The amendment is effective for annual reporting periods beginning on or after January 1, 2022.

4. BUSINESS COMBINATION

On November 30, 2018, Algoma Steel Inc. purchased substantially all of the operating assets and liabilities of Old Steelco Inc., a Canadian manufacturer of steel products for total purchase consideration of $890.7 million; comprised of cash, in the amount of $481.2 million, and capital stock issued in the amount of $409.5 million.

On November 9, 2015, Old Steelco Inc. began creditor protection proceedings pursuant to the *Companies' Creditors Arrangement Act,* R.S.C. 1985, c. C-36. Old Steelco Inc. carried out a Sale and Investment Solicitation Process. In September 2016, a majority of Old Steelco Inc.'s 7.5% Senior Secured Term Loan Lenders and Old Steelco Inc.'s 9.5% Senior Secured Noteholders reached a restructuring support agreement (the "RSA") amongst themselves to advance a recapitalization proposal in respect of the Company, the terms of which were amended on May 15, 2018. On July 20, 2018, Algoma Steel Inc. entered into an Asset Purchase Agreement ("APA") with Old Steelco Inc., which was sponsored by Old Steelco Inc.'s 7.5% Senior Secured Term Loan holders and Old Steelco Inc.'s 9.5% Senior Secured Notes holders.

During the business combination, Algoma Steel Inc. issued one (1) additional common share with nominal value, and one hundred million (100,000,000) preferred shares, with a value of $409.5 million to the Company's parent, Algoma Steel Intermediate Holdings Inc., in exchange for Algoma Steel

Intermediate Holdings Inc. forgiving its interest in Old Steelco Inc.'s 7.5% Senior Secured Term Loan and 9.5% Senior Secured Notes on November 30, 2018. The preferred shares were issued at the fair value of the debt forgiven of $409.5 million, measured as the residual value of the net identifiable assets acquired, less the cash and other non-share consideration paid in partial satisfaction of the purchase price of the assets. Finally, on November 30, 2018, the preferred shares were converted to 100,000,000 common shares. Further information regarding the issuance of capital stock can be found in Note 30.

This transaction is considered to be a business combination under IFRS 3, Business Combinations ("IFRS 3") with Algoma Steel Inc. as the acquiring entity. As disclosed in Note 1, the Company was incorporated on May 19, 2016, for the purpose of purchasing substantially all of the operating assets and liabilities of Essar Steel Algoma Inc., and therefore had no operations prior to the business combination date of November 30, 2018.

As disclosed above, the business combination was carried out pursuant to an APA which was executed on November 30, 2018.

Identifiable assets acquired	
Restricted cash (Note 13)	$ 11.1
Accounts receivable (Note 14)	285.9
Inventories (Note 15)	464.9
Prepaid expenses and deposits	92.0
Other current assets	7.8
Property, plant and equipment (Note 16)	793.1
Intangible assets (Note 17)	2.0
Liabilities assumed	
Accounts payable and accruals	(122.5)
Taxes payable	(6.0)
Accrued pension liability	(305.2)
Accrued other post-employment benefit obligation	(292.0)
Environmental liabilities (Note 27)	(39.2)
Other long-term liabilities	(1.2)
Net identifiable assets acquired	$ 890.7
Purchase consideration	
Cash	481.2
Capital stock issued	409.5
	$ 890.7

The fair values of all acquired assets and assumed liabilities for this transaction have been determined based on their fair value as at the date of acquisition.

In addition to the identifiable assets acquired and the liabilities assumed, Algoma Steel Inc. also assumed the majority of existing Old Steelco Inc. agreements with third party vendors and customers.

The following additional transactions were carried out during the purchase transaction and are not disclosed above:

- *Settlement of certain Old Steelco Inc. debt facilities:* On November 30, 2018, Old Steelco Inc. settled, in cash, its Debtor-in-Possession Revolving Credit Agreement in the amount of $178.1 million (US $132.5 million), and its Revolving Credit Facility of $52.9 million (US $42.5 million).
- *Settlement with GIP, L.P. and certain other lenders ("GIP"):* Algoma Steel Inc. reached a settlement with the debtholder of Port of Algoma Inc., a related party of Old Steelco Inc. This settlement was comprised of a payment of $132.9 million ($US 100.0 million) to GIP and the takeback of the Algoma Docks Term Loan Facility.
- *Funding of Monitor reserves:* On November 30, 2018, Algoma Steel Inc. paid cash in the amount of $54.4 million to Old Steelco Inc.'s Court Appointed Monitor (the "Monitor"). The Monitor will settle certain of Old Steelco Inc.'s liabilities and any excess cash will be returned to Algoma Steel Inc.
- *Collective Bargaining Agreements:* On November 30, 2018, amended collective bargaining agreements, and other related agreements, with Local 2251 and Local 2724 ("Local 2724"), both of the United Steelworkers of America came into effect. Members of Local 2251 and Local 2724 had voted to ratify these agreements on June 26, 2018, however the agreements were conditional upon closing this purchase transaction. The collective bargaining agreements will expire on July 31, 2022.

To consummate the purchase transaction, Algoma Steel Inc. secured US $250.0 million in the form of a traditional asset-based revolving credit facility (the "Revolving Credit Facility"); further disclosure is available in Note 18. On November 30, 2018, Algoma Steel Inc. drew $59.8 million (US $45.0 million) ($52.9 million net of fees) of this facility. Algoma Steel Inc. also secured $378.8 million (US $285.0 million) ($371.0 million net of fees) in the form of a Secured Term Loan Facility (the "Secured Term Loan Facility"); further disclosure is available in Note 21. Additionally, Algoma Steel Inc. entered into the Algoma Docks Term Loan Agreement with borrowings of $97.0 million (US$ 73.0 million), additional disclosure is available in Note 21. Immediately following the purchase transaction, Algoma Steel Inc. had residual cash of $38.0 million.

5. CRITICAL ESTIMATES AND JUDGEMENTS

The preparation of these consolidated financial statements, in accordance with IFRS, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Judgement is used mainly in determining whether a balance or transaction should be recognized in the consolidated financial statements. Estimates and assumptions are used mainly in determining the measurement of recognized transactions and balances. However, judgement and estimates are often interrelated.

The Company has applied judgment in the valuation of the assets acquired and liabilities assumed as a result of the business combination transaction disclosed in Note 4, the application of its expected credit loss model, classification of leases, the determination of cash generating units, identifying the indicators of impairment and impairment reversal for property, plant and equipment and intangible assets with finite useful lives, and the level of componentization of property and equipment.

In the determination of cash generating units, the Company assessed its identifiable group of assets that generates cash inflows and concluded the Company has a single cash generated unit.

Judgements, estimates and assumptions are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods affected.

The following discussion sets forth management's most critical estimates and assumptions in determining the value of assets and liabilities:

Going Concern Assessment

The Company has made judgements, based on an internally generated short-term cash flow forecast, in concluding that there are no material uncertainties related to events or conditions that cast substantial doubt upon the Company's ability to continue as a going concern. Judgements and estimates are made in forming assumptions of future activities, future cash flows and timing of those cash flows. Significant assumptions used in preparing the short-term cash flow forecast include, but are not limited to, short-term commodity prices, production volumes, reserves, operating costs, financing costs and development capital. Changes to these assumptions could affect the estimate of the Company's available liquidity and conclusion as to whether there are material uncertainties related to events or conditions that cast substantial doubt upon the Company's ability to continue as a going concern.

Management believes that it has sufficient resources to remain in compliance with its debt covenants and support the operation of the Company. However, future unanticipated disruptions in the Company's business activities, and costs incurred by the Company in response to changing conditions and regulations could have a material adverse impact on our business, operating results and financial condition.

Allowance for doubtful accounts

Management analyzes accounts receivable to determine the allowance for doubtful accounts by assessing the collectability of receivables owing from each individual customer. This assessment takes into consideration certain factors including the age of outstanding receivable, customer operating performance, historical payment patterns and current collection efforts, relevant forward looking information and the Company's security interests, if any.

Useful lives of property, plant and equipment and Intangible assets

The Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each annual reporting period, and whenever events or circumstances indicate a change in useful life. Estimated useful lives of items of property, plant and equipment and intangible assets are based on a best estimate and the actual useful lives may be different.

Impairment of property, plant and equipment and Intangible assets

Determining whether property, plant and equipment and intangible assets are impaired requires the Company to determine the recoverable amount of the CGU to which the asset is allocated. To determine the recoverable amount of the CGU, management is required to estimate its fair value. To calculate the value of the CGU in use, management determines expected future cash flows, which involves, among other items, realization rates on future steel output, costs and volume of production, growth rate, and the estimated selling costs, using an appropriate weighted average cost of capital.

As disclosed in Note 2, the COVID-19 pandemic has disrupted normal business processes around the world. Although the manufacture of steel has been deemed to be essential by the Ontario Government, the demand for the Company's products has decreased. There is uncertainty as to the form that the recovery of the North American economy will take, and therefore, management has modified its forecast to reflect a conservative outlook based on the most recent information available. At March 31, 2021, management has assessed the recoverable amount of the CGU to which the asset is allocated and determined that no impairment is required.

Defined Benefit Retirement Plans

The Company's determination of employee benefit expense and obligations requires the use of assumptions such as the discount rate applied to determine the present value of all future cash flows expected in the plan. Since the determination of the cost and obligations associated with employee future benefits requires the use of various assumptions, there is measurement uncertainty inherent in the actuarial valuation process. Actual results could differ from estimated results which are based on assumptions.

Taxation

The Company computes an income tax provision in each of the jurisdictions in which it operates. Actual amounts of income tax expense and scientific research and experimental development investment tax credits only become final upon filing and acceptance of the returns by the relevant authorities, which occur subsequent to the issuance of the consolidated financial statements.

Additionally, the estimation of income taxes includes evaluating the recoverability of deferred income tax assets based on an assessment of the ability to use the underlying future tax deductions before they expire against future taxable income. The assessment is based upon existing tax laws and estimates of future taxable income. To the extent estimates differ from the final tax return, (loss) income would be affected in a subsequent period. The Company will file tax returns that may contain interpretations of tax law and estimates. Positions taken and estimates utilized by the Company may be challenged by the relevant tax authorities. Rulings that alter tax returns filed may require adjustment in the future.

6. CAPITAL MANAGEMENT

The Company's objectives when managing capital are:

(a) to maintain a flexible capital structure which optimizes the cost of capital at acceptable risk;

(b) to meet external capital requirements on debt and credit facilities;

(c) to ensure adequate capital to support long-term growth strategy; and

(d) to provide an adequate return to shareholders.

The Company continuously monitors and reviews the capital structure to ensure the objectives are met.

Management defines capital as the combination of its indebtedness, as disclosed in Note 18 and Note 21, and the equity balance, as disclosed in Note 30, and manages the capital structure within the context of the business strategy, general economic conditions, market conditions in the steel industry and the risk characteristics of assets.

The Company is in compliance with the covenants under its existing debt agreements at March 31, 2021 and March 31, 2020, as disclosed in Note 18 and Note 21.

7. REVENUE AND SEGMENTED INFORMATION

The Company is viewed as a single business segment involving basic steel production for purposes of internal performance measurement and resource allocation. The Company's non-current assets at March 31, 2021 and March 31, 2020 are in Canada.

	Successor			Predecessor
	For the year ended March 31, 2021	For the year ended March 31, 2020	Period from December 1, 2018 to March 31, 2019	Period from April 1, 2018 to November 30, 2018
Total revenue is comprised of:				
Sheet & Strip	**$ 1,340.4**	$ 1,417.8	$ 629.4	$ 1,381.7
Plate	**274.7**	324.8	163.2	293.2
Freight	**150.4**	175.1	64.0	118.2
Non-steel revenue	**29.4**	39.2	13.1	35.5
	$ 1,794.9	**$ 1,956.9**	**$ 869.7**	**$ 1,828.6**
The geographical distribution of total revenue is as follows:				
Sales to customers in Canada	**$ 748.3**	$ 845.7	$ 412.5	$ 766.7
Sales to customers in the United States	**1,024.5**	1,069.7	423.0	1,006.2
Sales to customers in the rest of the world	**22.1**	41.5	34.2	55.7
	$ 1,794.9	$ 1,956.9	$ 869.7	$ 1,828.6

For the year ended March 31, 2021, the sales to any one customer did not represent greater than 10% of total revenue. For the year ended March 31, 2020 and the four and eight month periods ended March 31, 2019 and November 30, 2018, respectively, the Company had sales to one customer representing greater than 10% of total revenue.

The geographical distribution of revenue was derived from shipping location of sales to customers.

8. COST OF SALES

	Successor			Predecessor
	For the year ended March 31, 2021	For the year ended March 31, 2020	Period from December 1, 2018 to March 31, 2019	Period from April 1, 2018 to November 30, 2018
Total cost of sales is comprised of:				
Cost of steel revenue	**$ 1,457.9**	$ 1,822.7	$ 738.4	$ 1,358.9
Cost of freight revenue	**150.4**	175.1	64.0	118.2
Cost of non-steel revenue	**29.4**	39.2	13.1	35.5
	$ 1,637.7	**$ 2,037.0**	**$ 815.5**	**$ 1,512.6**
Inventories recognized as cost of sales:	**$ 1,487.3**	$ 1,861.9	$ 751.5	$ 1,394.4
Net inventory write-downs as a result of net realizable value lower than cost included in cost of sales:	**$ 2.5**	$ —	$ —	$ 0.6

Amortization included in cost of steel revenue for the year ended March 31, 2021 was $86.8 million (March 31, 2020 – $127.6 million, the four and eight month periods ended March 31, 2019 and November 30, 2018, $29.2 million and $41.3 million, respectively).

Government Grant (Canada Emergency Wage Subsidy)

The Government of Canada passed the CEWS (Canada Emergency Wage Subsidy) in response to the COVID-19 pandemic. For the year ended March 31, 2021, the Company recorded a $52.8 million (March 31, 2020, the four and eight month periods ended March 31, 2019 and November 30, 2018, respectively – nil) reduction to cost of sales in connection with the CEWS.

Federal Greenhouse Gas Pollution Pricing Act

On June 28, 2019, the Company became subject to the Federal Greenhouse Gas Pollution Pricing Act (the "Carbon Tax Act"). The Carbon Tax Act was enacted with retroactive effect to January 1, 2019. During the year ended March 31, 2021, total carbon tax recognized in cost of sales was $13.4 million (March 31, 2020 – $6.9 million, including $1.0 million for the period January 1, 2019 to March 31, 2019 and nil for the period ended November 30, 2018).

United States Steel Tariff

On June 1, 2018, Canadian Steel producers became subject to 25% tariffs on all steel revenues earned on shipments made to the United States. On May 17, 2019, the United States announced a complete lifting of this tariff effective May 20, 2019. For the year ended March 31, 2021, there

were no tariff costs included in the cost of sales (March 31, 2020 – $27.8 million, the four and eight month periods ended, respectively, March 31, 2019 – $87.0 million and November 30, 2018 – $138.5 million).

Fair Value Adjustment in Cost of Sales

As disclosed in Note 4, certain raw materials, work in process and finished products inventories were purchased by the Company on November 30, 2018. The acquired inventories were recognized at their fair value on that date. During the year ended March 31, 2019, recognition of this fair value adjustment, and other costs related to the purchase transaction disclosed in Note 4 in cost of sales were $25.7 million.

Past service cost recognition

During the year ended March 31, 2019, the Company recognized reductions totalling $9.3 million in past service cost associated with amendments to its defined benefit pension plans, disclosed in Note 24, and its other post-employment benefit plan, disclosed in Note 25. Amendments to the defined benefit pension plan resulted in a reduction in past service cost of $4.5 million, of which $4.1 million was recorded in cost of steel revenue. Amendments to the other post-employment benefits plan resulted in a reduction in past service cost of $4.8 million, of which $4.3 million was recorded in cost of steel revenue.

9. ADMINISTRATIVE AND SELLING EXPENSES

	Successor			Predecessor
	For the year ended March 31, 2021	**For the year ended March 31, 2020**	**Period from December 1, 2018 to March 31, 2019**	**Period from April 1, 2018 to November 30, 2018**
Administrative and selling expense is comprised of:				
Personnel expenses	**$ 39.6**	$ 29.7	$ 11.3	$ 23.2
Professional, consulting, legal and other fees	**22.2**	17.1	6.2	10.3
Software licenses	**3.1**	2.7	1.0	2.2
Amortization of intangible assets and non-producing assets	**0.4**	0.5	0.4	2.9
Other administrative and selling	**7.1**	6.9	3.0	5.9
	$ 72.4	**$ 56.9**	**$ 21.9**	**$ 44.5**

Government Grant (Canada Emergency Wage Subsidy)

The Government of Canada passed the CEWS (Canada Emergency Wage Subsidy) in response to the COVID-19 pandemic. For the year ended March 31, 2021, the Company recorded a $4.2 million (March 31, 2020, the four and eight month periods ended, respectively March 31, 2019 and November 30, 2018 – nil) reduction to administration and selling expenses in connection with the CEWS.

Past service cost recognition

As disclosed in Note 8, during the year ended March 31, 2019, the Company recognized reductions totalling $9.3 million in past service cost associated with amendments to its defined benefit pension plans, disclosed in Note 24, and its other post-employment benefits, disclosed in Note 25. Amendments to the defined benefit pension plan resulted in a reduction in past service cost of $4.5 million, of which $0.4 million was recorded in administrative and selling expenses. Amendments to the other post-employment benefits plan resulted in a reduction in past service cost of $4.8 million, of which $0.5 million was recorded in administrative and selling expenses.

10. FINANCE COSTS

	Successor			Predecessor
	For the year ended March 31, 2021	For the year ended March 31, 2020	Period from December 1, 2018 to March 31, 2019	Period from April 1, 2018 to November 30, 2018
Finance costs are comprised of:				
Interest on the Revolving Credit Facility (Note 16)	**$ 4.3**	$ 2.1	$ 0.3	$ 2.7
Interest on DIP Facility	**—**	—	—	11.7
Interest on the Secured Term Loan Facility (Note 19)	**43.0**	41.0	14.3	—
Interest on the Algoma Docks Term Loan Facility (Note 19)	**4.7**	6.7	2.5	—
Interest on the following facilities, (Note 19)				
7.5% Senior Secured Term Loan	**—**	—	—	34.3
9.5% Senior Secured Notes	**—**	—	—	32.6
14% Junior Secured Notes	**—**	—	—	34.3
Other interest expense	**1.5**	1.5	2.3	1.8
Revolving Credit Facility fees	**1.2**	2.2	—	—
Unwinding of issuance costs of debt facilities (Note 16 and Note 19) and accretion of governmental loan benefits discounts on environmental liabilities (Note 21 and Note 25)	**13.8**	10.3	1.2	1.9
	$ 68.5	**$ 63.8**	**$ 20.6**	**$ 119.3**

As disclosed in Note 21, on April 1, 2020, July 1, 2020 and October 1, 2020, management elected to pay the interest due on the Secured Term Loan Facility in kind by way of increasing the principal balance owing for interest accrued during the period from April to September 2020. The interest expense on the Secured Term Loan Facility in respect of this 1% premium was $2.9 million (US $2.1 million) (March 31, 2020 – nil). Interest paid on the Secured Short Term Loan Facility of $10.2 million in January 2021 was paid in cash, not in kind.

11. INTEREST ON PENSION AND OTHER POST-EMPLOYMENT BENEFIT OBLIGATIONS

	Successor			Predecessor
	For the year ended March 31, 2021	For the year ended March 31, 2020	Period from December 1, 2018 to March 31, 2019	Period from April 1, 2018 to November 30, 2018
Interest on pension and other post-employment benefit obligations is comprised of:				
Interest on defined benefit pension obligation (Note 22)	**$ 7.4**	$ 8.4	$ 3.5	$ 5.4
Interest on other post-employment benefit obligation (Note 23)	**9.6**	8.9	3.5	6.6
	$ 17.0	**$ 17.3**	**$ 7.0**	**$ 12.0**

12. RESTRUCTURING COSTS

Restructuring costs, for the period ended November 30, 2018 were comprise of professional fees and other expenses directly related to or resulting from the reorganization process under the CCAA Proceedings described in Note 4.

13. CASH AND RESTRICTED CASH

At March 31, 2021, the Company had $21.2 million of cash (March 31, 2020 – $265.0 million, March 31, 2019 – $135.5 million) and restricted cash of $3.9 million (March 31, 2020 – $3.9 million, March 31, 2019 – $11.1 million), held to provide collateral for letters of credit and other obligations of the Company.

Reconciliation of restricted cash	
Balance at March 31, 2019	$11.1
Letters of credit matured and released	(0.3)
Letters of credit converted from cash-backed to Revolving Credit Facility backed	(6.9)
Balance at March 31, 2020	$ 3.9
Balance at March 31, 2021	**$ 3.9**

14. ACCOUNTS RECEIVABLE, NET

As at,	March 31, 2021	March 31, 2020
The carrying amount of:		
Trade accounts receivable	**$ 259.3**	$ 222.7
Allowance for doubtful accounts	**(1.8)**	(0.7)
Governmental loan claims receivable Loan		
Federal Advanced Manufacturing Fund ("Federal AMF")	**6.0**	4.2
Federal Ministry of Industry, Strategic Innovation Fund ("Federal SIF") Agreement	**3.0**	6.9
Canada Emergency Wage Subsidy receivable	**0.5**	5.8
Northern Industrial Electricity Rate program rebate receivable	**2.6**	2.7
Ontario Workplace Safety and Insurance Board New Experimental Experience Rating rebate receivable	**1.5**	1.5
Other accounts receivable	**3.5**	5.8
	$ 274.6	**$ 248.9**

Allowance for doubtful accounts

As at,	March 31, 2021	March 31, 2020
Opening balance	**$ (0.7)**	$ (1.2)
Net remeasurement of loss allowance	**0.6**	0.5
Amounts written off	**(1.7)**	
Ending balance	**$ (1.8)**	$ (0.7)

Governmental loan claims receivable

As disclosed in Note 16 and Note 22, the Company has entered into agreements together with the governments of Canada and Ontario for which the Company has applied for reimbursement of costs incurred related to specifically identified projects.

15. INVENTORIES, NET

As at,	March 31, 2021	March 31, 2020
The carrying amount of:		
Raw materials and consumables	**$ 278.3**	$ 283.5
Work in progress	**109.2**	95.3
Finished goods	**27.8**	58.1
	$ 415.3	**$ 436.9**

16. PROPERTY, PLANT AND EQUIPMENT, NET

As at,	March 31, 2021	March 31, 2020
The carrying amount of:		
Freehold land	**$ 6.2**	$ 6.9
Buildings	**44.5**	55.0
Machinery and equipment	**614.7**	651.2
Computer hardware	**0.5**	0.8
Right-of-use assets	**1.6**	2.0
Property under construction	**32.4**	83.6
	$ 699.9	$ 799.5

The following table presents the changes to the cost of the Company's property, plant and equipment for the years ended March 31, 2021 and March 31, 2020:

Cost	Freehold Land	Buildings	Machinery & Equipment	Computer Hardware	Right-of-use assets	Property under construc-tion	Total
Balance at March 31, 2019	$ 6.6	$ 69.8	$ 671.5	$ 0.8	$ —	$ 60.5	$ 809.2
Additions	—	0.6	3.6	—	—	109.1	113.3
Transfers	—	(0.2)	88.8	0.3	2.1	(91.0)	—
Foreign exchange	0.3	3.7	40.8	0.1	0.1	5.0	50.0
Balance at March 31, 2020	$ 6.9	$ 73.9	$ 804.7	$ 1.2	$ 2.2	$ 83.6	$ 972.5
Additions	—	—	3.8	—	—	67.9	71.7
Transfers	—	0.4	107.2	0.1	—	(107.7)	0.0
Disposals	—	—	(0.2)	—	—	(1.7)	(1.9)
Foreign exchange	(0.8)	(7.8)	(87.4)	(0.1)	(0.3)	(9.6)	(105.9)
Balance at March 31, 2021	**$ 6.1**	**$ 66.5**	**$ 828.1**	**$ 1.2**	**$ 1.9**	**$ 32.6**	**$ 936.4**

The following table presents the changes to accumulated amortization on the Company's property, plant and equipment for the years ended March 31, 2021 and March 31, 2020:

Accumulated Amortization:	Freehold Land	Buildings	Machinery & Equipment	Computer Hardware	Right-of-use assets	Property under construc-tion	Total
Balance at March 31, 2019	$ —	$ 5.3	$ 38.4	$ —	$ —	$ —	$ 43.7
Amortization expense	—	12.6	107.0	0.4	0.2	—	120.2
Foreign exchange	—	1.0	8.1	—	—	—	9.1
Balance at March 31, 2020	$ —	$ 18.9	$ 153.5	$ 0.4	$ 0.2	$ —	$173.0
Amortization expense	—	5.4	80.2	0.2	0.2	—	86.0
Foreign exchange	—	(2.4)	(20.2)	—	—	—	(22.6)
Balance at March 31, 2021	**$ —**	**$ 21.9**	**$ 213.5**	**$ 0.6**	**$ 0.4**	**$ —**	**$236.5**

Acquisitions

During the year ended March 31, 2021, the Company's net acquisition of property, plant and equipment totaled $71.7 million (March 31, 2020 - $113.3 million); comprised of property, plant and equipment acquired with a total cost of $81.5 million (March 31, 2020 - $156.8 million), against which the Company recognized benefits totalling $9.8 million (March 31, 2020 - $43.5 million) in respect of the governmental loans and grant, discussed below and in Note 22.

As disclosed in Note 4, on November 30, 2018, the Company acquired substantially all of the operating assets and liabilities of Old Steelco Inc. and Port of Algoma, including property, plant and equipment of $793.1 million. Additionally, during the four month period ended March 31, 2019, the Company's net acquisition of property, plant and equipment totalled $12.8 million; comprised of property, plant and equipment acquired with a total cost of $37.3 million, against which the Company recognized benefits totalling $24.2 million in respect of the governmental loans and grant, discussed below and in Note 22.

The total net acquisition of property, plant and equipment for the four month period ended March 31, 2019 was $805.9 million.

During the eight month period ended November 30, 2018, property, plant and equipment were acquired at an aggregate cost of $74.1 million.

Amortization of property, plant and equipment

Amortization of property, plant and equipment for the year ended March 31, 2021, was $86.0 million (March 31, 2020 - $120.2 million). Amortization included in inventories at March 31, 2021, was $5.6 million (March 31, 2020 - $6.5 million).

Amortization of property, plant and equipment for the four and eight month periods ended March 31, 2019 and November 30, 2018, respectively, was $43.7 million and $41.6 million. Amortization included in inventories at the four and eight month periods ended March 31, 2019 and November 30, 2018, was $14.1 million and $5.3 million, respectively.

Government Funding Agreements

On November 30, 2018, the Company, together with the governments of Canada and Ontario entered into agreements totaling up to $120.0 million of modernization and expansion related capital expenditure support from the governments of Canada and Ontario. Additionally, on March 29, 2019, the Company, together with the government of Canada entered into an agreement totaling up to $30.0 million of modernization and expansion related capital expenditure support from the government of Canada. Each of these agreements is discussed below and additional disclosures are located in Note 16 and Note 22.

Federal Economic Development Agency for Southern Ontario

On November 30, 2018, the Company, together with the government of Canada, entered into an agreement executed on December 19, 2018, whereby a benefit of $60.0 million would flow to the Company in the form of an interest free loan from the Federal Economic Development Agency, through the Advanced Manufacturing Fund. Under this agreement, the Company may apply for reimbursement of costs incurred by Old Steelco Inc. between October 1, 2014 and November 30, 2018 and by the Company between December 1, 2018 and March 31, 2021, related to specifically identified projects.

As at March 31, 2021, the Company had applied for reimbursements of $60.0 million (March 31, 2020 - $52.6 million) and had a receivable of $6.0 million (March 31, 2020 - $4.2 million). In accordance with IFRS, the benefit of the interest free loan has been presented in the consolidated statements of financial position as an offset to the carrying value of the property, plant and equipment to which it relates. During the year ended March 31, 2021, the Company recognized benefits in respect of this agreement of $3.9 million (March 31, 2020 - $15.9 million). As at March 31, 2021, the total benefit recognized in respect of this agreement was $26.5 million (March 31, 2020 - $22.7 million).

Ministry of Energy, Northern Development and Mines

On November 30, 2018, the Company, together with the government of Ontario, entered into an agreement whereby a benefit of $60.0 million would flow to the Company in the form of a low interest rate loan from the Ministry of Energy, Northern Development and Mines. Under this agreement, the Company may apply for reimbursement of costs incurred by Old Steelco Inc. between April 1, 2017 and November 30, 2018 and by the Company between December 1, 2018 and November 30, 2024, related to specifically identified projects.

As at March 31, 2021, the Company had applied for and received reimbursements of $60.0 million. In accordance with IFRS, the benefit of the low interest rate loan has been presented in the consolidated statements of financial position as an offset to the carrying value of the property, plant and equipment to which it relates. During the year ended March 31, 2021, the Company recognized benefits in respect of this agreement of $0.3 million (March 31, 2020 - $13.7 million). As at March 31, 2021, the total benefit recognized in respect of this agreement was $26.4 million (March 31, 2020 - $26.1 million).

Ministry of Industry

On March 29, 2019, the Company, together with the government of Canada, entered into an agreement of which a benefit of $30.0 million would flow to the Company whereby 50% of the contribution ($15.0 million) is repayable to the Ministry of Industry, Strategic Innovation Fund in the form of an interest free loan. Under this agreement, the Company may apply for reimbursement of costs incurred by Old Steelco Inc. between November 1, 2018 and November 30, 2018 and by the Company between December 1, 2018 and May 1, 2021, related to specifically identified projects.

As at March 31, 2021, the Company had applied for reimbursements totaling $30.0 million and had a receivable of $3.0 million. As at March 31, 2020, the Company had applied for reimbursements under the grant and loan portions of the agreement of $15.0 million and $8.7 million, respectively, and had a receivable of $6.9 million. In accordance with IFRS, the benefit of the grant has been presented in the consolidated statements of financial position as an offset to the carrying value of the property, plant and equipment to which it relates. During the year ended March 31, 2021, the Company recognized benefits in respect of the loan portion of this agreement of $3.9 million (March 31, 2020 – grant portion - $10.0 million and loan portion - $3.9 million). As at March 31, 2021, the total benefit recognized in respect of this agreement was $22.8 million (March 31, 2020 - $18.9 million).

The Company has recognized the governmental loan claims receivable, governmental loan payable and benefit associated with these agreements because the Company has fulfilled its obligations under the respective agreements.

Disposals

During the year ended March 31, 2021, the Company disposed property, plant and equipment with a cost of $1.9 million (March 31, 2020 – nil). The disposal of property, plant and equipment during the fiscal year ended March 31, 2021 resulted in a net loss of $1.7 million.

During the four and eight month periods ended March 31, 2019 and November 30, 2018, respectively, the Company did not dispose of any property, plant and equipment.

17. INTANGIBLE ASSETS, NET

As at,	March 31, 2021	March 31, 2020
The carrying amount of:		
Software	**$ 1.5**	$ 2.8

The following table presents the changes to the cost of the Company's intangible assets for the years ended March 31, 2021 and March 31, 2020:

Cost	Software
Balance at March 31, 2019	$ 2.6
Additions	0.5
Transfers	—
Foreign exchange	0.3
Balance at March 31, 2020	$ 3.4
Additions	0.1
Transfers	—
Disposals	(0.8)
Foreign exchange	(0.3)
Balance at March 31, 2021	**$ 2.4**

The following table presents the changes to accumulated amortization on the Company's intangible assets for the years ended March 31, 2021 and March 31, 2020:

Accumulated Amortization	Software
Balance at March 31, 2019	$ 0.1
Amortization expense	0.5
Balance at March 31, 2020	$ 0.6
Amortization expense	0.3
Balance at March 31, 2021	**$ 0.9**

Acquisitions

As disclosed in Note 4, on November 30, 2018, the Company acquired substantially all of the operating assets and liabilities of Old Steelco Inc., including intangible assets of $2.0 million. Additionally, during the four month period ended March 31, 2019, intangible assets were acquired at an aggregate cost of $0.6 million. During the eight month period ended November 30, 2018, intangible assets were acquired at an aggregate cost of $1.0 million.

Amortization of intangible assets

Amortization of intangible assets for the year ended March 31, 2021, was $0.3 million (March 31, 2020 – $0.5 million, the four month period ended March 31, 2019 – $0.1 million).

Amortization of intangible assets for the four and eight month periods ended March 31, 2019 and November 30, 2018, respectively, was $0.1 million and $3.1 million.

Impairment reserve

As disclosed in Note 4, on November 30, 2018, the Predecessor sold substantially all of its operating assets and liabilities. It was determined that there was no future benefit associated with the Company's customer relationships, technology, in-process research and development and naming rights, and an impairment reserve was recognized to reduce the carrying value of these intangible assets to nil. Likewise, it was determined that the value associated with the software and software in development was higher than the sale value, an impairment reserve of $13.0 million was recognized to reduce the carrying value of these intangible assets to their sale value.

18. BANK INDEBTEDNESS

As disclosed in Note 4, on November 30, 2018, the Company obtained US $250.0 million in the form of a traditional asset-based revolving credit facility (the "Revolving Credit Facility"). The Revolving Credit Facility is secured by substantially all of the Company's assets. Under the General Security Agreement, the Revolving Credit Facility has a priority claim on the accounts receivable and the inventories of the Company and a secondary claim on the rest of the Company's assets. The Revolving Credit Facility bears interest at a rate of London Inter-Bank Overnight Rate ("LIBOR") plus an applicable margin of 1.5%.

At March 31, 2021, the Company had drawn $90.1 million (US $71.7 million), and there was $200.8 million (US $156.5 million) of unused availability after taking into account $27.4 million (US $21.8 million) of outstanding letters of credit and borrowing base reserves. At March 31, 2020, the Company had drawn $256.2 million (US $182.2 million), and there was $64.1 million (US $43.6 million) of unused availability after taking into account $27.8 million (US $19.7 million) of outstanding letters of credit, and borrowing base reserves. The Revolving Credit Facility has an initial maturity date of November 30, 2023.

Transaction costs related to the Revolving Credit Facility amounted to $7.0 million, and are disclosed as other assets in the consolidated statements of financial position, and have been amortized to net (loss) income on a straight line basis over the life of this facility. At March 31, 2021, the unamortized transaction costs related to the Revolving Credit Facility amounted to $3.5 million (March 31, 2020 – $5.9 million).

Under the terms of the Revolving Credit Facility the Company is required to be in compliance with various restrictive covenants which, among other things, limit the incurrence of additional indebtedness, limit investments and dividends, permitted acquisitions, asset sales, liens and encumbrances and other matters customarily restricted in such agreements. At March 31, 2021 and March 31, 2020, the Company was in compliance with these covenants.

The changes in the Company's bank indebtedness for the years ended March 31, 2021 and March 31, 2020 arising from financing activities are presented below:

Balance at March 31, 2019	$ —
Revolving Credit Facility drawn	358.0
Repayment of Revolving Credit Facility	(109.3)
Exchange	7.5
Balance at March 31, 2020	$ 256.2
Revolving Credit Facility drawn	173.3
Repayment of Revolving Credit Facility	(318.4)
Exchange	(21.0)
Balance at March 31, 2021	**$ 90.1**

19. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As at,	March 31, 2021	March 31, 2020
The carrying amount of:		
Accounts payable	**$ 53.3**	$ 45.3
Accrued liabilities	**58.3**	58.5
Wages and accrued vacation payable	**52.2**	47.6
	$ 163.8	$ 151.4

20. TAXES PAYABLE AND ACCRUED TAXES

As at,	March 31, 2021	March 31, 2020
The carrying amount of:		
Payroll taxes payable	**$ 3.5**	$ 3.8
Sales taxes payable	**3.5**	1.6
Carbon tax accrual	**20.2**	6.9
	$ 27.2	**$ 12.3**

21. LONG-TERM DEBT

As at,	March 31, 2021	March 31, 2020
The carrying amount of:		
Secured Term Loan Facility due November 30, 2025		
Current portion	**$ 3.6**	$ 4.0
Long-term portion	**378.3**	392.8
	$ 381.9	$ 396.8
Algoma Docks Term Loan Facility due May 31, 2025		
Current portion	**$ 11.1**	$ 8.5
Long-term portion	**64.9**	85.9
	$ 76.0	$ 94.4
Less: unamortized financing costs		
Current portion	**$ 1.1**	$ 1.2
Long-term portion	**3.9**	5.7
	$ 5.0	$ 6.9
	$ 452.9	$ 484.3
Current portion of long-term debt	**$ 13.6**	$ 11.3
Long-term portion of long-term debt	**439.3**	473.0
	$ 452.9	$ 484.3

Secured Term Loan Facility

As disclosed in Note 4, on November 30, 2018, the Company secured $378.8 million (US $285.0 million) in the form of a Secured Term Loan Facility (the "Secured Term Loan Facility"). The Secured Term Loan Facility is secured by substantially all of the Company's assets. Under the

General Security Agreement, the Secured Term Loan Facility has a second claim on the accounts receivable and the inventories of the Company and a priority claim on the rest of the Company's assets. The facility bears interest at LIBOR plus 8.5%. The Term Loan Facility has an initial maturity date of November 30, 2025, and is repayable in quarterly payments of US $0.7 million with the remaining balance due at maturity.

On April 1, 2020, July 1, 2020 and October 1, 2020, management elected to pay the interest due on the Secured Term Loan Facility in kind for interest accrued during the period April to September 2020. The interest expense on the Secured Term Loan Facility in respect of this 1% premium was $2.9 million (US $2.1 million) (March 31, 2020 – nil). Interest paid on the Secured Short Term Loan Facility of $10.2 million in January 2021 was paid in cash, not in kind.

Transaction costs related to the Secured Term Loan Facility amounted to $7.8 million, and have been amortized to net (loss) income using the effective interest rate method over the life of this facility. At March 31, 2021, the unamortized transaction costs related to the Secured Term Loan Facility amounted to $5.0 million (March 31, 2020 – $6.9 million).

Under the terms of the Secured Term Loan Facility the Company is required to be in compliance with various restrictive covenants which, among other things, limit the incurrence of additional indebtedness, limit investments and dividends, permitted acquisitions, asset sales, liens and encumbrances and other matters customarily restricted in such agreements. At March 31, 2021, March 31, 2020 and March 31, 2019, the Company was in compliance with these covenants.

As at March 31, 2021, substantially all of the Company's subsidiaries' net assets were deemed restricted from transfer to the Company. Algoma Steel Group Inc. has no stand-alone operations including no cash or assets; its only activities relate to owning a controlling interest in its subsidiaries. The Company's subsidiaries did not make any distributions to the Company during the year ended March 31, 2021 or 2020.

Algoma Docks Term Loan Facility

As disclosed in Note 4, on November 30, 2018, the Company secured $97.0 million (US $73.0 million) in the form of a Term Loan Facility (the "Algoma Docks Term Loan Facility"). At March 31, 2021, the carrying value of the Algoma Docks Term Loan was $76.0 million (US $60.4) (March 31, 2020 – $94.4 million (US $67.1 million)). The Algoma Docks Term Loan Facility is secured by certain of the Company's port assets. Under the General Security Agreement, the Term Loan Facility has a first priority claim over all present and future property of certain of the Company's subsidiaries. The facility bears interest at LIBOR plus 5%. The Algoma Docks Term Loan Facility has a maturity date of May 30, 2025. In accordance with this agreement, the Company is required to make quarterly payments to the lender, comprising interest and principal, as follows:

Quarterly, commencing February 2019, ending November 30, 2020	US $2.5 million
Quarterly, commencing February 2021, ending November 30, 2021	US $2.9 million
Quarterly, commencing February 2022, ending with maturity	US $3.3 million

Transaction costs related to the Algoma Docks Term Loan Facility were nil.

Under the terms of the Algoma Docks Term Loan the Company is required to be in compliance with various restrictive covenants which, among other things, limit the incurrence of additional indebtedness, limit investments and dividends, permitted acquisitions, asset sales, liens and encumbrances and other matters customarily restricted in such agreements. At March 31, 2021, March 31, 2020 and March 31, 2019, the Company was in compliance with these covenants.

Reconciliation of liabilities arising from financing activities

	Secured Term Loan Facility	Algoma Docks Term Loan Facility
Balance at March 31, 2019	$ 372.9	$ 95.9
Facility repayment	(3.8)	(6.5)
Unwinding of issuance costs of debt facility	1.2	—
Foreign exchange	19.6	5.0
Balance at March 31, 2020	$ 389.9	$ 94.4
Interest payment in kind	33.2	—
Facility repayment	(3.8)	(8.8)
Unwinding of issuance costs of debt facility	1.2	—
Foreign exchange	(43.4)	(9.6)
Balance at March 31, 2021	**$ 377.0**	**$ 76.0**

22. LONG-TERM GOVERNMENTAL LOANS

As at,	March 31, 2021	March 31, 2020
The carrying amount of:		
Federal AMF Loan, denominated in Canadian dollars, due March 1, 2028	$ 39.7	$ 32.2
Provincial MENDM Loan, denominated in Canadian dollars, due November 30, 2028	38.7	35.6
Federal SIF Agreement loan, denominated in Canadian dollars, due April 30, 2031	8.0	4.8
	$ 86.4	$ 72.6

Federal Economic Development Agency for Southern Ontario

On November 30, 2018, the Company, together with the Federal Economic Development Agency, through the Advanced Manufacturing Fund ("Federal AMF Loan"), entered into an agreement executed on December 19, 2018, under which, the Company will receive a $60.0 million interest free loan. Under the terms of the Federal AM Loan, the Company will be reimbursed for certain defined capital expenditures made by Old Steelco Inc. between October 1, 2014 and November 30, 2018 and by the Company between December 1, 2018 and March 31, 2021. The Company will repay the loan balance in equal monthly installments beginning on April 1, 2022 with the final installment payable on March 1, 2028. Under the General Security Agreement, this facility has a third priority claim on all of the Company's assets which is *pari passu* with the Provincial MENDM Loan, defined below.

As at March 31, 2021, the Company had applied for reimbursements of $60.0 million (March 31, 2020 – $52.6 million) and recognized a benefit, net of accretion, of $20.3 million (March 31, 2020 – $20.4 million). Accordingly, the carrying value of the Federal AMF Loan was $39.7 million at March 31, 2021 (March 31, 2020 – $32.2 million).

As at March 31, 2019, the Company had applied for reimbursements of $18.2 million, and recognized a benefit of $6.8 million. The carrying value of the Federal AMF Loan was $11.7 million at March 31, 2019.

Ministry of Energy, Northern Development and Mines

On November 30, 2018, the Company entered into an agreement with the Ministry of Energy, Northern Development and Mines (the "Provincial MENDM Loan") under which, the Company will receive a $60.0 million low interest loan. Under the terms of this agreement, the Company will be reimbursed for certain defined capital expenditures made by Old Steelco Inc. between April 1, 2017 and November 30, 2018 and by the Company between December 1, 2018 and November 30, 2024. Following the completion of the projects to which these certain defined capital expenditures relate the Company will repay the loan in monthly blended payments of principal and interest beginning on December 31, 2024 and ending on November 30, 2028. This facility bears interest at an annual interest rate equal to the greater of 2.5% per annum; and the lenders cost of funds. Under the General Security Agreement, this facility has a third priority claim on all of the Company's assets which is *pari passu* with the Federal AMF Loan.

The applicable interest rates since the inception of this agreement are as follows:

November 30, 2018 to November 30, 2019	3.143%
December 1, 2019 to November 30, 2020	2.500%
December 1, 2020 to November 30, 2021	2.500%

As at March 31, 2021, the Company had applied for reimbursements of $60.0 million (March 31, 2020 – $59.1 million) and recognized a benefit, net of accretion, of $21.3 million (March 31, 2020 – $23.5 million). Accordingly, the carrying value of the Provincial MENDM Loan was $38.7 million at March 31, 2021 (March 31, 2020 – $35.6 million).

As at March 31, 2019, the Company had applied for reimbursements of $26.4 million, and recognized a benefit of $12.4 million. The carrying value of the Provincial MENDM Loan was $14.4 million at March 31, 2019.

Ministry of Industry

On March 29, 2019, the Company, together with the government of Canada, entered into an agreement whereby a benefit of $30.0 million would flow to the Company; $15.0 million in the form of a grant, and $15.0 million in the form of an interest free loan; from the Ministry of Industry, Strategic Innovation Fund (the "SIF Agreement"). Under the terms of this agreement, the Company will be reimbursed for certain defined capital expenditures made by Old Steelco Inc. between November 1, 2018 and November 30, 2018 and by the Company between December 1, 2018 and May 1, 2021. Following the completion of the projects to which these certain defined capital expenditures relate the

Company will repay the $15.0 million interest free loan portion of this agreement in equal annual payments beginning on April 30, 2024 and ending on April 30, 2031. The agreement is guaranteed by the Company's parent, Algoma Steel Intermediate Holdings Inc.

At March 31, 2021, the Company had applied for reimbursements of $15.0 million under the grant portion of the agreement (March 31, 2020 – $15.0 million), and recognized a benefit of $15.0 million (March 31, 2020 – $15.0 million). Additionally, at March 31, 2021, the Company had applied for reimbursements of $6.3 million under the loan portion of the agreement (March 31, 2020 – $8.7 million), and had recognized a benefit of $3.9 million (March 31, 2020 – $3.9 million). The carrying value of the Federal SIF Agreement was $8.0 million at March 31, 2021 (March 31, 2020 – $4.8 million).

At March 31, 2019, the Company had applied for reimbursements of $5.0 million under the grant portion of the agreement, and recognized a benefit of $5.0 million. The loan portion of the agreement was not drawn at March 31, 2019.

The changes in the Company's Long-term governmental loan facilities arising from financing activities are presented below:

	Governmental Loan Issued	Governmental loan benefit recognized immediately	Acretion of governmental loan benefit	Carrying value
Federal AMF Loan				
Balance at March 31, 2020	$ 52.6	$ (22.6)	$ 2.2	$ 32.2
	7.6	(3.9)	3.8	7.5
Balance at March 31, 2021	**$ 60.2**	**$ (26.5)**	**$ 6.0**	**$ 39.7**
Provincial MENDM Loan				
Balance at March 31, 2020	$ 59.1	$ (26.1)	$ 2.6	$ 35.6
	0.8	(0.3)	2.6	3.1
Balance at March 31, 2021	**$ 59.9**	**$ (26.4)**	**$ 5.2**	**$ 38.7**
Federal SIF Loan				
Balance at March 31, 2020	$ 8.7	$ (3.9)	$ —	$ 4.8
	6.3	(3.9)	0.8	3.2
Balance at March 31, 2021	**$ 15.0**	**$ (7.8)**	**$ 0.8**	**$ 8.0**
Total, Governmental Loans				
Balance at March 31, 2020	$ 120.4	$ (52.6)	$ 4.8	$ 72.6
	14.7	(8.1)	7.2	13.8
Balance at March 31, 2021	**$ 135.1**	**$ (60.7)**	**$ 12.0**	**$ 86.4**

23. DERIVATIVE FINANCIAL INSTRUMENTS

The Company is party to an International Swaps and Derivatives Association, Inc. (ISDA) 2002 master agreement with an investment and financial services company to hedge the commodity price risk associated with various commodities. At March 31, 2021, Algoma entered into agreements to hedge the revenue on the sale of steel. The credit support annex to the master agreement require the Company to make margin payments to satisfy collateral requirements based on Market to Market (MTM) exposure of the commodity contracts in excess of US $0.25 million. At March 31, 2021, the Company made margin payments totaling $49.4 million as a cash collateral, which does not meet the offsetting criteria in IAS 32.

The commodity contracts to hedge the NYMEX price of the hot rolled coil price of steel are derivatives which are designated as cash flow hedges for which hedge effectiveness is measured for the duration of the agreements and therefore carried at fair value through other comprehensive loss. The steel derivative contracts as at March 31, 2021 terminate over the course of the year from April 2021 to March 31, 2022.

The fair value and notional amounts of these derivatives are as follows:

	Fair Value Liability *(in millions)*		Notional Amounts *(tons, in thousands)*		Average Price (USD) *(per ton)*	
	March 31, 2021	**March 31, 2020**	**March 31, 2021**	**March 31, 2020**	**March 31, 2021**	**March 31, 2020**
Cash flow hedges - commodity price risk						
Steel swaps	49.4	—	117.0	—	$ 728.7	—
	$ 49.4	**$ —**				

The cumulative amount of gains and losses on cash flow hedging instruments assessed as effective are presented in the cash flow hedge reserve through other comprehensive loss and is recognized in profit or loss only when the hedged transaction impacts the profit or loss, or is included directly in the initial cost or other carrying amount of the hedged non-financial items (basis adjustment).

During the year ended March 31, 2021, the Company entered into an agreement to hedge the cost of natural gas that was consumed between January 1, 2021, and March 31, 2021. Management designated this hedge as a cash flow hedge, and accordingly measured the effectiveness of the hedge on a monthly basis throughout the life of the agreement. The loss resulting from this agreement of $1.7 million (March 31, 2020 – $2.5 million), was initially recorded in the Cash Flow Hedge Reserve in Other Comprehensive Loss, and was subsequently recognized in cost of sales.

During the year ended March 31, 2021, the unrealized loss resulting from the steel hedges of $64.8 million, was recognized in the Cash Flow Hedge Reserve in Other Comprehensive Loss (March 31, 2020 – nil). During the year ended March 31, 2021, the realized loss resulting from the steel hedge of $4.2 million, was subsequently reclassified from Other Comprehensive Loss and recognized in revenue.

The movements in the cash flow hedge reserve for the period as a component of Accumulated other comprehensive loss is as follows:

	March 31, 2021	March 31, 2020
Opening balance	**$ —**	$ —
Loss arising on changes in fair value of cash flow hedges	**70.7**	2.5
Loss reclassified to profit	**(5.9)**	(2.5)
Ending balance	**$ 64.8**	$ —

For periods prior to March 31, 2020, there were no movements in the cash flow hedge reserve.

24. PENSION BENEFITS

Defined contribution plan

The Company maintains a defined contribution pension plan established by Old Steelco Inc.'s predecessor in 2004 for non-unionized employees in Canada joining the Company after January 1, 2003. As part of Old Steelco Inc.'s contract negotiations with its locals which concluded on July 31, 2010, the locals and Old Steelco Inc. agreed to include in this plan all unionized employees hired subsequent to August 1, 2010 and to offer to all the current employees the option to move to the Defined Contribution Pension Plan. The plan was revised by Old Steelco Inc. during the year ended March 31, 2011; these revisions went into effect March 1, 2011. Based on this revision, the Company is obligated to provide a base contribution of 5% of salary and also match employee contributions to a maximum of 2%, depending on years of service for non-unionized employees. Additionally, The Company is obligated to provide a contribution for unionized employees per qualified hour worked of $2.85.

The pension expense under this plan is equal to the Company's contribution. The pension expense for the year ended March 31, 2021 was $8.7 million (March 31, 2020 was $9.0 million).

Defined benefit plans

The Company maintains non-contributory defined benefit pension plans that are closed to new entrants and cover all employees in Canada not covered under the Defined Contribution Pension Plan. The benefits are based on years of service and average earnings for a defined period prior to retirement.

The Company also maintains a closed plan for pensioners who retired prior to January 1, 2002, that provides the pensioners with a pension benefit in excess of the limits provided by the Ontario Pension Benefit Guarantee Fund (the "Closed Retiree Plan").

These defined benefit pension plans are registered under the Pension Benefits Act (Ontario), and are legally separated from the Company. The Pension Benefits Act (Ontario) is a regulatory framework that has jurisdiction over the administration and funding of defined benefit pension plans. Within this framework, the Company has fiduciary responsibility over the administration of the defined benefit pension plans, including the development and oversight of the investment policy for pension funds and the selection and oversight of pension fund investment managers.

The defined benefit pension plans expose the Company to various risks such as: investment risk, interest rate risk, foreign currency risk, price risk, credit risk and liquidity risk.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at April 1, 2019.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Years ended,	March 31, 2021	March 31, 2020
Assumptions for determination of defined benefit cost:		
Defined obligation and past service cost	**4.03%**	3.29%
Net interest cost	**3.47%**	2.96%
Current service cost	**4.25%**	3.40%
Interest cost on current service cost	**3.92%**	3.21%
Discount rate for determination of defined benefit obligation	**3.16%**	3.97%
Assumptions for determination of defined benefit cost and defined benefit obligation:		
Ultimate rate of compensation increase	**2.00%**	2.00%
	105%	105%
Mortality	**CPM2014 Private Projection CPM-B**	CPM2014 Private Projection CPM-B

The components of amounts recognized in the consolidated statements of net loss in respect of these defined benefit plans are presented below:

	Successor			Predecessor
	For the year ended March 31, 2021	For the year ended March 31, 2020	Period from December 1, 2018 to March 31, 2019	Period from April 1, 2018 to November 30, 2018
Amounts recognized in net loss were as follows:				
Current service cost	**$ 20.0**	$ 23.0	$ 6.7	$ 15.9
Past service cost	**—**	—	(4.5)	—
Net interest cost	**7.6**	8.4	3.5	5.4
	$ 27.6	$ 31.4	$ 5.7	$ 21.3
Defined benefit costs recognized in:				
Cost of sales	**$ 18.0**	$ 20.6	$ 2.0	$ 14.3
Administrative and selling expenses	**2.0**	2.4	0.2	1.6
Interest on pension liability	**7.6**	8.4	3.5	5.4
	$ 27.6	$ 31.4	$ 5.7	$ 21.3

The components of amounts recognized in the consolidated statements of comprehensive loss in respect of these defined benefit plans are presented below:

	Successor			Predecessor
	For the year ended March 31, 2021	For the year ended March 31, 2020	Period from December 1, 2018 to March 31, 2019	Period from April 1, 2018 to November 30, 2018
Amounts recognized in other comprehensive (loss) income, were as follows:				
Actuarial (losses) income on accrued pension liability	**$ (51.8)**	$ (48.6)	$ 19.5	$ 27.3
Less tax effect	**—**	4.6	(4.9)	—
	$ (51.8)	$ (44.0)	$ 14.6	$ 27.3

The amounts included in the consolidated statements of financial position in respect of the Company's net obligation in respect of its defined benefit plans are as follows:

As at,	March 31, 2021	March 31, 2020
Present value of defined benefit obligation	**$ 1,504.3**	$ 1,400.8
Fair value of plan assets	**1,334.2**	1,155.8
Net accrued pension liability	**$ 170.1**	$ 245.0

Continuities of the defined benefit plan assets and obligations are as follows:

Movements in the present value of the plan assets were as follows:		
Fair value of plan assets at beginning of year	**$1,155.8**	$1,211.2
Actual return (net of investment management expenses)	**209.5**	(28.5)
Administration expenses	**(1.2)**	(1.9)
Employer contributions	**50.3**	51.4
Benefits paid	**(80.2)**	(76.4)
Fair value of plan assets at end of the year, March 31, 2021 and March 31, 2020, respectively	**$1,334.2**	$1,155.8
Movements in the present value of the defined benefit obligation were as follows:		
Defined benefit obligation at the beginning of the year	**$1,400.8**	$1,524.6
Current service cost	**18.7**	22.5
Interest cost	**47.2**	44.0
Actuarial losses (gains) arising from financial assumptions	**127.3**	(130.1)
Effect of experience adjustments	**(8.3)**	16.2
Effect of demographic assumptions	**(1.2)**	—
Benefits paid	**(80.2)**	(76.4)
Defined benefit obligation at end of the year, March 31, 2021 and March 31, 2020, respectively	**$1,504.3**	$1,400.8

Reconciliation of the amounts recognized in accumulated other comprehensive income (loss) in the consolidated statements of changes in shareholder's equity were as follows:

Successor	Actuarial (gain) loss immediately recognized	Tax effect	Actuarial (gain) loss immediately recognized, net of tax
Balance at December 1, 2018	$ —	$ —	$ —
Actuarial loss immediately recognized	19.5	(4.9)	14.6
Balance at March 31, 2019	$ 19.5	$ (4.9)	$ 14.6
Actuarial gain immediately recognized	(48.6)	4.6	(44.0)
Balance at March 31, 2020	$ (29.1)	$ (0.3)	$ (29.4)
Actuarial gain immediately recognized	(51.8)	—	(51.8)
Balance at March 31, 2021	**$ (80.9)**	**$ (0.3)**	**$ (81.2)**

Predecessor	Actuarial loss immediately recognized	Tax effect	Actuarial loss immediately recognized, net of tax
Balance at March 31, 2018	$ 14.5	$ (3.9)	$ 10.6
Actuarial loss immediately recognized	27.3	—	27.3
Balance at November 30, 2018	**$ 41.8**	**$ (3.9)**	**$ 37.9**

The major categories of plan assets were as follows:

As at	March 31, 2021	March 31, 2020
Cash and cash equivalents	**1%**	1%
Equity instruments	**51%**	47%
Debt instruments	**42%**	47%
Other	**6%**	6%
	100%	100%

Cash flow information

The Company is required to make contributions equal to current service cost plus a maximum per year of $31.0 million dollars in respect of special payments. Contributions for the year ended March 31, 2021 under these regulations were $50.3 million (March 31, 2020 – $51.4 million).

The Company's expected future cash flow in respect of its defined benefit pension plans for the fiscal year ending March 31, 2022 is $52.0 million.

Sensitivity of results to actuarial assumptions

The sensitivity of the defined benefit obligation to the key actuarial assumptions is as follows:

Years ended,	March 31, 2021	March 31, 2020
Effect of change in discount rate assumption		
One percentage point increase	**$ (164.4)**	(147.1)
One percentage point decrease	**202.0**	179.2
Effect of change in salary scale		
One percentage point increase	**25.2**	22.1
One percentage point decrease	**(22.6)**	(19.8)
Effect of change in mortality assumption		
Set forward one year	**(41.4)**	(35.5)
Set back one year	**40.6**	34.7

The discount rate sensitivities presented above are estimates based on plan durations. The defined benefit obligation and the current service cost have an implied duration of 11 and 18 years, respectively at current discount rates.

If the returns on plan assets had been 10% lower than the actual returns of plan assets experienced in the year ended March 31, 2021, the actuarial loss immediately recognized in other comprehensive (loss) income would have increased by approximately $114.0 million (March 31, 2020 – $120.0 million).

25. OTHER POST-EMPLOYMENT BENEFITS

The Company offers post-employment life insurance, health care and dental care to some of its retirees. These obligations are not pre-funded.

The most recent actuarial valuations of the present value of the other post-employment benefit obligation were carried out at January 1, 2019.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

As at and for the years ended,	March 31, 2021	March 31, 2020
Assumptions for determination of defined benefit cost:		
Discount rate		
Defined benefit obligation	**4.15%**	3.34%
Current service cost	**4.43%**	3.46%
Interest cost on benefit obligation	**3.65%**	3.07%
Interest cost on current service cost	**4.31%**	3.42%
Health care cost immediate trend rate	**5.09%**	5.14%
Assumptions for determination of defined benefit obligation:		
Effective discount rate	**3.41%**	4.15%
Health care cost immediate trend rate	**5.04%**	5.09%
Assumptions for determination of defined benefit cost and defined benefit obligation:		
Health care cost ultimate trend rate	**4.00%**	4.00%
Year ultimate health care cost trend rate reached	**2040**	2040
Salary Increases per annum	**2.00%**	2.00%
Mortality	**105% CPM 2014 Private Projection CPM-B**	105% CPM 2014 Private Projection CPM-B

The components of amounts recognized in the consolidated statements of net loss in respect of these other post-employment benefit plans are presented below:

	Successor			Predecessor
	For the year ended March 31, 2021	For the year ended March 31, 2020	Period from December 1, 2018 to March 31, 2019	Period from April 1, 2018 to November 30, 2018
Amounts recognized in net loss were as follows:				
Current service cost	**$ 3.2**	$ 4.0	$ 1.4	$ 2.9
Past service cost	**—**	—	(4.8)	
Net interest cost	**9.6**	8.9	3.5	6.6
	$ 12.8	$ 12.9	$ 0.1	$ 9.5
Post employment benefit costs recognized in:				
Cost of sales	**$ 2.8**	$ 3.6	$ (3.0)	$ 2.6
Administrative and selling expenses	**0.4**	0.4	(0.4)	0.3
Interest on pension liability	**9.6**	8.9	3.5	6.6
	$ 12.8	$ 12.9	$ 0.1	$ 9.5

The components of amounts recognized in the consolidated statements of comprehensive loss in respect of these other post-employment benefit plans are presented below:

	Successor			Predecessor
	For the year ended March 31, 2021	For the year ended March 31, 2020	Period from December 1, 2018 to March 31, 2019	Period from April 1, 2018 to November 30, 2018
Amounts recognized in other comprehensive loss, were as follows:				
Actuarial losses (income) on accrued post employment benefit liability	**$ 28.8**	$ (33.2)	$ 10.4	$ (12.7)
Less tax effect	**—**	2.6	(2.6)	1.3
	$ 28.8	$ (30.6)	$ 7.8	$ (11.4)

The amounts included in the consolidated statements of financial position arising from the Company's obligation in respect of its other post-retirement benefit plans were as follows:

As at,	March 31, 2021	March 31, 2020
Present value of post-employment benefit obligation	**$ 297.8**	$ 267.3
Fair value of plan assets	**—**	—
Accrued other post-employment benefit obligation	**$ 297.8**	$ 267.3

Reconciliation of the amounts recognized in accumulated other comprehensive income (loss) in the consolidated statements of changes in shareholder's equity were as follows:

Successor	Actuarial (gain) loss immediately recognized	Tax effect	Actuarial (gain) loss immediately recognized, net of tax
Balance at December 1, 2018	$ —	$ —	$ —
Actuarial loss immediately recognized	10.4	(2.6)	7.8
Balance at March 31, 2019	$ 10.4	$ (2.6)	$ 7.8
Actuarial gain immediately recognized	(33.2)	2.6	(30.6)
Balance at March 31, 2020	$ (22.8)	$ —	$ (22.8)
Actuarial loss immediately recognized	28.8	—	28.8
Balance at March 31, 2021	**$ 6.0**	**$ —**	**$ 6.0**

Predecessor	Actuarial gain immediately recognized	Tax effect	Actuarial gain immediately recognized, net of tax
Balance at March 31, 2018	$ 174.8	$(45.5)	$ 129.3
Actuarial gain immediately recognized	(12.7)	1.3	(11.4)
Balance at November 30, 2018	**$ 162.1**	**$(44.2)**	**$ 117.9**

Continuities of the other post-employment benefit plan assets and obligations are as follows:

Movements in the present value of the post-employment benefit plan assets were as follows:		
Fair value of plan assets at beginning of year	**$ —**	$ —
Employer contributions	**11.0**	11.6
Benefits paid	**(11.0)**	(11.6)
Fair value of plan assets at end of the year, March 31, 2021 and March 31, 2020, respectively	**$ —**	$ —
Movements in the present value of the other post-employment benefit obligation were as follows:		
Defined benefit obligation at the beginning of the year	**$267.3**	$299.2
Current service cost	**3.2**	4.0
Interest cost	**9.6**	8.9
Actuarial losses (gains) arising from financial assumptions	**30.9**	(32.3)
Actuarial gains from experience adjustments	**(2.2)**	(0.9)
Benefits paid	**(11.0)**	(11.6)
Defined benefit obligation at end of the year, March 31, 2021 and March 31, 2020, respectively	**$297.8**	$267.3

Cash flow information

For the year ended March 31, 2021, the amounts included in the consolidated statements of cash flows in respect of these other post-employment benefit plans was $11.0 million (March 31, 2020 – $11.6 million). The Company's expected contributions for the fiscal year ending March 31, 2022 is $13.5 million.

Sensitivity of results to actuarial assumptions

The sensitivity of the other post-employment benefit obligation to changes in the discount rate, health care cost trend rate and mortality assumptions are as follows:

Years ended,	March 31, 2021	March 31, 2020
Effect of change in discount rate assumption		
One percentage point increase	**$ (38.8)**	(33.1)
One percentage point decrease	**49.8**	41.8
Effect of change in health care cost trend rates		
One percentage point increase	**41.2**	37.3
One percentage point decrease	**(32.9)**	(30.1)
Effect of change in mortality assumption		
Set forward one year	**14.0**	11.0
Set back one year	**(13.6)**	(11.3)

The discount rate sensitivities presented above are estimates based on plan durations. The other post-employment benefit obligation and the current service cost have an implied duration of 14.4 and 30 years, respectively at current discount rates.

26. OTHER LONG-TERM LIABILITIES

As at,	March 31, 2021	March 31, 2020
The carrying amount of the following other long term liabilities:		
Accrued interest payable, Provincial MENDM Loan	**$ 1.4**	$ 0.7
Long-term disability plan obligation	**1.1**	1.1
	$ 2.5	$ 1.8

Long-term disability plan obligation

The Company maintains a long-term disability plan. Under this plan, the Company offers continuation of medical and dental benefits for employees on long-term disability leaves of absence. The Company recognizes the present value of the long-term disability benefit obligation based on the number of employees on long-term disability. The most recent actuarial determination of the Company's long-term disability obligation was carried out at March 31, 2021. At March 31, 2021, the long-term disability plan had a carrying value of $1.1 million (March 31, 2020 – $1.1 million).

Accrued interest payable, Provincial MENDM Loan

As disclosed in Note 22, the Company has entered into an agreement with the Ministry of Energy, Northern Development and Mines under which the Company will receive a $60.0 million low interest loan. At March 31, 2021, the accrued interest payable under this agreement was $1.4 million (March 31, 2020 – $0.7 million).

27. ENVIRONMENTAL LIABILITIES

As at,	March 31, 2021	March 31, 2020
The carrying amount of Environmental liabilities in respect of:		
The Company's Operation Site	**$ 35.0**	$ 34.3
Northern Ontario mine sites owned by Old Steelco Inc.	**4.9**	4.6
	$ 39.9	$ 38.9
Current portion	**$ 4.5**	$ 4.1
Long-term portion	**35.4**	34.8
	$ 39.9	$ 38.9

On November 30, 2018, the Company entered into agreements with the Province of Ontario, through the Ministry of the Environment, Conservation and Parks and the Ministry of Energy, Northern Development and Mines. These agreements relate to the Company's operation site, and certain Northern Ontario mine sites owned by Old Steelco Inc., and not purchased by the Company. These agreements limit the Company's obligations with respect to legacy environmental contamination, and impose certain risk management, risk mitigation, site remediation and funding obligations on the Company. The Company recognizes the present value of environmental liabilities.

At March 31, 2021 and March 31, 2020, the Company has provided letters of credit totalling of $17.2 million to the Ministry of Energy, Northern Development and Mines; $13.7 million in respect of the Company's operation site and $3.5 million in respect of certain Northern Ontario mine sites owned by Old Steelco Inc. Letters of credit are disclosed in Note 13 and Note 18.

Reconciliation of Environmental liabilities

	The Company's Operation Site	Northern Ontario mine sites owned by Old Steelco Inc.	Total
Balance at March 31, 2019	$ 35.3	$ 4.7	$40.0
Payments	(4.0)	(0.5)	(4.5)
Accretion of discount	3.0	0.4	3.4
Balance at March 31, 2020	$ 34.3	$ 4.6	$38.9
Payments	(1.6)	—	(1.6)
Accretion of discount	2.3	0.3	2.6
Balance at March 31, 2021	**$ 35.0**	**$ 4.9**	**$39.9**

28. TAX MATTERS

The components of income tax (recovery) expense for the years ended March 31, 2021, March 31, 2020, and for the four and eight month periods ended March 31, 2019 and November 30, 2018, respectively, are as follows:

	Successor			Predecessor
	For the year ended March 31, 2021	For the year ended March 31, 2020	Period from December 1, 2018 to March 31, 2019	Period from April 1, 2018 to November 30, 2018
Income tax (recovery) expense recognized in net (loss) income				
Deferred income tax (recovery) expense	**$ —**	$ (4.3)	$ 4.1	$ (1.5)
Income tax expense (recovery) recognized in other comprehensive loss:				
Tax effect of actuarial gains on defined benefit pension obligation	—	4.6	(4.9)	1.3
Tax effect of actuarial gains on other post-employment benefits	—	2.6	(2.6)	—
	$ —	$ 7.2	$ (7.5)	$ 1.3

Income taxes in the consolidated statements of net (loss) income for the years ended March 31, 2021, March 31, 2020 and for the four and eight month periods ended March 31, 2019 and November 30, 2018, respectively, vary from amounts that would be computed by applying statutory income tax rates for the following reason:

	Successor			Predecessor
	For the year ended March 31, 2021	For the year ended March 31, 2020	Period from December 1, 2018 to March 31, 2019	Period from April 1, 2018 to November 30, 2018
Loss before income taxes	**$ (76.1)**	$ (180.2)	$ 6.8	$ 28.0
Income tax recovery based on the applicable tax rate of 25%	**$ (19.0)**	$ (45.1)	$ 1.7	$ 7.0
Add / (deduct):				
Unused tax losses and other deductible temporary differences for which no deferred tax assets have been recognized	**—**	—	—	(2.6)
Non-deductible post-employment benefits payments	**3.2**	3.1	—	—
Non-deductible pension contributions	**3.3**	3.8	—	—
Non-deductible accretion of financial obligations	**2.7**	1.7	—	—
Change in unrecognized tax benefits	**2.7**	45.9	—	—
Non-deductible (taxable) portion of exchange loss on US dollar currency	**—**	—	0.8	(5.9)
Unrecognized (recognized) benefit of unrealized exchange loss on US dollar debt	**—**	—	1.6	—
Adjustment in respect of prior years	**7.2**	(13.7)	—	—
Income tax (recovery) expense	**$ —**	$ (4.3)	$ 4.1	$ (1.5)

The applicable tax rate is the aggregate of the Canadian federal income tax rate of 15.0% and the Canadian provincial income tax rate of 10.0%.

As disclosed in Note 4, on November 30, 2018, the Company purchased substantially all of the operating assets and liabilities of Old Steelco Inc. The Company did not acquire any of the tax attributes of Old Steelco Inc.

Deferred income tax assets

As disclosed in Note 3, the carrying amount of deferred income tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probably that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Management assesses the available positive and negative evidence to estimate whether sufficient future taxable income will be generated to permit use of the existing deferred tax assets. A significant piece of objective evidence is the cumulative loss the Company has incurred over the last two years of its operations. Such objective evidence limits the ability to consider other subjective evidence, such as management's projections for future growth.

On the basis of this evaluation, as of March 31, 2021, net deferred assets of $60.1 million have not been recognized.

The tax-effected temporary differences which result in deferred income tax assets and (liabilities) and the amount of deferred income taxes recognized in the consolidated statements of comprehensive (loss) income for the year ended March 31, 2021 are as follows:

		Movements in:			
	Balance at March 31 2020	**Profit (loss)**	**Other Comprehensive Loss**	**Unrecognized deferred tax asset**	**Balance at March 31 2021**
Accounting reserves	$ 2.9	$ 1.1	$ —	$ —	**$ 4.0**
Inventory reserve	(2.9)	(1.2)	—	—	**(4.1)**
Non-capital tax loss carryforward	110.2	(9.3)	—	(2.7)	**98.2**
Capital tax loss carryforward	0.2	—	—	—	**0.2**
Property, plant and equipment and intangible assets	(167.1)	15.8	—	—	**(151.3)**
Unrealized exchange gain on US dollar debt	0.6	0.6	—	—	**1.2**
Financing expenses	(1.3)	0.3	—	—	**(1.0)**
Deferred revenue	57.4	(7.2)	—	—	**50.2**
SRED expenditures	—	2.4	—	—	**2.4**
Other	—	0.2	—	—	**0.2**
	$ —	$ 2.7	$ —	$ (2.7)	**$ —**

At March 31, 2021, the Company has non-capital tax losses available of $579.8 million; $380.0 million will expire in 2038, $113.1 million will expire in 2039 and $86.7 million will expire in 2040.

The tax-effected temporary differences which result in deferred income tax assets and (liabilities) and the amount of deferred income taxes recognized in the consolidated statements of comprehensive (loss) income for the year ended March 31, 2020 are as follows:

		Movements in:			
	Balance at March 31, 2019	**Profit (loss)**	**Other Comprehensive Loss**	**Unrecognized deferred tax asset**	**Balance at March 31 2020**
Accounting reserves	$ (0.6)	$ 3.5	$ —	$ —	$ 2.9
Inventory reserve	(4.9)	2.0	—	—	(2.9)
Defined benefit pension (Note 22)	78.4	(73.8)	(4.6)	—	—
Other post-employment benefits (Note 23)	75.1	(72.5)	(2.6)	—	— —
Non-capital tax loss carryforward	16.5	138.6	—	(44.9)	110.2
Capital tax loss carryforward	0.2	—	—	—	0.2
Environmental liabilities	(11.2)	11.2	—	—	—
Property, plant and equipment and intangible assets	(146.1)	(21.0)	—	—	(167.1)
Unrealized exchange gain on US dollar	1.5	0.1	—	(1.0)	0.6
Governmental loans benefit	(4.6)	4.6	—	—	—
Financing expenses	(0.8)	(0.5)	—	—	(1.3)
Deferred revenue	—	57.4	—	—	57.4
Other	(0.1)	0.1	—	—	—
	$ 3.4	$ 49.7	$ (7.2)	$ (45.9)	$ —

29. COMMITMENTS AND CONTINGENCIES

Property, plant and equipment

In the normal course of business operations the Company has certain commitments for capital expenditures related to the maintenance and acquisition of property, plant and equipment.

Key inputs to production

The Company requires large quantities of iron ore, coal, oxygen, electricity and natural gas in order to satisfy the demands of the steel manufacturing operation. The Company makes most of its purchases of these principal raw materials at negotiated prices under annual and multi-year agreements. These agreements provide the Company with comfort that an adequate supply of these key raw materials will be available to the Company at a price acceptable to the Company.

Legal Matters

Additionally, from time to time, in the ordinary course of business, the Company is a defendant or party to a number of pending or threatened legal actions and proceedings. Although such matters cannot be predicted with certainty, management currently considers the Company's exposure to such ordinary course claims and litigation, to the extent not covered by the Company's insurance policies or otherwise provided for, not to have a material adverse effect on these consolidated financial statements. In addition, the Company is involved in and potentially subject to regular audits from federal and provincial tax authorities relating to income, capital and commodity taxes and, as a result of these audits, may receive assessments and reassessments.

30. CAPITAL STOCK

	Common Shares		Preferred Shares		Total Capital Stock	
	Number of shares issued and outstanding	Stated capital value	Number of shares issued and outstanding	Stated capital value	Number of shares issued and outstanding	Stated capital value
Predecessor						
April 1, 2018	650,010,001	$659.4	150,000	$ 162.9	650,160,001	$822.3
November 30, 2018	650,010,001	$659.4	150,000	$ 162.9	650,160,001	$822.3
Successor						
December 1, 2018	1	$ —	—	$ —	1	$ —
Issuance of shares	1	—	100,000,000	409.5	100,000,001	409.5
Conversion of shares	100,000,000	409.5	(100,000,000)	(409.5)	—	—
Balance at March 31, 2020	100,000,002	$409.5	100,000,000	$ —	100,000,002	$409.5
Balance at March 31, 2021	**100,000,002**	**$409.5**	**100,000,000**	**$ —**	**100,000,002**	**$409.5**

Algoma Steel Inc. was incorporated on May 19, 2016 and issued one (1) common share with a nominal value on that date. On November 30, 2018, Algoma Steel Inc. issued one (1) additional common share, with a nominal value, to Algoma Steel Intermediate Holdings Inc.

During the purchase transaction, disclosed in Note 4, Algoma Steel Inc. issued one hundred million (100,000,000) preferred shares to Old SteelCo Inc. in partial satisfaction of the purchase price for Old SteelCo Inc.'s net operating assets. Old Steelco Inc. then immediately forfeited these preferred shares to Algoma Steel Intermediate Holdings Inc. as a result of Old Steelco Inc.'s non-payment of the 7.5% Senior Secured Term Loan and 9.5% Senior Secured Notes. The preferred shares were issued at the fair value of the debt forgiven of $409.5 million, measured as the residual value of the net identifiable assets acquired, less the cash paid in partial satisfaction of the purchase price for the assets. Finally, on November 30, 2018, the Company converted preferred shares to common shares.

31. NET INCOME (LOSS) PER SHARE

The following table sets forth the computation of basic and diluted net income (loss) per common share:

	Successor			Predecessor
	For the year ended March 31, 2021	For the year ended March 31, 2020	Period from December 1, 2018 to March 31, 2019	Period from April 1, 2018 to November 30, 2018
Weighted average common shares outstanding (in thousands):				
Basic	**100,000**	100,000	100,000	650,010
Diluted	**100,000**	100,000	100,000	650,010
Net income (loss) per common share:				
Basic	**$ (0.76)**	$ (1.76)	$ 0.03	$ 0.05
Diluted	**$ (0.76)**	$ (1.76)	$ 0.03	$ 0.05

The number of options that were not included in the calculation of dilutive earnings per share at March 31, 2021 is 2,716,040 comprising 2,670,000 performance share units and 46,040 directors' units (March 31, 2020 and the four and eight-month periods ended March 31, 2019 and November 30, 2018, respectively – nil).

32. NET CHANGE IN NON-CASH OPERATING WORKING CAPITAL

	Successor			Predecessor
	For the year ended March 31, 2021	For the year ended March 31, 2020	Period from December 1, 2018 to March 31, 2019	Period from April 1, 2018 to November 30, 2018
Accounts receivable	**$ (47.2)**	$ 88.4	$ (37.2)	$ (38.3)
Taxes payable and accrued taxes	**16.7**	3.7	1.6	12.6
Inventories	**(33.6)**	(36.8)	96.6	(167.9)
Prepaid expenses and other current assets	**(70.3)**	20.2	17.9	(12.1)
Accounts payable and accrued liabilities	**(21.2)**	(42.4)	37.5	13.2
Derivative financial instruments (net)	**(15.3)**	1.2	—	—
Secured term loan interest payment in kind	**33.2**	—	—	
Net related party accounts receivable and accounts payable	**—**	—	—	22.5
	$ (137.7)	$ 34.3	$ 116.4	$ (170.0)

33. PARENT COMPANY PROMISSORY NOTE RECEIVABLE

The Company's shareholder, Algoma Steel Parent S.C.A., and its commonly controlled affiliates are related parties.

During the year ended March 31, 2020, the Company entered into a promissory note with its shareholder in the amount of $1.3 million (US $0.9 million). During the year ended March 31, 2021, the Company advanced $1.1 million (US $0.8 million) to its shareholder. The Company's shareholder will use the proceeds of this note to pay reasonable expenses, liabilities and other obligations. The promissory note is unsecured and is non-interest-bearing.

At March 31, 2021, the balance of the parent company promissory note receivable was $2.2 million (US $1.7 million) (March 31, 2020 – $1.3 million (US $0.9 million)).

34. FINANCIAL INSTRUMENTS

Financial risk management

The Company's activities expose it to a variety of financial risks including credit risk, liquidity risk, interest rate risk and market risk. The Company may use derivative financial instruments to hedge certain of these risk exposures. The use of derivatives is based on established practices and parameters, which are subject to the oversight of the Board of Directors. The Company does not utilize derivative financial instruments for trading or speculative purposes.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises primarily from the Company's receivables from customers. The Company has an established credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes a review of the potential customer's financial information, external credit ratings and bank and supplier references. Credit limits are established for each new customer and customers that fail to meet the Company's credit requirements may transact with the Company only on a prepayment basis.

The maximum credit exposure at March 31, 2021 is the carrying amount of accounts receivable of $274.6 million (March 31, 2020 – $248.9 million). At March 31, 2021 and March 31, 2020, there was no customer account greater than 10% of the carrying amount of accounts receivable. As at March 31, 2021, $2.3 million, or 0.9% (March 31, 2020 – $5.9 million, or 2.4%), of accounts receivable were more than 90 days old.

The Company establishes an allowance for doubtful accounts that represents its estimate of losses in respect of accounts receivable. The main components of this allowance are a specific provision that relates to individual exposures and a provision for expected losses that have been incurred but not yet identified. The allowance for doubtful accounts at March 31, 2021 was $1.8 million (March 31, 2020 – $0.7 million), as disclosed in Note 14.

The Company may be exposed to certain losses in the event of non-performance by counterparties to derivative financial instruments such as commodity price contracts and foreign exchange contracts. The Company mitigates this risk by entering into transactions with highly rated major financial institutions.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company manages liquidity risk by maintaining adequate cash balances. The Company continuously monitors and reviews actual and forecasted cash flows to ensure adequate liquidity and anticipate liquidity requirements. The Company's objectives and processes for capital management, including the management of long-term debt, are described in Note 6.

The following table discloses the Company's contractually agreed (undiscounted) cash flows payable under financial liabilities, as at March 31, 2021:

	Carrying Amount	Contractual Cash Flows	Year 1	Year 2	Years 3 to 5	Greater than 5 Years
Revolving Credit Facility	$ 90.1	$ (90.1)	$ (90.1)	$ —	$ —	$ —
Accounts payable and accrued liabilities	154.3	(154.3)	(154.3)	—	—	—
Taxes Payable	27.2	(27.2)	(27.2)	—	—	—
Secured Term Loan Facility	381.9	(381.9)	(3.6)	(3.6)	(374.7)	—
Interest on Secured Term Loan	9.1	(176.4)	(38.5)	(38.1)	(99.8)	—
Algoma Docks Term Loan	76.0	(76.0)	(11.1)	(13.2)	(51.7)	—
Interest on Algoma Docks Term Loan	0.4	(10.8)	(3.5)	(3.1)	(4.2)	—
Governmental Loans	86.4	(135.1)	—	(10.0)	(55.0)	(70.1)
Interest on Provincial MENDM Loan	1.4	—	—	—	—	—
Derivative financial instruments	49.4	(49.4)	(49.4)	—	—	—
	$ 876.2	$ (1,101.2)	$(377.7)	$ (68.0)	$(585.4)	$ (70.1)

The following table discloses the Company's contractually agreed (undiscounted) cash flows payable under financial liabilities as at March 31, 2020:

	Carrying Amount	Contractual Cash Flows	Year 1	Year 2	Years 3 to 5	Greater than 5 Years
Revolving Credit Facility	$ 256.2	$ (256.2)	$(256.2)	$ —	$ —	$ —
Accounts payable and accrued liabilities	140.0	(140.0)	(140.0)	—	—	—
Taxes Payable	12.3	(12.3)	(12.3)	—	—	—
Secured Term Loan Facility	396.8	(396.8)	(4.0)	(4.0)	(12.0)	(376.8)
Interest on Secured Term Loan	10.2	(245.1)	(44.3)	(43.9)	(129.1)	(27.8)
Algoma Docks Term Loan	94.4	(94.4)	(8.5)	(11.2)	(43.7)	(31.0)
Interest on Algoma Docks Term Loan	0.6	(22.7)	(6.1)	(5.4)	(10.9)	(0.3)
Governmental Loans	72.6	(120.5)	—	—	(36.3)	(84.2)
Interest on Provincial MENDM Loan	0.6	(1.0)	—	—	(0.1)	(0.9)
	$ 983.7	$ (1,289.0)	$(471.4)	$ (64.5)	$(232.1)	$ (521.0)

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and commodity prices, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk. As disclosed in Note 23, during the year ended March 31, 2021, the Company was a party to agreements to hedge the commodity price risk associated with the cost of natural gas and the revenue on the sale of steel. These activities are carried out under the oversight of the Company's Board of Directors.

Currency risk

The Company is exposed to currency risk on purchases, labour costs and pension and other post retirement employment benefits liabilities that are denominated in Canadian dollars. The prices for steel products sold in Canada are derived mainly from price levels in the US market in US dollars converted into Canadian dollars at the prevailing exchange rates. As a result, a stronger US dollar relative to the Canadian dollar increases the Company's Canadian dollar selling prices for sales within Canada.

The Company's Canadian dollar denominated financial instruments as at March 31, 2021, and March 31, 2020, were as follows:

As at,	March 31, 2021	March 31, 2020
Cash	**$ 5.6**	$ 107.0
Restricted cash	**3.9**	3.9
Accounts receivable	**111.2**	130.2
Bank indebtedness	**(42.1)**	(80.1)
Accounts payable and accrued liabilities	**(131.6)**	(99.2)
Long-term governmental loans	**(87.8)**	(72.9)
Net Canadian dollar denominated financial instruments	**$ (140.8)**	$ (11.1)

A $0.01 decrease (or increase) in the US dollar relative to the Canadian dollar for the year ended March 31, 2021 would have decreased (or increased) (loss) profit from operations by $0.1 million (March 31, 2020 – $0.3 million).

Interest rate risk

Interest rate risk is the risk that the value of the Company's assets and liabilities will be affected by a change in interest rates. The Company's interest rate risk mainly arises from the interest rate impact on its banking facilities and debt. The Company may manage interest rate risk through the periodic use of interest rate swaps.

For the years ended March 31, 2021 and March 31, 2020, a one percent increase (or decrease) in interest rates would have decreased (or increased) net (loss) income by approximately $6.4 million and $5.0 million, respectively.

Commodity price risk

The Company is subject to price risk from fluctuations in the market prices of commodities, including natural gas, iron ore and coal. The Company enters into supply agreements for certain of these commodities as disclosed in Note 29. To manage risks associated with future variability in cash flows attributable to certain commodity purchases, the Company may use derivative instruments with maturities of 12 months or less as disclosed in Note 23 to hedge the commodity price risk associated with the cost of natural gas and the revenue on the sale of steel.

At March 31, 2021, the Company had commodity-based swap contracts with an aggregate notional quantity of 117,000 net tons outstanding, and a 10% increase in the price of hot-rolled coil (U.S. Midwest Domestic Hot-Rolled Coil Steel (CRU) Index), assuming foreign exchange remains unchanged, would result in approximately $16.8 million decrease in the Company's profit and loss.

35. KEY MANAGEMENT PERSONNEL

The Company's key management personnel, and persons connected with them, are also considered to be related parties for disclosure purposes. Key management personnel are defined as those individuals having authority and responsibility for planning, directing and controlling the activities of the Company and include the executive leadership team (ELT) and the Board of Directors.

Remuneration of the Company's Board of Directors and ELT for the respective periods is as follows:

	Successor			Predecessor
	For the year ended March 31, 2021	**For the year ended March 31, 2020**	**Period from December 1, 2018 to March 31, 2019**	**Period from April 1, 2018 to November 30, 2018**
Salaries and benefits	**$ 3.9**	$ 3.1	$ 1.3	$ 4.4
Director fees	**0.3**	0.3	0.1	—
Share based compensation	**14.1**	—	—	0.1
	$ 18.3	$ 3.4	$ 1.4	$ 4.5

36. SHARE BASED COMPENSATION

Long-term incentive plan

On May 13, 2020, Algoma Steel Holdings Inc. established a long-term incentive plan ("LTIP" or "Plan"), which was approved by the Board of Directors. The LTIP was designed to promote the alignment of senior management and employees of the Company with long-term shareholder interests.

Under the terms of the LTIP, the maximum number of common shares that may be subjected to awards is 10 million common shares, being 10% of the issued and outstanding common shares as at the date of the Plan. The awards issuable under the Plan consists of Restricted Share Units ("RSU"), Director Units ("DU") and Performance Share Units ("PSU").

For the year ended March 31, 2021, the Company recorded a share-based compensation expense of $14.1 million (March 31, 2020 – $nil) in administrative and selling expenses on the Consolidated Statement of Net Loss. No exercises or forfeiture have been recorded to date.

Restricted share units

Under the terms of the LTIP, RSUs may be issued to eligible participants as may be designated by the Board of Directors from time-to-time. RSUs have an exercise price of $0.01 and become exercisable for one common share of the Company immediately prior to the occurrence of a liquidating event, which has meaning given in the Plan. Should the participants' employment with the Company ceases, a cash-out option is available as an alternative method of settlement. Given the alternative settlement options at the election of the participant, the Company has accounted for these awards as cash-settled share-based transactions which are measured at fair value at each reporting date with the changes in fair value recorded in the consolidated statement of net loss. RSUs expire upon the completion of a liquidity event.

On July 31, 2020, 890,000 RSUs were granted to certain senior management of the Company, with a grant date fair value of $10.43 per RSU. The RSUs vest as to one-third of the total grant amount on each of the first three anniversaries of the grant date, with the first anniversary date on March 31, 2020.

As at March 31, 2021, the 890,000 RSUs remain outstanding with an estimated fair value of $17.80 per RSU under the Company's LTIP, for which the Company recognized a liability of $10.0 million in accounts payable and accrued liabilities on the consolidated statements of financial position.

Director's units

Under the terms of the LTIP, DUs may be issued to members of the Board of Directors as may be designated by the Board of Directors from time-to-time in satisfaction of all or a portion of Director fees. The number of DUs to be issued in satisfaction of a payment of Director fees shall be equal to the amount of the Director fees divided by the share value at the grant date. DUs are share-based payments measured at fair value at the date of grant and expensed on a variable vesting basis that is determined to be consistent with the vesting period of RSUs granted on the same day. The grant date fair value takes into account the Company's estimation of the DUs that will eventually vest and adjusts for the effect of non-market based performance conditions. DUs have an exercise price of $0.01 and become exercisable for one common share of the Company immediately prior to the occurrence of a liquidating event, which has meaning given in the Plan. DUs expire upon the completion of a liquidity event.

On July 31, 2020, 46,040 DUs were granted to certain senior management of the Company, with a grant date fair value of $10.43 per DU.

The Black-Scholes option-pricing model assumptions used to estimate the fair value of the DUs at the grant date were as follows:

Options granted (in total on July 31, 2020)	46,040
Grant date share price	$ 10.44
Exercise price	$ 0.01
Expected risk-free interest rate	0.22%
Expected unit price volatility	48.91%
Expected award life (years)	1.67
Grant date fair value of DUs	$ 10.43

As at March 31, 2021, the 46,040 DUs remain outstanding. No exercises or forfeiture of DUs have been recorded to date.

Performance share units

Under the terms of the LTIP, PSUs may be issued to eligible participants as may be designated by the Board of Directors from time-to-time. PSUs are share-based payments measured at fair value at the date of grant and expensed on a variable vesting basis that is determined to be consistent with the vesting period of RSUs granted on the same day. The grant date fair value takes into account the Company's estimation of the PSUs that will eventually vest and adjusts for the effect of market based vesting conditions. PSUs have an exercise price of $0.01 and become exercisable for one common share of the Company immediately prior to the occurrence of a liquidating event, which has meaning given in the Plan. The amount of PSUs that vest and become exercisable is based on an equity value multiple achieved by the Company on the date of the liquidity event, which compares the equity value of the Company on the day of the liquidity event and the grant date. PSUs expire upon the completion of a liquidity event.

On July 31, 2020, 3,560,000 PSUs were granted to certain senior management of the Company, with a grant date fair value of $2.71 per PSU.

The Monte Carlo option-pricing model assumptions used to estimate the fair value of the DSUs at the grant date were as follows:

Options granted (in total on July 31, 2020)	3,560,000
Grant date share price	$ 7.99
Expected risk-free interest rate	0.22%
Expected unit price volatility	50.00%
Expected award life (years)	1.67
Grant date fair value of DUs	$ 2.71

As at March 31, 2021, the 3,560,000 PSUs remain outstanding. No exercises or forfeiture of DUs have been recorded to date.

37. SUBSEQUENT EVENTS

On May 24, 2021, the Company announced it entered into a definitive merger agreement with Legato Merger Corp. that will result in the Company becoming publicly listed. The transaction is expected to close in the third quarter of 2021, subject to the approval of Legato stockholders and the satisfaction or waiver of certain other customary closing conditions, including approvals from Nasdaq and the Toronto Stock Exchange.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of Legato Merger Corp.

Opinion on the Financial Statements

We have audited the accompanying balance sheet of Legato Merger Corp. (the "Company") as of December 31, 2020 and the related statements of operations, changes in stockholders' equity and cash flows for the period from June 26, 2020 (inception) through December 31, 2020, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020, and the results of its operations and its cash flows for the period from June 26, 2020 (inception) through December 31, 2020, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

/s/ WithumSmith+Brown, PC

We have served as the Company's auditor since 2020.

New York, New York
January 21, 2021

Audited Financial Statements of Legato Merger Corp. as of December 31, 2020 and for the period from June 26, 2020 (inception) through December 31, 2020

LEGATO MERGER CORP
BALANCE SHEET
DECEMBER 31, 2020

ASSETS	
Current asset – cash	$ 3,790
Deferred offering costs	103,254
Total assets	$107,044
LIABILITIES AND STOCKHOLDERS' EQUITY	
Current liabilities:	
Accounts payable and accrued expenses	16,836
Notes payable to stockholder	65,000
Total current liabilities	81,836
Commitments and contingencies	
Stockholders' equity:	
Preferred stock, $.0001 par value; 1,000,000 shares authorized; none issued and outstanding	—
Common stock, $.0001 par value; 60,000,000 shares authorized, 6,128,036 shares issued and outstanding[(1)]	613
Additional paid-in capital	25,381
Accumulated deficit	(786)
Total stockholders' equity	25,208
Total liabilities and stockholders' equity	$107,044

(1) This number includes an aggregate of 768,750 shares of common stock subject to forfeiture by the initial stockholder to the extent that the underwriters' over-allotment option is not exercised in full. On January 19, 2021, the Company effected a stock dividend of approximately 0.17 shares for each share outstanding, resulting in 6,128,036 shares issued and outstanding (see Note 7). All share and per-share amounts have been retroactively restated to reflect the share dividend.

The accompanying notes are an integral part of these financial statements.

LEGATO MERGER CORP
STATEMENT OF OPERATIONS
FOR THE PERIOD FROM JUNE 26, 2020 (INCEPTION) THROUGH DECEMBER 31, 2020

Formation and operational costs	$ 786
Net loss	$ (786)
Weighted average shares outstanding, basic and diluted[(1)]	5,359,286
Basic and diluted net loss per common share	$ (0.00)

(1) Excludes an aggregate of 768,750 shares of common stock subject to forfeiture by the initial stockholder to the extent that the underwriters' over-allotment option is not exercised in full. On January 19, 2021, the Company effected a stock dividend of approximately 0.17 shares for each share outstanding, resulting in 6,128,036 shares issued and outstanding (see Note 7). All share and per-share amounts have been retroactively restated to reflect the share dividend.

The accompanying notes are an integral part of these financial statements.

LEGATO MERGER CORP
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE PERIOD FROM JUNE 26, 2020 (INCEPTION) THROUGH DECEMBER 31, 2020

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Stockholders' Equity
	Shares	Amount			
Balance at June 26, 2020 (inception)	—	$ —	$ —	$ —	$ —
Common shares issued to initial stockholders [1]	5,893,750	589	24,411	—	25,000
Issuance of Representative Shares	234,286	24	970	—	994
Net loss	—	—	—	(786)	(786)
Balance at December 31, 2020	**6,128,036**	**$ 613**	**$ 25,381**	**$ (786)**	**$ 25,208**

(1) This number includes an aggregate of 768,750 shares of common stock subject to forfeiture by the initial stockholder to the extent that the underwriters' over-allotment option is not exercised in full. On January 19, 2021, the Company effected a stock dividend of approximately 0.17 shares for each share outstanding, resulting in 6,128,036 shares issued and outstanding (see Note 7). All share and per-share amounts have been retroactively restated to reflect the share dividend.

The accompanying notes are an integral part of these financial statements.

LEGATO MERGER CORP
STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM JUNE 26, 2020 (INCEPTION) THROUGH DECEMBER 31, 2020

Cash flow from operating activities	
Net loss	$ (786)
Changes in operating assets and liabilities:	
Adjustments to reconcile net loss to net cash used in operating activities:	
Accounts payable and accrued expenses	600
Accrued formation and offering costs	786
Net cash provided by operating activities	**600**
Cash flows from financing activities	
Payment of deferred offering costs associated with initial public offering	(74,310)
Proceeds from sale of shares of common stock to initial stockholder	12,500
Proceeds from stockholder note	65,000
Net cash provided by financing activities	**3,190**
Net increase in cash and cash equivalents	**3,790**
Cash at beginning of period	—
Cash at end of period	**$ 3,790**
Supplemental disclosure of non-cash financing activities:	
Offering costs paid by the initial stockholder in exchange for common stock	$ 12,500
Issuance of Representative Shares (see Note 7)	$ 994

The accompanying notes are an integral part of these financial statements.

LEGATO MERGER CORP.
NOTES TO FINANCIAL STATEMENTS

Note 1 – Organization and Plan of Business Operations

Legato Merger Corp. (the "Company") was incorporated in Delaware on June 26, 2020 as a blank check company whose objective is to acquire, through a merger, share exchange, asset acquisition, stock purchase, recapitalization, reorganization or other similar business combination, one or more businesses or entities (a "Business Combination").

At December 31, 2020 the Company had not yet commenced any operations. All activity through December 31, 2020 relates to the Company's formation and the proposed public offering described below. The Company has selected December 31 as its fiscal year-end.

The Company's ability to commence operations is contingent upon obtaining adequate financial resources through a proposed public offering of up to 20,500,000 units at $10.00 per unit (or 23,575,000 units if the underwriters' over-allotment option is exercised in full) ("Units"), which is discussed in Note 3 ("Proposed Public Offering"). Simultaneously with the consummation of the Proposed Public Offering, the holders of the Founder Shares (defined below) and EarlyBirdCapital ("EBC") will commit that they and/or their designees will purchase 542,500 placement units (or 604,000 units if the underwriters' over-allotment option is exercised in full) at a price of $10.00 per unit for an aggregate purchase price of $5.425 million, (or $6.04 million, if the underwriters' over-allotment option is exercised in full) ("Private Units"). All of the proceeds the Company receives from the sale of Private Units will be placed in the trust account described below. The Company's management has broad discretion with respect to the specific application of the net proceeds of this Proposed Public Offering and the sale of Private Units, although substantially all of the net proceeds are intended to be applied generally toward consummating a Business Combination. The Company intends to apply to have the Units listed on the Nasdaq Capital Market ("NASDAQ"). Pursuant to the NASDAQ listing rules, the Company's initial Business Combination must be with a target business or businesses whose collective fair market value is at least equal to 80% of the balance in the trust account at the time of the execution of a definitive agreement for such Business Combination (net of taxes payable), although this may entail simultaneous acquisitions of several target businesses. There is no assurance that the Company will be able to effect a Business Combination successfully.

Upon the closing of the Proposed Public Offering, management has agreed that certain of the proceeds from the Units sold in the Proposed Public Offering and the proceeds of the private placements of the Private Units, will be held in a United States-based trust account ("Trust Account") and held as cash items or invested in United States government treasury bills, bonds or notes, having a maturity of 185 days or less or in money market funds meeting certain conditions under Rule 2a-7 promulgated under the Investment Company Act until the earlier of (i) the consummation of the Company's initial Business Combination (ii) the redemption of any shares of common stock included in the Units being sold in the Proposed Public Offering that have been properly tendered in connection with a stockholder vote to amend the Company's certificate of incorporation to modify the substance or timing of its obligation to redeem 100% of such shares of common stock if it does not complete the Initial Business Combination within 18 months from the closing of the Proposed Public Offering; and (iii) the Company's failure to consummate a Business Combination within the prescribed time. Placing funds in the Trust Account may not protect those funds from third party claims against the Company. Although the Company will seek to have all vendors, service providers, prospective target businesses or other entities it engages, execute agreements with the Company waiving any claim of any kind in or to any monies held in the Trust Account, there is no guarantee that such persons will execute such agreements. An entity affiliated with the Company's Chief SPAC Officer has agreed that it will be liable under certain circumstances to ensure that the proceeds in the Trust Account are not reduced by the claims of target businesses or vendors or other entities that are owed money by the Company for services rendered, contracted for or products sold to the Company. There can be no assurance that it will be able to satisfy those obligations should they arise. The remaining net proceeds (not held in the Trust Account) may be used to pay for business, legal and accounting due diligence on prospective acquisitions and continuing general and administrative expenses. Additionally, certain interest earned on the Trust Account balance may be released to the Company to pay the Company's tax obligations.

The Company, after signing a definitive agreement for the acquisition of a target business, is required to provide stockholders who acquired shares of common stock sold as part of the units in this offering ("Public Shares") in the Proposed Public Offering ("Public Stockholders") with the opportunity to convert their Public Shares for a pro rata share of the Trust Account. The Company will not consummate any Business Combination unless it has at least $5,000,001 of net tangible assets either immediately prior to or upon close of such Business Combination. The holders of the Founder Shares will agree to vote any shares they then hold in favor of any proposed Business Combination and will waive any conversion rights with respect to these shares and the shares included in the Private Units pursuant to letter agreements to be executed prior to the Proposed Public Offering.

In connection with any proposed Business Combination, the Company will seek stockholder approval of an initial Business Combination at a meeting called for such purpose at which Public Stockholders may seek to convert their Public Shares, regardless of whether they vote for or against the proposed Business Combination. Alternatively, the Company may conduct a tender offer and allow conversions in connection therewith. If the Company seeks stockholder approval of an initial Business Combination, any Public Stockholder voting either for or against such proposed Business Combination or not voting at all will be entitled to demand that his Public Shares be converted into a full pro rata portion of the amount then in the Trust Account (initially $10.00 per share, plus any pro rata interest earned on the funds held in the Trust Account and not previously released to the Company or necessary to pay its taxes). Holders of warrants sold as part of the Units will not be entitled to vote on the Proposed Business Combination and will have no conversion or liquidation rights with respect to the shares of common stock underlying such warrants.

Pursuant to the Company's Certificate of Incorporation to be in effect upon consummation of the Proposed Public Offering, if the Company is unable to complete its initial Business Combination within 18 months from the date of the Proposed Public Offering and such date is not otherwise extended by stockholders, the Company will (i) cease all operations except for the purpose of winding up, (ii) as promptly as reasonably possible but not more than ten business days thereafter, redeem 100% of the outstanding public shares and (iii) as promptly as reasonably possible following such redemption, subject to the approval of the remaining holders of common stock and the Company's board of directors, dissolve and liquidate. Holders of warrants will receive no proceeds in connection with the liquidation. The holders of the Founder Shares and the holders of Private Units will not participate in any redemption distribution with respect to their Founder Shares and Private Units, including the common stock included in the Private Units.

If the Company is unable to complete its initial Business Combination and expends all of the net proceeds of the Proposed Public Offering not deposited in the Trust Account, without taking into account any interest earned on the Trust Account, the Company expects that the initial

per-share redemption price for common stock will be $10.00. The proceeds deposited in the Trust Account could, however, become subject to claims of the Company's creditors that are in preference to the claims of the Company's stockholders. In addition, if the Company is forced to file a bankruptcy case or an involuntary bankruptcy case is filed against it that is not dismissed, the proceeds held in the Trust Account could be subject to applicable bankruptcy law, and may be included in its bankruptcy estate and subject to the claims of third parties with priority over the claims of the Company's common stockholders. Therefore, the actual per-share redemption price may be less than approximately $10.00.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements are presented in U.S. dollars in conformity with accounting principles generally accepted in the United States of America ("GAAP") and pursuant to the rules and regulations of the SEC.

In connection with the Company's assessment of going concern considerations in accordance with ASU 2014-15, "Disclosures of Uncertainties about an Entity's Ability to Continue as a Going Concern", as of December 31, 2020, the Company does not have sufficient liquidity to meet its current obligations. However, management has determined that the Company has access to funds from the holders of Founder Shares that are sufficient to fund the working capital needs of the Company until the earlier of the consummation of the Proposed Public Offering or a minimum one year from the date of issuance of these financial statements.

Cash and Cash Equivalents

The Company considers all short-term investments with a maturity of three months or less when purchased to be cash equivalents. As of December 31, 2020, there were no cash equivalents.

Emerging Growth Company

The Company is an "emerging growth company," as defined in Section 2(a) of the Securities Act of 1933, as amended, (the "Securities Act"), as modified by the Jumpstart our Business Startups Act of 2012, (the "JOBS Act"), and it may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in its periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved.

Further, section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. The Company has elected not to opt out of such extended transition period which means that when a standard is issued or revised and it has different application dates for public or private companies, the Company, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of the Company's financial statements with another public company which is neither an emerging growth company nor an emerging growth company which has opted out of using the extended transition period difficult or impossible because of the potential differences in accountant standards used.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentration of credit risk consist of a cash account in a financial institution which, at times may exceed the Federal depository insurance coverage of $250,000. The Company has not experienced losses on these accounts and management believes the Company is not exposed to significant risks on such accounts.

Fair Value of Financial Instruments

The fair value of the Company's assets and liabilities, which qualify as financial instruments under ASC Topic 820, "Fair Value Measurements and Disclosures," approximates the carrying amounts represented in the accompanying balance sheet, primarily due to their short-term nature.

Income Taxes

The Company accounts for income taxes under ASC 740 Income Taxes ("ASC 740"). ASC 740 requires the recognition of deferred tax assets and liabilities for both the expected impact of differences between the financial statements and tax basis of assets and liabilities and for the expected future tax benefit to be derived from tax loss and tax credit carry forwards. ASC 740 additionally requires a valuation allowance to be established when it is more likely than not that all or a portion of deferred tax assets will not be realized.

ASC 740 also clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements and prescribes a recognition threshold and measurement process for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. ASC 740 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. The Company is required to file income tax returns in the United States (federal) and in various state and local jurisdictions. Based on the Company's evaluation, it has been concluded that there are no significant uncertain tax positions requiring recognition in the Company's financial statements. Since the Company was incorporated on June 26, 2020, the evaluation was performed for the upcoming 2020 tax year, which will be the only period subject to examination. The Company believes that its income tax positions and deductions would be sustained on audit and does not anticipate any adjustments that would result in a material change to its financial position.

The Company's policy for recording interest and penalties associated with audits is to record such expense as a component of income tax expense. There were no amounts accrued for penalties or interest as of or during the period from June 26, 2020 (inception) through December 31, 2020. Management is currently unaware of any issues under review that could result in significant payments, accruals or material deviations from its position.

The provision for income taxes and deferred taxes were deemed to be de minimis for the period from June 26, 2020 (inception) through December 31, 2020.

Net Loss per Common Share

Net loss per share is computed by dividing net loss by the weighted average number of shares of common stock outstanding during the period, excluding shares of common stock subject to forfeiture. Weighted average shares were reduced for the effect of an aggregate of 768,750 shares of common stock that are subject to forfeiture if the over-allotment option is not exercised by the underwriters (see Note 7). At December 31, 2020, the Company did not have any dilutive securities and other contracts that could, potentially, be exercised or converted into common stock and then share in the earnings of the Company. As a result, diluted loss per share is the same as basic loss per share for the period presented.

Deferred Offering Costs

Deferred offering costs consist of legal costs incurred through the balance sheet date that are directly related to the Proposed Public Offering that will be charged to stockholders' equity upon the completion of the Proposed Public Offering. Should the Proposed Public Offering prove to be unsuccessful, these deferred costs as well as additional costs to be incurred will be charged to operations.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Making estimates requires management to exercise significant judgment. It is at least reasonably possible that the estimate of the effect of a condition, situation or set of circumstances that existed at the date of the financial statements, which management considered in formulating its estimate, could change in the near-term due to one or more future confirming events. Accordingly, the actual results could differ from those estimates.

Recent Accounting Pronouncements

Management does not believe that any recently issued, but not yet effective, accounting standards if currently adopted would have a material effect on the accompanying financial statements.

Note 3 – Proposed Public Offering

The Proposed Public Offering calls for the Company to offer for public sale up to 20,500,000 Units at a proposed offering price of $10.00 per Unit. In addition, the Company has granted the underwriters a 45-day option to purchase up to an additional 3,075,000 Units at a price of $10.00 per Unit, solely to cover over-allotments, if any. Each Unit consists of one share of the Company's common stock, $0.0001 par value, and one redeemable warrant (the "Warrants"). Each whole warrant offered in the Proposed Public Offering is exercisable to purchase one share of our common stock. Only whole warrants may be exercised. No fractional shares will be issued upon exercise of the warrants. If, upon exercise of the warrants, a holder would be entitled to receive a fractional interest in a share, the Company will, upon exercise, round down to the nearest whole number the number of shares of common stock to be issued to the warrant holder. Each Warrant will become exercisable on the later of 30 days after the completion of the Company's initial Business Combination or and will expire five years after the completion of the Company's initial Business Combination or earlier upon redemption or liquidation. However, if the Company does not complete its initial Business Combination on or prior to the 18-month period allotted to complete the Business Combination, the Warrants will expire at the end of such period. If the Company is unable to deliver registered shares of common stock to the holder upon exercise of the Warrants during the exercise period, there will be no net cash settlement of these Warrants and the Warrants will expire worthless, unless they may be exercised on a cashless basis in the circumstances described in the warrant agreement. Once the warrants become exercisable, the Company may redeem the outstanding warrants in whole and not in part at a price of $0.01 per warrant upon a minimum of 30 days' prior written notice of redemption, only in the event that the last sale price of the Company's shares of common stock equals or exceeds $18.00 per share for any 20 trading days within the 30-trading day period commencing once the warrants become exercisable and ending on the third trading day before the Company sends the notice of redemption to the warrant holders.

Note 4 – Private Placement Units

The holders of the Founder Shares and EBC will commit to purchase 542,500 Private Units at $10.00 per unit (for an aggregate purchase price of $5,425,000) from the Company (604,000 Private Units for an aggregate purchase price of $6,040,000 if the overallotment is exercised in full). These purchases will take place simultaneously with the consummation of the Proposed Public Offering. All of the proceeds received from the sale of the Private Units will be placed in the Trust Account. The Private Units will be identical to the Units being offered in the Proposed Public Offering, except that the holders have agreed (i) to vote the shares of common stock included therein in favor of any proposed Business Combination, (ii) not to convert any shares of common stock included therein into the right to receive cash from the Trust Account in connection with a stockholder vote to approve the proposed initial Business Combination, (iii) that the shares of common stock included therein shall not participate in any liquidating distribution upon winding up if a Business Combination is not consummated and (iv) the warrants included in the Private Units will not be redeemable by the Company and will be exercisable on a cashless basis as long as held by the original purchasers of the Private Units or their permitted transferees. Additionally, the holders have agreed not to transfer, assign or sell any of the units or underlying securities (except to certain permitted transferees) until the completion of the initial Business Combination.

The holders of the Founder Shares, Representative Shares and Private Units (or underlying shares of common stock) will be entitled to registration rights with respect to such securities pursuant to an agreement to be signed prior to or on the effective date of the Proposed Public Offering. The holders of the majority of the Founder Shares are entitled to demand that the Company register these shares at any time commencing three months prior to the first anniversary of the consummation of a Business Combination. The holders of the Representative Shares and Private Units (or underlying shares of common stock) are entitled to demand that the Company register these securities at any time after the Company consummates a Business Combination. In addition, the holders have certain "piggy-back" registration rights on registration statements filed after the Company's consummation of a Business Combination.

Note 5 – Commitments and Contingencies

Risks and Uncertainties

Management continues to evaluate the impact of the COVID-19 pandemic on the industry and has concluded that while it is reasonably possible that the virus could have a negative effect on the Company's financial position, results of its operations, close of the Proposed Public Offering and/or search for a target company, the specific impact is not readily determinable as of the date of these financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Registration Rights

The holders of the Founder Shares (as defined in Note 6) and Representative Shares (as defined below), as well as the holders of the Private Units and any units that may be issued in payment of Working Capital Loans made to Company, will be entitled to registration rights pursuant to an agreement to be signed prior to or on the effective date of the Proposed Public Offering. The holders of a majority of these securities are entitled to make up to three demands that the Company register such securities. The holders of the majority of the Founder Shares can elect to exercise these registration rights at any time commencing three months prior to the date on which these shares of common stock are to be released from escrow. The holders of a majority of the Representative Shares, Private Units and units issued in payment of Working Capital Loans (or underlying securities) can elect to exercise these registration rights at any time after the Company consummates a business combination. Notwithstanding anything to the contrary, EBC may only make a demand on one occasion and only during the five-year period beginning on the effective date of the Proposed Public Offering. In addition, the holders have certain "piggy-back" registration rights with respect to registration statements filed subsequent to the consummation of a Business Combination; provided, however, that EBC may participate in a "piggy-back" registration only during the seven-year period beginning on the effective date of the Proposed Public Offering. The Company will bear the expenses incurred in connection with the filing of any such registration statements.

Underwriting Agreement

The Company will grant the underwriters a 45-day option from the date of Proposed Public Offering to purchase up to 3,075,000 additional Units to cover over-allotments, if any, at the Proposed Public Offering price less the underwriting discounts and commissions.

The underwriters will be entitled to a cash underwriting discount of 2.00% of the gross proceeds of the Proposed Public Offering, or $4,100,000 (or up to $4,715,000 if the underwriters' over-allotment is exercised in full), payable upon the closing of the Proposed Public Offering.

Business Combination Marketing Agreement

The Company will engage EBC as an advisor in connection with a Business Combination to assist the Company in holding meetings with its shareholders to discuss the potential Business Combination and the target business' attributes, introduce the Company to potential investors that are interested in purchasing the Company's securities in connection with a Business Combination, assist the Company in obtaining stockholder approval for the Business Combination and assist the Company with its press releases and public filings in connection with the Business Combination. The Company will pay EBC a cash fee for such services upon the consummation of a Business Combination in an amount equal to 3.5% of the gross proceeds of Proposed Public Offering; provided that up to 33% of the fee may be allocated at the Company's sole discretion to other third parties who are investment banks or financial advisory firms not participating in this offering that assist the Company in identifying and consummating a Business Combination.

Additionally, the Company will pay EBC a cash fee equal to 1.0% of the total consideration payable in the proposed Business Combination if it introduces the Company to the target business with which the Company completes a Business Combination; provided that the foregoing fee will not be paid prior to the date that is 60 days from the effective date of the Proposed Offering, unless FINRA determines that such payment would not be deemed underwriters' compensation in connection with the Proposed Offering pursuant to FINRA Rule 5110.

Note 6 – Related Party Transactions

Founders Shares

In August 2020, the Company issued an aggregate of 5,031,250 shares of common stock (the "Founder Shares") for an aggregate purchase price of $25,000. In January 2021, the Company effected a stock dividend of approximately 0.17 shares for each outstanding share resulting in there being an aggregate of 5,893,750 Founder Shares outstanding. All share and per-share amounts have been retroactively restated to reflect the share dividend. The Founder Shares include an aggregate of up to 768,750 shares subject to forfeiture by the holders to the extent that the underwriters' over-allotment is not exercised in full or in part, so that the holders will collectively own 20% of the Company's issued and outstanding shares after the Proposed Offering (assuming the initial stockholders do not purchase any Public Shares in the Proposed Offering and excluding the Representative Shares (as defined in Note 7)).

The holders of the Founder Shares will agree not to transfer, assign or sell any of the Founder Shares (except to certain permitted transferees) until (i) with respect to 50% of the Founder Shares, the earlier of one year after the completion of a Business Combination and the date on which the closing price of the common shares equals or exceeds $12.50 per share (as adjusted for share splits, share capitalizations, reorganizations and

recapitalizations) for any 20 trading days within any 30-trading day period commencing after a Business Combination and (ii) with respect to the remaining 50% of the Founder Shares, one year after the completion of a Business Combination, or earlier, in either case, if, subsequent to a Business Combination, the Company completes a liquidation, merger, share exchange or other similar transaction which results in all of the Company's shareholders having the right to exchange their ordinary shares for cash, securities or other property.

Promissory Note – Related Party

On August 11, 2020, Eric Rosenfeld, the Company's Chief SPAC Officer, issued a $65,000 principal amount unsecured promissory note to the Company. The note is non-interest bearing and payable on the earlier of (i) August 10, 2021, (ii) the consummation of the Proposed Public Offering or (iii) the date on which the Company determines not to proceed with the Proposed Public Offering. Due to the short-term nature of the note, the fair value of the note approximates the carrying amount. As of December 31, 2020, there was $65,000 outstanding under the promissory note.

Administrative Service Agreement

The Company presently occupies office space provided by an entity controlled by Crescendo Advisors II, LLC. Such entity will agree that until the Company consummates a Business Combination, it will make such office space, as well as general and administrative services including utilities and administrative support, available to the Company as may be required by the Company from time to time. The Company will agree to pay an aggregate of $15,000 per month to Crescendo Advisors II, LLC, an entity controlled by a related party for such services commencing on the effective date of the Proposed Public Offering.

Working Capital Loans

In order to finance transaction costs in connection with a Business Combination, the Initial Shareholders, the Company's officers and directors or their affiliates may, but are not obligated to, loan the Company funds from time to time or at any time, as may be required ("Working Capital Loans"). Each Working Capital Loan would be evidenced by a promissory note. The Working Capital Loans would either be paid upon consummation of a Business Combination, without interest. In the event that a Business Combination does not close, the Company may use a portion of the proceeds held outside the Trust Account to repay the Working Capital Loans, but no proceeds held in the Trust Account would be used to repay the Working Capital Loans. As of December 31, 2020, no Working Capital Loans were outstanding.

Note 7 – Stockholders' Equity

Preferred Stock

The Company is authorized to issue 1,000,000 shares of preferred stock with a par value of $0.0001 per share with such designation, rights and preferences as may be determined from time to time by the Company's board of directors. As of December 31, 2020, there are no shares of preferred stock issued or outstanding.

Common Stock

The Company is authorized to issue 60,000,000 shares of common stock with a par value of $0.0001 per share.

As of December 31, 2020, 6,128,036 shares of common stock, 234,286 of which are Representative Shares (as described below), were issued and outstanding, of which 768,750 shares are subject to forfeiture to the extent that the underwriters' over-allotment option is not exercised in full so that the holders of the Founder Shares will own 20% of the issued and outstanding common shares after the Proposed Public Offering. On January 19, 2021, the Company effected a stock dividend of approximately 0.17 shares for each share outstanding, resulting in 6,128,036 Founder Shares issued and outstanding. All share and per-share amounts have been retroactively restated to reflect the share transaction.

All of these shares will be placed into an escrow account on the closing of the Proposed Public Offering. Subject to certain limited exceptions, these shares will not be released from escrow until the earlier of one year after the date of the consummation of an initial Business Combination and the date on which the closing price of the common stock exceeds $12.50 per share for any 20 trading days within a 30-trading day period following the consummation of an initial Business Combination, or earlier if, subsequent to the Company's initial Business Combination, the Company consummates a subsequent liquidation, merger, share exchange or other similar transaction which results in all of the Company's stockholders having the right to exchange their shares of common stock for cash, securities or other property.

Representative Shares

The Company has issued to the designees of EBC 234,286 shares of common stock (the "Representative Shares") for a nominal consideration. The Company accounted for the Representative Shares as an offering cost of the Proposed Offering, with a corresponding credit to stockholders' equity. The Company estimated the fair value of Representative Shares to be $994 based upon the price of the Founder Shares issued to the Initial Stockholders. The holders of the Representative Shares have agreed not to transfer, assign or sell any such shares until the completion of a Business Combination. In addition, the holders have agreed (i) to waive their redemption rights with respect to such shares in connection with the completion of a Business Combination and (ii) to waive their rights to liquidating distributions from the Trust Account with respect to such shares if the Company fails to complete a Business Combination within the Combination Period.

The Representative Shares have been deemed compensation by FINRA and are therefore subject to a lock-up for a period of 180 days immediately following the effective date of the registration statement related to the Proposed Offering pursuant to Rule 5110(e)(1) of FINRA's NASD Conduct Rules. Pursuant to FINRA Rule 5110(e)(1), these securities will not be the subject of any hedging, short sale, derivative, put or call transaction that would result in the economic disposition of the securities by any person for a period of 180 days immediately following the effective date of the registration statement related to the Proposed Offering, nor may they be sold, transferred, assigned, pledged or hypothecated for a period of 180 days immediately following the effective date of the registration statement related to the Proposed Offering except to any underwriter and selected dealer participating in the Proposed Offering and their bona fide officers or partners.

Note 8 – Subsequent Events

The Company evaluated subsequent events and transactions that occurred after the balance sheet date up to January 21, 2021, the date that the financial statements were available to be issued. Based on this review, the Company did not identify any other subsequent events that would have required adjustment or disclosure in the financial statements other than the following:

On January 19, 2021, the Company effected a stock dividend of approximately 0.17 shares for each share outstanding, resulting in 6,128,036 Founder Shares issued and outstanding. All share and per-share amounts have been retroactively restated to reflect the share transaction.

Unaudited Financial Statements of Legato Merger Corp. for the quarter ended March 31, 2021

Item 1. Interim Financial Statements.

LEGATO MERGER CORP.
CONDENSED BALANCE SHEETS

	March 31, 2021 (Unaudited)	December 31, 2020
ASSETS		
Current assets:		
Cash	$ 487,493	$ 3,790
Prepaid expenses and other current assets	190,373	—
Total current assets	677,866	3,790
Cash and marketable securities held in Trust Account	235,787,065	—
Deferred offering costs	—	103,254
Total assets	$236,464,931	$ 107,044
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	$ —	$ 16,836
Franchise tax payable	47,236	—
Notes payable to stockholder	—	65,000
Total current liabilities	47,236	81,836
Warrant liability	301,910	—
Total liabilities	349,146	81,836
Commitments and contingencies		
Common stock subject to possible redemption, 23,111,578 and 0 shares at redemption value of $10.00 per share as of March 31, 2021 and December 31, 2020, respectively	231,115,780	—
Stockholders' equity:		
Preferred stock, $0.0001 par value; 1,000,000 shares authorized; none issued and outstanding		
Common stock, $0.0001 par value; 60,000,000 shares authorized, 7,195,458 and 6,128,036 shares issued and outstanding (excluding 23,111,578 and 0 shares subject to possible redemption as of March 31, 2021 and December 31, 2020, respectively)[(1)]	719	613
Additional paid-in capital	4,774,549	25,381
Retained earnings (Accumulated deficit)	224,737	(786)
Total stockholders' equity	5,000,005	25,208
Total liabilities and stockholders' equity	$236,464,931	$ 107,044

(1) This number includes 768,750 Founders Shares that are no longer subject to forfeiture due to the underwriter's full exercise of the over-allotment option

The accompanying notes are an integral part of the unaudited condensed financial statements.

LEGATO MERGER CORP.
CONDENSED STATEMENT OF OPERATIONS

	Three months ended March 31, 2021 (unaudited)
General and administrative costs	$ 224,437
Financing cost- derivative warrant liabilities	15,748
Loss from operations	(240,185)
Other Income:	
Change in fair value of warrants	428,642
Investment income on Trust Account	37,066
Income before income tax provision	225,523
Provisions for income taxes	—
Net income	$ 225,523
Weighted average shares outstanding of common stock, basic and diluted-Public Shares	23,575,000
Basic and diluted net income per share, Public Shares	$ 0.00
Weighted average shares outstanding of common stock, basic and diluted-Founders Shares[(1)]	5,923,036
Basic and diluted net income per share, Founders Shares	$ 0.03

(1) This numbers includes 768,750 Founders Shares that are no longer subject to forfeiture due to the underwriter's full exercise of the over-allotment option

The accompanying notes are an integral part of the unaudited condensed financial statements.

LEGATO MERGER CORP.
CONDENSED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

	Common Stock		Additional Paid-In Capital	Retained Earnings (Accumulated Deficit)	Stockholders' Equity
	Shares[(1)]	Amount			
Balance at December 31, 2020 (audited)	**6,128,036**	**$ 613**	**$ 25,381**	**$ (786)**	**$ 25,208**
Sale of units in initial public offering	23,575,000	2,357	235,747,643	—	235,750,000
Offering costs associated with initial public offering	—	—	(5,194,454)	—	(5,194,454)
Sale of private placement units	604,000	60	6,040,000	—	6,040,060
Initial classification of warrant liability			(730,552)		(730,552)
Common stock subject to possible redemption	(23,111,578)	(2,311)	(231,113,469)	—	(231,115,780)
Net income	—	—	—	225,523	225,523
Balance at March 31, 2021 (unaudited)	**7,195,458**	**$ 719**	**$ 4,774,549**	**$ 224,737**	**$ 5,000,005**

(1) This numbers includes 768,750 Founders Shares that are no longer subject to forfeiture due to the underwriter's full exercise of the over-allotment option

The accompanying notes are an integral part of the unaudited condensed financial statements.

LEGATO MERGER CORP.
CONDENSED STATEMENT OF CASH FLOWS

	Three months ended March 31, 2021 (unaudited)
Cash flow from operating activities	
Net income	$ 225,523
Adjustments to reconcile net income to net cash used in operating activities:	
Offering costs attributable to warrants	15,748
Change in fair value of warrant liability	(428,642)
Income earned on investment held in Trust Account	(37,066)
Changes in operating assets and liabilities:	
Prepaid expenses	(190,373)
Franchise tax payable	47,242
Net cash used in operating activities	**(367,568)**
Cash flow from investing activities	
Cash deposited in Trust Account	(235,750,000)
Net cash used in investing activities	**(235,750,000)**
Cash flows from financing activities	
Repayment of note payable- related party	(65,000)
Proceeds from initial public offering	235,750,000
Payment of offering costs associated with initial public offering	(5,123,729)
Proceeds from private placement units	6,040,000
Net cash provided by financing activities	**236,601,271**
Net increase in cash	**483,703**
Cash at beginning of period	3,790
Cash at end of period	**$ 487,493**
Supplemental disclosure of non-cash financing activities:	
Initial Classification of common stock subject to possible redemption	$ 200,114,700
Initial classification of warrant liability	$ 730,552
Change in initial value of common stock subject to possible redemption	31,001,080

The accompanying notes are an integral part of the unaudited condensed financial statements.

Note 1 – Organization and Plan of Business Operations

Legato Merger Corp. (the "Company") is a blank check company incorporated in Delaware on June 26, 2020. The Company was formed for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or other similar business transaction with one or more businesses or assets (a "Business Combination").

The Company is not limited to a particular industry or sector for purposes of consummating a Business Combination, although it intends to initially focus on target businesses in the renewables, infrastructure, engineering and construction and industrial industries. The Company is an early stage and emerging growth company and, as such, the Company is subject to all of the risks associated with early stage and emerging growth companies.

All activity through March 31, 2021 relates to the Company's formation, and the public offering described below and since the public offering, the search for a prospective initial Business Combination. The Company will generate non-operating income in the form of interest income from the proceeds derived from the Initial Public Offering. The Company has selected December 31 as its fiscal year end.

The registration statement for the Company's Initial Public Offering was declared effective on January 19, 2021. On January 22, 2021 the Company consummated the Initial Public Offering of 20,500,000 units at $10.00 per Unit, generating gross proceeds of $205,000,000 which is described in Note 4.

Simultaneously with the closing of the Initial Public Offering, the Company consummated the sale of 542,500 units, at a price of $10.00 per unit in a private placement to certain holders of the Company's founder shares ("Initial Stockholders") and Earlybird Capital, Inc., the representative of the underwriters in the Initial Public Offering ("EBC"), generating gross proceeds of $5,425,000 ("Private Units"), which is described in Note 5.

On January 25, 2021, the underwriters fully exercised their over-allotment option, resulting in an additional 3,075,000 Units issued for an aggregate amount of $30,750,000. In connection with the underwriters' exercise of their over-allotment option, the Company also consummated the sale of an additional 61,500 private units at $10.00 per unit, generating total proceeds of $615,000.

Transaction costs associated with the underwriters' full exercise of their over-allotment option amounted to $4,715,000 in cash underwriting fees. A total of $235,750,000 was deposited into the Trust Account.

Following the closing of the Initial Public Offering on January 22, 2021, $205,000,000 ($10.00 per Unit) from the net proceeds of the sale of the Units in the Initial Public Offering and the sale of the Placement Units was placed in a trust account (the "Trust Account") and was invested in U.S. government securities, within the meaning set forth in Section 2(a)(16) of the Investment Company Act, with a maturity of 185 days or less, or in any open-ended investment company that holds itself out as a money market fund selected by the Company meeting the conditions of Rule 2a-7 of the Investment Company Act, as determined by the Company, until the earlier of: (i) the consummation of a Business Combination; (ii) the redemption of any Public Shares in connection with a stockholder vote to amend the Company's Amended and Restated Certificate of Incorporation to modify the substance or timing of the Company's obligation to redeem 100% of its Public Shares if it does not complete an initial Business Combination within 18 months from the consummation of the Initial Public Offering (the "Combination Period"); or (iii) the distribution of the Trust Account, as described below, except that interest earned on the Trust Account can be released to pay the Company's tax obligations, if the Company is unable to complete an initial Business Combination within the Combination Period or upon any earlier liquidation of the Company.

The Company's management has broad discretion with respect to the specific application of the net proceeds of its Initial Public Offering and Private Units, although substantially all of the net proceeds are intended to be applied generally toward consummating a Business Combination. NASDAQ rules provide that the Company's initial Business Combination must be with one or more target businesses that together have a fair market value equal to at least 80% of the balance in the Trust Account (less taxes payable) at the time of the signing a definitive agreement in connection with a Business Combination. The Company will only complete a Business Combination if the post-Business Combination company owns or acquires 50% or more of the outstanding voting securities of the target or otherwise acquires a controlling interest in the target sufficient for it not to be required to register as an investment company under the Investment Company Act. There is no assurance that the Company will be able to successfully effect a Business Combination.

The Company will provide its stockholders with the opportunity to redeem all or a portion of their Public Shares upon the completion of a Business Combination either (i) in connection with a stockholder meeting called to approve the Business Combination or (ii) by means of a tender offer. The decision as to whether the Company will seek stockholder approval of a Business Combination or conduct a tender offer will be made by the Company, solely in its discretion. The stockholders will be entitled to redeem their Public Shares for a pro rata portion of the amount then on deposit in the Trust Account (initially approximately $10.00 per Public Share, plus any pro rata interest earned on the funds held in the Trust Account and not previously released to the Company to pay its tax obligations). There will be no redemption rights upon the completion of a Business Combination with respect to the Company's warrants.

The Company will proceed with a Business Combination if the Company has net tangible assets of at least $5,000,001 either immediately prior to or upon such consummation of a Business Combination and, if the Company seeks stockholder approval, a majority of the outstanding shares voted are voted in favor of the Business Combination. If a stockholder vote is not required by law and the Company does not decide to hold a stockholder vote for business or other legal reasons, the Company will, pursuant to its Amended and Restated Certificate of Incorporation, conduct the redemptions pursuant to the tender offer rules of the U.S. Securities and Exchange Commission ("SEC"), and file tender offer documents with the SEC prior to completing a Business Combination. If, however, stockholder approval of the transaction is required by law, or the Company decides to obtain stockholder approval for business or other legal reasons, the Company will offer to redeem shares in conjunction with a proxy solicitation pursuant to the proxy rules and not pursuant to the tender offer rules. If the Company seeks stockholder approval in connection with a Business Combination, the Company's officers, directors and initial stockholders (the "Insiders") have agreed to vote their Founder Shares (as defined in Note 5), the shares of common stock included in the Placement Units (the "Placement Shares") and any Public Shares held by them in favor of approving a Business Combination. Additionally, each public stockholder may elect to redeem their Public Shares irrespective of whether they vote for or against the proposed transaction.

The Company will also provide its stockholders with the opportunity to redeem all or a portion of their Public Shares in connection with any stockholder vote to approve an amendment to the Company's Amended and Restated Certificate of Incorporation that would affect the substance or timing of the Company's obligation to redeem 100% of Public Shares if it does not complete an initial Business Combination within the Combination

Period. The stockholders will be entitled to redeem their shares for a pro rata portion of the amount then on deposit in the Trust Account (initially approximately $10.00 per share, plus any pro rata interest earned on the funds held in the Trust Account, net of taxes payable). There will be no redemption rights with respect to the Company's warrants in connection with such a stockholder vote to approve such an amendment to the Company's Amended and Restated Certificate of Incorporation.

The Company will have until the expiration of the Combination Period to consummate its initial Business Combination. If the Company is unable to consummate a Business Combination within the Combination Period, the Company will (i) cease all operations except for the purposes of winding up; (ii) as promptly as reasonably possible but not more than ten business days thereafter, redeem the Public Shares, at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the Trust Account, including any interest earned on the Trust Account not previously released to the Company to pay its tax obligations and up to $100,000 of interest to pay dissolution expenses, divided by the number of then outstanding Public Shares, which redemption will completely extinguish public stockholders' rights as stockholders (including the right to receive further liquidating distributions, if any), subject to applicable law, and; (iii) as promptly as reasonably possible following such redemption, subject to the approval of the Company's remaining stockholders and the Company's board of directors, dissolve and liquidate, subject in the case of clauses (ii) and (iii) to the Company's obligations under Delaware law to provide for claims of creditors and the requirements of other applicable law. There will be no redemption rights or liquidating distributions with respect to the Company's warrants, which will expire worthless if the Company fails to complete a Business Combination within the Combination Period.

The Insiders have agreed to waive their redemption rights with respect to any Founder Shares and Placement Shares, as applicable, (i) in connection with the consummation of a Business Combination, (ii) in connection with a stockholder vote to amend the Company's Amended and Restated Certificate of Incorporation to modify the substance or timing of the Company's obligation to allow redemption as provided in its charter, and (iii) if the Company fails to consummate a Business Combination within the Combination Period. The Insiders have also agreed to waive their redemption rights with respect to any Public Shares held by them in connection with the consummation of a Business Combination and in connection with a stockholder vote to amend the Company's Amended and Restated Certificate of Incorporation as described above. However, the Insiders will be entitled to redemption rights with respect to Public Shares if the Company fails to consummate a Business Combination or liquidates within the Combination Period. In the event of such distribution, it is possible that the per share value of the residual assets remaining available for distribution (including Trust Account assets) will be less than the initial public offering price per Unit in the Initial Public Offering. Placing funds in the Trust Account may not protect those funds from third party claims against the Company. Although the Company will seek to have all vendors, service providers (except our independent registered public accounting firm), prospective target businesses or other entities it engages, execute agreements with the Company waiving any claim of any kind in or to any monies held in the Trust Account, there is no guarantee that such persons will execute such agreements. Crescendo Advisors, LLC, an entity affiliated with Mr. Rosenfeld, the Company's Chief SPAC Officer, has agreed that it will be liable to ensure that the proceeds in the trust account are not reduced below $10.00 per share by the claims of target businesses or claims of vendors or other entities that are owed money by us for services rendered or contracted for or products sold to us. However, the Company has not independently verified whether Crescendo Advisors LLC has sufficient funds to satisfy its indemnity obligations, the Company has not asked it to reserve for such obligations and the Company does not believe it has any significant liquid assets.

The Company previously accounted for its outstanding Private Placement Warrants issued in connection with its Initial Public Offering as components of equity instead of as derivative liabilities. The warrant agreement governing the warrants includes a provision that provides for potential changes to the settlement amounts dependent upon the characteristics of the holder of the warrant.

In connection with the review of the Company's financial statements for the period ended March 31, 2021, the Company's management further evaluated the warrants under Accounting Standards Codification ("ASC") 815-40, "Derivatives and Hedging – Contracts on an Entity's Own Equity" ("ASC 815-40"). ASC 815-40-15 addresses equity versus liability treatment and classification of equity-linked financial instruments, including warrants, and states that a warrant may be classified as a component of equity only if, among other things, the warrant is indexed to the issuer's common stock. Under ASC Section 815-40-15, a warrant is not indexed to the issuer's common stock if the terms of the warrant require an adjustment to the exercise price upon a specified event and that event is not an input to the fair value of the warrant. Based on management's evaluation, the Company's audit committee, in consultation with management and after discussion with the Company's independent registered public accounting firm, concluded that the Company's Private Placement Warrants are not indexed to the Company's common stock in the manner contemplated by ASC 815-40-15 because the holder of the instrument is not an input into the pricing of a fixed-for-fixed option on equity shares.

As a result of the foregoing, the Company corrected certain line items related to the previously audited balance sheet as of January 22, 2021 in the Form 8-K filed with the SEC on January 28, 2021 related to misstatements identified in improperly applying accounting guidance on certain warrants, recognizing them as components of equity instead of a derivative warrant liability under the guidance of ASC 815-40.

The Company also corrected the audited balance sheet to adjust for deferred underwriting commissions that were not present at the Initial Public Offering.

The following balance sheet items as of January 22, 2021 were impacted:

	As Previously Reported	Adjustments	Revised
Balance sheet as of January 22, 2021 (audited)			
Warrant Liability	—	730,552	730,552
Deferred underwriting commission	7,175,000	(7,175,000)	—
Total Liabilities	7,345,291	(6,444,448)	900,843
Common Stock Subject to Possible Redemption	193,670,250	6,444,450	200,114,700
Common Stock	726	(10)	716
Additional Paid-in Capital	5,000,070	15,756	5,015,826
Accumulated deficit	(786)	(15,748)	(16,534)
Total stockholders' equity	5,000,010	(2)	5,000,008

The Company's accounting for the warrants as components of equity instead of as derivative liabilities did not have any effect on the Company's previously reported assets.

Note 3 – Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements are presented in accordance with accounting principles generally accepted in the United States of America ("GAAP") and pursuant to the rules and regulations of the SEC.

The accompanying unaudited condensed financial statements should be read in conjunction with the audited financial statements and notes thereto included in the Company's final prospectus for its Initial Public Offering as filed with the SEC on January 21, 2021. The interim results for the three months ended March 31, 2021 are not necessarily indicative of the results to be expected for the year ending December 31, 2021 or for any future interim periods.

Emerging Growth Company

The Company is an "emerging growth company," as defined in Section 2(a) of the Securities Act of 1933, as amended (the "Securities Act"), as modified by the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"), and it may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the independent registered public accounting firm attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in its periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

Further, Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. The Company has elected not to opt out of such extended transition period which means that when a standard is issued or revised and it has different application dates for public or private companies, the Company, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of the Company's financial statements with another public company which is neither an emerging growth company nor an emerging growth company which has opted out of using the extended transition period difficult or impossible because of the potential differences in accounting standards used.

Use of Estimates

The preparation of the condensed financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed financial statements and the reported amounts of revenues and expenses during the reporting period.

Making estimates requires management to exercise significant judgment. It is at least reasonably possible that the estimate of the effect of a condition, situation or set of circumstances that existed at the date of the financial statement, which management considered in formulating its estimate, could change in the near term due to one or more future confirming events. One of the more significant accounting estimates included in these financial statements is the determination of the fair value of the warrant liability. Such estimates maybe subject to change as more current information becomes available, accordingly the actual results could differ significantly from those estimates.

Cash and Cash Equivalents

The company considers all short-term investments with an original maturity of three months or less when purchased to be a cash equivalent. The Company had no cash equivalents as of March 31, 2021 and December 31, 2020.

Investments held in Trust Account

The Company's portfolio of investments is comprised solely of U.S. government securities, within the meaning set forth in Section 2(a)(16) of the Investment Company Act, with a maturity of 185 days or less, or investments in money market funds that invest in U.S. government securities, or a combination thereof. The Company's investments held in the Trust Account are classified as trading securities. Trading securities are presented on the balance sheet at fair value at the end of each reporting period. Gains and losses resulting from the change in fair value of these securities is included in investment income on Trust Account in the accompanying unaudited condensed statement of operations. The estimated fair values of investments held in the Trust Account are determined using available market information.

The Company had approximately $236.0 million and no investments held in the Trust Account as of March 31, 2021 and December 31, 2020, respectively.

Common stock subject to possible redemption

The Company accounts for its common stock subject to possible redemption in accordance with the guidance in Accounting Standards Codification ("ASC") Topic 480 "Distinguishing Liabilities from Equity." Common stock subject to mandatory redemptions (if any) is classified as a liability instrument and is measured at fair value. Conditionally redeemable common stock (including common stock that feature redemption rights that are either within the control of the holder or subject to redemption upon the occurrence of uncertain events not solely within the Company's control) is

classified as temporary equity. At all other times, common stock is classified as stockholders' equity. The Company's common stock features certain redemption rights that are considered to be outside of the Company's control and subject to occurrence of uncertain future events. Accordingly, at March 31, 2021, 23,111,578 shares of common stock subject to possible redemption is presented as temporary equity, outside of the stockholders' equity section of the Company's condensed balance sheet.

Offering Costs

Offering costs consist of underwriting, legal, accounting and other expenses incurred through the Initial Public Offering that are directly related to the Initial Public Offering. Offering costs amounting to $5,210,204 were charged to stockholders' equity upon the completion of the Initial Public Offering. Offering costs expensed attributable to the private warrants amounted to $15,748.

Warrant Liability

The Company accounts for warrants as either equity-classified or liability-classified instruments based on an assessment of the warrant's specific terms and applicable authoritative guidance in ASC 480, Distinguishing Liabilities from Equity ("ASC 480") and ASC 815, Derivatives and Hedging ("ASC 815"). The assessment considers whether the warrants are freestanding financial instruments pursuant to ASC 480, meet the definition of a liability pursuant to ASC 480, and whether the warrants meet all of the requirements for equity classification under ASC 815, including whether the warrants are indexed to the Company's own shares and whether the warrant holders could potentially require "net cash settlement" in a circumstance outside of the Company's control, among other conditions for equity classification. This assessment, which requires the use of professional judgment, is conducted at the time of warrant issuance and as of each subsequent quarterly period end date while the warrants are outstanding.

For issued or modified warrants that meet all of the criteria for equity classification, the warrants are required to be recorded as a component of additional paid-in capital at the time of issuance. For issued or modified warrants that do not meet all the criteria for equity classification, the warrants are required to be recorded at their initial fair value on the date of issuance, and each balance sheet date thereafter. Changes in the estimated fair value of the warrants are recognized as a non-cash gain or loss on the statements of operations. The fair value of the warrants was estimated using both a probability adjusted Black-Scholes option pricing model and a Monte Carlo simulation approach.

Income Taxes

The Company complies with the accounting and reporting requirements of ASC Topic 740 "Income Taxes," which requires an asset and liability approach to financial accounting and reporting for income taxes. Deferred income tax assets and liabilities are computed for differences between the financial statement and tax bases of assets and liabilities that will result in future taxable or deductible amounts, based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized.

ASC Topic 740 prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. The Company recognizes accrued interest and penalties related to unrecognized tax benefits as income tax expense. There were no unrecognized tax benefits and no amounts accrued for interest and penalties as of January 22, 2021. The Company is currently not aware of any issues under review that could result in significant payments, accruals or material deviation from its position.

The Company may be subject to potential examination by federal, state and city taxing authorities in the areas of income taxes. These potential examinations may include questioning the timing and amount of deductions, the nexus of income among various tax jurisdictions and compliance with federal, state and city tax laws. The Company's management does not expect that the total amount of unrecognized tax benefits will materially change over the next twelve months. The Company is subject to income tax examinations by major taxing authorities since inception. Deferred tax assets were deemed de minimis as of March 31, 2021 and December 31, 2020.

Net Income (Loss) Per Share

The Company complies with accounting and disclosure requirements of FASB ASC Topic 260, "*Earnings Per Share*." Net income per share is computed by dividing net income applicable to common stockholders by the weighted average number of shares of common stock outstanding for the period. The Company has not considered the effect of the warrants and rights sold in the Initial Public Offering and Private Placement to purchase an aggregate of 23,575,000 shares of Public Shares in the calculation of diluted earnings per share, since their inclusion would be anti-dilutive under the treasury stock method. As a result, diluted earnings per share is the same as basic earnings per share for the period.

The Company's statements of operations includes a presentation of income per share for common stock subject to redemption in a manner similar to the two-class method of income per share. Net income per share, basic and diluted for Public Shares is calculated dividing the interest income earned on the Trust Account, net of applicable taxes and funds available to be withdrawn from Trust for working capital purposes, by the weighted average number of Public Shares outstanding since the original issuance. Net income per common share, basic and diluted for Founder Shares is calculated by dividing the net income, less income attributable to Public shares, by the weighted average number of Founder Shares outstanding for the period.

At March 31, 2021, the Company did not have any dilutive securities and other contracts that could, potentially, be exercised or converted into ordinary shares and then participate in the earnings. As a result, diluted income per common share is the same as basic net income per common share for the period presented.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist of a cash account in a financial institution, which, at times, may exceed the Federal Depository Insurance Corporation limit of $250,000. At March 31, 2021 and December 31, 2020, the Company has not experienced losses on this account and management believes the Company is not exposed to significant risks on such account.

Fair Value of Financial Instruments

The fair value of the Company's assets and liabilities, which qualify as financial instruments under ASC Topic 820, "*Fair Value Measurements and Disclosures*," approximates the carrying amounts represented in the accompanying balance sheets, primarily due to their short-term nature.

The Company follows the guidance in ASC 820 for its financial assets and liabilities that are re-measured and reported at fair value at each reporting period, and non-financial assets and liabilities that are re-measured and reported at fair value at least annually.

The fair value of the Company's financial assets and liabilities reflects management's estimate of amounts that the Company would have received in connection with the sale of the assets or paid in connection with the transfer of the liabilities in an orderly transaction between market participants at the measurement date. In connection with measuring the fair value of its assets and liabilities, the Company seeks to maximize the use of observable inputs (market data obtained from independent sources) and to minimize the use of unobservable inputs (internal assumptions about how market participants would price assets and liabilities). The following fair value hierarchy is used to classify assets and liabilities based on the observable inputs and unobservable inputs used in order to value the assets and liabilities:

Level 1: Quoted prices in active markets for identical assets and liabilities. An active market for an asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Observable inputs other than Level 1 inputs. Examples of Level 2 inputs include quoted prices in active markets for similar assets or liabilities and quoted prices for identical assets or liabilities in markets that are not active.

Level 3: Unobservable inputs based on our assessment of the assumptions that market participants would use in pricing the asset or liability.

Recent Accounting Pronouncements

In August 2020, the FASB issued ASU No. 2020-06, Accounting for Convertible Instruments and Contracts in an Entity's Own Equity (ASU 2020-06), which simplifies the accounting for certain financial instruments with characteristics of liabilities and equity, including convertible instruments and contracts in an entity's own equity. Among other changes, ASU 2020-06 removes from U.S. GAAP the liability and equity separation model for convertible instruments with a cash conversion feature, and as a result, after adoption, entities will no longer separately present in equity an embedded conversion feature for such debt. Similarly, the embedded conversion feature will no longer be amortized into income as interest expense over the life of the instrument. Instead, entities will account for a convertible debt instrument wholly as debt unless (1) a convertible instrument contains features that require bifurcation as a derivative under ASC Topic 815, Derivatives and Hedging, or (2) a convertible debt instrument was issued at a substantial premium. Among other potential impacts, this change is expected to reduce reported interest expense, increase reported net income, and result in a reclassification of certain conversion feature balance sheet amounts from stockholders' equity to liabilities as it relates to the Company's convertible senior notes. Additionally, ASU 2020-06 requires the application of the if-converted method to calculate the impact of convertible instruments on diluted earnings per share (EPS), which is consistent with the Company's accounting treatment under the current standard. ASU 2020-06 is effective for fiscal years beginning after December 15, 2021, with early adoption permitted for fiscal years beginning after December 15, 2020, and can be adopted on either a fully retrospective or modified retrospective basis. The Company is currently evaluating the timing, method of adoption and overall impact of this standard on its condensed financial statements.

Management does not believe that any recently issued, but not yet effective, accounting standards, if currently adopted, would have a material effect on the Company's unaudited condensed financial statement.

Note 4 – Initial Public Offering

Pursuant to the Initial Public Offering, the Company sold 20,500,000 Units, at a purchase price of $10.00 per Unit. Each Unit consists of one share of common stock and one redeemable warrant ("Public Warrant"). Each whole Public Warrant entitles the holder to purchase one share of common stock at an exercise price of $11.50 per share, subject to adjustment (see Note 9).

On January 25, 2021, the Company consummated the closing of the sale of an additional 3,075,000 Units ("Option Units") at $10.00 per Option Unit pursuant to the underwriters' exercise in full of their over-allotment option, generating gross proceeds of $30,750,000.

Note 5 – Private Placement

Simultaneously with the Initial Public Offering, the initial stockholders and EBC purchased an aggregate of 542,500 Private Units, at $10.00 per Private Unit for an total purchase price of $5,425,000. Each Private Unit consists of one share of common stock or "private share," and one warrant or "private warrant". The proceeds from the Private Units were added to the proceeds from the Initial Public Offering held in the Trust Account. If the Company does not complete a Business Combination within the Combination Period, the proceeds from the sale of the Private Units will be used to fund the redemption of the Public Shares (subject to the requirements of applicable law) and the Private Warrants will expire worthless. There will be no redemption rights or liquidating distributions from the Trust Account with respect to the private warrants.

On January 25 2021, the Company also consummated the closing of the sale of an additional 61,500 Private Units at $10.00 per Private Unit, generating gross proceeds of $615,000, to the original purchasers of the Private Units in respect of their obligation to purchase such additional Private Units upon the exercise of the underwriters' over-allotment option.

Note 6 – Related Party Transactions

Founders Shares

In August 2020, the Company issued an aggregate of 5,031,250 shares of common stock (the "Founder Shares") for an aggregate purchase price of $25,000. In January 2021, the Company effected a stock dividend of approximately 0.17 shares for each outstanding share resulting in there being an aggregate of 5,893,750 Founder Shares outstanding. All share and per-share amounts have been retroactively restated to reflect the share dividend.

The Founder Shares included an aggregate of up to 768,750 shares that were subject to forfeiture by the holders to the extent that the underwriters' over-allotment was not exercised in full or in part, so that the holders would collectively own 20% of the Company's issued and outstanding shares after the Proposed Offering (assuming the initial stockholders do not purchase any Public Shares in the Proposed Offering and excluding the Representative Shares (as defined in Note 8)). On January 25, 2021, the underwriters fully exercised their over-allotment option, As a result of the underwriters' election to fully exercise their over-allotment option, a total of 768,750 Founder Shares are no longer subject to forfeiture.

The holders of the Founder Shares will agree not to transfer, assign or sell any of the Founder Shares (except to certain permitted transferees) until (i) with respect to 50% of the Founder Shares, the earlier of one year after the completion of a Business Combination and the date on which the closing price of the common shares equals or exceeds $12.50 per share (as adjusted for share splits, share capitalizations, reorganizations and recapitalizations) for any 20 trading days within any 30-trading day period commencing after a Business Combination and (ii) with respect to the remaining 50% of the Founder Shares, one year after the completion of a Business Combination, or earlier, in either case, if, subsequent to a Business Combination, the Company completes a liquidation, merger, share exchange or other similar transaction which results in all of the Company's shareholders having the right to exchange their ordinary shares for cash, securities or other property.

Administrative Service Fee

The Company presently occupies office space provided by an entity controlled by Crescendo Advisors II, LLC. Such entity has agreed that until the Company consummates a Business Combination, it will make such office space, as well as general and administrative services including utilities and administrative support, available to the Company as may be required by the Company from time to time. The Company has agreed to pay an aggregate of $15,000 per month to Crescendo Advisors II, LLC for such services commencing on the effective date of the Initial Public Offering. The Company incurred and paid the affiliate $36,290 for such services for the three months ended March 31, 2021.

Promissory Note – Related Party

On August 11, 2020, Eric Rosenfeld, the Company's Chief SPAC Officer, issued a $65,000 principal amount unsecured promissory note to the Company. The note was non-interest bearing and payable on the earlier of (i) August 10, 2021, (ii) the consummation of the Proposed Public Offering or (iii) the date on which the Company determined not to proceed with the Proposed Public Offering. The outstanding balance at December 31, 2020 was 65,000. The outstanding balance under the Promissory Note of $65,000 was repaid at the closing of the Initial Public Offering on January 22, 2021.

Working Capital Loans

In order to finance transaction costs in connection with a Business Combination, the Initial Shareholders, the Company's officers and directors or their affiliates may, but are not obligated to, loan the Company funds from time to time or at any time, as may be required ("Working Capital Loans"). Each Working Capital Loan would be evidenced by a promissory note. The Working Capital Loans would either be paid upon consummation of a Business Combination, without interest. In the event that a Business Combination does not close, the Company may use a portion of the proceeds held outside the Trust Account to repay the Working Capital Loans, but no proceeds held in the Trust Account would be used to repay the Working Capital Loans. As of March 31, 2021 and December 31, 2020, no Working Capital Loans were outstanding.

Note 7 – Commitments and Contingencies

Risks and Uncertainties

Management continues to evaluate the impact of the COVID-19 pandemic on the industry and has concluded that while it is reasonably possible that the virus could have a negative effect on the Company's financial position, results of its operations, and/or search for a target company, the specific impact is not readily determinable as of the date of the financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Registration Rights

The holders of the founders' shares and representative shares issued and outstanding on the date of this proxy statement/prospectus, as well as the holders of the private units and any units our initial stockholders, officers, directors or their affiliates may be issued in payment of working capital loans made to us (and all underlying securities), will be entitled to registration rights pursuant to an agreement to be signed prior to or on the effective date of this offering. The holders of a majority of these securities are entitled to make up to two demands that the Company register such securities. The holders of the majority of the founders' shares can elect to exercise these registration rights at any time commencing three months prior to the date on which these shares of common stock are to be released from escrow. The holders of a majority of the representative shares, private units and units issued to our initial stockholders, officers, directors or their affiliates in payment of working capital loans made to us (or underlying securities) can elect to exercise these registration rights at any time after the Company consummates a business combination. Notwithstanding anything to the contrary, EBC may only make a demand on one occasion and only during the five-year period beginning on the effective date of the registration statement of which this proxy statement/prospectus forms a part. In addition, the holders have certain "piggy-back" registration rights with respect to registration statements filed subsequent to our consummation of a business combination; provided, however, that EBC may participate in a "piggy-back" registration only during the seven-year period beginning on the effective date of the registration statement of which this proxy statement/prospectus forms a part. The Company will bear the expenses incurred in connection with the filing of any such registration statements.

Underwriting Agreement

The Company granted the underwriters a 45-day option from the date of Initial Public Offering to purchase up to 3,075,000 additional Units to cover over-allotments, if any, at the Initial Public Offering price less the underwriting discounts and commissions. On January 25, 2021, the underwriters exercised the over-allotment option to purchase an additional 3,075,000 Units at $10.00 per Unit. The underwriters were entitled to an underwriting discount of $0.20 per unit, or $4,715,000 paid upon the closing of the Initial Public Offering.

Business Combination Marketing Agreement

The Company has engaged EarlyBirdCapital as an advisor in connection with the business combination to assist in holding meetings with the shareholders to discuss the potential business combination and the target business' attributes, introduce the Company to potential investors that are interested in purchasing the Company's securities in connection with the initial business combination, assist in obtaining shareholder approval for the business combination and assist with the press releases and public filings in connection with the business combination. The Company will pay EarlyBirdCapital a cash fee for such services upon the consummation of the initial business combination in an amount equal to 3.5% of the gross proceeds of this offering (exclusive of any applicable finders' fees which might become payable); provided that up to 33% of the fee may be allocated in our sole discretion to other third parties who are investment banks or financial advisory firms not participating in this offering that assist in identifying and consummating an initial business combination.

Additionally, the Company will pay EarlyBirdCapital a cash fee equal to 1.0% of the total consideration payable in the proposed business combination if it introduces the Company to the target business with which it completes a business combination; provided that the foregoing fee will not be paid prior to the date that is 60 days from the effective date of the registration statement of which this proxy statement/prospectus forms a part, unless FINRA determines that such payment would not be deemed underwriters' compensation in connection with this offering pursuant to FINRA Rule 5110.

Note 8 – Stockholders' Equity

Preferred Stock

The Company is authorized to issue 1,000,000 shares of preferred stock with a par value of $0.0001 per share with such designation, rights and preferences as may be determined from time to time by the Company's board of directors. As of March 31, 2021 and December 31, 2020, there were no shares of preferred stock issued or outstanding.

Common Stock

The Company is authorized to issue 60,000,000 shares of common stock with a par value of $0.0001 per share. Holders of the Company's common stock are entitled to one vote for each share. At March 31, 2021, there were 30,307,036 shares of common stock, 234,286 of which are Representative Shares, issued and outstanding (excluding 23,111,578 shares of common stock subject to possible redemption). At December 31, 2021, there were 6,128,036 shares of common stock issued and outstanding.

Representative Shares

In August 2020, the Company has issued to the designees of EBC 234,286 shares of common stock (the "Representative Shares") for a nominal consideration (after giving effect to the dividend effected in January 2021). The Company accounted for the Representative Shares as an offering cost of the Proposed Offering, with a corresponding credit to stockholders' equity. The Company estimated the fair value of Representative Shares to be $994 based upon the price of the Founder Shares issued to the Initial Stockholders. The holders of the Representative Shares have agreed not to transfer, assign or sell any such shares until the completion of a Business Combination. In addition, the holders have agreed (i) to waive their redemption rights with respect to such shares in connection with the completion of a Business Combination and (ii) to waive their rights to liquidating distributions from the Trust Account with respect to such shares if the Company fails to complete a Business Combination within the Combination Period.

The Representative Shares have been deemed compensation by FINRA and are therefore subject to a lock-up for a period of 180 days immediately following the effective date of the registration statement related to the Proposed Offering pursuant to Rule 5110(e)(1) of FINRA's NASD Conduct Rules. Pursuant to FINRA Rule 5110(e)(1), these securities will not be the subject of any hedging, short sale, derivative, put or call transaction that would result in the economic disposition of the securities by any person for a period of 180 days immediately following the effective date of the registration statement related to the Proposed Offering, nor may they be sold, transferred, assigned, pledged or hypothecated for a period of 180 days immediately following the effective date of the registration statement related to the Proposed Offering except to any underwriter and selected dealer participating in the Proposed Offering and their bona fide officers or partners.

Note 9 – Warrant Liabilities

As of March 31, 2021, the Company had 23,575,000 Public Warrants and 604,000 Private Warrants outstanding. There were no warrants outstanding at December 31, 2020. The Company has accounted for the Public Warrants as equity while the Private Warrants have been accounted for as liabilities.

Warrants – Public Warrants may only be exercised for a whole number of shares. No fractional shares will be issued upon exercise of the Public Warrants. The Public Warrants will become exercisable 30 days after the completion of a Business Combination; provided in that the Company has an effective registration statement under the Securities Act covering the shares of common stock issuable upon exercise of the Public Warrants and a current prospectus relating to them is available. The Company has agreed that as soon as practicable, the Company will use its best efforts to file with the SEC a registration statement for the registration, under the Securities Act, of the shares of common stock issuable upon exercise of the Public Warrants. The Company will use its best efforts to cause the same to become effective and to maintain the effectiveness of such registration statement, and a current prospectus relating thereto, until the expiration of the Public Warrants in accordance with the provisions of the warrant agreement. Notwithstanding the foregoing, if a registration statement covering the shares of common stock issuable upon exercise of the Public Warrants is not effective 90 days following the consummation of Business Combination, warrant holders may, until such time as there is an effective registration statement and during any period when the Company shall have failed to maintain an effective registration statement, exercise warrants on a cashless basis pursuant to the exemption provided by Section 3(a)(9) of the Securities Act, provided that such exemption is available. If that exemption, or another exemption, is not available, holders will not be able to exercise their warrants on a cashless basis. The Public Warrants will expire five years after the completion of a Business Combination or earlier upon redemption or liquidation.

In addition, if (x) the Company issues additional shares of common stock or equity-linked securities for capital raising purposes in connection with the closing of its initial business combination at an issue price or effective issue price of less than $9.20 per share of common stock (with such issue price or effective issue price to be determined in good faith by our board of directors, and in the case of any such issuance to the Company's initial stockholders or their affiliates, without taking into account any founders' shares held by them prior to such issuance), (y) the aggregate gross proceeds from such issuances represent more than 60% of the total equity proceeds, and interest thereon, available for the funding of the initial business combination on the date of the consummation of our initial business combination (net of redemptions), and (z) the volume weighted average trading price of the Company's common stock during the 20 trading day period starting on the trading day prior to the day on which the Company consummates its initial business combination (such price, the "Market Value") is below $9.20 per share, the exercise price of the warrants will be adjusted (to the nearest cent) to be equal to 115% of the greater of (i) the Market Value or (ii) the price at which the Company issues the additional shares of common stock or equity-linked securities.

The Company may redeem the Public Warrants:

- in whole and not in part;
- at a price of $0.01 per warrant;
- at any time during the exercise period;
- upon a minimum of 30 days' prior written notice of redemption; and
- if, and only if, the last sale price of the Company's common stock equals or exceeds $18.00 per share for any 20 trading days within a 30-trading day period ending on the third business day prior to the date on which the Company sends the notice of redemption to the warrant holders.
- If, and only if, there is a current registration statement in effect with respect to the shares of common stock underlying such warrants.

If the Company calls the Public Warrants for redemption, management will have the option to require all holders that wish to exercise the Public Warrants to do so on a "cashless basis," as described in the warrant agreement.

The exercise price and number of shares of common stock issuable upon exercise of the warrants may be adjusted in certain circumstances including in the event of a stock dividend, or recapitalization, reorganization, merger or consolidation. However, the warrants will not be adjusted for issuance of common stock at a price below its exercise price. Additionally, in no event will the Company be required to net cash settle the warrants. If the Company is unable to complete a Business Combination within the Combination Period and the Company liquidates the funds held in the Trust Account, holders of warrants will not receive any of such funds with respect to their warrants, nor will they receive any distribution from the Company's assets held outside of the Trust Account with the respect to such warrants. Accordingly, the warrants may expire worthless.

The warrants included in the Private Units ("Private Warrants") are identical to the Public Warrants, except that the Private Warrants will be exercisable for cash or on a cashless basis, at the holder's option, and be non-redeemable so long as they are held by the initial purchasers or their permitted transferees. If the Private Warrants are held by someone other than the initial purchasers or their permitted transferees, the Private Warrants will be redeemable by the Company and exercisable by such holders on the same basis as the Public Warrants. As of March 31, 2021, the Company had 23,575,000 Public Warrants and 604,000 Private Warrants outstanding. There were no warrants outstanding at December 31, 2020.

Note 10 – Fair Value Measurements

The following tables present information about the Company's assets and liabilities that are measured at fair value on a recurring basis and indicate the fair value hierarchy of the valuation techniques that the Company utilized to determine such fair value.

March 31, 2021

Description	Quoted Price in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Assets:			
Investments held in Trust Account	$ 235,787,065	$ —	$ —
Liabilities:			
Derivative private warrant liabilities	$ —	$ —	$ 301,910

Transfers to/from Levels 1, 2, and 3 are recognized at the end of the reporting period. There were no transfers to/from Levels 1, 2, and 3 securities at the end of the reporting period.

Level 1 instruments include investments in U.S. Treasury securities. The Company uses inputs such as actual trade data, benchmark yields, quoted market prices from dealers or brokers, and other similar sources to determine the fair value of its investments.

The fair value of the Private Placement Warrants were estimated using a Monte Carlo model using the quoted underlying common stock. For the period ended March 31, 2021, the Company recognized income on the unaudited condensed statement of operations resulting from an decrease in the fair value of liabilities of $428,642 presented as change in fair value of derivative warrant liabilities on the accompanying unaudited condensed statement of operations.

The estimated fair value of the Private Placement Warrants prior to being separately listed and traded, is determined using Level 3 inputs. The features in the warrants that were analyzed and incorporated into the model included the variable term, the exercise features, the reset provisions, the

call options and the fundamental transactions terms. The model simulated the underlying economic factors that influenced which of these events would occur, when they were likely to occur, and the specific terms that would be in effect at the time (i.e., stock price, exercise price, etc.). Probabilities were assigned to each variable such as the timing and pricing of events over the term of the instruments based on management projections. This led to a cash flow simulation over the life of the instrument. A discounted cash flow was completed to determine a value for the derivative liability.

The following table provides quantitative information regarding Level 3 fair value measurements inputs utilized to measure the fair value of the Private Placement Warrants at the measurement dates as of March 31, 2021:

	March 31, 2021
Volatility	24.4%
Risk Free Rate	1.14%
Estimated Term Remaining	5.93

The change in the fair value of the derivative warrant liabilities for the three months ended March 31, 2021 is summarized as follows:

Derivative warrant liabilities as of January 1, 2021	$ 0
Issuance of Private warrants	$ 730,552
Change in fair value of derivative warrant liabilities	$(428,642)
Derivative warrant liabilities as of March 31, 2021	$ 301,910

Note 11 – Subsequent Events

The Company evaluated subsequent events and transactions that occurred after the balance sheet date up to the date that the condensed financial statements were issued and have determined there are no such transactions to disclose except for those set forth in Note 2 relating to the correction of certain line items related to the previously audited balance sheet as of January 22, 2021.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

References in this report (the "Quarterly Report") to "we," "us" or the "Company" refer to Legato Merger Corp. References to our "management" or our "management team" refer to our officers and directors. The following discussion and analysis of the Company's financial condition and results of operations should be read in conjunction with the financial statements and the notes thereto contained elsewhere in this Quarterly Report. Certain information contained in the discussion and analysis set forth below includes forward-looking statements that involve risks and uncertainties.

Special Note Regarding Forward-Looking Statements

This Quarterly Report includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act") and Section 21E of the Exchange Act that are not historical facts, and involve risks and uncertainties that could cause actual results to differ materially from those expected and projected. All statements, other than statements of historical fact included in this Form 10-Q including, without limitation, statements in this "Management's Discussion and Analysis of Financial Condition and Results of Operations" regarding the Company's financial position, business strategy and the plans and objectives of management for future operations, are forward-looking statements. Words such as "expect," "believe," "anticipate," "intend," "estimate," "seek" and variations and similar words and expressions are intended to identify such forward-looking statements. Such forward-looking statements relate to future events or future performance, but reflect management's current beliefs, based on information currently available. A number of factors could cause actual events, performance or results to differ materially from the events, performance and results discussed in the forward-looking statements. For information identifying important factors that could cause actual results to differ materially from those anticipated in the forward-looking statements, please refer to the Risk Factors section of the Company's final prospectus for its Initial Public Offering filed with the U.S. Securities and Exchange Commission (the "SEC"). The Company's securities filings can be accessed on the EDGAR section of the SEC's website at www.sec.gov. Except as expressly required by applicable securities law, the Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise.

Overview

We are a blank check company formed under the laws of the State of Delaware on June 26, 2020, for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses. We intend to effectuate our Business Combination using cash from the proceeds of the Initial Public Offering and the sale of the Private Units, our capital stock, debt or a combination of cash, stock and debt.

We expect to continue to incur significant costs in the pursuit of our acquisition plans. We cannot assure you that our plans to raise capital or to complete our initial Business Combination will be successful.

Results of Operations

We have neither engaged in any operations nor generated any revenues to date. Our only activities through March 31, 2021 were organizational activities, those necessary to prepare for the Initial Public Offering and, after our Initial Public Offering, identifying a target company for a Business Combination. We do not expect to generate any operating revenues until after the completion of our Business Combination, at the earliest. We generate non-operating income in the form of interest income on marketable securities held in the Trust Account. We incur expenses as a result of being a public company (for legal, financial reporting, accounting and auditing compliance), as well as for due diligence expenses.

For the three months ended March 31, 2021, we had a net income of $225,523, which consisted of operating costs of $224,437 and offering costs attributable to the private placement warrants of $15,748, offset by an unrealized gain on marketable securities held in the Trust Account of $37,066 and a change in the value of the warrant liabilities by $428,642.

Liquidity and Capital Resources

On January 22, 2021, the Company consummated the Initial Public Offering of 20,500,000 units at $10.00 per Unit, generating gross proceeds of $205,000,000 Simultaneously with the closing of the Initial Public Offering, the Company consummated the sale of 542,500 units, at a price of $10.00 per unit in a private placement to certain holders of the Company's founder shares ("Initial Stockholders") and EarlybirdCapital, Inc., the representative of the underwriters in the Initial Public Offering ("EBC"), generating gross proceeds of $5,425,000 ("Private Units"). On January 25, 2021, the underwriters fully exercised their over-allotment option, resulting in an additional 3,075,000 Units issued for an aggregate amount of $30,750,000. In connection with the underwriters' exercise of their over-allotment option, the Company also consummated the sale of an additional 61,500 private units at $10.00 per unit, generating total proceeds of $615,000.

Following the Initial Public Offering and the sale of the Private Units, a total of $235,750,000 was placed in the Trust Account and we had $861,801 of cash held outside of the Trust Account, after payment of costs related to the Initial Public Offering, and available for working capital purposes. We incurred $5,210,204 in transaction costs, including $4,715,000 of underwriting fees and $495,204 of other costs.

At March 31, 2021, we had marketable securities held in the Trust Account of $235,787,065. We intend to use substantially all of the funds held in the Trust Account (excluding deferred underwriting commissions and interest to pay taxes) to acquire a target business or businesses and to pay our expenses relating thereto. To the extent that our common stock is used in whole or in part as consideration to affect our Business Combination, the remaining proceeds held in the Trust Account as well as any other net proceeds not expended will be used as working capital to finance the operations of the target business or businesses.

As of March 31, 2021, the Company had a cash balance of approximately $487,493 and a working capital balance of $630,629 but $37,066 can be paid with interest income from investments held in the Trust Account, which includes interest income of 37,066 which is available to the Company for tax obligations (as allowed by the Underwriting Agreement). During the quarter ended March 31, 2021, the Company has not withdrawn any interest income to pay its franchise and income taxes.

Until the consummation of a Business Combination, the Company will be using funds held outside of the Trust Account for paying existing accounts payable, identifying and evaluating prospective acquisition candidates, performing business due diligence on prospective target businesses, traveling to and from the offices, plants or similar locations of prospective target businesses, reviewing corporate documents and material agreements of prospective target businesses, selecting the target business to acquire and structuring, negotiating and consummating the business combination. If the Company's estimates of the costs of identifying a target business, undertaking in-depth due diligence and negotiating a Business Combination are less than the actual amount necessary to do so, the Company may have insufficient funds available to operate its business prior to a Business Combination. Moreover, the Company may need to obtain additional financing either to complete a Business Combination or because it becomes obligated to redeem a significant number of its public shares upon completion of a Business Combination, in which case the Company may issue additional securities or incur debt in connection with such Business Combination. In order to finance transaction costs in connection with a Business Combination, our officers, directors and initial stockholders and their affiliates may, but are not obligated to, loan us funds as may be required. If the Company completes a Business Combination, the Company would repay such loaned amounts. In the event that a Business Combination does not close, the Company may use any funds available to it outside of the Trust Account to repay any such loaned amounts.

If the Company is unable to raise additional capital, it may be required to take additional measures to conserve liquidity, which could include, but not necessarily be limited to, suspending the pursuit of a potential transaction. The Company cannot provide any assurance that new financing will be available to it on commercially acceptable terms, if at all.

Off-Balance Sheet Arrangements

We did not have any off-balance sheet arrangements as of March 31, 2021.

Contractual Obligations

We do not have any long-term debt, capital lease obligations, operating lease obligations or long-term liabilities.

Critical Accounting Policies

The preparation of condensed financial statements and related disclosures in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and income and expenses during the periods reported. Actual results could materially differ from those estimates. We have not identified any critical accounting policies.

Recent Accounting Standards

Management does not believe that any recently issued, but not yet effective, accounting standards, if currently adopted, would have a material effect on our condensed financial statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Not required for smaller reporting companies.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our principal executive officer and principal financial and accounting officer, we conducted an evaluation of the effectiveness of our disclosure controls and procedures as of the end of the fiscal quarter ended March 31, 2021, as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. Based upon that evaluation and in light of the SEC Staff Statement, our Certifying Officers concluded that, solely due to the Company's misapplication of the accounting for the Company's warrants as liabilities, our disclosure controls and procedures were not effective as of March 31, 2021. In light of this material weakness, we performed additional analysis as deemed necessary to ensure that our unaudited interim financial statements were prepared in accordance with U.S. generally accepted accounting principles. Accordingly, management believes that the financial statements included in this Quarterly Report on Form 10Q present fairly in all material respects our financial position, results of operations and cash flows for the period presented.

Disclosure controls and procedures are designed to ensure that information required to be disclosed by us in our Exchange Act reports is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There was no change in our internal control over financial reporting that occurred during the fiscal quarter of 2021 covered by this Quarterly Report on Form 10-Q that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting as the circumstances that led to the revision of our financial statements had not yet been identified. Management has implemented remediation steps to address the material weakness and to improve our internal control over financial reporting. Specifically, we expanded and improved our review process for complex securities and related accounting standards. We plan to further improve this process by enhancing access to accounting literature, identification of third-party professionals with whom to consult regarding complex accounting applications and consideration of additional staff with the requisite experience and training to supplement existing accounting professionals.

The Chief Executive Officer and Chief Financial Officer performed additional accounting and financial analyses and other post-closing procedures including consulting with subject matter experts related to the accounting for the Public Warrants and Private Placement Warrants. The Company's management has expended, and will continue to expend, a substantial amount of effort and resources for the remediation and improvement of our internal control over financial reporting. While we have processes to properly identify and evaluate the appropriate accounting technical pronouncements and other literature for all significant or unusual transactions, we have expanded and will continue to improve these processes to ensure that the nuances of such transactions are effectively evaluated in the context of the increasingly complex accounting standards.

AGREEMENT AND PLAN OF MERGER

BY AND AMONG

1295908 B.C. LTD.,

ALGOMA MERGER SUB, INC.,

and

LEGATO MERGER CORP.,

DATED AS OF MAY 24, 2021

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AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER is made and entered into as of May 24, 2021, by and among 1295908 B.C. Ltd., a company organized under the laws of the Province of British Columbia (the "***Company***"), Algoma Merger Sub, Inc., a Delaware corporation and a direct, wholly-owned subsidiary of the Company ("***Merger Sub***"), and Legato Merger Corp., a Delaware corporation ("***SPAC***"). Each of the Company, Merger Sub and SPAC shall individually be referred to herein as a "***Party***" and, collectively, as the "***Parties***." The term "***Agreement***" as used herein refers to this Agreement and Plan of Merger, as the same may be amended from time to time, and all schedules, exhibits and annexes hereto. Defined terms used in this Agreement are listed alphabetically in Section 11.1, together with the section and, if applicable, subsection in which the definition of each such term is located.

RECITALS

WHEREAS, SPAC is a blank check company incorporated for the purpose of effecting a merger, share exchange, asset acquisition, share purchase, reorganization or similar business combination with one or more businesses.

WHEREAS, Merger Sub is a newly incorporated, direct, wholly-owned subsidiary of the Company, and was formed for the sole purpose of consummating the Transactions.

WHEREAS, the board of directors of the Company has unanimously: (a) determined that it is in the best interests of the Company, and declared it advisable, to enter into this Agreement and the Transaction Agreements to which the Company is a party, providing for the Merger and the other Transactions; and (b) approved and recommended, among other things, the approval of, this Agreement, the Transaction Agreements to which the Company is a party and the Transactions by the Company Shareholder.

WHEREAS, the board of directors of Merger Sub has unanimously: (a) determined that it is in the best interests of Merger Sub and the Company (as sole stockholder of Merger Sub), and declared it advisable, to enter into this Agreement and the Transaction Agreements to which Merger Sub is a party, providing for the Merger and the other Transactions; and (b) approved and recommended the adoption and approval of this Agreement by the Company (as sole stockholder of Merger Sub).

WHEREAS, the Company, in its capacity as the sole stockholder of Merger Sub, has: (a) determined that it is in the best interests of Merger Sub, and declared it advisable, for Merger Sub to enter into this Agreement and the Transaction Agreements to which Merger Sub is a party, providing for the Merger and the other Transactions; and (b) approved this Agreement, the Transaction Agreements to which Merger Sub is a party and the Transactions in accordance with Applicable Law, upon the terms and subject to the conditions of this Agreement (the "***Merger Sub Stockholder Approval***").

WHEREAS, the Company Shareholder, in its capacity as the sole stockholder of the Company, has (a) determined that it is in the best interests of the Company, and declared it advisable, for the Company to enter into this Agreement and the Transaction Agreement to which the Company is a party, providing for the Merger and the other Transactions; and (b) approved this Agreement, the Transaction Agreements to which the Company is a party and the Transactions in accordance with Applicable Law, upon the terms and subject to the conditions of this Agreement (the "***Company Shareholder Approval***").

WHEREAS, the Company Investors with requisite ownership of the Company Parent Shares have approved the Transactions in accordance with Applicable Law and the Company Parent Shareholders Agreement, upon the terms and subject to the conditions of this Agreement (the "***Company Investor Approval***").

WHEREAS, the board of directors of SPAC has unanimously: (a) determined that it is advisable, fair to, and in the best interests of SPAC and SPAC's stockholders ("***SPAC Stockholders***") to enter into this Agreement and the Transaction Agreements to which SPAC is a party, providing for the Merger and the other Transactions; and (b) approved and recommended, among other things, the adoption and approval of this Agreement, including authorization of the Merger, by the SPAC Stockholders.

WHEREAS, concurrently with the execution hereof, certain investors (the "***PIPE Investors***") have entered into subscription agreements (the "***Subscription Agreements***") pursuant to which the PIPE Investors have committed to purchase Company Common Shares from the Company or SPAC Shares from SPAC, as specified therein immediately prior to the Effective Time (the "***PIPE Investment***").

WHEREAS, concurrently with the execution and delivery of this Agreement, the Founders will enter into a transaction support agreement (the "***Founder Support Agreement***"), pursuant to which, among other things, the Founders will agree to vote in favor of this Agreement and the other Transaction Agreements to which SPAC is or will be a party and the Transactions (including the Merger).

WHEREAS, concurrently with the execution and delivery of this Agreement, the Company Shareholder, and the Founders have entered into a lockup agreement (the "***Lockup Agreement***"), pursuant to which each of the Company Shareholder and the Founders has agreed with the Company to certain restrictions on the transfer of its Company Common Shares.

WHEREAS, pursuant to the Organizational Documents of SPAC, SPAC is required to provide an opportunity for its public shareholders to have their outstanding SPAC Shares redeemed on the terms and subject to the conditions and limitations set forth in this Agreement, SPAC's Organizational Documents and the Trust Agreement in conjunction with obtaining the SPAC Stockholder Approval.

WHEREAS, for U.S. federal income Tax purposes, the Parties intend that (a) the Merger qualifies as a "reorganization" within the meaning of Section 368(a) of the Code, and the Treasury Regulations promulgated thereunder, (b) this Agreement is and is hereby adopted as a "plan of reorganization" within the meaning of Sections 354, 361 and 368 of the Code and Treasury Regulations Sections 1.368-2(g) and 1.368-3(a), and (c) the Merger will not result in gain being recognized under Section 367(a)(1) of the Code, other than by any SPAC Stockholders who are U.S. persons and who are or will be "five-percent transferee shareholders" within the meaning of Treasury Regulation Section 1.367(a)-3(c)(5)(ii) but who do not enter into gain recognition agreements within the meaning of Treasury Regulation Sections 1.367(a)-3(c)(1)(iii)(B) and 1.367(a)-8 (the "***Intended Tax Treatment***").

WHEREAS, prior to the Closing, the Company shall amend and restate the articles of the Company in the form attached hereto as Exhibit A (the "***Restated Articles***") and alter its notice of articles by filing with the Province of British Columbia Registrar of Companies the Notice of Alteration in the form attached hereto as Exhibit B (the "***Notice of Alteration***"), in each case, with such changes as mutually agreed to by the parties to this Agreement, provided that SPAC's consent shall not be unreasonably withheld, delayed or conditioned.

WHEREAS, prior to the Closing, the Company shall adopt, with the consent of SPAC and the Company which consents shall not be unreasonably withheld, conditioned, or delayed, an incentive equity plan on the terms and conditions set forth herein, to be effective upon and following the Closing (the "***Incentive Equity Plan***").

WHEREAS, prior to the Effective Time, the Company shall effect the Stock Split in accordance with Section 2.1(a).

WHEREAS, following the Stock Split and at the Effective Time, upon the terms and subject to the conditions of this Agreement and in accordance with the Delaware General Corporation Law (the "***DGCL***"), Merger Sub shall merge with and into SPAC (the "***Merger***"), with SPAC continuing as the surviving company after the Merger (the "***Surviving Company***"), as a result of which, SPAC will become a direct, wholly-owned subsidiary of the Company.

WHEREAS, as a result of the Merger, (i) each issued and outstanding share of common stock, par value $0.0001 per share, of SPAC (each, a "***SPAC Share***") shall no longer be outstanding and shall automatically be converted into and exchanged for one Company Common Share and (ii) each outstanding SPAC Warrant shall be assumed by the Company and, subject to the terms of the Warrant Agreement, thereafter exercisable to purchase one (1) Company Common Share.

NOW, THEREFORE, in consideration of the covenants, promises and representations set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE I
THE CLOSING TRANSACTIONS

Section 1.1 Closing. Unless this Agreement shall have been terminated pursuant to Section 8.1, the consummation of the Merger (the "***Closing***"), other than the filing of the Certificate of Merger, shall take place by conference call and by exchange of signature pages by email or other electronic transmission at a time and date to be specified in writing by the Company and SPAC, which shall be no later than the third (3rd) Business Day after the satisfaction or waiver of the conditions set forth in ARTICLE VII (other than those conditions that by their nature are to be satisfied at the Closing, but subject to the satisfaction or waiver of those conditions), or at such other time, date and manner as the Company and SPAC agree in writing (the date on which the Closing occurs, the "***Closing Date***").

Section 1.2 Closing Statements.

(a) On the date of the SPAC Stockholders' Meeting, SPAC shall deliver to the Company written notice setting forth: (i) the aggregate amount of cash proceeds that will be required to satisfy any exercise of the redemption or conversion of SPAC Shares prior to the Closing pursuant to the Organizational Documents of SPAC (the "***SPAC Stockholder Redemptions***"); (ii) SPAC's good faith estimate of the amount of cash that will be in the Trust Account and the amount of SPAC Transaction Costs and Unpaid SPAC Liabilities as of the Closing; and (iii) the number of SPAC Shares and SPAC Warrants to be outstanding as of immediately prior to the Effective Time and after giving effect to the SPAC Stockholder Redemptions (such written notice of (i), (ii) and (iii), together, the "***SPAC Closing Statement***"); provided; however, if the Closing does not occur within five (5) Business Days of the SPAC Stockholders' Meeting, SPAC shall deliver to the Company an updated SPAC Closing Statement.

(b) On the date of the SPAC Stockholders' Meeting, the Company shall provide to SPAC a written notice setting forth: (i) the Company's good faith estimate of the amount of the Company Transaction Costs and (ii) the number of Company Common Shares that will be issued and outstanding immediately following the transactions described in Section 2.1 (such written notice, the "***Company Closing Statement***").

Section 1.3 Closing Deliverables.

(a) At the Closing, SPAC shall:

(i) make any payments required to be made by SPAC or on SPAC's behalf in connection with the SPAC Stockholder Redemptions pursuant to Section 6.10;

(ii) pay, or cause to be paid, all SPAC Transaction Costs and Unpaid SPAC Liabilities to the applicable payees, to the extent not paid prior to the Closing;

(iii) deliver to the Company an executed resignation from each director and officer listed on Schedule 1.3(a)(iii) of the SPAC Disclosure Letter; and

(iv) deliver to the Company the certificate required to be delivered by SPAC pursuant to Section 7.2(d).

(b) At the Closing, the Company shall:

(i) deliver to SPAC a copy of the Restated Articles and a copy of the Notice of Alteration, as filed with the British Columbia Registrar of Companies and the notice of articles issued by the British Columbia Registrar of Companies in connection therewith; and

(ii) deliver to SPAC the certificate required to be delivered by the Company pursuant to Section 7.3(d).

ARTICLE II
TRANSACTIONS

Section 2.1 Stock Split and LTIP Awards. The following transactions will occur on the Closing Date prior to the Effective Time in the following order:

(a) The Company shall take all actions necessary to effectuate, at that time, a stock split such that each Company Common Share (and for the avoidance of doubt, any option, warrant, right or other security convertible into or exchangeable or exercisable therefor) that is issued and outstanding immediately prior to the Effective Time shall be converted (or made exchangeable or exercisable) into a number of Company Common Shares determined by multiplying each such Company Common Share by the Conversion Factor (the "***Stock Split***").

(b) (i) Each LTIP Award that has vested in accordance with the LTIP and that is held by an Eligible Management Shareholder shall be exchanged for a right to acquire a number of Company Common Shares equal to the Conversion Factor (such number of Company Common Shares, the "***LTIP Shares***") for an amount per LTIP Share equal to $0.01 divided by the Conversion Factor, the terms and conditions of exercise of which rights (and disposition of Company Common Shares acquired upon exercise thereof) shall be set out in and governed by an agreement between the Company and the Eligible Management Shareholders, and (ii) immediately thereafter, all LTIP Awards and the LTIP shall be cancelled for no consideration.

(c) The Company shall grant or issue to the Company Shareholder, in respect of each outstanding Company Common Share held thereby, and each Management Shareholder, in respect of each LTIP Share underlying the right to be received by such Management Shareholder pursuant to Section 2.1(b)(i), (i) one (1) First Earnout Right, (ii) immediately following the grant of the First Earnout Rights, one (1) Second Earnout Right, (iii) immediately following the grant of the Second Earnout Rights, one (1) Third Earnout Right and (iv) immediately following the grant of the Third Earnout Rights, one (1) Fourth Earnout Right, with the total number of each of the First Earnout Rights, Second Earnout Rights, Third Earnout Rights and Fourth Earnout Rights issued pursuant to this Section 2.1(c) equal to 75,000,000.

(d) No fraction of a Company Common Share will be issued (or, in the case of the rights granted pursuant to Section 2.1(b), issuable) by virtue of the transactions described in Section 2.1(a), (b) or (c), and to the extent the Company Shareholder or a Management Shareholder would otherwise be so entitled to a fraction of a Company Common Share (after aggregating all fractional Company Common Shares that otherwise would be received by the Company Shareholder or such Management Shareholder, as applicable), the Company Shareholder or such Management Shareholder, as applicable, shall instead be entitled to receive such number of Company Common Shares to which the Company Shareholder or such Management Shareholder, as applicable, would otherwise be entitled, rounded up or down to the nearest whole Company Common Share in the case of Section 2.1(a) or (c) and down in the case of Section 2.1(b).

Section 2.2 Earnout Rights. (a) Earnout Statement for First Earnout Event. As soon as practicable after the Company's completion of the consolidated financial statements for the Group Companies for the three-month period ending December 31, 2021, the Chief Financial Officer of the Company shall deliver to the board of directors of the Company an earnout statement, with detailed calculations, setting forth Adjusted EBITDA and the number of Company Common Shares, if any, to be issued pursuant to the First Earnout Event (the "***Earnout Statement***"). The board of directors of the Company shall review the Earnout Statement and make any adjustments they determine appropriate, after which the board of directors of the Company shall vote on a resolution to approve the Earnout Statement and, if such resolution is approved by a majority of the board of directors of the Company and a majority of disinterested directors, the Earnout Statement as approved shall be final and binding (the "***Final Earnout Statement***").

(b) Issuance of Earnout Shares.

(i) First Earnout Event. Within five (5) Business Days following the date on which the Final Earnout Statement is approved pursuant to Section 2.2(b) (the "***First Earnout Event***"), (x) the Company shall publicly report the occurrence of the First Earnout Event and the Adjusted EBITDA set forth in the Final Earnout Statement and (y) the First Earnout Rights shall be automatically converted into, and the Company shall issue to the holders of the First Earnout Rights, *pro rata* based on the percentage of First Earnout Rights held, that number of Company Common Shares set forth below:

(1) if Adjusted EBITDA, as set forth on the Final Earnout Statement, is less than $674,000,000, no Company Common Shares will be issued pursuant to the First Earnout Event;

(2) if Adjusted EBITDA, as set forth on the Final Earnout Statement, is equal to or greater than $674,000,000, an aggregate of 15,000,000 Company Common Shares (the "***First EBITDA Earnout Issuance***"); *plus*

(3) if Adjusted EBITDA, as set forth on the Final Earnout Statement, is more than $674,000,000, (x) a percentage (not to exceed 100.0%) of 7,500,000 Company Common Shares based on linear interpolation between $674,000,000 (i.e. 0.0%) and $750,000,000 (i.e. 100.0%); solely for illustrative purposes, if (1) Adjusted EBITDA, as set forth on the Final Earnout Statement, is $712,000,000, the number of Company Common Shares issuable pursuant to this clause (x) shall be 3,7500,000 (i.e. 50.0% of 7,500,000) and (2) Adjusted EBITDA, as set forth on the Final Earnout Statement, exceeds $750,000,000, the number of Company Common Shares issuable pursuant to this clause (x) shall be 7,500,000 (i.e. 100.0% of 7,500,000); minus (y) the number of Company Common Shares, if any, previously issued in connection with the Second Earnout Event (the "***Second EBITDA Earnout Issuance***"); *plus*

(4) if Adjusted EBITDA, as set forth on the Final Earnout Statement, is more than $750,000,000, (x) a percentage (not to exceed 100.0%) of 7,500,000 Company Common Shares based on linear interpolation between $750,000,000 (i.e. 0.0%) and $825,000,000 (i.e. 100.0%), minus (y) the number of Company Common Shares, if any, previously issued in connection with the Third Earnout Event (the "***Third EBITDA Earnout Issuance***"); *plus*

(5) if Adjusted EBITDA, as set forth on the Final Earnout Statement, is more than $825,000,000, (x) a percentage (not to exceed 100.0%) of 7,500,000 Company Common Shares based on linear interpolation between $825,000,000 (i.e. 0.0%) and $900,000,000 (i.e. 100.0%), minus (y) the number of Company Common Shares, if any, previously issued in connection with the Fourth Earnout Event (the "***Fourth EBITDA Earnout Issuance***").

(ii) Second Earnout Event. If the First Price Target is met (the "***Second Earnout Event***"), within five (5) Business Days thereof the Second Earnout Rights shall be automatically converted into, and the Company shall issue or cause to be issued to the holders of the Second Earnout Rights, *pro rata* based on the percentage of Second Earnout Rights held, (x) 7,500,000 Company Common Shares, minus (y) the number of Company Common Shares, if any, previously issued in connection with the Second EBITDA Earnout Issuance.

(iii) Third Earnout Event. If the Second Price Target is met (the "***Third Earnout Event***"), within five (5) Business Days thereof the Third Earnout Rights shall be automatically converted into, and the Company shall issue or cause to be issued to the holders of the Third Earnout Rights, *pro rata* based on the percentage of Third Earnout Rights held, (x) 7,500,000 Company Common Shares, minus (y) the number of Company Common Shares, if any, previously issued in connection with the Third EBITDA Earnout Issuance.

(iv) Fourth Earnout Event. If the Third Price Target is met (the "***Fourth Earnout Event***"), within five (5) Business Days thereof the Third Earnout Rights shall be automatically converted into, and the Company shall issue or cause to be issued to the holders of the Third Earnout Rights, *pro rata* based on the percentage of Third Earnout Rights held, (x) 7,500,000 Company Common Shares, minus (y) the number of Company Common Shares, if any, previously issued in connection with the Fourth EBITDA Earnout Issuance.

(v) Any Company Common Shares issued pursuant to this Section 2.2(b) (such issued Company Common Shares, collectively, the "***Earnout Shares***") shall be in full settlement of the applicable Earnout Rights. For the avoidance of doubt, (1) Earnout Shares are issuable in connection with each Earnout Event; provided, however, the maximum number of Earnout Shares issuable in connection with (i) the Second EBITDA Earnout Issuance and the Second Earnout Event, together, shall be 7,500,000, (ii) the Third EBITDA Earnout Issuance and the Third Earnout Event, together, shall be 7,500,000 and (iii) the Fourth EBITDA Earnout Issuance and the Fourth Earnout Event, together, shall be 7,500,000 and (2) if the calculations set forth above with respect to an EBITDA Earnout Issuance or Earnout Event would result in a negative number of Company Common Shares being issued, no Company Common Shares will be issued.

(c) Acceleration Event. If, between the Closing and the five year anniversary of the Closing, there is a Change of Control that will result in the holders of Company Common Shares receiving consideration implying a value per share equal to or in excess of the VWAP required in connection with the Second Earnout Event, Third Earnout Event or Fourth Earnout Event (as adjusted to reflect any stock dividend, share capitalization, reclassification, recapitalization, split, combination, consolidation or exchange of shares, or any similar event related to the Company Common Shares following the Effective Time), then immediately prior to the consummation of such Change of Control: (i) such Earnout Event that has not previously occurred shall be deemed to have occurred; and (ii) the Second Earnout Rights, the Third Earnout Rights or the Fourth Earnout Rights, as applicable, shall automatically be exercised for and converted into, and the Company shall issue to the holders of the applicable Earnout Rights, the applicable Earnout Shares immediately prior to the closing of such transaction in full settlement of such rights. For the avoidance of doubt, in the event that a Change of Control does not result in the holders of Company Common Shares receiving consideration implying a value per share equal to or in excess of the VWAP required in connection with the Second Earnout Event, Third Earnout Event or Fourth Earnout Event (as adjusted to reflect any stock dividend, share capitalization, reclassification, recapitalization, split, combination, consolidation or exchange of shares, or any similar event related to the Company Common Shares following the Effective Time), then the Second Earnout Rights, Third Earnout Rights, and/or Fourth Earnout Rights will automatically terminate for no consideration immediately prior to the closing of such transaction.

(d) Termination. Each Earnout Right will automatically terminate at such time as it is no longer possible pursuant to the terms of this Agreement for Company Common Shares to be issued to the holders of such Earnout Right, which in no event will be later than five (5) years and six (6) Business Days after the Closing Date. For the avoidance of doubt, termination of any Earnout Rights in accordance with this Section 2.2(d) shall have no effect on any Earnout Shares issued or issuable prior to such termination.

(e) Contractual Right. Each Earnout Right (i) is solely a contractual right, (ii) will not initially be evidenced by any certificate or other instrument and (iii) does not give the holder thereof any voting rights or the right to receive interest payments.

(f) Register; Transfer. The Company shall maintain a register of Earnout Rights, with the name, address and email address of each holder thereof as well as any other information regarding the holder thereof that the Company reasonably requests (the "***Rights Register***"). Subject to Applicable Law, including the Securities Act and Canadian Securities Laws, each holder of Earnout Rights may sell, assign, transfer, pledge, encumber or otherwise dispose of (collectively, "***Transfer***") such Earnout Rights, in whole or in part; provided, however, at least ten (10) Business Days prior to any proposed Transfer of Earnout Rights, the holder of such Earnout Rights shall notify the Company in writing of the proposed Transfer, including the name, address and email address of the proposed transferee as well as any other information regarding the proposed transferee that the Company reasonably requests, and provide such certifications and/or legal opinions with respect to the proposed Transfer as the Company may reasonably request. Unless the Company reasonably determines, with the advice of counsel, that a proposed Transfer would violate Applicable Law, it shall register the Transfer in the Rights Register.

(g) Company Conduct. The Company shall be free to conduct its business and the business of the Company Group in the manner it determines to be reasonably prudent and in the best interest of the Company but shall not take any action or omit to take any action that is intended or designed to delay, impede or prevent the occurrence of an Earnout Event, the automatic exercise and conversion of Earnout Rights or the issuance of Earnout Shares in respect thereof.

(h) Adjustment to Earnout Shares. The Earnout Shares shall be adjusted to reflect any stock dividend, share capitalization, reclassification, recapitalization, split, combination, consolidation or exchange of shares, or any similar event related to the Company Common Shares following the Effective Time.

(i) Third-Party Beneficiaries. The provisions of this Section 2.2 shall survive the Closing and expressly are intended to benefit, and are enforceable by, each of the holders of Earnout Rights, and their respective successors, assigns and transferees, each of whom is an intended third-party beneficiary of this Section 2.2.

Section 2.3 Effective Time. Subject to the terms and conditions set forth in this Agreement, on the Closing Date, the Parties shall cause the Merger to be effected by filing a certificate of merger (a "***Certificate of Merger***") with

the Secretary of State of the State of Delaware, in such form as is required by, and executed in accordance with, the relevant provisions of the DGCL and reasonably agreed by the Parties. For purposes of this Agreement, the "***Effective Time***" shall mean the time at which the Certificate of Merger has been duly filed with the Secretary of State of the State of Delaware and has become effective in accordance with the DGCL or such later time as Merger Sub and SPAC may agree and specify in the Certificate of Merger pursuant to the DGCL.

Section 2.4 The Merger. At the Effective Time, upon the terms and subject to the conditions of this Agreement in accordance with the applicable provisions of the DGCL, Merger Sub shall, automatically and without any action on the part of any Party, be merged with and into SPAC, following which the separate corporate existence of Merger Sub shall cease and SPAC shall continue as the Surviving Company after the Effective Time and as a direct, wholly-owned subsidiary of the Company.

Section 2.5 Effect of the Merger. At the Effective Time, the effect of the Merger shall be as provided in this Agreement, the Certificate of Merger and the applicable provisions of the DGCL. Without limiting the generality of the foregoing, and subject thereto, at the Effective Time, all the property, rights, privileges, agreements, powers and franchises, debts, liabilities, duties and obligations of Merger Sub and SPAC shall become the property, rights, privileges, agreements, powers and franchises, debts, liabilities, duties and obligations of the Surviving Company, which shall include the assumption by the Surviving Company of any and all agreements, covenants, duties and obligations of Merger Sub and SPAC set forth in this Agreement to be performed after the Effective Time.

Section 2.6 Governing Documents. At the Effective Time, the certificate of incorporation and bylaws of Merger Sub as in effect immediately prior to the Effective Time shall be the certificate of incorporation and bylaws of the Surviving Company (the "***Surviving Company Charter***"), except all references to the name of Merger Sub shall be replaced by the name of the Surviving Company, until, thereafter changed or amended as provided therein (except that no such change or amendment shall have the effect of affecting the Company's obligations pursuant to Section 6.11(a)) or by Applicable Law.

Section 2.7 Directors and Officers of the Surviving Company.

(a) Immediately after the Effective Time, the board of directors of the Surviving Company shall be the board of directors of Merger Sub immediately prior to the Effective Time, until any such director's or officer's successor is duly elected or appointed and qualified, or until the earlier of their death, resignation or removal.

(b) Immediately after the Effective Time, the officers of the Surviving Company shall be the officers of Merger Sub immediately prior to the Effective Time, each to hold office in accordance with the applicable provisions of the DGCL and the certificate of incorporation and bylaws of the Surviving Company.

Section 2.8 Effect of the Merger on Securities of SPAC and Merger Sub. Upon the terms and subject to the conditions of this Agreement, at the Effective Time, by virtue of the Merger and without any further action on the part of the Parties or any other Person, the following shall occur:

(a) SPAC Units. To the extent any SPAC Units remain outstanding and unseparated, immediately prior to the Effective Time, the SPAC Shares and the SPAC Warrants comprising each such issued and outstanding SPAC Unit immediately prior to the Effective Time shall be automatically separated (the "***Unit Separation***") and the holder of each SPAC Unit shall be deemed to hold one (1) SPAC Share and one (1) SPAC Warrant. The SPAC Shares and SPAC Warrants held following the Unit Separation shall be converted in accordance with the applicable terms of this Section 2.8.

(b) SPAC Shares. At the Effective Time, each issued and outstanding SPAC Share (other than any Excluded Shares and after giving effect to the SPAC Stockholder Redemption) shall be automatically converted into and exchanged for the right to receive from the Exchange Agent, for each SPAC Share, one (1) Company Common Share after giving effect to the Stock Split (the "***Merger Consideration***"), following which, each SPAC Share shall no longer be outstanding and shall automatically be canceled and shall cease to exist by virtue of the Merger and each former holder of SPAC Shares shall thereafter cease to have any rights with respect to the SPAC Shares, except as provided herein or by Applicable Law. The Company shall use reasonable best efforts to cause the Company Common Shares issued pursuant to this Section 2.8(b) to be issued in book-entry form as of the Effective Time. In respect of the

issuance of Company Common Shares pursuant to this Section 2.8(b), an amount shall be added to the capital of the Company Common Shares equal to the lesser of (i) the aggregate fair market value of such Company Common Shares at the Effective Time and (ii) an amount (but no less than zero) equal to (A) the amount by which the aggregate fair market value of the assets of the Surviving Company at the Effective Time (excluding any proceeds attributable to PIPE Shares issued by SPAC to PIPE Investors which are exchanged for Company Common Shares pursuant to the applicable Subscription Agreements) exceeds the aggregate amount of the liabilities of the Surviving Company at the Effective Time minus (B) the amount by which the aggregate fair market value of the assets of Merger Sub immediately prior to the Effective Time exceeds the aggregate amount of the liabilities of Merger Sub immediately prior to the Effective Time.

(c) SPAC Warrants. Pursuant to the terms of the Warrant Agreement, at the Effective Time, by virtue of the Merger and without any action on the part of any holder of a SPAC Warrant, each SPAC Warrant that is issued and outstanding immediately prior to the Effective Time shall automatically and irrevocably be converted into one (1) Company Warrant exercisable, in accordance with the terms of the Warrant Agreement, for one (1) Company Common Share.

(d) Merger Sub Shares. At the Effective Time, each share of common stock, par value $0.0001 per share, of Merger Sub (the "***Merger Sub Shares***") that is issued and outstanding immediately prior to the Effective Time shall automatically convert into one share of common stock, par value $0.0001 per share, of the Surviving Company. The shares of common stock of the Surviving Company shall have the same rights, powers and privileges as the shares so converted and shall constitute the only issued and outstanding share capital of the Surviving Company.

(e) Surviving Company Issuance. In consideration for the issuance by the Company of the Merger Consideration, the Surviving Company shall, at the Effective Time, issue to the Company such number of shares of common stock, par value $0.0001 per share, of the Surviving Company, having an aggregate fair market value (which shall not be less than zero) at that time equal to (i) the amount by which the aggregate fair market value of the assets of the Surviving Company at that time (excluding any proceeds attributable to PIPE Shares issued by SPAC to PIPE Investor which are exchanged for Company Common Shares pursuant to the applicable Subscription Agreements) exceeds the aggregate amount of the liabilities of the Surviving Company at that time minus (ii) the amount by which the aggregate fair market value of the assets of Merger Sub immediately prior to that time exceeds the aggregate amount of the liabilities of Merger Sub immediately prior to that time.

(f) No Liability. Notwithstanding anything to the contrary in this Section 2.8, none of the Parties or the Surviving Company or the Exchange Agent shall be liable to any Person for any amount properly paid to a public official pursuant to any applicable abandoned property, escheat or similar Applicable Law. Any portion of the Merger Consideration remaining unclaimed by SPAC Stockholders immediately prior to such time when the amounts would otherwise escheat to, or become property of, any Governmental Entity shall become, to the extent permitted by Applicable Law, the property of the Company free and clear of any claims or interest of any Person previously entitled thereto.

(g) Excluded Shares. Each SPAC Share held in SPAC's treasury or owned by the Company or Merger Sub or any other wholly-owned subsidiary of the Company or SPAC immediately prior to the Effective Time (each, an "***Excluded Share***"), other than an Excluded Share that is a PIPE Share held by the Company, shall be cancelled and shall cease to exist, and no consideration shall be paid or payable with respect thereto. Each Excluded Share that is a PIPE Share held by the Company shall, at the Effective Time, automatically convert into and be exchanged for such number of shares of common stock, par value $0.0001 per share, of the Surviving Company, having an aggregate fair market value (which shall not be less than zero) equal to the proceeds attributable to the issuance of such PIPE Shares.

(h) Adjustment to Merger Consideration. The Conversion Factor shall be adjusted to reflect appropriately the effect of any stock split, split-up, reverse stock split, stock dividend or stock distribution (including any dividend or distribution of securities convertible into SPAC Shares), reorganization, recapitalization, reclassification, combination, exchange of shares or other like change with respect to SPAC Shares occurring on or after the date hereof and prior to the Closing.

Section 2.9 Delivery of Merger Consideration.

(a) Prior to the Effective Time, the Company shall appoint a Person authorized to act as exchange agent in connection with the transactions contemplated by Sections 2.8(a) through (c), which Person shall be reasonably acceptable to SPAC, with Continental being stipulated to be reasonably acceptable to SPAC (the "***Exchange Agent***"), and enter into an exchange agent agreement reasonably acceptable to the Company and SPAC with the Exchange Agent (the " ***Exchange Agent Agreement***") for the purpose of exchanging, upon the terms and subject to the conditions set forth in this Agreement (including Section 2.10), each SPAC Share on the register of members of SPAC and the SPAC Shares issuable immediately prior to the Effective Time.

(b) All Company Common Shares delivered upon the exchange of SPAC Shares in accordance with the terms of this ARTICLE II shall be deemed to have been exchanged and paid in full satisfaction of all rights pertaining to the securities represented by such SPAC Shares and there shall be no further registration of transfers on the register of members of SPAC of the SPAC Shares that were issued and outstanding immediately prior to the Effective Time.

Section 2.10 Withholding Taxes. Notwithstanding anything in this Agreement to the contrary, SPAC, Merger Sub, the Company, the Surviving Company, the Exchange Agent and their respective Affiliates and Representatives shall be entitled to deduct and withhold from any consideration or other amount payable pursuant to this Agreement any amount required to be deducted and withheld with respect to the making of such payment under Applicable Law. If any such withholding is so required in connection with any such payments (other than compensatory payments to employees of the Group Companies), the Party required to so withhold shall use commercially reasonable efforts to provide written notice to the Party in respect of whom such withholding is required to be paid of the amounts to be deducted and withheld no later than five (5) days prior to such payment. To the extent that amounts are so withheld, such amounts shall be (a) duly and timely paid over to the appropriate Governmental Entity, and (b) treated for all purposes of this Agreement as having been paid to the Person in respect of which such deduction and withholding was made. Upon the written request of any Person with respect to which amounts were deducted or withheld, the payor shall provide such Person with a copy of documentary evidence of remittance of such amounts upon request from such Person. The Parties shall cooperate in good faith with any request to eliminate or reduce any such deduction or withholding (including through the request and provision of any statements, forms, declarations or other documents to reduce or eliminate any such deduction or withholding).

Section 2.11 Taking of Necessary Action; Further Action. If, at any time after the Effective Time, any further action is necessary or desirable to carry out the purposes of this Agreement and to vest the Surviving Company following the Merger with full right, title and possession to all assets, property, rights, privileges, powers and franchises of SPAC and Merger Sub, the officers and directors (or their designees) of the Surviving Company are fully authorized in the name of their respective corporations or otherwise to take, and will take, all such lawful and necessary action, so long as such action is not inconsistent with this Agreement.

Section 2.12 Tax Treatment of the Merger. The Parties hereto intend that the Merger qualifies for the Intended Tax Treatment. To the extent applicable, the Parties intend to prepare and file all U.S. income Tax Returns consistently with the Intended Tax Treatment unless otherwise required by a "determination" within the meaning of Section 1313(a) of the Code (or any similar U.S. state, local or non-U.S. law) or a change in Applicable Law; provided, however, nothing in this Section 2.12 shall prevent any Party or any of their respective Affiliates or Representatives from settling, or require any of them to litigate, any challenge or other similar proceeding by any Governmental Entity with respect to the Intended Tax Treatment. Each Party agrees to use commercially reasonable efforts to promptly notify all other Parties of any challenge to the Intended Tax Treatment by any Governmental Entity.

ARTICLE III
REPRESENTATIONS AND WARRANTIES REGARDING THE COMPANY AND MERGER SUB

Except as set forth in the letter dated as of the date of this Agreement delivered by the Company and Merger Sub to SPAC in connection with the execution and delivery of this Agreement (the "***Company Disclosure Letter***"), the Company and Merger Sub hereby represent and warrant to SPAC as follows:

Section 3.1 Organization and Qualification. The Company is a corporation duly organized and validly existing under the *Business Corporations Act* (British Columbia) (the "***BCBCA***") and has all requisite corporate power and authority to own, lease and operate its assets and properties and to carry on its business as it is now being conducted, except as would not be material to the Group Companies, taken as a whole. The Company is duly licensed or qualified to do business in each jurisdiction in which such properties and assets are owned, leased or operated by it, or the nature of the business conducted by it, makes such qualification or licensing necessary. The Company is not in violation of any of the provisions of the Company's articles or bylaws. Complete and correct copies of the Company's Organizational Documents, as amended and in full force and effect as of the date of this Agreement, have been made available to SPAC or its representatives.

Section 3.2 Company Subsidiaries.

(a) The Company's Subsidiaries, together with their jurisdiction of incorporation or organization, as applicable, are listed on Schedule 3.2(a) of the Company Disclosure Letter (the " ***Company Subsidiaries***"). Each Company Subsidiary has been duly formed or organized and is validly existing under the Applicable Law of its respective jurisdiction of incorporation or organization and has the requisite power and authority to own, lease and operate its assets and properties and to conduct its business as now being conducted, except where the failure to be so formed, organized or existing, or to have such power and authority, would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect. No Company Subsidiary is in violation of any of the provisions of such Company Subsidiary's articles or bylaws. Complete and correct copies of the Organizational Documents of each Company Subsidiary have been made available to SPAC or its representatives.

(b) Each Company Subsidiary is duly licensed or qualified to do business in each jurisdiction in which it is conducting business, or the operation, ownership or leasing of its property or assets or the character of its business activities is such as to require it to be so licensed or qualified, except where the failure to be so licensed or qualified or in good standing would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect.

Section 3.3 Capitalization.

(a) As of the execution of this Agreement, the authorized share capital of the Company consists of an unlimited number of Company Common Shares, of which 100,000,001 Company Common Shares were issued and outstanding and an unlimited number of Company Preferred Shares, of which 0 Company Preferred Shares were issued and outstanding. All of the issued and outstanding Company Common Shares have been duly authorized and validly issued and are fully paid and non-assessable and have not been issued in violation of any preemptive or similar rights. Each Company Common Share has been issued in compliance in all material respects with: (x) Applicable Law; and (y) the Company's Organizational Documents (as in effect at the time of such issuance). Schedule 3.3(a) of the Company Disclosure Letter contains a true and correct list of all Company Common Shares owned by the Company Shareholder as of the execution of this Agreement.

(b) The authorized share capital of Merger Sub is 1,000 Merger Sub Shares. As of the execution of this Agreement, only one Merger Sub Share is issued and outstanding. The sole outstanding Merger Sub Share has been duly authorized, validly issued, fully paid and is non-assessable and is not subject to preemptive rights, and is held by the Company, free and clear of all Liens (other than any restrictions on sales of securities under Applicable Law).

(c) Except as otherwise set forth in this Section 3.3 or in Schedule 3.3(c) of the Company Disclosure Letter, there are no outstanding stock appreciation, phantom stock, stock-based performance unit, profit participation, restricted stock, restricted stock unit or other equity-based compensation award or similar rights with respect to the Company, options, warrants, rights or other securities convertible into or exchangeable or exercisable for Company

Common Shares or Company Preferred Shares, or other subscriptions, commitments or agreements providing for the issuance of additional shares (or other equity interests), the sale of treasury shares, or for the repurchase or redemption of Company Common Shares or Company Preferred Shares, and there are no agreements of any kind which may obligate the Company to issue, purchase, register for sale, redeem or otherwise acquire any of its share capital. Except for the Company's Organizational Documents and this Agreement, there are no registration rights, and there is no voting trust, proxy, rights plan, anti-takeover plan or other agreements or understandings with respect to Company Common Shares.

(d) The outstanding shares of capital stock (or other equity interests) of each of the Company Subsidiaries have been duly authorized and validly issued and (if applicable) are fully paid and non-assessable (where such concepts are applicable) and have not been issued in violation of any preemptive or similar rights. The Company owns beneficially, directly or indirectly, all the issued and outstanding equity interests of such Company Subsidiaries free and clear of any Liens other than (i) as may be set forth on Schedule 3.3(d) of the Company Disclosure Letter; (ii) for any restrictions on sales of securities under applicable securities laws; and (iii) Permitted Liens. There are no outstanding options, warrants, rights or other securities convertible into or exercisable or exchangeable for any shares of capital stock (or other equity interests) of such Company Subsidiaries, any other commitments or agreements providing for the issuance of additional shares (or other equity interests), the sale of treasury shares, or for the repurchase or redemption of such Company Subsidiaries' shares of capital stock (or other equity interests), or any agreements of any kind which may obligate any Company Subsidiary to issue, purchase, register for sale, redeem or otherwise acquire any of its shares of capital stock (or other equity interests). Except for the equity interests of the Company Subsidiaries set forth on Schedule 3.3(d) of the Company Disclosure Letter, neither the Company nor any of the Company Subsidiaries owns, directly or indirectly, any ownership, equity, profits or voting interest in any Person or have any agreement or commitment to purchase any such interest, and has not agreed and is not obligated to make nor is bound by any written, oral or other Contract, binding understanding, option, warranty or undertaking of any nature, as of the date hereof or as may hereafter be in effect under which it may become obligated to make, any future investment in or capital contribution to any other entity.

(e) Except as provided for in this Agreement and the other Transaction Agreements and except as set forth in Schedule 3.3(e) of the Company Disclosure Letter, as a result of the consummation of the Transactions, no share capital, warrants, options or other securities of the Company are issuable and no rights in connection with any shares, warrants, options or other securities of the Company accelerate or otherwise become triggered (whether as to vesting, exercisability, convertibility or otherwise).

(f) Except as set forth in the Financial Statements, neither the Company nor any Subsidiary has any outstanding bonds, debentures, notes, or other debt securities the holders of which have the right to vote with the Company Stockholders on any matter.

Section 3.4 Due Authorization. Each of the Company and Merger Sub has all requisite corporate power and authority to: (a) execute, deliver and perform this Agreement and the other Transaction Agreements to which it is a party; and (b) carry out the Company's and Merger Sub's respective obligations hereunder and thereunder and to consummate the transactions contemplated by the Transaction Agreements to which they are a party (including the Merger), in each case, subject to the consents, approvals, authorizations and other requirements described in Section 3.5. The execution and delivery by each of the Company and Merger Sub of this Agreement and the other Transaction Agreements to which it is a party and the consummation by each of the Company and Merger Sub of the Transactions have been duly and validly authorized by all requisite action, including approval by the respective board of directors of the Company and Merger Sub, the Merger Sub Stockholder Approval, the Company Investor Approval and the Company Shareholder Approval, as required by Applicable Law, and, other than the consents, approvals, authorizations and other requirements described in Section 3.5, no other corporate proceeding on the part of the Company or Merger Sub is necessary to authorize this Agreement. This Agreement and the other Transaction Agreements to which it is a party have been duly and validly executed and delivered by each of the Company and Merger Sub and (assuming this Agreement constitutes a legal, valid and binding obligation of SPAC) constitute the legal, valid and binding obligation of the Company and Merger Sub (as applicable), enforceable against the Company and Merger Sub (as applicable) in accordance with their terms, subject to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and similar laws affecting creditors' rights generally and subject, as to enforceability, to general principles of equity (collectively, the "***Remedies Exception***").

Section 3.5 No Conflict; Governmental Consents and Filings.

(a) Subject to the receipt of the consents, approvals, authorizations and other requirements set forth in Section 3.5(b), the execution, delivery and performance of this Agreement (including the consummation by the Company of the transactions contemplated hereby) and the other Transaction Agreements to which each of the Company and Merger Sub is a party, by the Company and Merger Sub do not and will not: (i) violate any provision of, or result in the breach of, any Applicable Law to which any of the Group Companies is subject or by which any property or asset of any of the Group Companies is bound; (ii) conflict with or violate the Organizational Documents of any of the Group Companies; (iii) violate any provision of or result in a breach, default or acceleration of, or require a consent under, any Company Material Contract, or terminate or result in the termination of any Company Material Contract, or result in the creation of any Lien under any Company Material Contract upon any of the properties or assets of any of the Group Companies, or constitute an event which, after notice or lapse of time or both, would result in any such violation, breach, default, acceleration, termination or creation of a Lien; or (iv) result in a violation or revocation of any required Approvals, except to the extent that the occurrence of any of the foregoing items would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect.

(b) Assuming the truth of the representations and warranties of SPAC contained in this Agreement, the execution and delivery by each of the Company and Merger Sub of this Agreement and the other Transaction Agreements to which it is a party or the consummation of the Transactions (including the Merger) by the Company and Merger Sub, do not, and the performance of their respective obligations hereunder and thereunder will not, require any consent, notice, approval or authorization or permit of, or designation, declaration or filing with or notification to, any Governmental Entity, except for: (i) any consents, notices, approvals, authorizations, designations, declarations or filings, the absence of which would not reasonably be expected to have a Company Material Adverse Effect; (ii) applicable requirements, if any, of the Securities Act, the Exchange Act, Canadian Securities Laws, blue sky laws, and the rules and regulations thereunder, and appropriate documents with the relevant authorities of other jurisdictions in which any of the Group Companies is qualified to do business; (iii) the filing of the Certificate of Merger in accordance with the DGCL; and (iv) the filing of the Notice of Alteration in accordance with the BCBCA.

Section 3.6 Legal Compliance; Approvals.

(a) Each of the Group Companies has, since November 30, 2018, complied in all respects with, and is not in violation of, any Applicable Law with respect to the conduct of its business, or the ownership or operation of its business, except for any such non-compliance or violation that, individually or in the aggregate, have not had and would not reasonably be expected to have a Company Material Adverse Effect. Except as, individually or in the aggregate, has not had, and would not reasonably be expected to have, a Company Material Adverse Effect, and no written, or to the Knowledge of the Company, oral notice of material non-compliance with any Applicable Law has been received since November 30, 2018 by any of the Group Companies.

(b) Each Group Company is in possession of all franchises, grants, authorizations, licenses, permits, consents, certificates, approvals and orders from Governmental Entities ("***Approvals***") necessary to own, lease and operate the properties it purports to own, operate or lease and to carry on its business as it is now being conducted and is in compliance with all terms and conditions of such Approvals, in each case, except where the failure to have such Approvals or be in compliance therewith would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect. No Legal Proceeding is pending or, to the Knowledge of the Company, threatened in writing, to suspend, revoke, withdraw, modify or limit any such Approval, except where the failure to have such Approvals would not, individually or in the aggregate, reasonably be expected to be material to the Company and its Subsidiaries, taken as a whole.

Section 3.7 Financial Statements.

(a) Set forth on Schedule 3.7(a) of the Company Disclosure Letter are: (i) the audited consolidated financial statements of Algoma Steel Inc., consisting of the consolidated statements of financial position as at March 31, 2020 and 2019, and the consolidated statements of net income (loss), comprehensive loss, changes in shareholder's equity and cash flows for the years then ended, and the notes to the consolidated financial statements (the "***Audited Financial Statements***"); (ii) the condensed interim consolidated financial statements of Algoma Steel Inc., consisting of the consolidated statements of financial position as at December 31, 2020 and March 31, 2020, and the

consolidated statements of net income (loss), comprehensive loss, changes in shareholder's equity and cash flows for the three and nine months ended December 31, 2020 and 2019, and notes to the consolidated financial statements (the "***Interim Financial Statements***" and, together with the Audited Financial Statements, the "***Financial Statements***"). Except as set forth on Schedule 3.7(a) of the Company Disclosure Letter, the Financial Statements present fairly, in all material respects, the consolidated financial position and the consolidated financial performance of Algoma Steel Inc. as of the dates and for the periods indicated in such Financial Statements, and have been prepared in all material respects, in conformity with IFRS (except in the case of the Interim Financial Statements for the absence of footnotes and other presentation items and, in the case of the Interim Financial Statements, for normal year-end adjustments, the effect of which will not, individually or in the aggregate, be material).

(b) Algoma Steel Inc. has established and maintained a system of internal control over financial reporting that are sufficient to provide reasonable assurance (i) that transactions, receipts and expenditures of Algoma Steel Inc. and its Subsidiaries are being executed and made only in accordance with appropriate authorizations of management of Algoma Steel Inc. and (ii) that transactions are recorded as necessary to permit preparation of financial statements in conformity with IFRS and to maintain accountability for assets. Neither the Company, any Subsidiary, nor, to the Knowledge of the Company, an independent auditor of Algoma Steel Inc. has identified or been made aware of any significant deficiency or material weakness in the internal control over financial reporting utilized by Algoma Steel Inc.

Section 3.8 No Undisclosed Liabilities. There is no liability, debt or obligation (absolute, accrued, contingent or otherwise) of Algoma Steel Inc. of a type required to be reflected or reserved for on a balance sheet prepared in accordance with IFRS, except for liabilities, debts and obligations: (a) provided for in, or otherwise reflected or reserved for on the Financial Statements or disclosed in the notes thereto; (b) that have arisen since December 31, 2020 in the ordinary course of business of Algoma Steel Inc.; (c) incurred in connection with the transactions contemplated by this Agreement; or (d) which would not, individually or in the aggregate, reasonably be expected to be material to Algoma Steel Inc.

Section 3.9 Absence of Certain Changes or Events. Except as contemplated by this Agreement, between March 31, 2020 and the execution of this Agreement, (a) each of the Group Companies has conducted its business in the ordinary course, except as required by Applicable Law (including COVID-19 Measures) or as reasonably necessary or prudent in light of COVID- 19 and (b) there has not been any change, event, state of facts, development or occurrence that, individually or in the aggregate, has had or would reasonably be expected to have a Company Material Adverse Effect.

Section 3.10 Litigation. As of the execution of this Agreement, except as disclosed in Schedule 3.10 of the Company Disclosure Letter and as would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect, there are: (a) no Legal Proceedings pending or, to the Knowledge of the Company, threatened against any of the Group Companies or any of their properties or assets, or any of the directors or officers of any of the foregoing in their capacity as such; (b) to the Knowledge of the Company, no facts or circumstances that would reasonably be expected to give rise to any material Legal Proceeding, (c) no pending or, to the Knowledge of the Company, threatened in writing to any of the Group Companies, audits, examinations or investigations by any Governmental Entity against any of the Group Companies; and (d) no pending or threatened in writing Legal Proceedings by any of the Group Companies against any third party.

Section 3.11 Collective Bargaining Agreements.

(a) Except as set forth on Schedule 3.11(a) of the Company Disclosure Letter, neither the Company nor any of its Subsidiaries is subject to any Collective Bargaining Agreements, certifications, interim certifications, or voluntary recognition agreements with any union, council of trade unions, employee bargaining agency, work council, or any other labor representative of any employees of the Company or its Subsidiaries. Neither the Company nor any of its Subsidiaries is in violation of any provision under any Collective Bargaining Agreement, except such violations as would not have or would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect.

(b) Except as set forth on Schedule 3.11(b) of the Company Disclosure Letter, there are no actual, or to the Knowledge of the Company, pending organizing activities of any union, council of trade unions, employee bargaining agency, work council, or any other labor representative to establish bargaining rights with respect to any employees of the Company or its Subsidiaries.

Section 3.12 Company Benefit Plans.

(a) Schedule 3.12(a) of the Company Disclosure Letter sets forth a true and correct list of all Company Benefit Plans. True and correct copies of the following, as applicable, have been made available to SPAC: (i) the texts of the Company Benefit Plans and all amendments thereto; (ii) copies of all material correspondence since November 30, 2018 with any Governmental Entity relating to a Company Benefit Plan; (iii) the summary plan description or employee booklet for each Company Benefit Plan; (iv) all trust agreements, funding agreements, participation agreements or insurance contracts relating to a Company Benefit Plan; (v) the most recent actuarial report, if any; (vi) the most recent financial report, if any; and (vii) the most recent determination letter from the IRS or evidence of registration under the Tax Act, if any.

(b) All Company Benefit Plans are and have been established, registered (where required), administered and invested (where applicable) in all material respects: (A) in accordance with all Applicable Law; and (B) in accordance with their terms and (C) in accordance with any applicable Collective Bargaining Agreement. No fact or circumstance exists which could adversely affect the tax-preferred or tax-exempt status of any Company Benefit Plan or any related trust entitled to such status.

(c) All current obligations of the Company or any of its Subsidiaries regarding the Company Benefit Plans have been satisfied in all material respects. All material contributions, premiums, payments or Taxes required to be made or paid by the Company or any of its Subsidiaries, as the case may be, under the terms of each Company Benefit Plan, any applicable Collective Bargaining Agreement, or by Applicable Law in respect of Company Benefit Plans have been made and/or accrued in a timely fashion in accordance therewith and with IFRS. Except as set forth on Section 3.12(c) of the Company Disclosure Letter, neither the Company nor any of its Subsidiaries has any obligations in respect of any defined benefit pension plans or Multiemployer Plans.

(d) There does not now exist, nor do any circumstances exist that could result in, any Controlled Group Liability that would be a liability of the Company or any of its subsidiaries following the Closing. Without limiting the generality of the foregoing, neither the Company nor any of its Subsidiaries, nor any of their respective ERISA Affiliates, has engaged in any transaction described in Section 4069 or Section 4204 or 4212 of ERISA.

(e) Except as set forth on Schedule 3.12(e) of the Company Disclosure Letter, no notice of under-funding, non-compliance, or failure to be in good standing has been received by the Company or any of its Subsidiaries from any Governmental Entity in respect of any Company Benefit Plan, and there is no actual, threatened, pending or, to the Knowledge of the Company, anticipated action relating to a Company Benefit Plan.

(f) Except as set forth on Schedule 3.12(f) of the Company Disclosure Letter, no Company Benefit Plan provides post-retirement or post-employment health or other welfare benefits to or in respect of either the former employees or beneficiaries of the former employees of the Company or any of its Subsidiaries, except for health continuation coverage as required by Section 4980B of the Code or Part 6 of Title I of ERISA and at no expense to the Company and its Subsidiaries.

(g) Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated by this Agreement shall, either alone or in connection with any other event(s), give rise to any "excess parachute payment" as defined in Section 280G(b)(1) of the Code or any excise tax owing under Section 4999 of the Code.

(h) Except as set forth on Schedule 3.12(h) of the Company Disclosure Letter, the Company maintains no obligations to gross-up, make-whole or reimburse any individual for any tax or related interest or penalties incurred by such individual, including under Sections 409A or 4999 of the Code or otherwise.

Section 3.13 Labor Relations.

(a) Since November 30, 2018, (i) there have been no strikes, work stoppages, slowdowns, or lockouts pending, or, to the Knowledge of the Company, threatened in writing against or involving the Company or any Subsidiary except for those which, individually or in the aggregate, would not reasonably be expected to be material to the Company and its Subsidiaries, taken as a whole, and (ii) there have been no arbitrations or grievances or other labor disputes (including unfair labor practice charges, grievances, or complaints) pending, or, to the Knowledge of the Company, threatened in writing against or involving the Company or any Subsidiary involving any employee of the Company or such Subsidiary, except for those which, individually or in the aggregate, would not reasonably be expected to have a Company Material Adverse Effect.

(b) There are no complaints, charges or claims against the Company pending or, to Knowledge of the Company, threatened in writing before any Governmental Entity based on, arising out of, in connection with or otherwise relating to the employment, termination of employment or failure to employ by the Company, of any individual, except for those which, individually or in the aggregate, would not reasonably be expected to have a Company Material Adverse Effect.

(c) The Company is, and since November 30, 2018 has been, in material compliance with all Applicable Law relating to the employment of labor, including as relating to hiring, termination of employment, wages (including minimum wage and overtime), fringe benefits, social benefits, hours and days of work (including, for the avoidance of doubt, working during rest days and holidays), reasonable accommodation, enforcement of labor laws, child labor, discrimination, harassment, sexual harassment, civil rights, immigration, withholdings and deductions and payments, classification and payment of employees, independent contractors, and consultants, employment equity, collective bargaining, employment practice, occupational health and safety, workers' compensation, and immigration, except for instances of noncompliance which, individually or in the aggregate, would not reasonably be expected to have a Company Material Adverse Effect.

(d) Since November 30, 2018, to the Knowledge of the Company, there have been no employment discrimination or employment or sexual harassment or sexual misconduct allegations raised, brought, threatened, or settled, in each case in writing, relating to any current or former appointed officer or director of any Group Company involving or relating to his or her services provided to any Group Company. The policies and practices of the Group Companies comply with all Applicable Law concerning employment discrimination and employment harassment, except as would not, individually or in the aggregate, reasonably be expected to be material to the Group Companies, taken as a whole. Since November 30, 2018, neither the Company nor any Company Subsidiaries has entered into any material settlement agreements resolving, in whole or in part, allegations of sexual harassment or sexual misconduct by any current or former appointed officer or director.

(e) Except as would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect, the execution and delivery of this Agreement and the other Transaction Agreements to which the Company is a party and the performance of the Company hereunder and thereunder do not require the Company to seek or obtain any consent, engage in consultation with, or issue any notice to any unions or labor organizations.

(f) All contributions and premiums required to be paid to all statutory plans and all necessary statutory withholdings to which the Company and its Subsidiaries are required to comply with, including the Canada Pension Plan and plans administered pursuant to applicable provincial health tax, workers' compensation or workplace safety and insurance and employment insurance laws, have been paid by Company and its Subsidiaries, as applicable, in accordance with Applicable Law, except as would not have, or would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect.

Section 3.14 Real Property.

(a) Schedule 3.14(a) of the Company Disclosure Letters sets forth a true, correct and complete list of all real property owned by any of the Group Companies (the "***Owned Real Property***"). Except as, individually or in the aggregate, would not be reasonably expected to be material to the Company and its Subsidiaries, taken as a whole, (i) a Group Company has good and marketable fee simple title to the Owned Real Property free and clear of all Liens, except for Permitted Liens, and (ii) no Group Company owns, holds, has granted or is obligated under any option, right of first offer, right of first refusal or other contractual right to buy, acquire, sell, dispose of or lease any Owned Real Property or any material portion thereof or interest therein.

(b) Schedule 3.14(b) of the Company Disclosure Letter lists, as of the date of this Agreement, all material real property leased, subleased or otherwise occupied by the Group Companies (the " ***Leased Real Property***"). The Company or one of the Company Subsidiaries has a valid, binding and enforceable leasehold estate in all Leased Real Property. Each of the leases, subleases, occupancy agreements and documents related to any Leased Real Property, including all amendments and modifications thereto and guarantees thereof (collectively, the "***Company Real Property Leases***") are: (i) in full force and effect, subject to the Remedies Exception; and (ii) represent the valid and binding obligations of a Group Company party thereto and, to the Knowledge of the Company, represent the valid and binding obligations of the other parties thereto. None of the Group Companies nor, to the Knowledge of the Company, any other party thereto, is in material breach of or default under, and no event has occurred which with notice or lapse of time or both would become a breach of or default under, any of the Company Real Property Leases, and no party to any Company Real Property Lease has given any written or, to the Knowledge of the Company, oral, claim or notice of any such material breach, default or event, which individually or in the aggregate, would reasonably be expected to be material to the Group Companies, taken as a whole.

Section 3.15 Taxes. Except as set forth on Schedule 3.15 of the Company Disclosure Letter or, as individually or in the aggregate, has not had, and would not reasonably be expected to have, a Company Material Adverse Effect:

(a) All Tax Returns required to be filed by the Group Companies have been filed with the appropriate Governmental Entity (taking into account applicable extensions of time to file).

(b) The Group Companies have paid all amounts of their Taxes which are due and payable (regardless of whether shown on a Tax Return). The unpaid liability for Taxes of the Group Companies did not, as of the date of the Interim Financial Statements, exceed the reserve for Tax liabilities (excluding any reserve for deferred Taxes) accrued on the Financial Statements, and since such date no Group Company has incurred any liability for Taxes outside the ordinary course of business.

(c) The Group Companies have complied in all respects with all Applicable Law relating to the withholding and remittance of all amounts of Taxes and all Taxes required by Applicable Law to be withheld by the Group Companies have been withheld and paid over to the appropriate Governmental Entity.

(d) The Group Companies have duly and timely collected, any sales or transfer Taxes, including GST/HST and PST, required by Applicable Law to be collected by them, and duly and timely remitted, in all respects, to the appropriate Governmental Entity any such amounts required by Applicable Law to be remitted by them.

(e) No deficiency for any amount of Taxes has been asserted or assessed in writing by any Governmental Entity against any Group Company, which deficiency has not been paid or resolved. There are no waivers, extensions or requests for any waivers or extensions of statute of limitations currently in effect with respect to any Tax assessment or deficiency of any Group Company. No Group Company is currently contesting any Tax liability before any Governmental Entity. To the Knowledge of the Company, no audit or other proceeding by any Governmental Entity is currently in progress, pending or threatened in writing against any Group Company with respect to any Taxes due from such entities.

(f) There are no Liens (other than Permitted Liens) for amounts of Taxes upon any of the assets of the Group Companies.

(g) There are no Tax indemnification agreements or Tax Sharing Agreements under which any Group Company could be liable after the Closing Date for any Tax liability of any Person other than one or more of the Group Companies, except for customary agreements or arrangements entered into in the ordinary course of business with customers, vendors, lessors, lenders and the like, in each case, that do not relate primarily to Taxes.

(h) Since November 30, 2018, no Group Company has constituted either a "distributing corporation" or a "controlled corporation" in a distribution of stock qualifying for tax-deferred treatment under Section 355 of the Code.

(i) No Group Company has participated in any "listed transaction" within the meaning of Treasury Regulation Section 1.6011-4(b).

(j) No Group Company has (i) any liability for the Taxes of another Person pursuant to Treasury Regulation Section 1.1502-6 (or any similar provision of state, local or foreign Tax law) or as a transferee or a successor; and (ii) in the last two (2) years has not been a member of an affiliated, consolidated, combined or unitary group filing for U.S. federal, state or local income Tax purposes

(k) Since November 30, 2018, no claim has been made in writing by any Governmental Entity in a jurisdiction in which any Group Company does not file Tax Returns that it is or may be subject to Tax or required to file Tax Returns in that jurisdiction which claim has not been dismissed, closed or otherwise resolved.

(l) Each Group Company is a Tax resident only in its jurisdiction of formation.

(m) No Group Company has (or has ever had) a permanent establishment (within the meaning of an applicable Tax treaty) or otherwise has an office or fixed place of business in a country other than the country in which it is organized.

(n) Neither the Company nor any of its Subsidiaries has taken or agreed to take any action, or is aware of any facts or circumstances with respect to the Company or any of its Subsidiaries, in each case, that would reasonably be expected to prevent or impede the Merger from qualifying for the Intended Tax Treatment.

(o) No amount in respect of any outlay or expense that is deductible for the purposes of computing the income of the Company or any of its Subsidiaries for Tax purposes has been owing by the Company or any of its Subsidiaries, as the case may be, for longer than two (2) years to a Person not dealing at arm's length (for the purposes of the Tax Act) with the Company of any of its Subsidiaries at the time the outlay or expenses was incurred.

(p) For purposes of the Tax Act, neither the Company nor any of its Subsidiaries has acquired material property from or disposed of material property to another Person with whom it was not dealing at arm's length for consideration other than consideration equal to the fair market value of the property acquired.

(q) The Company and each of its Subsidiaries that carries on business in Canada is duly registered under subdivision (d) of Division V of IX of the Excise Tax Act (Canada) for purposes of goods and services tax and harmonized sales tax ("***GST/HST***") and under any similar provincial or territorial sales or transfer Tax statutes ("***PST***") in respect of all provincial sales or Transfer Taxes which it is or has been required to collect, all input tax credits claimed by the Company and each such Subsidiary for GST/HST and PST purposes were calculated in accordance with applicable Laws in all material respects, and the Company and each such Subsidiary has in all material respects complied with all registration, reporting, payment, collection and remittance requirements in respect of GST/HST and PST.

(r) None of sections 17, 79, 79.1, 80 to 80.04, inclusive, of the Tax Act (or any similar provision under any applicable Law) have applied or will apply to the Company or any of its Subsidiaries at any time up to and including the Closing Date.

(s) Neither the Company nor any of its Subsidiaries have made (i) a capital dividend election under subsection 83(2) of the Tax Act in an amount which exceeds the amount in its "capital dividend account" at the time of such election, or (ii) an "excessive eligible dividend designation" as defined in subsection 89(1) of the Tax Act in respect of any dividends, paid or deemed by a provision of the Tax Act to have been paid, on any class of shares of its capital.

Notwithstanding anything to the contrary contained in this Agreement, (a) no representation or warranty is being made as to the use or availability of any Tax attribute or credit of any Group Company in any taxable period (or portion thereof) beginning on the day immediately after the Closing Date and (b) nothing in this Agreement (including this Section 3.15) shall be construed as providing a representation or warranty relating or attributable to a taxable period (or portion thereof) beginning on or after the Closing Date (except as specifically contemplated by Section 3.15(g)).

Section 3.16 Environmental Matters.

(a) Each of the Group Companies is, and since November 30, 2018 has been, in compliance with all Environmental Laws, except for any such instance of non-compliance that would not reasonably be expected to be material to the Group Companies taken as a whole.

(b) The Group Companies have obtained, hold, are, and since November 30, 2018 have been, in compliance with all permits required under applicable Environmental Laws to permit the Group Companies to operate their assets in a manner in which they are now operated and maintained and to conduct the business of the Group Companies as currently conducted, except where the absence of, or failure to be in material compliance with, any such permit would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect.

(c) There are no written claims or notices of violation pending or, to the Knowledge of the Company, threatened in writing against any of the Group Companies alleging violations of or liability under any Environmental Law, except for any such claim or notice that would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect.

(d) Neither the Group Companies nor, to the Knowledge of the Company, any other Person has disposed of or released any Hazardous Material at, on or under any facility currently or formerly leased or operated by any of the Group Companies or any third-party site, in each case in a manner that would be reasonably likely to give rise to a Company Material Adverse Effect.

(e) None of the Group Companies has agreed to indemnify any Person or assumed by Contract the liability of any third party arising under Environmental Law.

(f) The Group Companies have made available to SPAC copies of all material written environmental reports, audits, assessments, liability analyses, memoranda and studies produced since November 30, 2018 and in the possession of, or conducted by, the Group Companies with respect to compliance or liabilities under Environmental Laws.

Section 3.17 Intellectual Property.

(a) Schedule 3.17(a) of the Company Disclosure Letter sets forth a true, correct and complete list of: (i) all Owned Intellectual Property that is the subject of an application, filing, issuance, registration or other document filed with or issued or recorded by any Governmental Entity, quasi-governmental authority or domain name registrar (collectively, the "***Registered Intellectual Property***") including the applicable jurisdiction, title, application, registration or serial number, date, validity, term/expiration date and record owner and, if different, the legal owner and beneficial owner; and (ii) all material unregistered Trademarks that constitute Owned Intellectual Property. To the Knowledge of the Company, all Registered Intellectual Property (excluding any pending applications included in the Registered Intellectual Property) is valid, subsisting and enforceable and has been maintained effective, subject to any expiration of term under Applicable Law, by the filing of all necessary filings, maintenance and renewals and timely payment of requisite fees.

(b) The Company or one of its Subsidiaries (other than Merger Sub) is the sole and exclusive owner of, and possesses, all right, title and interest in and to all Owned Intellectual Property free and clear of all Liens (other than Permitted Liens), and has the right to use pursuant to a valid written license, sublicense, or other written Contract or other lawful right, all other material Licensed Intellectual Property and material Company IT Systems.

(c) As of the date of this Agreement and since November 30, 2018, no Group Company has received written notice of any Legal Proceeding pending against the Group Companies, nor to the Knowledge of the Company, has any such Legal Proceeding been threatened in writing (including unsolicited offers to license Patents) against the Company or any of the Group Companies either (A) alleging any Group Company's infringement, misappropriation or other violation of any Intellectual Property of any third Person; or (B) challenging the ownership, use, registrability, patentability, validity, or enforceability of any Owned Intellectual Property. To the Knowledge of the Company, as of the execution of this Agreement, no Group Company nor the conduct or operation of their respective businesses as

currently conducted infringes, misappropriates, or violates the Intellectual Property (other than patents) of any Person, or, to the Knowledge of the Company, the patents of any Person. To the Knowledge of the Company, as of the date of this Agreement, except as would not reasonably be expected to be, individually or in the aggregate, material to the Company as a whole, no other Person is infringing, misappropriating or violating any Owned Intellectual Property and no such claims have been made or threatened in writing against any Person in a written notice sent by any of the Group Companies to any such Person in the past two (2) years in a manner that remains unresolved.

(d) Each of the Group Companies, as applicable, has taken commercially reasonable steps to protect and maintain the secrecy, confidentiality and value of all material Trade Secrets of each Group Company. To the Knowledge of the Company, no material Trade Secret of any of the Group Companies has been disclosed other than subject to a written agreement sufficiently restricting the disclosure and use of such Trade Secret and, to the Knowledge of the Company, no such Person to whom a material Trade Secret of any of the Group Companies has been so disclosed is in violation of any such agreement.

(e) The Company IT Systems are adequate in all material respects for the operation and conduct of the business of the Group Companies as currently conducted.

Section 3.18 Privacy and Data Security.

(a) To the Knowledge of the Company, each of the Group Companies, has at all times materially complied with: (i) all applicable Privacy Laws; (ii) all of the Group Companies' obligations regarding Personal Information under any Contracts; and (iii) any policy adopted by a Group Company related to privacy, information security or data security. Since November 30, 2018, none of the Group Companies has received any written notice of, nor, to the Company's Knowledge, has there been any threat of, any investigation, audit, complaint or claim relating to, any Group Company's use of Personal Information and/or any violation of any Privacy Laws.

(b) To the Knowledge of the Company, each of the Group Companies has implemented and maintained commercially reasonable business continuity and security measures regarding the confidentiality, integrity and availability of the Company IT Systems and Personal Information, in its possession, custody, or under its control, including against loss, theft, misuse or unauthorized Processing, access, use, modification or disclosure.

(c) To the Knowledge of the Company, (i) there have been no material breaches, security incidents, misuse of, or unauthorized Processing of, access to, or disclosure of, any Personal Information in the possession, custody, or control of any of the Group Companies, Processed by the Group Companies; (ii) none of the Group Companies have experienced any material information security incident that has materially compromised the integrity or availability of the Company IT Systems or the data thereon; and (iii) none of the Group Companies have provided or been legally required to provide any notices to any Person in connection with any Personal Information Breach.

Section 3.19 Agreements, Contracts and Commitments.

(a) Schedule 3.19 of the Company Disclosure Letter sets forth a true, correct and complete list of each Company Material Contract (as defined below) that is in effect as of the date of this Agreement. For purposes of this Agreement, "***Company Material Contract***" of the Group Companies shall mean and each of the following Contracts to which any of the Group Companies is a party, other than any Company Benefit Plan, Company Real Property Lease and the Transaction Agreements:

(i) Each Contract with a vendor or supplier (other than purchase orders entered into in the ordinary course of business) that involved annual payments or consideration furnished by or to any of the Group Companies of more than twenty-five million Dollars ($25,000,000) during the twelve-months ended December 31, 2020 or that the Company reasonably anticipates will involve annual payments or consideration furnished by or to any of the Group Companies of more than twenty-five million Dollars ($25,000,000) during the twelve-months ended December 31, 2021 (each such vendor or supplier, a "***Material Supplier***");

(ii) Each note, debenture, other evidence of Indebtedness, credit or financing agreement or instrument or other contract for money borrowed by any of the Group Companies having an outstanding principal amount, in each case, in excess of twenty million Dollars ($20,000,000), other than a Permitted Lien;

(iii) Each guaranty of Indebtedness, direct or indirect, by the Company or a Subsidiary, of any obligation of a third party (other than the Company or any Subsidiary);

(iv) Each Contract for the acquisition or the disposition of any material assets, properties or business divisions entered into by any of the Group Companies involving consideration in an amount in excess of five million Dollars ($5,000,000), in each case, whether by merger, purchase or sale of stock or assets or otherwise (other than Contracts for the purchase or sale of inventory or supplies entered into in the ordinary course of business) occurring in the last two (2) years;

(v) Each Contract evidencing a material outstanding obligation to make payments, contingent or otherwise, arising out of the prior acquisition of the business, assets or stock of other Persons;

(vi) Each Collective Bargaining Agreement;

(vii) Each employment or consulting (with respect to an individual, independent contractor) Contract providing for annual base salary or annual consulting fee payments in excess of three hundred thousand Canadian Dollars (C$300,000) excluding any such employment, consulting, or management Contract that either: (A) is terminable by the Company or the applicable Company Subsidiary at will; or (B) provides for severance, notice and/or garden leave obligations of 90 days or less or such longer period as is required by Applicable Law;

(viii) Each joint venture Contract, partnership agreement or limited liability company agreement with a third party (in each case, other than with respect to wholly owned Company Subsidiaries);

(ix) Each Contract (other than those made in the ordinary course of business) that purports to limit or contains covenants expressly limiting in any material respect the freedom of any of the Group Companies to: (A) compete with any Person in a product line or line of business; (B) operate in any geographic area; or (C) solicit customers; and

(x) Each Contract (other than those made in the ordinary course of business): (A) providing for the grant of any preferential rights to purchase or lease any asset of the Group Companies; or (B) providing for any right (exclusive or non-exclusive) to sell or distribute any material product or service of any of the Group Companies.

(b) All Company Material Contracts are: (i) in full force and effect, subject to the Remedies Exception; and (ii) represent the valid and binding obligations of a Group Company party thereto and, to the Knowledge of the Company, represent the valid and binding obligations of the other parties thereto, in each case, subject to the Remedies Exception. True, correct and complete copies of all written Company Material Contracts have been made available to SPAC. None of the Group Companies nor, to the Knowledge of the Company, any other party thereto, is in breach of or default under, and no event has occurred which with notice or lapse of time or both would become a breach of or default under, any of the Company Material Contracts, and no party to any Company Material Contract has given any written or, to the Knowledge of the Company, oral, claim or notice of any such breach, default or event, which individually or in the aggregate, would reasonably be expected to have a Company Material Adverse Effect.

Section 3.20 Insurance. The Group Companies have in full force and effect all material policies or binders of property, fire and casualty, product liability, workers' compensation, and other forms of insurance held by, or for the benefit of, the Group Companies as of the date of this Agreement (collectively, the "***Insurance Policies***"). None of the Group Companies has received any written notice from any insurer under any of the Insurance Policies, canceling, terminating or materially adversely amending any such policy or denying renewal of coverage thereunder. There is no pending material claim by any Group Company against any insurance carrier for which coverage has been denied or disputed by the applicable insurance carrier (other than a customary reservation of rights notice), which individually or in the aggregate, would reasonably be expected to have a Company Material Adverse Effect.

Section 3.21 Customers and Suppliers.

(a) Schedule 3.21(a) of the Company Disclosure Letter sets forth the top ten (10) customers (by revenue) of the Group Companies for the fiscal year ended March 31, 2021 (collectively, the "***Material Customers***") and the amount of consideration paid to the Group Companies, collectively, by each Material Customer during such

periods. To the Company's Knowledge as of the date hereof, no such Material Customer has expressed in writing to a Group Company (i) its intention to cancel or otherwise terminate, or materially reduce, its relationship with the Group Companies, taken as a whole, or (ii) a condition indicating a material breach of the terms of any Company Material Contract with any such Material Customer. To the Company's Knowledge, no Material Customer has asserted or threatened in writing a force majeure event or provided written notice of an anticipated inability to perform, in whole or in part, arising out of the COVID-19 pandemic with respect to a Company Material Contract.

(b) Schedule 3.22(b) sets forth the Material Suppliers and the amount of consideration paid to each Material Supplier by the Group Companies, collectively, during the fiscal year ended March 31, 2021. To the Company's Knowledge as of the date hereof, no Material Supplier has expressed in writing to a Group Company (i) its intention to cancel or otherwise terminate, or materially reduce, its relationship with the Group Companies, taken as a whole, or (ii) a condition indicating a material breach of the terms of any Company Material Contract with such Material Supplier. To the Company's Knowledge, no Material Supplier has asserted or threatened in writing a force majeure event or provided written notice of an anticipated inability to perform, in whole or in part, arising out of the COVID-19 pandemic with respect to a Company Material Contract.

Section 3.22 Affiliate Matters. Except: (a) the Company Benefit Plans (or LTIP); (b) Contracts relating to labor and employment matters set forth on Schedules 3.12 and 3.13 of the Company Disclosure Letter; (c) Contracts between or among the Group Companies; (d) indemnification agreements between or among any director or officer of the Group Companies, on the one hand, and any of the Group Companies, on the other; (e) employment agreements and employee confidentiality and other similar agreements with employees; and (f) Contracts entered into on an arm's length basis and in the ordinary course of business between any of the Group Companies, on the one hand, and a Company Investor or its Affiliates, on the other hand, (g) as set forth in the Financial Statements, (h) the payment of salary, bonuses and other compensation for services rendered, (i) reimbursement for reasonable expenses incurred in connection with any of the Group Companies and (j) as set forth on Schedule 3.22 of the Company Disclosure Letter, none of the Group Companies is party to any Contract with any: (i) present or former officer, director, employee or Company Shareholder or a member of his or her immediate family of any of the Group Companies; or (ii) Affiliate of the Company.

Section 3.23 Information Supplied. None of the information relating to the Group Companies supplied or to be supplied by or on behalf of the Group Companies or Merger Sub expressly for inclusion or incorporation by reference prior to the Closing in the Registration Statement and Proxy Statement will, when the Registration Statement and Proxy Statement are declared effective or when the Registration Statement and Proxy Statement are mailed to the SPAC Stockholders or at the time of the SPAC Stockholders' Meeting, and in the case of any amendment or supplement thereto, at the time of such amendment or supplement, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading. None of the information relating to the Group Companies supplied or to be supplied by or on behalf of the Group Companies or Merger Sub expressly for inclusion or incorporation by reference prior to the Closing in the Canadian Prospectus will, at the date of the Canadian Prospectus, contain any "misrepresentation" (as defined in Canadian Securities Laws). Notwithstanding the foregoing, the Group Companies make no representations or warranties as to the information contained or incorporated by reference in or omitted from the Registration Statement, the Proxy Statement/Prospectus or the Canadian Prospectus in reliance upon and in conformity with information furnished in writing to the Group Companies by or on behalf of SPAC specifically for inclusion in the Registration Statement, the Proxy Statement/Prospectus or the Canadian Prospectus.

Section 3.24 Absence of Certain Business Practices. Since November 30, 2018: (a) the Group Companies and, to the Knowledge of the Company, their respective directors, officers, employees and any other Persons, in each case, acting on their behalf, in connection with the operation of the business of the Group Companies, have been in material compliance with all applicable Specified Business Conduct Laws and have not knowingly engaged in any activity that would reasonably be expected to result in the Group Companies becoming the subject or target of any sanctions administered by the U.S. or Canadian governments; and (b) none of the Group Companies has (i) received written notice of, or made a voluntary, mandatory or directed disclosure to any Governmental Entity relating to, any actual or potential violation of any Specified Business Conduct Law; or (ii) been a party to or the subject of any pending or, to the Knowledge of the Company, threatened in writing, Legal Proceeding or investigation by or before any Governmental Entity related to any actual or potential violation of any Specified Business Conduct Law. None of

the Group Companies, nor, to the Knowledge of the Company, any of their respective directors, executives, officers, employees, or agents is the subject or target of any sanctions, identified on the specially designated nationals or other blocked person list, or the target of restrictive export controls administered by the U.S. or Canadian governments, the United Nations Security Council, Her Majesty's Treasury of the United Kingdom, or the European Union.

Section 3.25 Brokers. No broker, finder, investment banker or other Person, other than Jefferies, is entitled to, nor will be entitled to, either directly or indirectly, any brokerage fee, finders' fee or other similar commission, for which any of the Group Companies would be liable in connection with the transactions contemplated by this Agreement, the other Transaction Agreements to which the Company is a party or the transactions contemplated thereby based upon arrangements made by any of the Group Companies or any of their Affiliates.

Section 3.26 PIPE Investment Amount. SPAC and the Company have entered into the Subscription Agreements pursuant to which the PIPE Investors have committed to provide equity financing in the aggregate amount of One Hundred Million Dollars ($100,000,000) (the "***PIPE Investment Amount***") through purchases of an aggregate of 10,000,000 Company Common Shares issued by the Company and SPAC Shares issued by SPAC (the "***PIPE Shares***") immediately prior to the Effective Time. For the avoidance of doubt, the PIPE Shares reflect a $10.00 per share price. Each PIPE Investor has completed an accredited investor questionnaire customary for financings of the type and size of the PIPE Investment, and the Company has received representations and warranties from each PIPE Investor outside the United States that such PIPE Investor is an eligible investor located outside of the United States (within the meaning of Regulation S under the Securities Act), and representations and warranties from each PIPE Investor in the United States that such PIPE Investor is a "qualified institutional buyer" (as defined in Rule 144A under the Securities Act) or an "accredited investor" (within the meaning of Rule 501(a) under the Securities Act) and is not acquiring the Company Common Shares or SPAC Shares, as applicable, with a view to, or for offer or sale in connection with, any distribution thereof in violation of the Securities Act.

Section 3.27 Disclaimer of Other Warranties. THE COMPANY HEREBY ACKNOWLEDGES THAT, EXCEPT AS EXPRESSLY PROVIDED IN ARTICLE IV (AS QUALIFIED BY THE SPAC DISCLOSURE LETTER AND THE DOCUMENTS REFERRED TO THEREIN) AND THE REPRESENTATIONS AND WARRANTIES IN THE TRANSACTION AGREEMENTS, NEITHER SPAC NOR ANY OF ITS AFFILIATES OR REPRESENTATIVES HAS MADE, IS MAKING, OR SHALL BE DEEMED TO MAKE ANY REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, AT LAW OR IN EQUITY, TO THE COMPANY AND MERGER SUB, ANY OF THEIR RESPECTIVE AFFILIATES OR REPRESENTATIVES OR ANY OTHER PERSON, WITH RESPECT TO SPAC OR ANY OF ITS BUSINESSES, ASSETS OR PROPERTIES, OR OTHERWISE, INCLUDING ANY REPRESENTATION OR WARRANTY AS TO MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, FUTURE RESULTS, PROPOSED BUSINESSES OR FUTURE PLANS. WITHOUT LIMITING THE FOREGOING AND NOTWITHSTANDING ANYTHING TO THE CONTRARY: (A) NEITHER SPAC, NOR ANY OF ITS AFFILIATES OR REPRESENTATIVES SHALL BE DEEMED TO MAKE TO THE COMPANY, MERGER SUB, THE COMPANY SHAREHOLDER, OR THEIR RESPECTIVE AFFILIATES OR REPRESENTATIVES ANY REPRESENTATION OR WARRANTY OTHER THAN AS EXPRESSLY MADE BY SPAC TO THE COMPANY AND MERGER SUB IN ARTICLE IV AND THE REPRESENTATIONS AND WARRANTIES IN THE TRANSACTION AGREEMENTS; AND (B) EXCEPT AS SET FORTH IN ANY REPRESENTATION OR WARRANTY SET FORTH IN ARTICLE IV AND IN THE REPRESENTATIONS AND WARRANTIES IN THE TRANSACTION AGREEMENTS, NEITHER SPAC, NOR ANY OF ITS AFFILIATES OR REPRESENTATIVES, HAS MADE, IS MAKING, OR SHALL BE DEEMED TO MAKE TO THE COMPANY, MERGER SUB, THE COMPANY SHAREHOLDER, OR THEIR RESPECTIVE AFFILIATES OR REPRESENTATIVES OR ANY OTHER PERSON ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO: (I) THE INFORMATION DISTRIBUTED OR MADE AVAILABLE TO THEM BY OR ON BEHALF OF SPAC IN CONNECTION WITH THIS AGREEMENT AND THE TRANSACTIONS; (II) ANY MANAGEMENT PRESENTATION, CONFIDENTIAL INFORMATION MEMORANDUM OR SIMILAR DOCUMENT; OR (III) ANY FINANCIAL PROJECTION, FORECAST, ESTIMATE, BUDGET OR SIMILAR ITEM RELATING TO SPAC OR ANY OF ITS BUSINESS, ASSETS, LIABILITIES, PROPERTIES, FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROJECTED OPERATIONS OF THE FOREGOING. EACH OF THE COMPANY AND MERGER SUB HEREBY ACKNOWLEDGES THAT IT HAS NOT RELIED ON ANY PROMISE, REPRESENTATION OR WARRANTY THAT IS NOT EXPRESSLY SET FORTH IN ARTICLE IV OF THIS AGREEMENT AND IN THE REPRESENTATIONS AND WARRANTIES IN THE TRANSACTION AGREEMENTS. EACH OF THE

COMPANY AND MERGER SUB ACKNOWLEDGES THAT IT HAS CONDUCTED, TO ITS SATISFACTION, AN INDEPENDENT INVESTIGATION AND VERIFICATION OF SPAC AND THE BUSINESS, ASSETS, LIABILITIES, PROPERTIES, FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROJECTED OPERATIONS OF THE FOREGOING AND, IN MAKING ITS DETERMINATION TO PROCEED WITH THE TRANSACTIONS EACH OF THE COMPANY AND MERGER SUB HAS RELIED ON THE RESULTS OF ITS OWN INDEPENDENT INVESTIGATION AND VERIFICATION, IN ADDITION TO THE REPRESENTATIONS AND WARRANTIES OF SPAC EXPRESSLY AND SPECIFICALLY SET FORTH IN ARTICLE IV OF THIS AGREEMENT AND THE REPRESENTATIONS AND WARRANTIES IN THE TRANSACTION AGREEMENTS. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS SECTION 3.27, CLAIMS AGAINST SPAC, OR ANY OTHER PERSON SHALL NOT BE LIMITED IN ANY RESPECT IN THE EVENT OF INTENTIONAL FRAUD IN THE MAKING OF THE REPRESENTATIONS AND WARRANTIES IN ARTICLE IV AND THE REPRESENTATIONS AND WARRANTIES IN THE TRANSACTION AGREEMENTS BY SUCH PERSON.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF SPAC

Except: (i) as disclosed in the SPAC SEC Reports filed with or furnished to the SEC (and publicly available) at least 48 hours prior to the execution and delivery of this Agreement (to the extent the qualifying nature of such disclosure is readily apparent from the content of such SPAC SEC Reports) excluding disclosures referred to in "***Forward-Looking Statements***," "***Risk Factors***" and any other disclosures therein to the extent they are generally predictive or cautionary in nature or related to forward-looking statements, and (ii) as set forth in the letter dated as of the date of this Agreement delivered by SPAC to the Company and Merger Sub in connection with the execution and delivery of this Agreement (the "***SPAC Disclosure Letter***"), SPAC represents and warrants to the Company and Merger Sub as follows:

Section 4.1 Organization and Qualification.

(a) SPAC is duly incorporated corporation, validly existing and in good standing under the laws of the State of Delaware.

(b) SPAC has the requisite corporate power and authority to own, lease and operate its assets and properties and to carry on its business as it is now being conducted.

(c) SPAC is not in violation of any of the provisions of SPAC's Organizational Documents. SPAC's Organizational Documents, as amended to the date of this Agreement, have been made available to the Company and are true, correct and complete.

(d) SPAC is duly qualified or licensed to do business in each jurisdiction where the character of the properties and assets owned, leased or operated by it or the nature of its activities makes such qualification or licensing necessary.

Section 4.2 SPAC Subsidiaries. SPAC has no direct or indirect Subsidiaries or participations in joint ventures or other entities, and does not own, directly or indirectly, any equity interests or other interests or investments (whether equity or debt) in any Person, whether incorporated or unincorporated.

Section 4.3 Capitalization.

(a) The authorized share capital of SPAC consists of (i) 1,000,000 shares of preferred stock, par value of $0.0001 per share ("***SPAC Preference Shares***"); and (ii) 60,000,000 SPAC Shares, par value $0.0001 per share. As of the execution of this Agreement, assuming the separation of all SPAC Units, SPAC had 30,307,036 SPAC Shares issued and outstanding, including 5,893,750 SPAC Founder Shares, 234,286 SPAC Representative Shares 23,575,000 SPAC Public Shares, and 604,000 SPAC Shares issued as part of the SPAC Private Units, and none are held by SPAC in its treasury, and no SPAC Preference Shares issued or outstanding. All issued and outstanding shares of the capital of SPAC have been duly authorized and validly issued, are fully paid and non-assessable under, not subject to preemptive rights and free and clear of all Liens (other than Permitted Liens).

(b) As of the execution of this Agreement, assuming the separation of all SPAC Units, SPAC has issued 24,179,000 SPAC Warrants, on the terms and conditions set forth in the Warrant Agreement. All outstanding SPAC Warrants have been duly authorized, validly issued, fully paid and are non-assessable and are not subject to preemptive rights.

(c) Except for the SPAC Warrants, there are no outstanding options, warrants, rights, convertible or exchangeable securities, "phantom" stock rights, stock appreciation rights, stock- based performance units, commitments or Contracts of any kind to which SPAC is a party or by which it is bound obligating SPAC to issue, deliver or sell, or cause to be issued, delivered or sold, additional SPAC Shares or any other share capital of SPAC or any other interest or participation in, or any security convertible or exercisable for or exchangeable into SPAC Shares or any other share capital of SPAC or other interest or participation in SPAC.

(d) Each issued and outstanding SPAC Share and SPAC Warrant: (i) has been issued in compliance in all material respects with: (A) Applicable Law; and (B) SPAC's Organizational Documents (as in effect at the time such SPAC Share and SPAC Warrant were issued); and (ii) was not issued in violation of any purchase option, call option, right of first refusal, preemptive right, subscription right or any similar right under any Applicable Law, SPAC's Organizational Documents or any Contract to which SPAC is a party or otherwise bound by. SPAC has never issued any SPAC Preference Shares.

(e) Each holder of any of SPAC Founder Shares and SPAC Representative Shares: (i) is obligated to vote all of such SPAC Shares in favor of approving the Transactions; and (ii) is not entitled to elect to redeem any of such SPAC Founder Shares or SPAC Representative Shares pursuant to SPAC's Organizational Documents.

(f) Except as set forth in SPAC's Organizational Documents, this Agreement, the Registration Rights Agreement, and Schedule 4.3(f) of the SPAC Disclosure Letter, there are no registration rights, and there is no voting trust, proxy, rights plan, anti-takeover plan or other agreements or understandings to which SPAC is a party or by which SPAC is bound with respect to any ownership interests of SPAC.

Section 4.4 Due Authorization. SPAC has the requisite power and authority to: (a) execute, deliver and perform this Agreement and the other Transaction Agreements to which it is a party, and each ancillary document that it has executed or delivered or is to execute or deliver pursuant to this Agreement; and (b) carry out its obligations hereunder and thereunder and, to consummate the Transactions (including the Merger). The execution and delivery by SPAC of this Agreement and the other Transaction Agreements to which it is a party, and the consummation by SPAC of the Transactions (including the Merger) have been duly and validly authorized by all necessary corporate action on the part of SPAC, and no other proceedings on the part of SPAC are necessary to authorize this Agreement or the other Transaction Agreements to which it is a party or to consummate the transactions contemplated hereby or thereby, other than approval from the SPAC Stockholders. This Agreement and the other Transaction Agreements to which SPAC is a party have been duly and validly executed and delivered by SPAC and, assuming the due authorization, execution and delivery thereof by the other Parties, constitute the legal, valid and binding obligations of SPAC, enforceable against SPAC in accordance with their terms, subject to the Remedies Exception. Assuming that a quorum of SPAC Stockholders (as determined pursuant to SPAC's Organizational Documents) is present at the SPAC Stockholder Meeting, the SPAC Transaction Proposals shall require approval by: (a) in the case of clause "(i)" of the definition of SPAC Transaction Proposals, by the affirmative vote of holders of a majority of the outstanding SPAC Shares entitled to vote on such matter; and (b) in the case of all other clauses of the definition of SPAC Transaction Proposals, by the affirmative vote of the holders of at least a majority of the SPAC Shares present in person or represented by proxy at the SPAC Stockholder Meeting and entitled to vote thereat. The foregoing votes are the only votes of any of SPAC's capital stock necessary in connection with entry into this Agreement by SPAC and the consummation of the transactions contemplated hereby, including the Closing.

Section 4.5 No Conflict; Required Filings and Consents.

(a) Subject to the receipt of the consents, approvals, authorizations and other requirements set forth in Section 4.5(b), the execution, delivery and performance by SPAC of this Agreement or the other Transaction Agreements to which it is a party, nor (assuming approval of the SPAC Transaction Proposals from the SPAC Stockholders is obtained) the consummation of the transactions contemplated hereunder and thereunder do not and will not: (i) conflict with or violate SPAC's Organizational Documents; (ii) conflict with or violate any Applicable Law to

which the SPAC is subject or by which any property or asset of the SPAC is bound; or (iii) violate any provision of or result in a breach, default or acceleration of, or require a consent under, any SPAC Material Contract, or terminate or result in the termination of any SPAC Material Contract, or result in the creation of any Lien under any SPAC Material Contract upon any of the properties or assets of SPAC, or constitute an event which, after notice or lapse of time or both, would result in any such violation, breach, default, acceleration, termination or creation of a Lien, except, with respect to any of the foregoing, as would not, individually or in the aggregate, reasonably be expected to have a SPAC Material Adverse Effect.

(b) Assuming the truth of the representations and warranties of the Company and Merger Sub contained in this Agreement, the execution and delivery by SPAC of this Agreement and the other Transaction Agreements to which it is a party, does not, and the performance of its obligations hereunder and thereunder will not, require any consent, notice, approval, authorization or permit of, or designation, declaration or filing with or notification to, any Governmental Entity, except: (i) any consents, notices, approvals, authorizations, designations, declarations or filings, the absence of which would not reasonably be expected to have a SPAC Material Adverse Effect; (ii) applicable requirements, if any, of the Securities Act, the Exchange Act, Canadian Securities Laws, blue sky laws, and the rules and regulations thereunder, and appropriate documents with the relevant authorities of other jurisdictions in which SPAC is qualified to do business; and (iii) the filing of the Certificate of Merger in accordance with the DGCL. There is no stockholder rights plan, "poison pill" or similar antitakeover agreement or plan in effect to which SPAC is subject, party or otherwise bound.

Section 4.6 Legal Compliance; Approvals. Except as set forth in Schedule 4.6 of the SPAC Disclosure Letter, since its incorporation, SPAC has complied in all material respects with, and is not in violation of, any Applicable Law with respect to the conduct of its business, or the ownership or operation of its business. Since the date of its incorporation, to the Knowledge of SPAC, no investigation or review by any Governmental Entity with respect to SPAC has been pending or threatened in writing and no written, or to the Knowledge of SPAC, oral notice of material non- compliance with any Applicable Law has been received by SPAC. SPAC is in possession of all Approvals necessary to own, lease and operate the properties it purports to own, operate or lease and to carry on its business as it is now being conducted, and is in compliance with all terms and conditions of such Approvals, except where the failure to have such Approvals would not, individually or in the aggregate, reasonably be expected to have a SPAC Material Adverse Effect.

Section 4.7 SPAC SEC Reports and Financial Statements.

(a) SPAC has filed all forms, reports, schedules, statements, certifications and other documents, including any exhibits thereto, required to be filed or furnished by SPAC with the SEC under the Exchange Act or the Securities Act since SPAC's incorporation to the date of this Agreement, together with any amendments, restatements or supplements thereto (all of the foregoing filed prior to the date of this Agreement, the "***SPAC SEC Reports***"). SPAC has heretofore furnished to the Company true and correct copies of all amendments and modifications that have not been filed by SPAC with the SEC to all agreements, documents and other instruments that previously had been filed by SPAC with the SEC and are currently in effect. Except as set forth in Schedule 4.7(a) of the SPAC Disclosure Letter, (i) the SPAC SEC Reports were prepared in all material respects in accordance with the requirements of the Securities Act, the Exchange Act and the Sarbanes- Oxley Act, as the case may be, and the rules and regulations promulgated thereunder and (ii) the SPAC SEC Reports did not, at the time they were or are filed with the SEC, as the case may be, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading. As of the date hereof, there are no outstanding or unresolved comments in comment letters received from the SEC with respect to the SPAC SEC Reports. To the Knowledge of SPAC, none of the SPAC SEC Reports are subject to ongoing SEC review or investigation as of the date hereof. SPAC maintains disclosure controls and procedures required by Rule 13a-15(e) or 15d-15(e) under the Exchange Act. To the Knowledge of SPAC, each director and executive officer of SPAC has filed with the SEC on a timely basis all statements required with respect to SPAC by Section 16(a) of the Exchange Act and the rules and regulations thereunder. As used in this Section 4.7, the term "file" shall be broadly construed to include any manner in which a document or information is furnished, supplied or otherwise made available to the SEC.

(b) Except as set forth in Schedule 4.7(b) of the SPAC Disclosure Letter, the financial statements and notes contained or incorporated by reference in the SPAC SEC Reports (collectively, the "***SPAC Financial***

Statements") fairly present, in all material respects, the financial condition and the results of operations, changes in shareholders' equity and cash flows of SPAC as at the respective dates of, and for the periods referred to, in such financial statements, all in accordance with: (i) GAAP; and (ii) Regulation S-X or Regulation S-K, as applicable, subject, in the case of interim financial statements, to normal year-end adjustments (the effect of which will not, individually or in the aggregate, be material) and the omission of notes to the extent permitted by Regulation S-X or Regulation S-K, as applicable. SPAC has no off-balance sheet arrangements that are not disclosed in the SPAC SEC Reports.

(c) SPAC has (i) no Indebtedness and (ii) no SPAC Liabilities, except for SPAC Transaction Costs incurred on or prior to the date hereof and other reasonable liabilities and obligations arising in the ordinary course of SPAC's business.

(d) There are no outstanding loans or other extensions of credit made by SPAC to any executive officer (as defined in Rule 3b-7 under the Exchange Act) or director of SPAC. SPAC has not taken any action prohibited by Section 402 of the Sarbanes-Oxley Act.

(e) SPAC has established and maintained a system of internal controls. Such internal controls are sufficient to provide reasonable assurance (i) that transactions, receipts and expenditures of SPAC are being executed and made only in accordance with appropriate authorizations of management of SPAC and (ii) that transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain accountability for assets. Neither SPAC nor, to the Knowledge of SPAC, SPAC's independent auditors has identified or been made aware of any significant deficiency or material weakness in the system of internal accounting controls utilized by SPAC.

Section 4.8 Absence of Certain Changes or Events. Between its incorporation and the date of this Agreement, except as set forth in Schedule 4.8 of the SPAC Disclosure Letter, there has not been: (a) any SPAC Material Adverse Effect; (b) any change in the auditors of SPAC; (c) any revaluation by SPAC of any of its assets, including any sale of assets of SPAC other than in the ordinary course of business; or (d) any action taken or agreed upon by SPAC or any of its Subsidiaries that would be prohibited by Section 5.2 if such action were taken on or after the date hereof without the consent of the Company.

Section 4.9 Litigation. Since its incorporation, except as would not, individually or in the aggregate, reasonably be expected to have a SPAC Material Adverse Effect, there are: (a) no Legal Proceedings pending or, to the Knowledge of SPAC, threatened against SPAC or any of its properties or assets, or any of the directors or officers of SPAC in their capacity as such; (b) to the Knowledge of SPAC, no facts or circumstances that would reasonably be expected to give rise to any material Legal Proceeding; (c) no pending or, to the Knowledge of SPAC, threatened in writing to SPAC, audits, examinations or investigations by any Governmental Entity of SPAC; and (d) no pending or threatened in writing Legal Proceedings by SPAC against any third party.

Section 4.10 Business Activities. Since its incorporation, SPAC has not conducted any business activities other than activities: (a) in connection with its organization; or (b) directed toward the accomplishment of a business combination. Except as set forth in SPAC's Organizational Documents, there is no Contract or Order binding upon SPAC or to which it is a party which has or could reasonably be expected to have the effect of prohibiting or impairing any business practice of it, any acquisition of property by it or the conduct of business by it as currently conducted or as currently contemplated to be conducted (including, in each case, following the Closing). Except for the Transactions, SPAC does not own or have a right to acquire, directly or indirectly, any interest or investment (whether equity or debt) in any corporation, partnership, joint venture, business, trust or other entity. Except for the Transactions and the Transaction Agreements, SPAC has no material interests, rights, obligations or liabilities with respect to, and is not party to, bound by or has its assets or property subject to, in each case whether directly or indirectly, any Contract or transaction which is, or would reasonably be interpreted as constituting a "Business Combination" under SPAC's Organizational Documents.

Section 4.11 SPAC Material Contracts. Each "material contract" (as such term is defined in Item 601(b)(10) of Regulation S-K of the SEC) to which SPAC is a party (the "***SPAC Material Contracts***") is an exhibit to the SPAC SEC Reports.

Section 4.12 SPAC Listing. The issued and outstanding SPAC Units are registered pursuant to Section 12(b) of the Exchange Act and are listed for trading on Nasdaq under the symbol "***LEGOU***." The issued and outstanding SPAC Shares are registered pursuant to Section 12(b) of the Exchange Act and are listed for trading on Nasdaq under the symbol " ***LEGO***." The issued and outstanding SPAC Warrants are registered pursuant to Section 12(b) of the Exchange Act and are listed for trading on Nasdaq under the symbol "***LEGOW***." Since January 22, 2021, SPAC has complied in all material respects with the applicable listing requirements of Nasdaq. There is no action or proceeding pending or, to the Knowledge of SPAC, threatened against SPAC by Nasdaq or the SEC with respect to any intention by such entity to deregister the SPAC Units, the SPAC Public Shares or SPAC Warrants or terminate the listing thereof on Nasdaq. None of SPAC or any of its Affiliates has taken any action in an attempt to terminate the registration of the SPAC Units, the SPAC Shares or SPAC Warrants under the Exchange Act.

Section 4.13 Undisclosed Liabilities. Except as set forth on Schedule 4.13 of the SPAC Disclosure Letter, there is no liability, debt or obligation (absolute, accrued, contingent or otherwise) of SPAC of a type required to be reflected or reserved for on a balance sheet prepared in accordance with GAAP, except for liabilities, debts and obligations: (a) provided for in, or otherwise reflected or reserved for on, the SPAC Financial Statements or disclosed in the notes thereto; (b) that have arisen since the date of the most recent balance sheet included in the SPAC Financial Statements in the ordinary course of the operation of business of SPAC; (c) incurred in connection with the transactions contemplated by this Agreement; or (d) which would not, individually or in the aggregate, reasonably be expected to have a SPAC Material Adverse Effect.

Section 4.14 Trust Account.

(a) As of the date of this Agreement, SPAC has at least Two Hundred Thirty Five Million Seven Hundred Fifty Thousand Dollars ($235,750,000) in a trust account (the "***Trust Account***"), maintained and invested pursuant to that certain Investment Management Trust Agreement (the "***Trust Agreement***"), effective as of January 19, 2021, by and between SPAC and Continental Stock Transfer & Trust Company, a New York corporation ("***Continental***"), for the benefit of its public shareholders, with such funds invested in United States Government securities or money market funds meeting certain conditions under Rule 2a-7 promulgated under the Investment Company Act. Other than pursuant to the Trust Agreement and the Subscription Agreements, the obligations of SPAC under this Agreement are not subject to any conditions regarding SPAC's, its Affiliates', or any other Person's ability to obtain financing for the consummation of the Transactions.

(b) The Trust Agreement has not been amended or modified and, to the Knowledge of SPAC with respect to Continental, is valid and in full force and effect and is enforceable in accordance with its terms, subject to the Remedies Exception. SPAC has complied in all material respects with the terms of the Trust Agreement and is not in breach thereof or default thereunder and there does not exist under the Trust Agreement any event which, with the giving of notice or the lapse of time, would constitute such a breach or default by SPAC or, to the Knowledge of SPAC, Continental. There are no separate Contracts, side letters or other understandings (whether written or unwritten, express or implied) that would cause the description of the Trust Agreement in the SPAC SEC Reports to be inaccurate in any material respect or, to SPAC's Knowledge, that would entitle any Person to any portion of the funds in the Trust Account (other than (i) in respect of deferred underwriting commissions or taxes, (ii) the SPAC Stockholders who shall have elected to redeem their SPAC Public Shares pursuant to the Organizational Documents of SPAC or (iii) if SPAC fails to complete a business combination within the allotted time period set forth in the Organizational Documents of SPAC and liquidates the Trust Account, subject to the terms of the Trust Agreement, SPAC (in limited amounts to permit SPAC to pay the expenses of the Trust Account's liquidation, dissolution and winding up of SPAC) and then the SPAC Stockholders). Prior to the Closing, none of the funds held in the Trust Account may be released except: (A) to pay income and other taxes from any interest income earned on the Trust Account; (B) to pay liquidation expenses not to exceed $100,000 from any interest income earned on the Trust Account; and (C) to redeem SPAC Public Shares in accordance with the provisions of SPAC's Organizational Documents. There are no Legal Proceedings pending or, to the Knowledge of SPAC, threatened in writing with respect to the Trust Account.

(c) SPAC has performed all material obligations required to be performed by it to date under, and is not in default, breach or delinquent in performance or any other respect (claimed or actual) in connection with, the Trust Agreement, and no event has occurred which, with due notice or lapse of time or both, would constitute such a default or breach thereunder. As of the Effective Time, the obligations of SPAC to dissolve or liquidate pursuant to SPAC's Organizational Documents shall terminate, and as of the Effective Time, SPAC shall have no obligation whatsoever

pursuant to SPAC's Organizational Documents to dissolve and liquidate the assets of SPAC by reason of the consummation of the transactions contemplated hereby. As of the date hereof, assuming the accuracy of the representations and warranties of the Company and Merger Sub contained herein and the compliance by the Company and Merger Sub with their respective obligations hereunder, SPAC has no reason to believe that any of the conditions to the use of funds in the Trust Account will not be satisfied or funds available in the Trust Account will not be available to SPAC on the Closing Date.

Section 4.15 Taxes. Except as individually or in the aggregate, has not had, and would not reasonably be expected to have, a SPAC Material Adverse Effect:

(a) All Tax Returns required to be filed by SPAC have been filed with the appropriate Governmental Entity (taking into account applicable extensions of time to file).

(b) SPAC has paid all of its Taxes which are due and payable (regardless of whether shown on a Tax Return). The unpaid liability for Taxes of SPAC did not, as of the date of the latest SPAC Financial Statements, exceed the reserve for Tax liabilities (excluding any reserve for deferred Taxes) accrued on the SPAC Financial Statements, and since such date SPAC has not incurred any liability for Taxes outside the ordinary course of business.

(c) SPAC has complied in all respects with all Applicable Law relating to the withholding and remittance of all amounts of Taxes and all amounts of Taxes required by Applicable Law to be withheld by SPAC have been withheld and paid over to the appropriate Governmental Entity.

(d) No deficiency for any amount of Taxes has been asserted or assessed by any Governmental Entity in writing against SPAC, which deficiency has not been paid or resolved. To the Knowledge of SPAC, no audit or other proceeding by any Governmental Entity is currently in progress, pending or threatened in writing against SPAC with respect to any Taxes due from SPAC. There are no waivers, extensions or requests for any waivers or extensions of statute of limitations currently in effect with respect to any Tax assessment or deficiency of SPAC. SPAC is not currently contesting any Tax liability before any Governmental Entity.

(e) There are no Tax indemnification agreements or Tax Sharing Agreements under which SPAC could be liable after the Closing Date for any Tax liability of any Person other than SPAC, except for customary agreements or arrangements entered into in the ordinary course of business with customers, vendors, lessors, lenders and the like, in each case, that do not relate primarily to Taxes.

(f) There are no Liens (other than Permitted Liens) for amounts of Taxes upon any of SPAC's assets.

(g) SPAC has not constituted either a "distributing corporation" or a "controlled corporation" in a distribution of stock qualifying for tax-deferred treatment under Section 355 of the Code since its incorporation.

(h) SPAC has not participated in any "listed transaction" within the meaning of Treasury Regulation Section 1.6011-4 (b).

(i) SPAC (i) does not have any liability for the Taxes of another Person pursuant to Treasury Regulation Section 1.1502-6 (or any similar provision of state, local or foreign Tax law) or as a transferee or a successor; and (ii) in the last two (2) years has not been a member of an affiliated, consolidated, combined or unitary group filing for U.S. federal, state or local income Tax purposes.

(j) Since November 30, 2018, no claim has been made in writing by any Governmental Entity in a jurisdiction in which SPAC does not file Tax Returns that it is or may be subject to Tax or required to file Tax Returns in that jurisdiction, which claim has not been dismissed, closed or otherwise resolved.

(k) SPAC is a Tax resident only in its jurisdiction of formation.

(l) SPAC does not have (and has not ever had) a permanent establishment (within the meaning of an applicable Tax treaty) or otherwise has an office or fixed place of business in a country other than the country in which it is organized.

(m) SPAC has not taken or agreed to take any action, and is not aware of any facts or circumstances, in each case, that would reasonably be expected to prevent or impede the Merger from qualifying for the Intended Tax Treatment.

Notwithstanding anything to the contrary contained in this Agreement, (a) no representation or warranty is being made as to the use or availability of any Tax attribute or credit of SPAC in any taxable period (or portion thereof) beginning on the day immediately after the Closing Date and (b) nothing in this Agreement (including this Section 4.15) shall be construed as providing a representation or warranty relating or attributable to a taxable period (or portion thereof) beginning on or after the Closing Date (except as specifically contemplated by Section 4.15(e)).

Section 4.16 Information Supplied. None of the information supplied or to be supplied by or on behalf of SPAC expressly for inclusion or incorporation by reference prior to the Closing in the Registration Statement and Proxy Statement will, when the Registration Statement and Proxy Statement are declared effective or when the Registration Statement and Proxy Statement are mailed to the SPAC Stockholders or at the time of the SPAC Stockholders' Meeting, and in the case of any amendment or supplement thereto, at the time of such amendment or supplement, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading. None of the information supplied or to be supplied by or on behalf of SPAC expressly for inclusion or incorporation by reference prior to the Closing in the Canadian Prospectus will, at the date of the Canadian Prospectus, include any "misrepresentation" (as defined in Canadian Securities Laws). Notwithstanding the foregoing, SPAC makes no representations or warranties as to the information contained or incorporated by reference in or omitted from the Registration Statement, Proxy Statement, the Proxy Statement/Prospectus or Canadian Prospectus in reliance upon and in conformity with information furnished in writing to SPAC by or on behalf of the Company specifically for inclusion in the Registration Statement, the Proxy Statement/Prospectus or the Canadian Prospectus.

Section 4.17 Employees; Benefit Plans. Other than as described in the SPAC SEC Reports, SPAC has never had any employees or individual independent contractors. Other than reimbursement of any out-of-pocket expenses incurred by SPAC's officers and directors in connection with activities on SPAC's behalf in an aggregate amount not in excess of the amount of cash held by SPAC outside of the Trust Account, as of the date hereof, SPAC has no unsatisfied material liability with respect to any officer, employee or individual independent contractor. SPAC does not maintain, sponsor, contribute to, participate in or have any liability (actual or contingent) with respect to any plan, program, agreement or arrangement providing compensation or benefits to officers, employees or other individual independent contracts. Neither the execution and delivery of this Agreement or the other Transaction Agreements to which it is a party nor the consummation of the transactions contemplated hereunder or thereunder: (a) will result in any payment (including severance, unemployment compensation, golden parachute, bonus or otherwise) becoming due to any director, officer, individual independent contractor or employee of SPAC; or (b) result in the acceleration of the time of payment or vesting of any such payment or benefits.

Section 4.18 Board Approval; Shareholder Vote. The board of directors of SPAC (including any required committee or subgroup of the board of directors of SPAC), as of the date of this Agreement, unanimously (after the recusal of any conflicted directors): (a) approved and declared the advisability of this Agreement, the other Transaction Agreements to which it is a party and the consummation of the transactions contemplated hereunder and thereunder; and (b) determined that the consummation of the transactions contemplated by the Transaction Agreements to which it is a party is in the best interest of SPAC. Other than the approval from the SPAC Stockholders, no other corporate proceedings on the part of SPAC are necessary to approve the consummation of the transactions contemplated by the Transaction Agreements to which it is a party.

Section 4.19 Title to Assets. Subject to the restrictions on use of the Trust Account set forth in the Trust Agreement, SPAC owns good and marketable title to, or holds a valid leasehold interest in, or a valid license to use, all of the assets used by SPAC in the operation of its business and which are material to SPAC, free and clear of any Liens (other than Permitted Liens).

Section 4.20 Affiliate Transactions. Other than as set forth on Schedule 4.20 of the SPAC Disclosure Letter, no Contract between SPAC, on the one hand, and any of the present or former directors, officers, employees, shareholders or warrant holders or Affiliates of SPAC (or an immediate family member of any of the foregoing), on the other hand, will continue in effect following the Closing.

Section 4.21 Investment Company Act; JOBS Act. SPAC is not an "investment company" or a Person directly or indirectly "controlled" by or acting on behalf of an "investment company," in each case within the meaning of the Investment Company Act. SPAC constitutes an "emerging growth company" within the meaning of the JOBS Act.

Section 4.22 Brokers. Other than as set forth on Schedule 4.22 of the SPAC Disclosure Letter, no broker, finder, investment banker or other Person is entitled to, nor will be entitled to, either directly or indirectly, any brokerage fee, finders' fee or other similar commission, for which SPAC would be liable in connection with the transactions contemplated by this Agreement, the other Transaction Agreements to which SPAC is a party or the transactions contemplated thereby based upon arrangements made by SPAC.

Section 4.23 Opinion of Financial Advisor. The board of directors of SPAC has received an opinion of Cassel Salpeter & Co., LLC to the effect that, as of the date of such opinion and based upon and subject to the various assumptions and limitations set forth therein, the consideration to be received by SPAC Stockholders pursuant to the Merger is fair, from a financial point of view, to the SPAC Stockholders (other than holders of Excluded Shares) and that the fair market value of the Company is at least 80% of the value of the funds held in the Trust Account (excluding taxes payable). A signed copy of such opinion has been provided to the Company (it being agreed that such opinion is for the benefit of the board of directors of SPAC and may not be relied upon by the Company or any other Person).

Section 4.24 State Takeover Statutes; Anti-Takeover Laws. Prior to the execution of this Agreement, the board of directors of SPAC has taken all action necessary so that no restrictive provision of any "business combination," "fair price," "moratorium," "control share acquisition," "takeover," "interested shareholder" or other similar anti-takeover Applicable Law (including Section 203 of the DGCL) ("***Takeover Laws***") is applicable to this Agreement or the Transactions, including the Merger.

Section 4.25 PIPE Investment Amount. SPAC and the Company have entered into the Subscription Agreements pursuant to which the PIPE Investors have committed to provide equity financing in the aggregate amount of One Hundred Million Dollars ($100,000,000) (the "***PIPE Investment Amount***") through purchases of an aggregate of 10,000,000 Company Common Shares issued by the Company and SPAC Shares issued by SPAC (the "***PIPE Shares***") immediately prior to the Effective Time. For the avoidance of doubt, the PIPE Shares reflect a $10.00 per share price. Each PIPE Investor has completed an accredited investor questionnaire customary for financings of the type and size of the PIPE Investment, and SPAC has received representations and warranties from each PIPE Investor outside the United States that such PIPE Investor is an eligible investor located outside of the United States (within the meaning of Regulation S under the Securities Act), and representations and warranties from each PIPE Investor in the United States that such PIPE Investor is a "qualified institutional buyer" (as defined in Rule 144A under the Securities Act) or an "accredited investor" (within the meaning of Rule 501(a) under the Securities Act) and is not acquiring the Company Common Shares or SPAC Shares, as applicable, with a view to, or for offer or sale in connection with, any distribution thereof in violation of the Securities Act.

Section 4.26 Disclaimer of Other Warranties. SPAC HEREBY ACKNOWLEDGES THAT, EXCEPT AS EXPRESSLY PROVIDED IN ARTICLE III (AS QUALIFIED BY THE COMPANY DISCLOSURE LETTER AND THE DOCUMENTS REFERRED TO THEREIN) AND THE REPRESENTATIONS AND WARRANTIES IN THE TRANSACTION AGREEMENTS, NONE OF THE COMPANY, MERGER SUB, ANY OF THEIR SUBSIDIARIES OR ANY OF THEIR RESPECTIVE AFFILIATES OR REPRESENTATIVES HAS MADE, IS MAKING, OR SHALL BE DEEMED TO MAKE ANY REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, AT LAW OR IN EQUITY, TO SPAC, OR ANY OF ITS AFFILIATES OR REPRESENTATIVES OR ANY OTHER PERSON, WITH RESPECT TO ANY OF THE GROUP COMPANIES, THE COMPANY SHAREHOLDER (OR ANY HOLDER OF DERIVATIVE SECURITIES OF THE COMPANY), OR ANY OF THE DIRECTORS, OFFICERS, EMPLOYEES, BUSINESSES, ASSETS OR PROPERTIES OF THE FOREGOING, OR OTHERWISE, INCLUDING ANY REPRESENTATION OR WARRANTY AS TO MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, FUTURE RESULTS, PROPOSED BUSINESSES OR FUTURE PLANS. WITHOUT LIMITING THE FOREGOING AND NOTWITHSTANDING ANYTHING TO THE CONTRARY: (A) NONE OF THE COMPANY, MERGER SUB, ANY OF THE COMPANY SUBSIDIARIES OR ANY OF THEIR RESPECTIVE AFFILIATES OR REPRESENTATIVES SHALL BE DEEMED TO MAKE TO SPAC OR ITS AFFILIATES OR REPRESENTATIVES ANY REPRESENTATION OR WARRANTY OTHER THAN AS EXPRESSLY MADE BY THE COMPANY AND MERGER SUB TO SPAC IN ARTICLE III (AS

QUALIFIED BY THE COMPANY DISCLOSURE LETTER AND THE DOCUMENTS REFERRED TO THEREIN) AND THE REPRESENTATIONS AND WARRANTIES IN THE TRANSACTION AGREEMENTS; AND (B) EXCEPT AS SET FORTH IN ANY REPRESENTATION OR WARRANTY SET FORTH IN ARTICLE III (AS QUALIFIED BY THE COMPANY DISCLOSURE LETTER AND THE DOCUMENTS REFERRED TO THEREIN) AND THE REPRESENTATIONS AND WARRANTIES IN THE TRANSACTION AGREEMENTS, NONE OF THE COMPANY, MERGER SUB NOR ANY OF THE COMPANY SUBSIDIARIES, NOR THEIR RESPECTIVE AFFILIATES OR REPRESENTATIVES, HAS MADE, IS MAKING, OR SHALL BE DEEMED TO MAKE TO SPAC, OR ITS AFFILIATES OR REPRESENTATIVES OR ANY OTHER PERSON ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO: (I) THE INFORMATION DISTRIBUTED OR MADE AVAILABLE TO SPAC OR ITS REPRESENTATIVES BY OR ON BEHALF OF THE COMPANY AND MERGER SUB IN CONNECTION WITH THIS AGREEMENT AND THE TRANSACTIONS; (II) ANY MANAGEMENT PRESENTATION, CONFIDENTIAL INFORMATION MEMORANDUM OR SIMILAR DOCUMENT; OR (III) ANY FINANCIAL PROJECTION, FORECAST, ESTIMATE, BUDGET OR SIMILAR ITEM RELATING TO THE COMPANY, MERGER SUB, ANY OF THE COMPANY SUBSIDIARIES AND/OR THE BUSINESS, ASSETS, LIABILITIES, PROPERTIES, FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROJECTED OPERATIONS OF THE FOREGOING. SPAC HEREBY ACKNOWLEDGES THAT IT HAS NOT RELIED ON ANY PROMISE, REPRESENTATION OR WARRANTY THAT IS NOT EXPRESSLY SET FORTH IN ARTICLE III (AS QUALIFIED BY THE COMPANY DISCLOSURE LETTER AND THE DOCUMENTS REFERRED TO THEREIN) AND THE REPRESENTATIONS AND WARRANTIES IN THE TRANSACTION AGREEMENTS. SPAC ACKNOWLEDGES THAT IT HAS CONDUCTED, TO ITS SATISFACTION, AN INDEPENDENT INVESTIGATION AND VERIFICATION OF THE COMPANY, MERGER SUB, THE COMPANY SUBSIDIARIES AND THE BUSINESS, ASSETS, LIABILITIES, PROPERTIES, FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROJECTED OPERATIONS OF THE FOREGOING AND, IN MAKING ITS DETERMINATION TO PROCEED WITH THE TRANSACTIONS, SPAC HAS RELIED ON THE RESULTS OF ITS OWN INDEPENDENT INVESTIGATION AND VERIFICATION, IN ADDITION TO THE REPRESENTATIONS AND WARRANTIES OF THE COMPANY AND MERGER SUB EXPRESSLY AND SPECIFICALLY SET FORTH IN ARTICLE III (AS QUALIFIED BY THE COMPANY DISCLOSURE LETTER AND THE DOCUMENTS REFERRED TO THEREIN) AND THE REPRESENTATIONS AND WARRANTIES IN THE TRANSACTION AGREEMENTS. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS SECTION 4.26, CLAIMS AGAINST THE COMPANY, MERGER SUB OR ANY OTHER PERSON SHALL NOT BE LIMITED IN ANY RESPECT IN THE EVENT OF INTENTIONAL FRAUD IN THE MAKING OF THE REPRESENTATIONS AND WARRANTIES IN ARTICLE III (AS QUALIFIED BY THE COMPANY DISCLOSURE LETTER AND THE DOCUMENTS REFERRED TO THEREIN) AND THE REPRESENTATIONS AND WARRANTIES IN THE TRANSACTION AGREEMENTS, BY SUCH PERSON.

ARTICLE V
CONDUCT PRIOR TO THE CLOSING DATE

Section 5.1 Conduct of Business by the Company and the Company Subsidiaries. During the period from the date of this Agreement and continuing until the earlier of the termination of this Agreement pursuant to its terms or the Closing, the Company shall, and shall cause each of the Company Subsidiaries to, carry on in the ordinary course of business, except: (x) to the extent that SPAC shall otherwise consent in writing (such consent not to be unreasonably withheld, conditioned or delayed); (y) as required by Applicable Law (including COVID-19 Measures) or as reasonably necessary or prudent in light of COVID-19; or (z) as required or expressly permitted by this Agreement (including as contemplated by the PIPE Investment) or the Company Disclosure Letter. Without limiting the generality of the foregoing, except as required or expressly permitted by the terms of this Agreement (including as contemplated by the PIPE Investment) or the Company Disclosure Letter, or as required by Applicable Law (including COVID- 19 Measures) or as reasonably necessary or prudent in light of COVID-19, without the prior written consent of SPAC (such consent not to be unreasonably withheld, conditioned or delayed), during the period from the date of this Agreement and continuing until the earlier of the termination of this Agreement pursuant to its terms or the Closing, the Company shall not, and shall cause the Company Subsidiaries not to, do any of the following:

(a) except as otherwise required by existing Company Benefit Plans or the Contracts listed on Section 3.19 of the Company Disclosure Letter, adopt, enter into or materially amend any equity or equity-based compensation plan;

(b) except for: (x) transactions between or among the Group Companies, (y) in connection with the Stock Split, or (z) issuance of securities of the Company that are counted in the definition of Conversion Factor: (i) split, combine or reclassify any capital stock or warrants, effect a recapitalization or issue or authorize the issuance of any other securities in respect of, in lieu of or in substitution for any capital stock or warrant or effect any similar change in capitalization; (ii) repurchase, redeem or otherwise acquire, or offer to repurchase, redeem or otherwise acquire, any membership interests, capital stock or any other equity interests, as applicable, in any Group Company, except in connection with the termination or resignation of any employees, directors or officers of the Group Companies; (iii) declare, set aside or pay any dividend or make any other distribution; or (iv) issue, deliver, sell, authorize, pledge or otherwise encumber, or agree to any of the foregoing with respect to, any shares of capital stock or other equity securities of the Group Companies, or any securities convertible into or exchangeable for shares of capital stock or other equity securities of the Group Companies, or subscriptions, rights, warrants or options to acquire any shares of capital stock or other equity securities of the Group Companies, or enter into other agreements or commitments of any character obligating it to issue any such shares of capital stock, equity securities or convertible or exchangeable securities;

(c) amend its Organizational Documents (other than in connection with the Restated Articles and the Notice of Alteration) except in order to effect the Transactions or the other Transaction Documents, or form or establish any Subsidiary;

(d) (i) merge, consolidate or combine with any Person; or (ii) acquire or agree to acquire by merging or consolidating with, purchasing any equity interest in or a substantial portion of the assets of, or by any other manner, any business or any corporation, partnership, association or other business organization or division thereof;

(e) sell, lease, divest or transfer, or otherwise dispose of, material tangible assets or material properties with a value in excess of five million Dollars ($5,000,000), or agree to do any of the foregoing, other than, in each case, (i) in the ordinary course of business or (ii) with respect to obsolete assets;

(f) (i) issue or sell any debt securities or rights to acquire any debt securities or guarantee any debt securities of another Person; (ii) make, create any loans, advances or capital contributions to, or investments in, any Person other than any of the Group Companies; (iii) create, incur, assume, guarantee or otherwise become liable for, any Indebtedness except in the ordinary course of business consistent with past practice; (iv) except in the ordinary course of business consistent with past practice, create any material Liens on any material property or material assets of any of the Group Companies in connection with any Indebtedness thereof (other than Permitted Liens); or (v) cancel or forgive any Indebtedness owed to any of the Group Companies;

(g) make, incur or commit to make or incur, or authorize any capital expenditures other than capital expenditures consistent in the aggregate with the capital expenditure plan disclosed to SPAC;

(h) other than any Transaction Litigation, which is subject to Section 6.19, commence, release, assign, compromise, settle or agree to settle any Legal Proceeding material to the Group Companies or their respective properties or assets, except in the ordinary course of business or where such Legal Proceedings are covered by insurance or involve only the payment of monetary damages in an amount less than fifteen million Dollars ($15,000,000) in the aggregate;

(i) except in the ordinary course of business consistent with past practices: (i) modify, amend in a manner that is adverse to the applicable Group Company or terminate any Company Material Contract; (ii) enter into any Contract that would have been a Company Material Contract had it been entered into prior to the date of this Agreement; or (iii) waive, delay the exercise of, release or assign any material rights or claims under any Company Material Contract;

(j) except as required by IFRS (or any interpretation thereof) or Applicable Law, make any change in accounting methods, principles or practices;

(k) except in the ordinary course of business: (i) make, change or rescind any Tax election (other than, in the sole discretion of the Company Shareholder, in connection with the transfer of all of the issued and outstanding shares in the capital of Algoma Steel Holdings Inc. to the Company); (ii) settle or compromise any material Tax claim

outside the ordinary course of business; (iii) change (or request to change) any material method of accounting for Tax purposes; (iv) file any amended Tax Return that could materially increase the Taxes payable by the applicable Group Company; (v) waive or extend any statute of limitations in respect of a period within which an assessment or reassessment of Taxes may be issued (other than any extension pursuant to an extension to file any Tax Return); (vi) knowingly surrender any material claim for a refund of Taxes; (vii) enter into any "closing agreement" as described in Section 7121 of the Code (or any similar Applicable Law) with any Governmental Entity; or (viii) knowingly take any action or knowingly fail to take any action, which action or failure to act would reasonably be expected to prevent or impede the Merger from qualifying for the Intended Tax Treatment;

(l) authorize, recommend, propose or announce an intention to adopt a plan of complete or partial liquidation, restructuring, recapitalization, dissolution or winding-up of the Company;

(m) subject to Section 5.1(a), enter into or amend any agreement with, or pay, distribute or advance any assets or property to, any of its officers, directors, employees, partners, stockholders or other Affiliates, other than payments or distributions relating to obligations in respect of arm's-length commercial transactions pursuant to the agreements set forth on Schedule 5.1(m) of the Company Disclosure Letter as existing on the date of this Agreement;

(n) (i) limit the rights of any Group Company in any respect: (A) to engage in any line of business or in any geographic area; (B) to develop, market or sell products or services; or (C) to compete with any Person; or (ii) grant any exclusive or similar rights to any Person;

(o) terminate or amend, in a manner materially detrimental to any Group Company, any insurance policy insuring the business of any Group Company

(p) transfer, sell, assign, or license to any Person, grant any security interest in or otherwise encumber or dispose of, or otherwise extend, amend or modify any material rights to any material Owned Intellectual Property or enter into agreements to transfer or license to any Person material future Intellectual Property rights, but only to the extent the foregoing would reasonably be expected to materially adversely impact the business of the Company and its Subsidiaries, taken as a whole;

(q) abandon, allow to lapse, disclaim or dedicate to the public, or fail to make any filing, pay any fee, or take any other action necessary to prosecute and maintain in full force and effect, or to maintain the ownership, validity, and enforceability of, any material Registered Intellectual Property, but only to the extent the foregoing would reasonably be expected to materially adversely impact the business of the Company and its Subsidiaries, taken as a whole; or

(r) agree in writing or otherwise agree, commit or resolve to take any of the actions described in Section 5.1(a) through (q) above.

Section 5.2 Conduct of Business by SPAC. During the period from the date of this Agreement and continuing until the earlier of the termination of this Agreement pursuant to its terms or the Closing, SPAC shall carry on in the ordinary course of business, except: (a) to the extent that the Company shall otherwise consent in writing (such consent not to be unreasonably withheld, conditioned or delayed); (b) as required by Applicable Law (including COVID- 19 Measures) or as reasonably necessary or prudent in light of COVID-19; or (c) as required or expressly permitted by this Agreement (including as contemplated by the PIPE Investment) or the SPAC Disclosure Letter. Without limiting the generality of the foregoing, except as required or expressly permitted by the terms of this Agreement (including as contemplated by the PIPE Investment) or the SPAC Disclosure Letter, or as required by Applicable Law (including COVID-19 Measures) or as reasonably necessary or prudent in light of COVID-19, without the prior written consent of the Company (such consent not to be unreasonably withheld, conditioned or delayed), during the period from the date of this Agreement and continuing until the earlier of the termination of this Agreement pursuant to its terms or the Closing, SPAC shall not do any of the following:

(a) declare, set aside or pay dividends on or make any other distributions (whether in cash, stock, equity securities or property) in respect of any capital stock or warrants or split, combine or reclassify any capital stock or warrants, effect a recapitalization or issue or authorize the issuance of any other securities in respect of, in lieu of or in substitution for any capital stock or warrant, or effect any similar change in capitalization;

(b) purchase, redeem or otherwise acquire, directly or indirectly, any equity securities of SPAC except in connection with SPAC Stockholder Redemptions;

(c) except in connection with SPAC Borrowings, grant, issue, deliver, sell, authorize, pledge or otherwise encumber, or agree to any of the foregoing with respect to, any shares of capital stock or other equity securities or any securities convertible into or exchangeable for shares of capital stock or other equity securities, or subscriptions, rights, warrants or options to acquire any shares of capital stock or other equity securities or any securities convertible into or exchangeable for shares of capital stock or other equity securities, or enter into other agreements or commitments of any character obligating it to issue any such shares of capital stock or equity securities or convertible or exchangeable securities;

(d) amend its Organizational Documents or form or establish any Subsidiary;

(e) (i) merge, consolidate or combine with any other Person; or (ii) acquire or agree to acquire (whether by merger, consolidation or acquisition of securities or a substantial portion of the assets of) any corporation, partnership, association or other business organization or division or assets thereof;

(f) (i) incur any Indebtedness, except SPAC Borrowings; (ii) create any material Liens on any material property or assets of SPAC in connection with any Indebtedness thereof (other than Permitted Liens); (iii) cancel or forgive any Indebtedness owed to SPAC; or (iv) make, incur or commit to make or incur any capital expenditures;

(g) other than any Transaction Litigation, which is subject to Section 6.19, commence, release, assign, compromise, settle or agree to settle any Legal Proceeding;

(h) except as required by GAAP (or any interpretation thereof) or Applicable Law, make any change in accounting methods, principles or practices;

(i) except in the ordinary course of business: (i) make, change or rescind any Tax election; (ii) settle or compromise any material Tax claim outside the ordinary course of business; (iii) change (or request to change) any material method of accounting for Tax purposes; (iv) file any amended Tax Return that could materially increase the Taxes payable by SPAC; (v) waive or extend any statute of limitations in respect of a period within which an assessment or reassessment of Taxes may be issued (other than any extension pursuant to an extension to file any Tax Return); (vi) knowingly surrender any material claim for a refund of Taxes; (vii) enter into any "closing agreement" as described in Section 7121 of the Code (or any similar Applicable Law) with any Governmental Entity; or (viii) knowingly take any action or knowingly fail to take any action, which action or failure to act would reasonably be expected to prevent or impede the Merger from qualifying for the Intended Tax Treatment;

(j) (i) authorize, recommend, propose or announce an intention to adopt a plan of complete or partial liquidation, restructuring, recapitalization, dissolution or winding-up of SPAC or (ii) liquidate, dissolve, reorganize or otherwise wind-up the business or operations of SPAC;

(k) enter into or amend any agreement with, or pay, distribute or advance any assets or property to, or waive any provision or fail to enforce any provision with any agreement with, any of its officers, directors, employees, partners, stockholders or other Affiliates;

(l) engage in any material new line of business;

(m) amend the Trust Agreement or any other agreement related to the Trust Account; or

(n) agree in writing or otherwise agree, commit or resolve to take any of the actions described in Section 5.2(a) through (m) above.

Section 5.3 No Control. Nothing contained in this Agreement shall give the Company or SPAC, directly or indirectly, any right to control or direct the operations of the other Party prior to the Closing. Prior to the Closing, each of the Company and SPAC shall exercise, consistent with the other terms and conditions of this Agreement, complete control and supervision over their respective businesses.

ARTICLE VI
ADDITIONAL AGREEMENTS

Section 6.1 Registration Statement; Shareholder Meetings.

(a) Registration Statement.

(i) As promptly as practicable after the execution of this Agreement, (x) SPAC and the Company shall jointly prepare and the Company shall file with the SEC, mutually acceptable materials (such acceptance not to be unreasonably withheld, conditioned or delayed by either SPAC or the Company, as applicable) which shall include the proxy statement of SPAC to be filed with the SEC as part of the Registration Statement and sent to the SPAC Stockholders relating to the SPAC Stockholders' Meeting (such proxy statement, together with any amendments or supplements thereto, the "***Proxy Statement***"), (y) the Company shall prepare (with SPAC's reasonable cooperation) and file with the SEC the Registration Statement, in which the Proxy Statement will be included as a prospectus (the "***Proxy Statement/Prospectus***"), in connection with the registration under the Securities Act of Company Common Shares to be exchanged for the issued and outstanding SPAC Shares, the Company Common Shares to be issued upon exercise of Company Warrants, and, if required by Applicable Law, the Company Warrants, and (z) the Company shall prepare (with SPAC's reasonable cooperation) and file with the Ontario Securities Commission (the "***OSC***") a preliminary non-offering prospectus in respect of the Company (together with all amendments thereto, the "***Canadian Prospectus***"). Each of SPAC and the Company shall use its reasonable best efforts (which shall include causing their respective counsel and advisors to provide required opinions and consents) to (A) cause the Registration Statement, including the Proxy Statement/Prospectus, and the Canadian Prospectus, to comply with the rules and regulations promulgated by the SEC and the OSC, respectively, (B) to have the Registration Statement declared effective under the Securities Act as promptly as practicable after such filing, and to cause the final Canadian Prospectus to be filed and definitively receipted by the OSC as promptly as practicable after the Closing Date and (C) to keep the Registration Statement effective as long as is necessary to consummate the Transactions. In the event there is any tax opinion or other opinion or consent required to be provided in connection with the Registration Statement, notwithstanding anything to the contrary, neither this provision nor any other provision in this Agreement shall require counsel to the Company, SPAC or their respective tax advisors to provide an opinion that the Merger qualifies as a reorganization within the meaning of Section 368(a) of the Code or otherwise qualifies for the Intended Tax Treatment and no such opinion or consent (or the delivery thereof) shall be a condition to the Closing. The Company also agrees to use its reasonable best efforts to obtain all necessary state securities law or "blue sky" permits and approvals required to carry out the Transactions, and SPAC shall furnish all information concerning itself and its equityholders as may be reasonably requested in connection with any such action. Each of SPAC and the Company agrees to furnish to the other Party and its Representatives all information concerning itself, its Subsidiaries, officers, directors, managers, stockholders, and other equityholders and information regarding such other matters as may be reasonably necessary or advisable or as may be reasonably requested in connection with the Registration Statement, including the Proxy Statement/Prospectus, the Canadian Prospectus, a Current Report on Form 8-K pursuant to the Exchange Act in connection with the Transactions, or any other statement, filing, notice or application made by or on behalf of SPAC or the Group Companies to any regulatory authority (including Nasdaq) in connection with the Merger and the Transactions (the "***Transaction Filings***"). SPAC will cause the Proxy Statement to be mailed to the SPAC Stockholders as promptly as practicable after the Registration Statement is declared effective under the Securities Act.

(ii) The Company will advise SPAC, reasonably promptly after the Company receives notice thereof, of the time when the Registration Statement or the Canadian Prospectus has become effective or receipted, as applicable, or any supplement or amendment has been filed, of the issuance of any stop order or the suspension of the qualification of the Company Common Shares for offering or sale in any jurisdiction, of the initiation or written threat of any proceeding for any such purpose, or of any request by the SEC for the amendment or supplement of the Registration Statement or by the OSC for the amendment of the Canadian Prospectus or requests by the SEC or OSC for additional information. SPAC and its counsel, on the one hand, and the Company and its counsel, on the other hand, shall be given a reasonable opportunity to review and comment on the Registration Statement, the Proxy Statement, the Canadian Prospectus and any Transaction Filings each time before any such document is filed with the SEC or OSC, as applicable, and the other Party shall give reasonable and good faith consideration to any comments made by SPAC and its counsel or the Company and its counsel, as applicable. The Company, on the one hand, and SPAC, on the other hand, shall provide the other Party and its counsel with (A) any comments or other communications, whether written or oral, that SPAC or its counsel or the Company or its counsel, as the case may be, may receive from time to time from

the SEC or its staff or the OSC, as applicable, with respect to the Registration Statement, the Proxy Statement, the Canadian Prospectus or any Transaction Filings, in each case, promptly after receipt of those comments or other communications and (B) a reasonable opportunity to participate in the response of SPAC or the Company, as applicable, to those comments and to provide comments on that response (to which reasonable and good faith consideration shall be given).

(iii) If at any time prior to the Effective Time any information relating to the Company, SPAC or any of their respective Subsidiaries, Affiliates, directors or officers is discovered by the Company or SPAC, which is required to be set forth in an amendment or supplement to the Registration Statement, the Proxy Statement or the Canadian Prospectus, so that neither the Registration Statement or the Proxy Statement would include any misstatement of a material fact or omit to state any material fact necessary to make the statements therein, with respect to the Registration Statement or the Proxy Statement, in light of the circumstances under which they were made, not misleading, or the Canadian Prospectus would include any "misrepresentation" (as defined in Canadian Securities Laws), the party which discovers such information shall promptly notify the other parties and an appropriate amendment or supplement describing such information shall be promptly filed with the SEC or the OSC, as applicable, and, to the extent required by Applicable Law, disseminated to SPAC Stockholders.

(b) SPAC Stockholders' Meeting.

(i) SPAC shall, as promptly as practicable following the date the Registration Statement is declared effective by the SEC under the Securities Act, establish a record date for, duly call and give notice of, convene and hold a meeting of SPAC Stockholders (the "***SPAC Stockholders' Meeting***"), in each case in accordance with SPAC's Organizational Documents and Applicable Law, solely for the purpose of (x) providing SPAC Stockholders with the opportunity to redeem SPAC Public Shares, (y) obtaining all requisite approvals and authorizations from the SPAC Stockholders in connection with the Transactions (including the SPAC Stockholder Approval) at the SPAC Stockholders' Meeting and (z) related and customary procedural and administrative matters. SPAC shall, through unanimous (after the recusal of any conflicted directors) approval of its board of directors, recommend to the SPAC Stockholders the adoption and approval of the SPAC Transaction Proposals by the SPAC Stockholders (the "***SPAC Board Recommendation***"). SPAC shall use its reasonable best efforts to obtain such approvals and authorizations from the SPAC Stockholders at the SPAC Stockholders' Meeting, including by soliciting proxies as promptly as practicable in accordance with Applicable Law for the purpose of seeking such approvals and authorizations from the SPAC Stockholders, and minimize redemptions of SPAC Public Shares by SPAC Stockholders.

(ii) Subject to the provisos in the following sentence, SPAC shall include the SPAC Board Recommendation in the Proxy Statement. The board of directors of SPAC shall not (and no committee or subgroup thereof shall) change, withdraw, withhold, qualify or modify, or publicly propose to change, withdraw, withhold, qualify or modify, the SPAC Board Recommendation (a "***SPAC Change in Recommendation***"); provided, that the board of directors of SPAC may make a SPAC Change in Recommendation prior to receipt of the SPAC Stockholder Approval if it is required to do so by Applicable Law; provided, however, that for the avoidance of doubt, it is hereby clarified that the board of directors of SPAC shall not be entitled to exercise its rights to make a SPAC Change in Recommendation pursuant to this Section 6.1(b) as a result of an offer, proposal or inquiry relating to any merger, sale of ownership interests and/or assets, recapitalization or similar transaction involving SPAC. SPAC agrees that its obligation to establish a record date for, duly call, give notice of, convene and hold the SPAC Stockholders' Meeting for the purpose of seeking approval from the SPAC Stockholders shall not be affected by any SPAC Change in Recommendation, and SPAC agrees to establish a record date for, duly call, give notice of, convene and hold the SPAC Stockholders' Meeting and submit for the approval of the SPAC Stockholders the matters contemplated by the Proxy Statement as contemplated by this Section 6.1(b), regardless of whether or not there shall have occurred any SPAC Change in Recommendation.

(iii) SPAC shall be entitled to postpone or adjourn the SPAC Stockholders' Meeting: (i) to the extent required by Applicable Law; (ii) to ensure that any supplement or amendment to the Proxy Statement that the board of directors of SPAC has determined in good faith is required by Applicable Law is disclosed to SPAC Stockholders with sufficient time prior to the SPAC Stockholders' Meeting for SPAC Stockholders to consider the disclosures contained in such supplement or amendment; (iii) if, as of the time for which the SPAC Stockholders' Meeting is originally scheduled (as set forth in the Proxy Statement), there are insufficient SPAC Shares represented (either in person or by proxy) to constitute a quorum necessary to conduct the business to be conducted at the SPAC

Stockholders' Meeting; (iv) in order to solicit additional proxies from SPAC Stockholders for purposes of obtaining approval from the SPAC Stockholders; or (v) to continue to attempt to satisfy all conditions to Closing; provided, that, the SPAC Stockholders' Meeting may not be adjourned or postponed to a date that is more than twenty (20) days after the date for which the SPAC Stockholders' Meeting was originally scheduled (excluding any postponements or adjournments required by Applicable Law) without the prior written consent of the Company (except that the Company may not unreasonably fail to consent to one further extension if the Company determines the purpose of such extension is reasonable and the length of such extension is no more than five (5) additional days, which the parties have deemed to be reasonable), and provided the SPAC Stockholders' Meeting is held no later than four (4) Business Days prior to the Outside Date; provided, further, that in the event of a postponement or adjournment the SPAC Stockholders' Meeting shall be reconvened as promptly as practicable following such time as the matter causing the postponement or adjournment has been resolved.

Section 6.2 Employee Matters.

(a) Equity Plan. Prior to the Closing Date, the Company shall approve and adopt the Incentive Equity Plan, based on the terms and conditions as reasonably mutually agreed upon between SPAC and the Company (provided neither Party will unreasonably withhold, condition or delay its agreement) to be effective upon and following the Closing, with the number of Company Common Shares allocated under the Incentive Equity Plan equal to five percent (5%) of the total number of the Company Common Shares outstanding immediately following the Closing (on a fully-diluted basis assuming the conversion of all securities convertible into Company Common Shares). As soon as practicable following the Closing, the Company shall file an effective registration statement on Form S-8 (or other applicable form) with respect to the Company Common Shares issuable under the Incentive Equity Plan. Notwithstanding this Section 6.2(a), if the Company reasonably determines that it would be beneficial to any recipient to grant options pursuant to the Incentive Equity Plan to such recipient prior to the Closing Date (but contingent on the Closing occurring), the parties will discuss in good faith the possibility of doing so and, if the Company reasonably determines to do so, will cooperate in good faith and use their reasonable best efforts to do so.

(b) No Third-Party Beneficiaries. Notwithstanding anything herein to the contrary, all provisions contained in this Section 6.2 are included for the sole benefit of SPAC and the Company, and nothing in this Agreement, whether express or implied, (i) shall be construed to establish, amend, or modify any employee benefit plan, program, agreement or arrangement, (ii) shall limit the right of SPAC, the Company or their respective Affiliates to amend, terminate or otherwise modify any Company Benefit Plan or other employee benefit plan, agreement or other arrangement following the Closing Date, or (iii) shall confer upon any Person who is not a party to this Agreement (including any equityholder, any current or former director, manager, officer, employee or independent contractor of the Company, or any participant in any Company Benefit Plan or other employee benefit plan, agreement or other arrangement (or any dependent or beneficiary thereof)), any right to continued or resumed employment or recall, any right to compensation or benefits, or any third-party beneficiary or other right of any kind or nature whatsoever.

Section 6.3 Regulatory Approvals. Each Party will promptly provide the other with copies of all substantive written communications (and memoranda setting forth the substance of all substantive oral communications) between each of them, any of their Affiliates and their respective agents, representatives and advisors, on the one hand, and any Governmental Entity, on the other hand, with respect to this Agreement or the Transactions as appropriate. Without limiting the foregoing, SPAC and the Company shall: (i) promptly inform the other of any substantive communication to or from any Governmental Entity regarding the Transactions; (ii) permit each other to review in advance any proposed substantive written communication to any such Governmental Entity and incorporate reasonable comments thereto; (iii) give the other prompt written notice of the commencement of any Legal Proceeding with respect to the Transactions, subject to the requirements of Section 6.19; (iv) not agree to participate in any substantive meeting or discussion with any such Governmental Entity in respect of any filing, investigation or inquiry concerning this Agreement or the Transactions unless, to the extent reasonably practicable, it consults with the other Party in advance and, to the extent permitted by such Governmental Entity, gives the other Party the opportunity to attend; (v) keep the other reasonably informed as to the status of any such Legal Proceeding; and (vi) promptly furnish each other with copies of all correspondence, filings and written communications between such Party and their Affiliates and their respective agents, representatives and advisors, on one hand, and any such Governmental Entity, on the other hand, in each case, with respect to this Agreement and the Transactions. SPAC, on the one hand, and the Company, on the other hand, shall each pay fifty percent (50%) of any filing fees required by Governmental Entities, including with respect to any registrations, declarations and filings required in connection with the execution and delivery of this Agreement, the performance of the obligations hereunder and the consummation of the Transactions.

Section 6.4 Other Filings; Press Release.

(a) As promptly as practicable after execution of this Agreement, SPAC will prepare and file a Current Report on Form 8-K pursuant to the Exchange Act to report the execution of this Agreement, the form and substance of which shall be approved in advance in writing by the Company, which approval shall not be unreasonably withheld, conditioned or delayed.

(b) Promptly after the execution of this Agreement, SPAC and the Company shall also issue a mutually agreed joint press release announcing the execution of this Agreement. Prior to Closing, the Company shall prepare a press release announcing the consummation of the Transactions hereunder, the form and substance of which shall be approved in advance by SPAC, which approval shall not be unreasonably withheld, conditioned or delayed ("***Closing Press Release***"). Concurrently with the Closing, the Company shall issue the Closing Press Release.

Section 6.5 Confidentiality; Access to Information.

(a) SPAC and the Company acknowledge that they are parties to the Confidentiality Agreement, the terms of which are incorporated herein by reference. In the event that this Section 6.5(a) or the Confidentiality Agreement conflicts with any other covenant or agreement contained herein or any other Transaction Agreement that contemplates the disclosure, use or provision of information or otherwise, then the Confidentiality Agreement shall govern and control to the extent of such conflict.

(b) Notwithstanding the foregoing, none of the Parties will make any public announcement or issue any public communication regarding this Agreement, any other Transaction Agreement or the Transactions or any matter related to the foregoing, without the prior written consent of the Company, in the case of a public announcement by SPAC or its Affiliates, or SPAC, in the case of a public announcement by the Company or its Affiliates (such consents, in either case, not to be unreasonably withheld, conditioned or delayed), except: (i) for routine disclosures to Governmental Entities made by the Company in the ordinary course of business; (ii) if such announcement or other communication is required by Applicable Law, in which case the disclosing Party shall, to the extent permitted by Applicable Law, first allow such other Parties to review such announcement or communication and have the opportunity to comment thereon and the disclosing Party shall consider such comments in good faith; (iii) if such announcement or other communication is made in connection with SPAC or the Company's fundraising or other investment related activities, in each case, in connection with the Transactions, and is made to such Person's direct and indirect investors or potential investors or financing sources subject to an obligation of confidentiality to the disclosing Party; (iv) to the extent such announcements or other communications are consistent with information previously disclosed in a public statement, press release or other communication previously approved or made in accordance with Section 6.4 or this Section 6.5(b); (v) announcements and communications to Governmental Entities in connection with registrations, declarations and filings relating to the Transactions required to be made under this Agreement; and (vi) communications to employees of the Group Companies, and to customers and suppliers of the Group Companies for purposes of seeking any consents and approvals required in connection with the Transactions, and then only to the extent such communications are consistent with information previously disclosed in a public statement, press release or other communication previously approved or made in accordance with Section 6.4.

(c) Subject to the Confidentiality Agreement, the Company will afford SPAC and its financial advisors, accountants, counsel and other representatives who have a need to know such information reasonable access during normal business hours, upon reasonable notice, to the books, records and personnel of the Group Companies during the period prior to the Closing to obtain all information concerning the business, including the status of business development efforts, properties, results of operations and personnel of the Group Companies, as SPAC may reasonably request in connection with the consummation of the Transactions; provided, however, that any such access shall be (i) conducted in a manner not to unreasonably interfere with the businesses or operations of the Company and (ii) limited as required by the Company's policies or Applicable Law in connection with COVID-19 (including the COVID-19 Measures). Subject to the Confidentiality Agreement, SPAC will afford the Company and its financial advisors, underwriters, accountants, counsel and other representatives reasonable access during normal business hours, upon reasonable notice, to the books, records and personnel of SPAC during the period prior to the Closing to obtain all information concerning the business, including properties, results of operations and personnel of SPAC, as the Company may reasonably request in connection with the consummation of the Transactions; provided, however, that any such access shall be (i) conducted in a manner not to unreasonably interfere with the businesses or operations of

SPAC and (ii) limited as required by SPAC's policies or Applicable Law in connection with COVID-19 (including the COVID- 19 Measures). Notwithstanding the foregoing, neither the Company nor SPAC, nor any of their respective Subsidiaries or Representatives, shall be required to provide, or cause to be provided to, the other party any information if and to the extent doing so would (A) violate any Applicable Law to which the Company or SPAC, as applicable, is subject, (B) result in the disclosure of any trade secrets of third parties in breach of any Contract with such third- party, (C) violate any legally binding obligation of the Company or SPAC, as applicable, with respect to confidentiality, non-disclosure or privacy or (D) jeopardize protections afforded to the Company or SPAC, as applicable, under the attorney-client privilege or the attorney work product doctrine (provided that, in case of each of clauses (A) through (D), the Company and SPAC shall each use reasonable best efforts to (x) provide such access as can be provided (or otherwise convey such information regarding the applicable matter as can be conveyed) without violating such privilege, doctrine, Contract, obligation or Applicable Law and (y) provide such information in a manner without violating such privilege, doctrine, Contract, obligation or Applicable Law).

Section 6.6 Reasonable Best Efforts.

(a) Upon the terms and subject to the conditions set forth in this Agreement, each of the Parties agrees to use its reasonable best efforts to take, or cause to be taken, all actions, and to do, or cause to be done, and to assist and cooperate with the other Parties in doing, all things necessary, proper or advisable to consummate and make effective, as soon as practicable, the Merger and the other transactions contemplated by the Transaction Agreements to which it is a party. Each of the Parties agrees to use reasonable best efforts to accomplish the following: (i) the taking of all commercially reasonable acts necessary to cause the conditions precedent set forth in ARTICLE VII to be satisfied; (ii) the obtaining of all necessary actions, waivers, consents, approvals, orders and authorizations from Governmental Entities and third parties, and to make all necessary registrations, declarations and filings (including registrations, declarations and filings with Governmental Entities, if any); and (iii) the defending of any suits, claims, actions, investigations or proceedings, whether judicial or administrative, challenging this Agreement or the consummation of the Transactions, including seeking to have any stay or temporary restraining order entered by any court or other Governmental Entity vacated or reversed.

(b) Notwithstanding anything herein to the contrary, nothing in this Section 6.6 shall be deemed to require any Party to pay or commit to pay any amount to (or incur any obligation in favor of) any Person from whom any such consent may be required (unless such payment is required in accordance with the terms of the relevant Contract requiring such consent).

Section 6.7 No Claim Against Trust Account. The Company acknowledges that SPAC has established the Trust Account for the benefit of its public shareholders. For and in consideration of SPAC entering into this Agreement, the receipt and sufficiency of which are hereby acknowledged, the Company (on behalf of itself and its Affiliates, directors, officers, employees, Representatives, Subsidiaries, and the Company Shareholder) hereby irrevocably waives any right, title, interest or claim of any kind it has or may have in the future in or to the Trust Account, and agrees not to seek recourse against the Trust Account or any funds distributed therefrom regardless of whether such right, title interest or claim of any kind arises as a result of, in connection with or relating in any way to this Agreement or any other matter, and regardless of whether such claim arises based on Contract, tort, equity or any other theory of legal liability. Notwithstanding the foregoing, nothing herein shall serve to limit or prohibit the Company's right to pursue a claim against SPAC pursuant to this Agreement for legal relief against monies or other assets of SPAC held outside the Trust Account (other than distribution therefrom directly or indirectly to SPAC's public shareholders), or for specific performance or other equitable relief in connection with the transactions contemplated in this Agreement and the Transaction Agreements or for intentional fraud in the making of the representations and warranties in ARTICLE IV. The Company agrees and acknowledges that such irrevocable waiver is material to this Agreement and specifically relied upon by SPAC to induce SPAC to enter this Agreement, and the Company further intends and understands such waiver to be valid, binding and enforceable against the Company. This Section 6.7 shall survive the termination of this Agreement for any reason.

Section 6.8 Company and SPAC Securities Listings.

(a) From the date hereof through the Closing, SPAC shall use its reasonable best efforts to ensure SPAC remains listed as a public company on, and for SPAC Shares and SPAC Warrants to be listed on, Nasdaq. Prior to the Closing Date, SPAC shall cooperate with the Company and use reasonable best efforts to take such actions as are

reasonably necessary or advisable to cause the SPAC Shares and SPAC Warrants to be delisted from Nasdaq and deregistered under the Exchange Act with such delisting and deregistration effective as soon as practicable following the Effective Time.

(b) From the date hereof through the Closing, SPAC will use reasonable best efforts to keep current and timely file all reports required to be filed or furnished with the SEC and otherwise comply in all material respects with its reporting obligations under Applicable Law.

(c) The Company will use its reasonable best efforts to cause: (i) the Company's initial listing application with Nasdaq in connection with the Transactions to have been approved and the Company's initial listing application with the Toronto Stock Exchange (the "***TSX***") in connection with the Transactions to have been conditionally approved; (ii) the Company to satisfy all applicable initial listing requirements of Nasdaq and TSX; and (iii) the Company Common Shares to be issued and the Company Warrants to be assumed in accordance with this Agreement to be approved for listing on Nasdaq and the TSX (and SPAC shall reasonably cooperate in connection therewith), subject to official notice of issuance or conditional listing approval, as applicable, in each case, as promptly as reasonably practicable after the date of this Agreement, and in any event prior to the Effective Time.

Section 6.9 No Solicitation.

(a) During the period from the date of this Agreement and continuing until the earlier of the termination of this Agreement pursuant to its terms or the Closing, the Company shall not, and shall cause its Subsidiaries not to, and shall direct its employees, agents, officers, directors, representatives and advisors (collectively, "***Representatives***") not to, directly or indirectly: (i) solicit, initiate, enter into or continue discussions, negotiations or transactions with, or encourage or respond to any inquiries or proposals by, or provide any information to, any Person (other than SPAC, the PIPE Investors and their respective agents, representatives and advisors) concerning (A) any financing, investment, purchase, merger or sale of ownership interests of the Company, recapitalization, share exchange, or similar transaction pursuant to which any Person(s) acquires twenty percent (20%) or more of the voting power of the equity securities of the Company (except (x) for issuance of securities to existing security holders of the Company solely to the extent such newly issued securities are taken into account in the Conversion Factor or (y) for issuance of Company Common Shares in the PIPE Investment), (B) sale of all or a material portion of the assets of the Company (whether by recapitalization or a similar transaction or otherwise), or (C) any underwritten public offering, direct listing, or other transaction intended to result in the listing of securities of the Company on any stock exchange other than as contemplated by this Agreement (each, a "***Company Competing Transaction***"); (ii) enter into any agreement regarding, continue or otherwise participate in any discussions or negotiations regarding, or cooperate in any way that would otherwise reasonably be expected to lead to a Company Competing Transaction; or (iii) commence, continue or renew any due diligence investigation regarding a Company Competing Transaction. In addition, the Company shall, and shall cause its Subsidiaries to, and shall cause their respective Representatives to, immediately cease any and all existing discussions or negotiations with any Person with respect to any Company Competing Transaction.

(b) During the period from the date of this Agreement and continuing until the earlier of the termination of this Agreement pursuant to its terms or the Closing, SPAC shall not, and shall direct its Representatives not to, directly or indirectly: (i) solicit, initiate, enter into or continue discussions or transactions with, or encourage or respond to any inquiries or proposals by, or provide any information to, any Person (other than the Company, the Company Investors, the PIPE Investors, and their respective Representatives) concerning any merger, purchase of ownership interests or assets of SPAC, recapitalization or other business combination transaction (each, a "***SPAC Business Combination***"); (ii) enter into any agreement regarding, continue or otherwise participate in any discussions or negotiations regarding, or cooperate in any way that would otherwise reasonably be expected to lead to a SPAC Business Combination; or (iii) commence, continue or renew any due diligence investigation regarding a SPAC Business Combination. SPAC shall, and shall cause its Representatives to, immediately cease any and all existing discussions or negotiations with any Person with respect to any SPAC Business Combination.

(c) Each Party shall promptly (and in no event later than 48 hours after becoming aware of such inquiry, proposal, offer or submission) notify the other Parties if it or, to its Knowledge, any of its Representatives receives any inquiry, proposal, offer or submission with respect to a Company Competing Transaction or SPAC Business Combination, as applicable (including the identity of the Person making such inquiry or submitting such proposal, offer or submission), after the execution and delivery of this Agreement. If either Party or its Representatives receives an

inquiry, proposal, offer or submission with respect to a Company Competing Transaction or SPAC Business Combination, as applicable, such Party shall provide the other Parties with a copy of such inquiry, proposal, offer or submission.

Section 6.10 Trust Account. Upon satisfaction or waiver of the conditions set forth in ARTICLE VII and provision of notice thereof to Continental (which notice SPAC shall provide to Continental in accordance with the terms of the Trust Agreement): (a) in accordance with and pursuant to the Trust Agreement, at the Closing, SPAC: (i) shall cause the documents, opinions and notices required to be delivered to Continental pursuant to the Trust Agreement to be so delivered; and (ii) shall make all appropriate arrangements to cause Continental to, and Continental shall thereupon be obligated to, distribute the Trust Account as directed in the termination letter substantially in the applicable form attached to the Trust Agreement, including all amounts payable: (A) to holders of SPAC Public Shares pursuant to the SPAC Stockholder Redemptions; (B) for income tax or other tax obligations of SPAC prior to the Closing; (C) for any SPAC Transaction Costs; (D) for any Unpaid SPAC Liabilities, including the repayment of SPAC Borrowings and other loans and reimbursement of expenses to directors, officers and shareholders of SPAC; and (E) following the payments made in (A) through (D), to the Company all remaining amounts then available in the Trust Account in accordance with the Trust Agreement; and (b) thereafter, the Trust Account shall terminate, except as otherwise provided therein.

Section 6.11 Directors' and Officers' Liability Insurance.

(a) All rights to exculpation, indemnification and advancement of expenses now existing in favor of the current or former directors or officers of SPAC (each, together with such person's heirs, executors or administrators, a "***D&O Indemnified Party***"), as provided in SPAC's Organizational Documents or under any indemnification agreement such D&O Indemnified Parties may have with SPAC, in each case, as in effect as of immediately prior to the date of this Agreement, shall survive the Closing and shall continue in full force and effect for a period of six (6) years from the Closing Date. For a period of six (6) years from the Closing Date, the Company shall cause the Surviving Company (or another Group Company at the Company's election) to maintain in effect the exculpation, indemnification and advancement of expenses provisions of SPAC's Organizational Documents as in effect immediately prior to the date of this Agreement, and the Company shall, and shall cause the applicable Group Company to, not amend, repeal or otherwise modify any such provisions in any manner that would adversely affect the rights thereunder of any D&O Indemnified Party; provided, however, that all rights to indemnification or advancement of expenses in respect of any Legal Proceedings pending or asserted or any claim made within such period shall continue until the disposition of such Legal Proceeding or resolution of such claim.

(b) Prior to the Closing, SPAC shall purchase a "tail" or "runoff" directors' and officers' liability insurance policy (the "***D&O Tail***") in respect of acts or omissions occurring prior to the Effective Time covering each such Person that is a director or officer of SPAC currently covered by a directors' and officers' liability insurance policy of SPAC on terms with respect to coverage, deductibles and amounts no less favorable than those of such policy in effect on the date of this Agreement for the six-year period following the Closing. If SPAC fails to obtain such D&O Tail prior to the Effective Time, the Company shall or shall cause the Surviving Company to obtain such a D&O Tail. The Company shall, and shall cause the Surviving Company to, maintain the D&O Tail in full force and effect for its full term and cause all obligations thereunder to be honored by the Surviving Company, and no other party shall have any further obligation to purchase or pay for such insurance pursuant to this Section 6.11(b).

(c) On the Closing Date, the Company shall enter into customary indemnification agreements reasonably satisfactory to each of the Company and SPAC with the post-Closing directors of the Company and the Surviving Company, which indemnification agreements shall continue to be effective following the Closing.

(d) The rights of each D&O Indemnified Party hereunder shall be in addition to, and not in limitation of, any other rights such person may have under SPAC's Organizational Documents, any other indemnification arrangement, any Applicable Law or otherwise. The obligations of SPAC and the Company under this Section 6.11 shall not be terminated or modified in such a manner as to adversely affect any D&O Indemnified Party without the consent of such D&O Indemnified Party. The provisions of this Section 6.11 shall survive the Closing and expressly are intended to benefit, and are enforceable by, each of the D&O Indemnified Parties, each of whom is an intended third-party beneficiary of this Section 6.11.

(e) If after the Closing, the Surviving Company or any of its successors or assigns: (i) consolidates with or merges into any other Person and shall not be the continuing or surviving entity of such consolidation or merger; or (ii) transfers or conveys all or substantially all of its properties and assets to any Person, then, in each such case, the Company shall use reasonable best efforts to make proper provisions for the successors and assigns of such Group Company, as applicable, to assume the obligations set forth in this Section 6.11.

Section 6.12 Tax Matters.

(a) All transfer, documentary, sales, use, stamp, registration, excise, recording, registration value added and other such similar Taxes and fees (including any penalties and interest, but excluding for the avoidance of doubt, any Taxes or fees based in whole or in part upon income, profits or gains) ("***Transfer Taxes***") that become payable by the Company or SPAC in connection with or by reason of the execution of this Agreement or the Transactions shall be borne and paid by the Company. The Company shall timely file any Tax Return or other document with respect to such Taxes or fees (and SPAC shall reasonably cooperate with respect thereto as necessary). The Parties shall reasonably cooperate to establish any available exemption from (or reduction in) any Transfer Tax.

(b) On or prior to the Closing Date, SPAC shall deliver to the Company a certification from SPAC pursuant to Treasury Regulations Section 1.1445-2(c) and a notice to be delivered to the United States Internal Revenue Service as required under Treasury Regulations Section 1.897-2(h)(2), each dated no more than thirty (30) days prior to the Closing Date, in a form reasonably acceptable to the Company, and signed by a responsible corporate officer of SPAC.

Section 6.13 Section 16 Matters. Prior to the Effective Time, SPAC shall take all reasonable steps as may be required or permitted to cause any acquisition or disposition of the SPAC Shares that occurs or is deemed to occur by reason of or pursuant to the Transactions by each individual who is or will be subject to the reporting requirements of Section 16(a) of the Exchange Act with respect to SPAC to be exempt under Rule 16b-3 promulgated under the Exchange Act, including by taking steps in accordance with the No-Action Letter, dated January 12, 1999, issued by the SEC regarding such matters.

Section 6.14 Takeover Statutes. SPAC and its board of directors shall (a) grant all such approvals and take all such actions as are reasonably necessary or appropriate so that no Takeover Law is or becomes applicable to this Agreement (including the Merger and the other Transactions) and (b) if any Takeover Law is or may become applicable to this Agreement (including the Merger and the other Transactions), grant all such approvals and take all such actions as are reasonably necessary or appropriate so that such transactions may be consummated as promptly as practicable hereafter on the terms contemplated hereby and otherwise act reasonably to eliminate or minimize the effects of such Takeover Law on such transactions.

Section 6.15 Board of Directors. The Company shall use reasonable best efforts to ensure that, effective immediately after the Effective Time (a) the board of directors of the Company shall consist of ten (10) members, of which three (3) shall be appointed by the SPAC, six (6) shall be appointed by the Company, and SPAC and the Company shall use reasonable best efforts to mutually name one (1) director prior to Closing, and (b) the Company agrees that Eric Rosenfeld, David Sgro, and Brian Pratt shall be SPAC's appointees to the board of directors of the Company.

Section 6.16 Termination of Certain Agreements. At the Effective Time, the Contracts entered into between SPAC and certain SPAC Stockholders set forth on Schedule 6.16 of the SPAC Disclosure Letter and all Liabilities and obligations of SPAC pursuant thereto shall be terminated.

Section 6.17 Organizational Documents. Prior to the Closing, the Company shall alter its articles to adopt the Restated Articles and alter its notice of articles by filing the Notice of Alteration, in accordance with the provisions thereof and the applicable provisions of the BCBCA.

Section 6.18 Warrant Agreement. Immediately prior to the Effective Time, SPAC shall assign to the Company and the Company shall assume all of SPAC's rights, interests, and obligations in and under the Warrant Agreement, and the Company and SPAC shall use reasonable best efforts to cause the Exchange Agent to enter into an amendment to the Warrant Agreement reflecting such assignment and assumption of the SPAC Warrants by the Company.

Section 6.19 Transaction Litigation. In the event that any shareholder litigation related to this Agreement or the other Transaction Agreements or the Transactions is brought or threatened in writing against either the Company or SPAC, or any of the respective members of their boards of directors, after the date of this Agreement and prior to the Effective Time (the "***Transaction Litigation***"), the Company or SPAC, as applicable, shall promptly notify the other Party in writing of any such Transaction Litigation and shall keep such other Party reasonably informed with respect to the status thereof. The Party subject to the Transaction Litigation shall give the other Party the opportunity to participate in the defense of any Transaction Litigation (at the other Party's own cost and expense) and keep the other Party reasonably apprised of, and consult with such other Party (and consider in good faith such Party's advice), with respect to, proposed strategy and any material decisions related thereto. Neither the Company nor SPAC shall settle or agree to settle any Transaction Litigation without the other Party's prior written consent (which consent shall not be unreasonably withheld, delayed or conditioned).

Section 6.20 Certain Financial Information. SPAC shall use reasonable best efforts (i) to assist, upon advance written notice, during normal business hours and in a manner such as to not unreasonably interfere with the normal operation of SPAC, the Company in its timely preparation of any other financial information or statements (including customary pro forma financial statements) that are required to be included in the Registration Statement, Proxy Statement/Prospectus and any other filings to be made by the Company with the SEC in connection with the Transactions and (ii) to obtain the consents of its auditors in accordance with Applicable Law or requested by the SEC.

Section 6.21 Subscription Agreements. The Company will not amend the Subscription Agreements or waive any provision thereto without the prior written consent of the SPAC, which consent shall not be unreasonably withheld, delayed or conditioned.

Section 6.22 Disclosure of Certain Matters . Each of SPAC, Merger Sub and the Company will promptly provide the other Parties with prompt written notice of: (a) any event, development or condition that: (i) would reasonably be expected to cause any of the conditions set forth in ARTICLE VII not to be satisfied; (ii) would require any amendment or supplement to the Registration Statement; or (b) the receipt of notice from any Person alleging that the consent of such Person may be required in connection with the Transactions to the extent failure to obtain such consent would cause a Company Material Adverse Effect or SPAC Material Adverse Effect.

Section 6.23 Investor Rights Agreement. On or prior to the Closing Date, the Company, Founders, and Company Investors shall enter into an investor rights agreement such that, after giving effect to the Merger and the other transactions contemplated herein, the Company Warrants and Company Common Shares held by the Founders and Company Investors, including the Company Common Shares issuable upon the exercise of Company Warrants and other derivative securities, shall bear the same registration rights and nomination rights as contemplated by the Company Parent Shareholders Agreement.

Section 6.24 Termination of Company Parent Shareholders Agreement. The Company shall cause all rights and obligations with respect to the Company and its Subsidiaries pursuant to the Company Parent Shareholders Agreement to be terminated on or prior to the Closing Date.

Section 6.25 Certain SPAC Borrowings. Through the Closing, subject to the Company's consent which shall not be unreasonably withheld, conditioned, or delayed, SPAC shall be allowed to borrow funds from the Founders and SPAC's officers and directors and any of their respective Affiliates to meet SPAC's reasonable working capital requirements, with any such loans to be made on a non-interest bearing basis and be convertible, at the option of the Company, into SPAC Units immediately prior to the Effective Time at an exchange rate of $10.00 of borrowings per SPAC Unit, and evidenced by promissory notes issued by SPAC (collectively, "***SPAC Borrowings***").

ARTICLE VII
CONDITIONS TO THE TRANSACTION

Section 7.1 Conditions to Obligations of Each Party's Obligations. The respective obligations of each Party to this Agreement to effect the Merger and the other Transactions shall be subject to the satisfaction at or prior to the Closing of the following conditions, any of which may be waived, to the extent permitted by Applicable Law, in writing, by any of the Parties:

(a) The SPAC Stockholder Approval shall have been obtained.

(b) SPAC shall have at least Five Million One Dollars ($5,000,001) of net tangible assets immediately after giving effect to the SPAC Stockholder Redemption immediately prior to or upon the Closing.

(c) No provision of any Applicable Law prohibiting, enjoining or making illegal the consummation of the Transactions shall be in effect and no temporary, preliminary or permanent restraining Order prohibiting, enjoining or making illegal the consummation of the Transactions will be in effect or shall be threatened in writing by a Governmental Entity.

(d) The Company Common Shares to be issued and the Company Warrants to be assumed in accordance with this Agreement shall be approved or conditionally approved for listing upon the Closing on Nasdaq and TSX, as applicable, subject only to official notice of issuance thereof or the satisfaction of the conditions of approval.

(e) The Registration Statement shall have become effective in accordance with the provisions of the Securities Act, no stop order shall have been issued by the SEC which remains in effect with respect to the Registration Statement, and no proceeding seeking such a stop order shall have been threatened or initiated by the SEC which remains pending.

(f) The OSC shall have cleared the final Canadian Prospectus for filing.

(g) The Stock Split shall have been completed in accordance with the terms hereof and the Company's Organizational Documents.

(h) The PIPE Investment (and the funding of the PIPE Investment Amount) shall have been consummated or will be consummated substantially concurrently with the Closing in accordance with the terms of the Subscription Agreements.

Section 7.2 Additional Conditions to Obligations of the Company and Merger Sub. The obligations of each of the Company and Merger Sub to consummate, or cause to be consummated, and effect the Merger and the other Transactions shall be subject to the satisfaction at or prior to the Closing of each of the following conditions, any of which may be waived, to the extent permitted by Applicable Law, in writing, exclusively by the Company:

(a) (i) The Fundamental Representations of SPAC shall be true and correct in all material respects (without giving effect to any limitation as to "materiality" or "SPAC Material Adverse Effect" or any similar limitation contain herein) on and as of the date of this Agreement and on and as of the Closing Date as though made on and as of the Closing Date (except to the extent that any such representation and warranty expressly speaks as of an earlier date, in which case such representation and warranty shall be true and correct as of such earlier date); (ii) all other representations and warranties of SPAC set forth in ARTICLE IV (other than the representations and warranties set forth in Section 4.8(a)) hereof shall be true and correct (without giving effect to any limitation as to "materiality" or "SPAC Material Adverse Effect" or any similar limitation contained herein) on and as of the date of this Agreement and on and as of the Closing Date as though made on and as of the Closing Date (except to the extent that any such representation and warranty expressly speaks as of an earlier date, in which case such representation and warranty shall be true and correct as of such earlier date), except where the failure of such representations and warranties of SPAC to be so true and correct, individually or in the aggregate, has not had and would not reasonably be expected to have a SPAC Material Adverse Effect; and (iii) the representation and warranty set forth in Section 4.8(a) shall be true and correct as of the date of this Agreement.

(b) SPAC shall have performed all agreements and covenants required by this Agreement to be performed by it on or prior to the Closing Date, in each case in all material respects.

(c) No change, event, state of facts, development or occurrence shall have occurred since the date of this Agreement, that, individually or in the aggregate with all other changes, events, state of facts, developments or occurrences, has had or would reasonably be expected to have a SPAC Material Adverse Effect that is continuing.

(d) SPAC shall have delivered a certificate, signed by an executive officer of SPAC and dated as of the Closing Date, certifying as to the matters set forth in Section 7.2(a), Section 7.2(b) and Section 7.2(c) to the Company.

(e) The funds contained in the Trust Account (after giving effect to the SPAC Stockholder Redemptions and payment of the SPAC Transaction Costs), together with (i) the aggregate amount of proceeds from the PIPE Investment and (ii) the cash on SPAC's balance sheet, shall equal or exceed Two Hundred Million Dollars ($200,000,000).

Section 7.3 Additional Conditions to the Obligations of SPAC. The obligations of SPAC to consummate and effect the Merger and the other Transactions shall be subject to the satisfaction at or prior to the Closing of each of the following conditions, any of which may be waived, to the extent permitted by Applicable Law, in writing, exclusively by SPAC:

(a) (i) The Fundamental Representations of the Company shall be true and correct in all material respects (without giving effect to any limitation as to "materiality" or any similar limitation contain herein) on and as of the date of this Agreement and on as of the Closing Date as though made on and as of the Closing Date (except to the extent that any such representation and warranty expressly speaks as of an earlier date, in which case such representation and warranty shall be true and correct as of such earlier date); (ii) all other representations and warranties of the Company set forth in ARTICLE III (other than the representations and warranties set forth in Section 3.9(b)) hereof shall be true and correct (without giving effect to any limitation as to "materiality" or "Company Material Adverse Effect" or any similar limitation contained herein) on and as of the date of this Agreement and on as of the Closing Date as though made on and as of the Closing Date (except to the extent that any such representation and warranty expressly speaks as of an earlier date, in which case such representation and warranty shall be true and correct as of such earlier date), except where the failure of such representations and warranties of the Company to be so true and correct, individually or in the aggregate, has not had and would not reasonably be expected to have a Company Material Adverse Effect; and (iii) the representation and warranty set forth in Section 3.9(b)) shall be true and correct as of the date of this Agreement.

(b) The Company shall have performed all agreements and covenants required by this Agreement to be performed by it at or prior to the Closing Date, in each case, in all material respects.

(c) No change, event, state of facts, development or occurrence shall have occurred since the date of this Agreement, that, individually or in the aggregate with all other changes, events, state of facts, developments or occurrences, has had or would reasonably be expected to have a Company Material Adverse Effect that is continuing.

(d) The Company shall have delivered, or caused to be delivered, a certificate, signed by an executive officer of the Company and dated as of the Closing Date, certifying as to the matters set forth in Section 7.3(a), Section 7.3(b) and Section 7.3(c).

ARTICLE VIII
TERMINATION

Section 8.1 Termination. This Agreement may be terminated at any time prior to the Closing:

(a) by mutual written agreement of SPAC and the Company at any time;

(b) by either SPAC or the Company if the Transactions shall not have been consummated by December 31, 2021 (the "***Outside Date***"); provided, however, that the right to terminate this Agreement under this Section 8.1(b) shall not be available to any Party whose action or failure to act has been a principal cause of or resulted in the failure of the Transactions to occur on or before such date and such action or failure to act constitutes a material breach of this Agreement;

(c) by either SPAC or the Company if a Governmental Entity shall have issued an Order or taken any other action, in any case having the effect of permanently restraining, enjoining or otherwise prohibiting the Transactions, which Order or other action is final and nonappealable;

(d) by the Company, upon a breach of any representation, warranty, covenant or agreement set forth in this Agreement on the part of SPAC, or if any representation or warranty of SPAC shall have become untrue, in either case such that the conditions set forth in Section 7.2(a) or (b) would not be satisfied; provided, that if such breach by SPAC is curable by SPAC prior to the Closing, then the Company must first provide written notice of such breach and may not terminate this Agreement under this Section 8.1(d) until the earlier of: (i) 30 days after delivery of written notice from the Company to SPAC of such breach; and (ii) the Outside Date; provided, further, that SPAC continues to exercise reasonable best efforts to cure such breach (it being understood that the Company may not terminate this Agreement pursuant to this Section 8.1(d) if: (A) the Company shall have materially breached this Agreement such that the conditions set forth in Section 7.3(a) or (b) would not be satisfied and such breach has not been cured; or (B) such breach by SPAC is cured prior to the expiration of the applicable cure period such that the applicable conditions set forth in Section 7.2(a) or (b) shall be satisfied);

(e) by SPAC, upon a breach of any representation, warranty, covenant or agreement set forth in this Agreement on the part of the Company or Merger Sub or if any representation or warranty of the Company or Merger Sub shall have become untrue, in either case such that the conditions set forth in Section 7.3(a) or (b) would not be satisfied; provided, that if such breach is curable by the Company or Merger Sub prior to the Closing, then SPAC must first provide written notice of such breach and may not terminate this Agreement under this Section 8.1(e) until the earlier of: (i) 30 days after delivery of written notice from SPAC to the Company of such breach; and (ii) the Outside Date; provided, further, that the Company or Merger Sub, as applicable, continues to exercise reasonable best efforts to cure such breach (it being understood that SPAC may not terminate this Agreement pursuant to this Section 8.1(e) if: (A) SPAC shall have materially breached this Agreement such that the conditions set forth in Section 7.2(a) or (b) would not be satisfied and such breach has not been cured; or (B) such breach by the Company or Merger Sub, as applicable, is cured prior to the expiration of the applicable cure period such that the applicable conditions set forth in Section 7.3(a) or (b) shall be satisfied);

(f)?by either SPAC or the Company, if, at the SPAC Stockholders' Meeting (including any adjournments thereof), the SPAC Transaction Proposals are not duly adopted by the SPAC Stockholders by the requisite vote under the Applicable Law and SPAC's Organizational Documents; or

(g) by the Company, if the board of directors of SPAC or any committee thereof makes, prior to receipt of the SPAC Stockholder Approval, a SPAC Change in Recommendation.

(h) by the Company, if the condition set forth in Section 7.2(e) is not satisfied as of the date that is ten (10) days following the SPAC Stockholders' Meeting (or the later date that the SPAC Stockholder's Meeting is reconvened following all adjournments permitted pursuant to Section 6.1(b)(iii)) or at any time thereafter.

Section 8.2 Notice of Termination; Effect of Termination.

(a) Any termination of this Agreement under Section 8.1 above will be effective immediately upon the delivery of written notice of the terminating Party to the other Parties.

(b) In the event of the termination of this Agreement as provided in Section 8.1, this Agreement shall be of no further force or effect and the Transactions shall be abandoned, except for and subject to the following: (i) Section 6.5(a), Section 6.7, this Section 8.2, ARTICLE X and the Confidentiality Agreement shall survive the termination of this Agreement; and (ii) nothing herein shall relieve any Party from liability for any Willful Breach of this Agreement or intentional fraud in the making of the representations and warranties in this Agreement.

ARTICLE IX
NO SURVIVAL

Section 9.1 No Survival. None of the representations, warranties, covenants or agreements in this Agreement or in any instrument delivered pursuant to this Agreement shall survive the Closing and all rights, claims and causes of action (whether in contract or in tort or otherwise, or whether at law or in equity) with respect thereto shall terminate at the Closing. Notwithstanding the foregoing, neither this Section 9.1 nor anything else in this Agreement to the contrary shall limit: (a) the survival of any covenant or agreement of the Parties which by its terms is required to be performed or complied with in whole or in part after the Closing, which covenants and agreements shall survive the Closing in accordance with their respective terms; or (b) any claim against any Person with respect to intentional fraud in the making of the representations and warranties by such Person in ARTICLE III or ARTICLE IV, as applicable.

ARTICLE X
GENERAL PROVISIONS

Section 10.1 Notices. All notices and other communications hereunder shall be in writing and shall be deemed given: (a) on the date established by the sender as having been delivered personally; (b) one Business Day after being sent by a nationally recognized overnight courier guaranteeing overnight delivery; (c) on the date sent, if sent by email, to the addresses below; or (d) on the fifth Business Day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications, to be valid, must be addressed as follows:

if to SPAC to:

Legato Merger Corp.
777 Third Avenue, 37th Floor
New York, New York 10017
Attention: David S. Sgro
Email: dsgro@crescendopartners.com

with copies to (which shall not constitute notice) to:

Graubard Miller
405 Lexington Avenue
New York, New York 10174
Attention: David Alan Miller
Jeffrey Gallant
Email: dmiller@graubard.com
jgallant@graubard.com

if to the Company or Merger Sub to:

Algoma Steel Inc.
105 West Street
Sault Ste. Marie, Ontario P6A 7B4
Attention: John Naccarato
Email: john.naccarato@algoma.com

with copies (which shall not constitute notice) to:

Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas
New York, New York 10019
Attention: Adam M. Givertz
Email: agivertz@paulweiss.com

Goodmans LLP
Bay Adelaide Centre – West Tower
333 Bay Street, Suite 3400
Toronto, Ontario M5H 2S7
Attention: Robert Chadwick
Michael Partridge
Email: rchadwick@goodmans.ca
mpartridge@goodmans.ca

or to such other address or to the attention of such Person or Persons as the recipient Party has specified by prior written notice to the sending Party (or in the case of counsel, to such other readily ascertainable business address as such counsel may hereafter maintain). If more than one method for sending notice as set forth above is used, the earliest notice date established as set forth above shall control.

Section 10.2 Interpretation. The words "hereof," "herein," "hereinafter," "hereunder," and "hereto" and words of similar import refer to this Agreement as a whole and not to any particular section or subsection of this Agreement and reference to a particular section of this Agreement will include all subsections thereof, unless, in each case, the context otherwise requires. The definitions of the terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context shall require, any pronoun shall include the corresponding masculine, feminine and neuter forms. When a reference is made in this Agreement to an Exhibit, Schedule or Annex such reference shall be to an Exhibit, Schedule or Annex to this Agreement unless otherwise indicated. When a reference is made in this Agreement to Sections or subsections, such reference shall be to a Section or subsection of this Agreement. Unless otherwise indicated the words "include," "includes" and "including" when used herein shall be deemed in each case to be followed by the words "without limitation." The words "made available" mean that the subject documents or other materials were posted to the electronic data site maintained by the Company in connection with the Transactions or otherwise provided to SPAC or its Representatives in electronic form, in each case, prior to the date of this Agreement. The table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. When reference is made herein to "the business of" an entity, such reference shall be deemed to include the business of all direct and indirect Subsidiaries of such entity. Reference to the Subsidiaries of an entity shall be deemed to include all direct and indirect Subsidiaries of such entity. When calculating the period of time before which, within which or following which any act is to be done or step taken pursuant to this Agreement, the date that is the reference date in calculating such period shall be excluded and if the last day of such period is a non-Business Day, the period in question shall end on the next succeeding Business Day. References to statutes shall include all regulations promulgated thereunder. References to a particular statute, rule or regulation shall include any predecessor or successor statute, rule or regulation, in each case as amended or otherwise modified from time to time. References to a particular security (including Company Common Shares) shall be deemed to also refer to any security or securities issued in substitution or exchange thereof. Unless otherwise specified, all references to currency amounts in this Agreement shall mean United States Dollars.

Section 10.3 Counterparts; Electronic Delivery. This Agreement, the Transaction Agreements and each other document executed in connection with the Transactions, and the consummation thereof, may be executed in one or

more counterparts, all of which shall be considered one and the same document and shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Parties, it being understood that all Parties need not sign the same counterpart. Delivery by electronic transmission to counsel for the other Parties of a counterpart executed by a Party shall be deemed to meet the requirements of the previous sentence.

Section 10.4 Entire Agreement. This Agreement, the other Transaction Agreements and any other documents and instruments and agreements among the Parties as contemplated by or referred to herein, including the Exhibits and Schedules hereto constitute the entire agreement among the Parties with respect to the subject matter hereof and supersede all prior agreements and understandings, both written and oral, among the Parties with respect to the subject matter hereof.

Section 10.5 Third Party Beneficiaries. This Agreement, the other Transaction Agreements and any other documents and instruments and agreements among the Parties as contemplated by or referred to herein, including the Exhibits and Schedules hereto other than as set forth in Section 2.2, Section 6.11 and Section 10.15 (which, in each case, will be for the benefit of the Persons named therein), are not intended to confer upon any other Person other than the Parties any rights or remedies.

Section 10.6 Severability. In the event that any term, provision, covenant or restriction of this Agreement, or the application thereof, is held to be illegal, invalid or unenforceable under any present or future Applicable Law: (a) such provision will be fully severable; (b) this Agreement will be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof; (c) the remaining provisions of this Agreement will remain in full force and effect and will not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom; and (d) in lieu of such illegal, invalid or unenforceable provision, there will be added automatically as a part of this Agreement a legal, valid and enforceable provision as similar in terms of such illegal, invalid or unenforceable provision as may be possible.

Section 10.7 Other Remedies; Specific Performance. Except as otherwise provided herein, prior to the Closing or valid termination of this Agreement, any and all remedies herein expressly conferred upon a Party will be deemed cumulative with and not exclusive of any other remedy conferred hereby, or by law or equity upon such Party, and the exercise by a Party of any one remedy will not preclude the exercise of any other remedy. The Parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that each Party shall be entitled to enforce specifically the terms and provisions of this Agreement and to immediate injunctive relief to prevent breaches of this Agreement, without the necessity of proving the inadequacy of money damages as a remedy and without bond or other security being required, this being in addition to any other remedy to which they are entitled at law or in equity. Each of the Parties hereby acknowledges and agrees that it may be difficult to prove damages with reasonable certainty, that it may be difficult to procure suitable substitute performance, and that injunctive relief and/or specific performance will not cause an undue hardship to the Parties. Each of the Parties hereby further acknowledges that the existence of any other remedy contemplated by this Agreement does not diminish the availability of specific performance of the obligations hereunder or any other injunctive relief. Each Party hereby further agrees that in the event of any action by any other party for specific performance or injunctive relief, it will not assert that a remedy at law or other remedy would be adequate or that specific performance or injunctive relief in respect of such breach or violation should not be available on the grounds that money damages are adequate or any other grounds.

Section 10.8 Governing Law. This Agreement and the consummation the Transactions, and any action, suit, dispute, controversy or claim arising out of this Agreement and the consummation of the Transactions, or the validity, interpretation, breach or termination of this Agreement and the consummation of the Transactions, shall be governed by and construed in accordance with the laws of the State of Delaware without the application of principles of conflicts of law that would result in the application of the laws of another jurisdiction.

Section 10.9 Consent to Jurisdiction; Waiver of Jury Trial.

(a) Each of the Parties irrevocably consents to the exclusive jurisdiction and venue of the Chancery Court of the State of Delaware, or if such court declines jurisdiction, then to any federal court located in Wilmington, Delaware and, in either case, any appellate court therefrom in connection with any matter based upon or arising out of this Agreement, the other Transaction Agreements and the consummation of the Transactions, agrees that process may

be served upon them in any manner authorized by the laws of the State of Delaware for such Person and waives and covenants not to assert or plead any objection which they might otherwise have to such manner of service of process. Each Party and any Person asserting rights as a third-party beneficiary may do so only if he, she or it hereby waives, and shall not assert as a defense in any legal dispute, that: (i) such Person is not personally subject to the jurisdiction of the above named courts for any reason; (ii) such Legal Proceeding may not be brought or is not maintainable in such court; (iii) such Person's property is exempt or immune from execution; (iv) such Legal Proceeding is brought in an inconvenient forum; or (v) the venue of such Legal Proceeding is improper. Each Party and any Person asserting rights as a third-party beneficiary hereby agrees not to commence or prosecute any such action, claim, cause of action or suit other than before one of the above-named courts, nor to make any motion or take any other action seeking or intending to cause the transfer or removal of any such action, claim, cause of action or suit to any court other than one of the above-named courts, whether on the grounds of inconvenient forum or otherwise. Each Party hereby consents to service of process in any such proceeding in any manner permitted by Delaware law, and further consents to service of process by nationally recognized overnight courier service guaranteeing overnight delivery, or by registered or certified mail, return receipt requested, at its address specified pursuant to Section 10.1. Notwithstanding the foregoing in this Section 10.9, any Party may commence any action, claim, cause of action or suit in a court other than the above-named courts solely for the purpose of enforcing an order or judgment issued by one of the above-named courts.

(b) TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW WHICH CANNOT BE WAIVED, EACH OF THE PARTIES AND ANY PERSON ASSERTING RIGHTS AS A THIRD- PARTY BENEFICIARY MAY DO SO ONLY IF HE, SHE OR IT IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT TO TRIAL BY JURY ON ANY CLAIMS OR COUNTERCLAIMS ASSERTED IN ANY LEGAL DISPUTE RELATING TO THIS AGREEMENT, EACH OTHER TRANSACTION AGREEMENTS AND THE CONSUMMATION OF THE TRANSACTIONS, AND FOR ANY COUNTERCLAIM RELATING THERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING. IF THE SUBJECT MATTER OF ANY SUCH LEGAL DISPUTE IS ONE IN WHICH THE WAIVER OF JURY TRIAL IS PROHIBITED, NO PARTY NOR ANY PERSON ASSERTING RIGHTS AS A THIRD-PARTY BENEFICIARY SHALL ASSERT IN SUCH LEGAL DISPUTE A NONCOMPULSORY COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE OTHER TRANSACTION AGREEMENTS AND THE CONSUMMATION OF THE TRANSACTIONS. FURTHERMORE, NO PARTY NOR ANY PERSON ASSERTING RIGHTS AS A THIRD-PARTY BENEFICIARY SHALL SEEK TO CONSOLIDATE ANY SUCH LEGAL DISPUTE WITH A SEPARATE ACTION OR OTHER LEGAL PROCEEDING IN WHICH A JURY TRIAL CANNOT BE WAIVED.

Section 10.10 Rules of Construction. Each of the Parties agrees that it has been represented by independent counsel of its choice during the negotiation and execution of this Agreement and each Party hereto and its counsel cooperated in the drafting and preparation of this Agreement and the documents referred to herein and, therefore, waive the application of any law, regulation, holding or rule of construction providing that ambiguities in an agreement or other document will be construed against the Party drafting such agreement or document.

Section 10.11 Expenses. Except as otherwise expressly provided in this Agreement, whether or not the Transaction are consummated, each Party will pay its own costs and expenses incurred in anticipation of, relating to and in connection with the negotiation and execution of this Agreement and the Transaction Agreements and the consummation of the Transactions.

Section 10.12 Assignment. No Party may assign, directly or indirectly, including by operation of law, either this Agreement or any of its rights, interests, or obligations hereunder without the prior written approval of the other Parties. Subject to the first sentence of this Section 10.12, this Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective successors and permitted assigns.

Section 10.13 Amendment. This Agreement may be amended by the Parties at any time by execution of an instrument in writing signed on behalf of each of the Parties.

Section 10.14 Extension; Waiver. At any time prior to the Closing, the Company (on behalf of itself, and Merger Sub), on the one hand, and SPAC may, to the extent not prohibited by Applicable Law: (a) extend the time for the performance of any of the obligations or other acts of the other Party; (b) waive any inaccuracies in the representations and warranties made to the other Party contained herein or in any document delivered pursuant hereto; and (c) waive compliance with any of the agreements or conditions for the benefit of such Party contained herein. Any

agreement on the part of a Party to any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such Party. Delay in exercising any right under this Agreement shall not constitute a waiver of such right. In the event any provision of any of the other Transaction Agreement in any way conflicts with the provisions of this Agreement (except where a provision therein expressly provides that it is intended to take precedence over this Agreement), this Agreement shall control.

Section 10.15 No Recourse. Notwithstanding anything that may be expressed or implied in this Agreement, this Agreement may only be enforced against, and any Legal Proceeding for breach of this Agreement may only be made against, the entities that are expressly identified herein as Parties to this Agreement, and no Related Party of a Party shall have any liability for any liabilities or obligations of the Parties for any Legal Proceeding (whether in tort, contract or otherwise) for breach of this Agreement or in respect of any oral representations made or alleged to be made in connection herewith. No Party shall have any right of recovery in respect hereof against any Related Party of a Party and no personal liability shall attach to any Related Party of a Party through such Party, whether by or through attempted piercing of the corporate veil, by the enforcement of any judgment, fine or penalty or by virtue of any Applicable Law or otherwise. The provisions of this Section 10.15 shall survive the Closing and expressly are intended to benefit, and are enforceable by, each Related Party of a Party, each of whom is an intended third-party beneficiary of this Section 10.15.

Section 10.16 Disclosure Letters and Exhibits. The Company Disclosure Letter and the SPAC Disclosure Letter shall be arranged in separate parts corresponding to the numbered and lettered sections and subsections in this Agreement, and the information disclosed in any numbered or lettered part shall be deemed to relate to and to qualify only the particular provision set forth in the corresponding numbered or lettered Section or subsection of this Agreement, except to the extent that: (a) such information is cross-referenced in another part of the Company Disclosure Letter or the SPAC Disclosure Letter, as applicable; or (b) it is reasonably apparent on the face of such disclosure that such information would qualify another provision in this Agreement. The specification of any dollar amount in the representations and warranties contained in this Agreement or the inclusion of any specific item in the Company Disclosure Letter or the SPAC Disclosure Letter, as applicable, is not intended to imply that such amounts (or higher or lower amounts) are or are not material, and no Party shall use the fact of the setting of such amounts or the fact of the inclusion of any such item in the Company Disclosure Letter or the SPAC Disclosure Letter, as applicable, in any dispute or controversy between the Parties as to whether any obligation, item, or matter not described herein or included in Company Disclosure Letter or the SPAC Disclosure Letter, as applicable, is or is not material for purposes of this Agreement. The inclusion of any item in the Company Disclosure Letter or the SPAC Disclosure Letter shall not be deemed to constitute an acknowledgment by the Company or SPAC, as applicable, that the matter is required to be disclosed by the terms of this Agreement, nor shall such disclosure be deemed (a) an admission of any breach or violation of any Contract or Applicable Law, (b) an admission of any liability or obligation to any third party, or (c) to establish a standard of materiality. The disclosure of any items or information that is not required by this Agreement to be so included is solely for informational purposes and the convenience of the Company and Merger Sub or SPAC, as applicable. In addition, under no circumstances shall the disclosure of any matter in the Company Disclosure Letter or the SPAC Disclosure Letter, where a representation or warranty of the Company or SPAC, as applicable, is limited or qualified by the materiality of the matters to which the representation or warranty is given or by Company Material Adverse Effect or SPAC Material Adverse Effect, imply that any other undisclosed matter having a greater value or other significance is material or would have a Company Material Adverse Effect or SPAC Material Adverse Effect, as applicable. Neither the Company or SPAC shall be prejudiced in any manner whatsoever, and no presumptions shall be created, by virtue of the disclosure of any matter in the Company Disclosure Letter or SPAC Disclosure Letter, which otherwise is not required to be disclosed by this Agreement.

ARTICLE XI
DEFINED TERMS

Section 11.1 Defined Terms. Terms defined in this Agreement are organized alphabetically as follows, together with the Section and, where applicable, paragraph, number in which definition of each such term is located:

"***Affiliate***"	Section 11.2
"***Agreement***"	Preamble
"***Applicable Law***"	Section 11.2
"***Approvals***"	Section 3.6(b)
"***Audited Financial Statements***"	Section 3.7(a)
"***BCBCA***"	Section 3.1
"***Business Day***"	Section 11.2
"***Canadian Prospectus***"	Section 6.1(a)(i)
"***Canadian Securities Laws***"	Section 11.2
"***Canadian Securities Regulators***"	Section 11.2
"***Certificate of Merger***"	Section 2.3
"***Change of Control***"	Section 11.2
"***Closing***"	Section 1.1
"***Closing Date***"	Section 1.1
"***Closing Press Release***"	Section 6.4(b)
"***Code***"	Section 11.2
"***Collective Bargaining Agreement***"	Section 11.2
"***Company***"	Preamble
"***Company Benefit Plan***"	Section 11.2
"***Company Competing Transaction***"	Section 6.9(a)
"***Company Closing Statement***"	Section 1.2(b)
"***Company Common Shares***"	Section 11.2
"***Company Disclosure Letter***"	ARTICLE III
"***Company Investors***"	Section 11.2
"***Company Investor Approval***"	Recitals
"***Company IT Systems***"	Section 11.2
"***Company Material Adverse Effect***"	Section 11.2
"***Company Material Contract***"	Section 3.19(a)
"***Company Parent***"	Section 11.2
"***Company Parent Shareholders Agreement***"	Section 11.2
"***Company Parent Shares***"	Section 11.2
"Company Preferred Shares"	Section 11.2
"Company Real Property Leases"	Section 3.14(b)
"Company Shareholder"	Section 11.2
"Company Shareholder Support Agreement"	Recitals
"Company Shareholder Approval"	Recitals
"Company Subsidiaries"	Section 3.2(a)
"Company Transaction Costs"	Section 11.2
"Company Warrants"	Section 11.2
"Confidentiality Agreement"	Section 11.2
"Continental"	Section 4.14(a)
"Contract"	Section 11.2
"Controlled Group Liability"	Section 11.2
"Conversion Factor"	Section 11.2
"COVID-19"	Section 11.2
"COVID-19 Measures"	Section 11.2
"D&O Indemnified Party"	Section 6.11(a)
"D&O Tail"	Section 6.11(b)
"DGCL"	Recitals

"Earnout Event"	Section 11.2
"Earnout Rights"	Section 11.2
"Earnout Shares"	Section 2.2(c)
"Earnout Statement"	Section 2.2(b)
"EBC"	Section 11.2
"EBITDA Earnout Issuance"	Section 11.2
"Effective Time"	Section 2.3
"Eligible Management Shareholder"	Section 11.2
"Environmental Law"	Section 11.2
"Equity Value"	Section 11.2
"ERISA"	Section 11.2
"ERISA Affiliate"	Section 11.2
"Exchange Act"	Section 11.2
"Exchange Agent"	Section 2.9(a)
"Exchange Agent Agreement"	Section 2.9(a)
"Exchange Agreements"	Section 11.2
"Excluded Share"	Section 2.8(g)
"Final Earnout Statement"	Section 2.2(b)
"Financial Statements"	Section 3.7(a)
"First Earnout Event"	Section 2.2(c)(i)
"First Earnout Right"	Section 11.2
"First EBITDA Earnout Issuance"	Section 2.2(c)(i)(2)
"First Price Target"	Section 11.2
"Founders"	Section 11.2
"Founder Support Agreement"	Recitals
"Fourth Earnout Event"	Section 2.2(c)(iv)
"Fourth Earnout Right"	Section 11.2
"Fourth EBITDA Earnout Issuance"	Section 2.2(c)(i)(5)
"Fundamental Representations"	Section 11.2
"GAAP"	Section 11.2
"Governmental Entity"	Section 11.2
"Group Companies"	Section 11.2
"GST/HST"	Section 3.15(q)
"Hazardous Material"	Section 11.2
"IFRS"	Section 11.2
"Incentive Equity Plan"	Recitals
"Indebtedness"	Section 11.2
"Insurance Policies"	Section 3.20
"Intellectual Property"	Section 11.2
"Intended Tax Treatment"	Recitals
"intentional fraud"	Section 11.2
"Intercompany Loan Agreement"	Recitals
"Interim Financial Statements"	Section 3.7(a)
"Investment Company Act"	Section 11.2
"JOBS Act"	Section 11.2
"Knowledge"	Section 11.2
"Leased Real Property"	Section 3.14(b)
"Legal Proceeding"	Section 11.2
"Liability"	Section 11.2
"Licensed Intellectual Property"	Section 11.2
"Lien"	Section 11.2
"Lockup Agreement"	Recitals
"Lockup Agreement Joinder"	Section 11.2
"LTIP"	Section 11.2
"LTIP Awards"	Section 11.2
"LTIP Shares"	Section 2.1(b)

"Management Shareholders"	Section 11.2
"Material Customers"	Section 3.21(a)
"Material Supplier"	Section 3.19(a)(i)
"Merger"	Recitals
"Merger Consideration"	Section 2.8(a)
"Merger Sub"	Preamble
"Merger Sub Shares"	Section 2.8(d)
"Merger Sub Stockholder Approval"	Recitals
"Multiemployer Plan"	Section 11.2
"Nasdaq"	Section 11.2
"Notice of Alteration"	Recitals
"OFAC"	Section 11.2
"Order"	Section 11.2
"Organizational Documents"	Section 11.2
"OSC"	Section 6.1(a)(i)
"Outside Date"	Section 8.1(b)
"Owned Intellectual Property"	Section 11.2
"Owned Real Property"	Section 3.14(a)
"Parties"	Preamble
"Patents"	Section 11.2
"Permitted Lien"	Section 11.2
"Person"	Section 11.2
"Personal Information"	Section 11.2
"PIPE Investment"	Recitals
"PIPE Investment Amount"	Section 4.25
"PIPE Investors"	Recitals
"PIPE Shares"	Section 4.25
"Privacy Laws"	Section 11.2
"Processing," "Process" and "Processed"	Section 11.2
"Proxy Statement"	Section 6.1(a)(i)
"Proxy Statement/Prospectus"	Section 6.1(a)(i)
"PST"	Section 3.15(q)
"Registered Intellectual Property"	Section 3.17(a)
"Registration Rights Agreement"	Section 11.2
"Registration Statement"	Section 11.2
"Related Parties"	Section 11.2
"Remedies Exception"	Section 3.4
"Representatives"	Section 6.9(a)
"Restated Articles"	Recitals
"SEC"	Section 11.2
"Second Earnout Event"	Section 2.2(c)(ii)
"Second Earnout Right"	Section 11.2
"Second EBITDA Earnout Issuance"	Section 2.2(c)(i)(3)
"Second Price Target"	Section 11.2
"Securities Act"	Section 11.2
"SPAC"	Preamble
"SPAC Board Recommendation"	Section 6.1(b)
"SPAC Borrowings"	Section 6.25
"SPAC Business Combination"	Section 6.9(b)
"SPAC Change in Recommendation"	Section 6.1(b)
"SPAC Closing Statement"	Section 1.2(a)
"SPAC Disclosure Letter"	ARTICLE IV
"SPAC Financial Statements"	Section 4.7(b)
"SPAC Founder Shares"	Section 11.2
"SPAC Liabilities"	Section 11.2
"SPAC Material Adverse Effect"	Section 11.2

"SPAC Material Contracts"	Section 4.11
"SPAC Preference Shares"	Section 4.3(a)
"SPAC Private Units"	Section 11.2
"SPAC Representative Shares"	Section 11.2
"SPAC SEC Reports"	Section 4.7(a)
"SPAC Share"	Recitals
"SPAC Stockholders"	Recitals
"SPAC Stockholder Approval"	Section 11.2
"SPAC Stockholder Redemptions"	Section 1.2(a)
"SPAC Stockholders' Meeting"	Section 6.1(b)
"SPAC Transaction Costs"	Section 11.2
"SPAC Transaction Proposals"	Section 11.2
"SPAC Units"	Section 11.2
"SPAC Warrants"	Section 11.2
"Specified Business Conduct Laws"	Section 11.2
"Stock Split"	Section 2.1
"Subscription Agreements"	Recitals
"Subsidiary"	Section 11.2
"Surviving Company"	Recitals
"Surviving Company Charter"	Section 2.6
"Takeover Laws"	Section 4.24
"Tax/Taxes"	Section 11.2
"Tax Act"	Section 11.2
"Tax Return"	Section 11.2
"Tax Sharing Agreement"	Section 11.2
"Third Earnout Event"	Section 2.2(c)(iii)
"Third Earnout Right"	Section 11.2
"Third EBITDA Earnout Issuance"	Section 2.2(c)(i)(4)
"Third Price Target"	Section 11.2
"Trade Secrets"	Section 11.2
"Trademarks"	Section 11.2
"Transaction Agreements"	Section 11.2
"Transaction Filings"	Section 6.1(a)(i)
"Transaction Litigation"	Section 6.19
"Transactions"	Section 11.2
"Transfer Taxes"	Section 6.12(a)
"Treasury Regulations"	Section 11.2
"Trust Account"	Section 4.14(a)
"Trust Agreement"	Section 4.14(a)
"TSX"	Section 6.8(c)
"Unit Separation"	Section 2.8(a)
"Unpaid SPAC Liabilities"	Section 11.2
"VWAP"	Section 11.2
"WARN"	Section 3.13(c)
"Warrant Agreement"	Section 11.2
"Willful Breach"	Section 11.2

Section 11.2 Additional Terms. For purposes of this Agreement, the following capitalized terms have the following meanings:

"***Adjusted EBITDA***" shall mean the consolidated net income (loss) of Algoma Steel Inc. for the twelve-month period ended December 31, 2021 before amortization of property, plant, equipment and amortization of assets, finance costs, interest on pension and other post-employment benefit obligations, income taxes, reorganization costs, finance income, inventory write-downs, carbon tax, certain exceptional items, tariff expense, non-cash adjustments and write-downs, loss (gain) on commodity hedging, loss (gain) on foreign exchange and loss (gain) associated with the Company Warrants.

"***Affiliate***" shall mean, as applied to any Person, any other Person directly or indirectly controlling, controlled by or under direct or indirect common control with, such Person. For purposes of this definition, "control" (including with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as applied to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

"***Applicable Law***" shall mean any federal, state, provincial, local, municipal or other law, statute, constitution, treaty, principle of common law, resolution, ordinance, code, edict, decree, rule, regulation, ruling, injunction, judgment, Order, assessment, writ or other legal requirement, administrative policy or guidance, or requirement issued, enacted, adopted, promulgated, implemented or otherwise put into effect by or under the authority of any Governmental Entity, in each case applicable to the referent Person, property, asset, Liability or circumstance.

"***Business Day***" shall mean any day other than a Saturday, a Sunday or other day on which commercial banks in New York, New York, Vancouver, British Columbia or Sault Ste. Marie, Ontario are authorized or required by Applicable Law to close.

"***Canadian Securities Laws***" means all applicable securities laws in each of the provinces and territories of Canada and the respective rules and regulations made thereunder together with the applicable published national and local instruments, policy statements, notices, blanket orders and rulings thereunder of the Canadian Securities Regulators.

"***Canadian Securities Regulators***" means the applicable securities commission or securities regulatory authority in each of the provinces and territories of Canada.

"***Change of Control***" shall mean any transaction or series of transactions the result of which is: (a) the acquisition by any Person or "group" (as defined in the Exchange Act) of Persons of direct or indirect beneficial ownership of securities representing 50% or more of the combined voting power of the then outstanding securities the Company; (b) a merger, consolidation, reorganization or other business combination, however effected, resulting in any person or "group" (as defined in the Exchange Act) acquiring at least 50% of the combined voting power of the then outstanding securities of the Company or the surviving Person outstanding immediately after such combination; or (c) a sale of all or substantially all of the assets of the Company.

"***Code***" shall mean the Internal Revenue Code of 1986.

"***Collective Bargaining Agreement***" shall mean each material labor agreement or collective bargaining agreement (including expired collective bargaining agreements which have not been renewed) with any labor union, labor organization or works council that govern the employment of any employees of the Company or its Subsidiaries.

"***Company Benefit Plan***" shall mean all material employee benefit plans, programs, policies, practices, or other arrangements sponsored or maintained by the Company or any of its Subsidiaries, or to which any of the Company or its Subsidiaries is a party or bound or contributes or is obligated to contribute, or have any obligations or liability (contingent or otherwise), in which current or employees of the Company or its Subsidiaries, current or former directors of the Company or its Subsidiaries or any beneficiaries or dependents thereof participate or pursuant to which payments are made, or benefits are provided, to current or former employees of the Company or its Subsidiaries, or current or former directors of the Company or its Subsidiaries (or their spouses, dependents or beneficiaries), including any bonus, incentive, deferred compensation, vacation, stock purchase, stock option, stock appreciation, phantom stock or stock unit, severance, employment, change of control, fringe benefit, welfare, supplemental unemployment benefit, pension, profit sharing, termination pay, retirement, supplementary retirement, hospitalization insurance, salary continuation, legal, health, medical, dental, life, disability or other insurance (whether insured or self-insured) plan, program, policy, agreement or arrangement, other than any Multiemployer Plan or plans established pursuant to and mandated by statute.

"***Company Common Shares***" shall mean the common shares, without par value, of the Company.

"***Company Investors***" shall mean the holders of Company Parent Shares.

"***Company IT Systems***" shall mean all computer systems, hardware, servers, networks, data communication lines, and other information technology and telecommunications equipment and tangible assets, in each case, owned, leased, licensed, or outsourced, or otherwise used or held for use by or for any Group Company in connection with the business of the Group Companies.

"***Company Material Adverse Effect***" shall mean any change, event, state of facts, development or occurrence that, individually or in the aggregate: (a) has had, or would reasonably be expected to have, a materially adverse effect on the business, assets, financial condition or results of operations of the Group Companies, taken as a whole; or (b) has or would reasonably be expected to prevent or materially impede the ability of the Company to consummate the Transactions by the Outside Date; provided, however, that in no event would any of the following, alone or in combination, be deemed to constitute, or be taken into account in determining whether there has been or will be, a Company Material Adverse Effect pursuant to clause (a): (i) acts of war, sabotage, civil unrest or terrorism, or any escalation or worsening thereof in countries in which any of the Group Companies operate; (ii) earthquakes, hurricanes, tornados, disease, epidemics, pandemics (including COVID-19 or SARS-CoV-2 virus or any mutation or variation thereof, or any COVID-19 Measures or any change in such COVID-19 Measures or interpretations following the date of this Agreement) or other natural or man-made disasters; (iii) changes attributable to the public announcement or pendency of the Transactions (including the impact thereof on relationships with customers, suppliers or employees); (iv) changes or proposed changes in Applicable Law (or any interpretation thereof) after the date of this Agreement; (v) changes or proposed changes in IFRS (or any interpretation thereof) after the date of this Agreement; (vi) any downturn in general economic conditions, including changes in the credit, debt, securities, financial, capital or reinsurance markets (including changes in interest or exchange rates, prices of any security or market index or commodity or any disruption of such markets), in each case, in the United States, Canada or anywhere else in the world; (vii) any failure to meet any projections, forecasts, guidance, estimates, milestones, budgets or financial or operating predictions of revenue, earnings, cash flow or cash position, provided that this clause (vii) shall not prevent a determination that any change, event, state of facts, development or occurrence underlying such failure has resulted in a Company Material Adverse Effect; (viii) any actions required to be taken, or required not to be taken, pursuant to the terms of this Agreement; or (ix) any action taken by, or at the request of, SPAC; provided, however, that if a change or effect related to clauses (i), (ii), and (iv) through (vi) disproportionately adversely affects the Group Companies, taken as a whole, compared to similarly situated Persons operating in the same industry as the Group Companies, then such disproportionate impact may be taken into account in determining whether a Company Material Adverse Effect has occurred, but only to the extent of the incremental disproportionate effect on the Group Companies, taken as a whole, relative to similarly situated Persons operating in the same industry as the Group Companies.

"***Company Parent***" shall mean Algoma Steel Parent S.C.A., a *société en commandite par actions* (SCA) incorporated under the laws of the Grand Duchy of Luxembourg and the holder of all of the issued and outstanding ordinary shares, without nominal value, of the Company Shareholder.

"Company Parent Shares" shall mean the ordinary shares, without nominal value, of Company Parent.

"***Company Parent Shareholders Agreement***" shall mean that certain Shareholders Agreement, dated as of November 30, 2018, by and among (a) Company Parent, (b) Algoma Steel Parent GP S.A., a société anonyme (SA) organized under the laws of the Grand Duchy of Luxembourg, (c) Algoma Steel Intermediate Parent S.à r.l., a société à responsabilité limitée (SARL) organized under the laws of the Grand Duchy of Luxembourg, (d) the Company, (e) Algoma Steel Holdings Inc., (e) Algoma Steel Intermediate Holdings Inc., a corporation organized under the laws of British Columbia, (f) Algoma Steel Inc., a corporation organized under the laws of British Columbia, and (g) the holders of the Company Parent Shares who are or become party thereto.

"***Company Preferred Shares***" shall mean the preferred shares, issuable in series, without par value, of the Company.

"***Company Shareholder***" shall mean Algoma Steel Intermediate Parent S.à r.l., a société à responsabilité limitée (SARL) organized under the laws of the Grand Duchy of Luxembourg, the holder of all of the issued and outstanding Company Common Shares.

"***Company Transaction Costs***" shall mean, as of any determination time, the aggregate amount of all out-of-pocket fees, commissions, costs, finder's fees, expenses and other amounts incurred by or on behalf of, or otherwise

payable by, whether or not due, the Company in connection with the review, negotiation, preparation or execution of this Agreement or the other Transaction Agreements, the consummation of the Transactions, including (a) the fees and expenses of outside legal counsel, accountants, brokers, investment bankers, consultants, or other agents or service providers of the Company, and (b) any other fees, filing fees, expenses, commissions or other amounts that are expressly allocated to the Company pursuant to this Agreement or any other Transaction Agreements, in each case, whether paid or unpaid prior to the Closing; provided, that "Company Transaction Costs" shall not include any Transfer Taxes payable by the Company pursuant to Section 6.12(a).

" ***Company Warrants***" shall mean the SPAC Warrants as of and following the Effective Time, which having been assumed by the Company shall be exercisable, in accordance with the terms of the Warrant Agreement, for Company Common Shares.

"***Confidentiality Agreement***" shall mean that certain Confidentiality Agreement, dated as of February 3, 2021, by and between SPAC and the Company, as amended and joined from time to time.

"***Contract***" shall mean any contract, subcontract, agreement, indenture, note, bond, loan or credit agreement, instrument, installment obligation, lease, mortgage, deed of trust, license, sublicense, commitment, power of attorney, guaranty or other legally binding commitment, arrangement, understanding or obligation, in writing, in each case, as amended and supplemented from time to time and including all schedules, annexes and exhibits thereto.

"***Controlled Group Liability***" shall mean any and all liabilities of an ERISA Affiliate (a) under Title IV of ERISA, (b) under Section 302 of ERISA, (c) under Sections 412 and 4971 of the Code or (d) under similar provisions of foreign laws or regulations.

"***Conversion Factor***" shall mean (a) the Equity Value divided by (b) the product of (i) the aggregate number of Company Common Shares and LTIP Awards outstanding immediately prior to the Stock Split multiplied by (ii) $10.00.

"***COVID-19***" shall mean SARS-CoV-2, coronavirus or COVID-19, and any evolutions thereof or related or associated epidemics, pandemic or disease outbreaks.

"***COVID-19 Measures***" shall mean any quarantine, "shelter in place," "stay at home," workforce reduction, social distancing, mask wearing, temperature taking, personal declaration, shut down, closure, sequester or any other Applicable Law in connection with or in response to COVID-19.

"***Earnout Event***" shall mean each of the First Earnout Event, Second Earnout Event, Third Earnout Event and Fourth Earnout Event.

"***Earnout Rights***" shall mean, collectively, the First Earnout Rights, the Second Earnout Rights, the Third Earnout Rights and the Fourth Earnout Rights.

"***EBC***" shall mean EarlyBirdCapital, Inc.

"***EBITDA Earnout Issuance***" shall mean each of the First EBITDA Earnout Issuance, the Second EBITDA Earnout Issuance, the Third EBITDA Earnout Issuance and the Fourth EBITDA Earnout Issuance.

"***Eligible Management Shareholder***" shall mean each Management Shareholder that executes an Exchange Agreement and a Lockup Agreement Joinder prior to the Closing Date.

"***Environmental Law***" shall mean any and all Applicable Law relating to pollution, Hazardous Materials, the environment, natural resources, endangered or threatened species, or health and safety.

"***Equity Value"*** shall mean an amount equal to $750,000,000.

"***ERISA***" shall mean the Employee Retirement Income Security Act of 1974.

"***ERISA Affiliate***" shall mean any trade or business (whether or not incorporated) that, together with the Company or any of its Subsidiaries is treated as a single employer under Section 414 of the Code.

"***Exchange Act***" shall mean the United States Securities Exchange Act of 1934.

" ***Exchange Agreements***" shall mean those certain exchange agreements among the Company and Algoma Steel Holdings Inc., on the one hand, and each Management Shareholder, on the other hand, in a form reasonably satisfactory to the Company and to be provided to the Management Shareholders by the Company following the date hereof, pursuant to which the transactions described in Section 2.1 shall be effectuated.

"***First Earnout Right***" shall mean a right, automatically exercisable and convertible by the holder thereof upon the First Earnout Event, for and into such number of Company Common Shares that is equal to the quotient obtained by dividing (i) the number of Company Common Shares issuable in connection with the First Earnout Event by (ii) the number of First Earnout Rights.

"***First Price Target***" shall mean the VWAP exceeds $12.00 per Company Common Share (as adjusted appropriately in light of any stock dividend, share capitalization, reclassification, recapitalization, split, combination, consolidation or exchange of shares, or any similar event related thereto) for 20 consecutive trading dates at any time between the Closing and the five year anniversary of the Closing.

"***Founders***" shall mean the holders of SPAC Founder Shares.

" ***Fourth Earnout Right***" shall mean a right, automatically exercisable and convertible by the holder thereof upon the Fourth Earnout Event, for and into such number of Company Common Shares that is equal to the quotient obtained by dividing (i) the number of Company Common Shares issuable in connection with the Fourth Earnout Event by (ii) the number of Fourth Earnout Rights.

"***Fundamental Representations***" shall mean: (a) in the case of the Company, the representations and warranties contained in the first sentence of Section 3.1 (*Organization and Qualification*); Section 3.3(a), (b), (c) and (d) (*Capitalization*); Section 3.4 (*Due Authorization*) and Section 3.25 (*Brokers*); and (b) in the case of SPAC, the representations and warranties contained in Section 4.1(a), (b) and (c) (*Organization and Qualification*); Section 4.3 (*Capitalization*); Section 4.4 (*Due Authorization*); Section 4.10 (*Business Activities*) and Section 4.22 (*Brokers)*.

"***GAAP***" shall mean United States generally accepted accounting principles, consistently applied.

"***Governmental Entity***" shall mean any federal, state, provincial, municipal, local or foreign government, governmental authority, regulatory or administrative agency, governmental commission, department, board, bureau, agency or instrumentality, arbitrator, court or tribunal.

"***Group Companies***" shall mean the Company and all of its direct and indirect Subsidiaries, which shall include SPAC following the Closing.

"***Hazardous Material***" shall mean any substance, material or waste that is listed, classified, defined, characterized, designated or otherwise regulated by a Governmental Entity as a "toxic substance," "hazardous substance," "hazardous material," "contaminant," "pollutant," "hazardous waste," "solid waste" or words of similar meaning or effect, including any radioactive materials, chlorinated solvents, petroleum, petroleum derivatives (or synthetic substitutes), petroleum byproducts, petroleum breakdown products, asbestos, asbestos containing materials, mold, radon, flammable substances, explosive substances, urea formaldehyde foam insulation, polychlorinated biphenyls, per- and polyfluoroalkyl substances, and any other substances regulated under Environmental Law.

"***IFRS***" shall mean the International Financial Reporting Standards as issued by the International Accounting Standards Board, consistently applied.

"***Indebtedness***" shall mean any of the following: (a) any indebtedness for borrowed money; (b) any obligations evidenced by bonds, debentures, notes or other similar instruments; (c) any obligations to pay the deferred purchase price of property or services, except trade accounts payable and other current liabilities; (d) any obligations as lessee

under capitalized leases; (e) any obligations, contingent or otherwise, under acceptance, letters of credit or similar facilities to the extent drawn; (f) any guaranty of any of the foregoing; (g) any accrued interest, fees and charges in respect of any of the foregoing; and (h) any prepayment premiums and penalties actually due and payable, and any other fees, expenses, indemnities and other amounts actually payable as a result of the prepayment or discharge of any of the foregoing.

"***Intellectual Property***" shall mean all intellectual property (and rights therein and thereto) in any jurisdiction throughout the world including: (a) all inventions (whether or not patentable or reduced to practice), invention disclosures, certificates of invention, all improvements thereto, patents, utility models, industrial designs and all applications for any of the forgoing, including all provisionals, substitutions, divisionals, continuations, continuations-in-part, reissuances, renewals, extensions, reexaminations, patents of addition, supplementary protection certificates, or the like and any foreign equivalents of the foregoing (collectively, "***Patents***"); (b) all trademarks, service marks, certification marks, brand names, trade dress rights, logos, slogans, corporate names, business names and trade names, and other source or business identifiers, indicia of origin and general intangibles of a like nature, together with the goodwill associated with any of the foregoing, along with all applications, registrations, intent-to-use applications or similar reservations of marks, renewals and extensions thereof (collectively, "***Trademarks***"); (c) all copyrights, copyrights works, works of authorship (whether or not copyrightable), literary works, rights in software, design rights, masked works, pictorial and graphic works, reversions and moral rights, along with all applications, registrations and any renewals and extensions thereof; (d) all internet domain names, and social media usernames, handles and accounts; (e) all trade secrets, know-how, technology, discoveries and improvements, proprietary rights, formulae, confidential information, customer and supplier lists, pricing and cost information, and business and marketing plans and proposals, technical information, source code, techniques, ideas, research, data analytics, designs, drawings, specifications, procedures, processes, models, algorithms, formulations, manuals and systems, whether or not patentable or copyrightable (collectively "***Trade Secrets***"); and (f) data, databases and data collections.

"***intentional fraud***" shall mean, with respect to a party to this Agreement, an actual and willful fraud with respect to the making of the representations and warranties pursuant to ARTICLE III or ARTICLE IV (as applicable), provided, that such actual and intentional fraud of such Party shall only be deemed to exist if the Party making such representation and warranty had actual knowledge (as opposed to imputed or constructive knowledge) that such representation and warranty made by such Party pursuant to, in the case of the Company, ARTICLE III as qualified by the Company Disclosure Letter, or, in the case of SPAC, ARTICLE IV as qualified by the SPAC Disclosure Letter, was actually breached when made, with the express intention that the other party to this Agreement rely thereon to its detriment, and such other Party did in fact rely on such representation or warranty and was damaged thereby.

"***Investment Company Act***" shall mean the Investment Company Act of 1940.

"***JOBS Act***" shall mean the Jumpstart Our Business Startups Act of 2012.

"***Knowledge***" shall mean the actual knowledge or awareness as to a specified fact or event, following reasonable inquiry, of: (a) with respect to the Company or Merger Sub, the individuals listed on Schedule 11.2 of the Company Disclosure Letter; and (b) with respect to SPAC, the individuals listed on Schedule 11.2 of the SPAC Disclosure Letter.

"***Legal Proceeding***" shall mean any action, suit, hearing, claim, charge, audit, lawsuit, litigation, investigation (formal or informal), inquiry, arbitration or proceeding (in each case, whether civil, criminal or administrative or at law or in equity) by or before a Governmental Entity.

"***Liability***" shall mean any and all debts, liabilities and obligations, whether accrued or fixed, absolute or contingent, known or unknown, matured or unmatured or determined or determinable, including those arising under any Applicable Law, Legal Proceeding or Order and those arising under any Contract, agreement, arrangement, commitment or undertaking.

"***Licensed Intellectual Property***" shall mean all Intellectual Property licensed to any of the Group Companies or used in or necessary for the conduct or operation of the business of the Group Companies, as presently conducted.

" ***Lien***" shall mean any mortgage, pledge, security interest, encumbrance, lien, license, option, right of first offer, right of first refusal, restriction or charge of any kind (including, any conditional sale or other title retention agreement or lease in the nature thereof, any agreement to give any security interest and any restriction relating to use, quiet enjoyment, voting, transfer, receipt of income or exercise of any other attribute of ownership).

"***Lockup Agreement Joinder***" shall mean a joinder to the Lockup Agreement in a form reasonably satisfactory to the Company and to be provided to the Management Shareholders by the Company following the date hereof.

"***LTIP***" shall mean the Long-Term Incentive Plan adopted by Algoma Steel Holdings Inc. effective as of May 13, 2020.

"***LTIP Awards***" shall mean Director Units, Incentive RSUs and Incentive PSUs granted under the LTIP.

"***Management Shareholders***" shall mean the holders of LTIP Awards.

"***Multiemployer Plan***" shall mean a Company Benefit Plan that applies to or permits participation by employers that are not Affiliates of the Company, including any "multi-employer plan" as that term is defined under subsection 1(1) of the Pension Benefits Standards Act (British Columbia) or an equivalent plan under pension standards legislation of another applicable Canadian jurisdiction and any "multi-employer plan" as that term is defined in subsection 8500(1) of the Tax Act, and any "multiemployer plan" within the meaning of Sections 3(37) or 4001(a)(3) of ERISA or Section 414(f) of the Code.

"***Nasdaq***" shall mean The Nasdaq Capital Market.

"***OFAC***" shall mean the U.S. Treasury Department Office of Foreign Assets Control.

"***Order***" shall mean any award, injunction, judgment, regulatory or supervisory mandate, order, writ, decree or ruling entered, issued, made, or rendered by any Governmental Entity that possesses competent jurisdiction.

"***Organizational Documents***" shall mean, with respect to any Person that is not an individual, the articles or certificate of incorporation or organization, articles, notice of articles, bylaws, articles and memorandum of association, limited partnership agreement, partnership agreement, limited liability company agreement, shareholders agreement and other similar organizational documents of such Person, as applicable.

"***Owned Intellectual Property***" shall mean all Intellectual Property which any of the Group Companies has (or purports to have) an ownership interest.

"***PCAOB***" shall mean the Public Company Accounting Oversight Board.

"***Permitted Lien***" shall mean: (a) Liens for Taxes not yet delinquent or for Taxes that are being contested in good faith by appropriate proceedings and that are sufficiently reserved for on the Financial Statements or the SPAC Financial Statements, as applicable, in accordance with IFRS or GAAP, as applicable; (b) statutory and contractual Liens of landlords with respect to Leased Real Property that do not, individually or in the aggregate, interfere in any material respect with the present use of or occupancy of the affected parcel by any of the Group Companies; (c) Liens of carriers, warehousemen, mechanics, materialmen and repairmen incurred in the ordinary course and: (i) that are not yet delinquent; or (ii) that are being contested in good faith through appropriate proceedings; (d) in the case of real property, zoning, building code, or other restrictions, variances, covenants, rights of way, encumbrances, easements and other irregularities in title, none of which, individually or in the aggregate, interfere in any material respect with the present use of or occupancy of the affected parcel by any of the Group Companies; (e) Liens securing the Indebtedness of any of the Group Companies set forth on Schedule 3.19(a)(ii) of the Company Disclosure Letter; (f) in the case of Intellectual Property, third party non-exclusive license agreements entered into in the ordinary course; (g) Liens incurred in connection with capital lease obligations of any of the Group Companies; and (h) all exceptions, restrictions, easements, imperfections of title, charges, rights-of-way and other Liens of record that do not materially interfere with the present use of, or materially detract from the value of, the assets of the Group Companies, taken as a whole.

"***Person***" shall mean any individual, corporation (including any non-profit corporation), general partnership, limited partnership, limited liability partnership, joint venture, estate, trust, company (including any limited liability company or joint stock company), firm or other enterprise, association, organization, entity or Governmental Entity.

"***Personal Information***" shall mean, to the extent regulated by Privacy Laws, "personal data," "personally identifiable information," or all information that identifies or could be used to directly or indirectly identify an individual person.

"***Privacy Laws***" shall mean Applicable Law relating to privacy and the Processing of Personal Information, including the Personal Information Protection and Electronic Documents Act (Canada), the Fair Credit Reporting Act, the Federal Trade Commission Act, the CAN-SPAM Act, the Telephone Consumer Protection Act, the Telemarketing and Consumer Fraud and Abuse Prevention Act, Children's Online Privacy Protection Act, the European Union General Data Protection Regulation, and any and all comparable provincial legislation and any other related regulations, directives and orders applicable to Personal Information or the access thereto or use or transfer thereof.

"***Processing***" shall mean any operation or set of operations which is performed upon Personal Information, whether or not by automatic means, including but not limited to: collection, recording, organization, storage, adaptation or alteration, retrieval, consultation, use, disclosure by transmission, dissemination or otherwise making available, alignment or combination, blocking, erasure or destruction. "***Process***" and "***Processed***" shall be construed accordingly.

"***Registration Rights Agreement***" shall mean that certain Registration Rights Agreement, dated as of January 22, 2021, by and among SPAC and the investors party thereto.

"***Registration Statement***" shall mean the Registration Statement on Form F-4, or other appropriate form, including any pre-effective or post-effective amendments or supplements thereto, to be filed with the SEC by the Company under the Securities Act with respect to the shares of Company Common Shares that constitute the Merger Consideration and the Earnout Shares.

"***Related Parties***" shall mean, with respect to a Person, such Person's former, current and future direct or indirect equityholders, controlling Persons, shareholders, optionholders, members, general or limited partners, Subsidiaries, Representatives, and each of their respective successors and assigns.

"***SEC***" shall mean the United States Securities and Exchange Commission.

"***Second Earnout Right***" shall mean a right, automatically exercisable and convertible by the holder thereof upon the Second Earnout Event, for and into such number of Company Common Shares that is equal to the quotient obtained by dividing (i) the number of Company Common Shares issuable in connection with the Second Earnout Event by (ii) the number of Second Earnout Rights.

"***Second Price Target***" shall mean the VWAP exceeds $15.00 per Company Common Share (as adjusted appropriately in light of any stock dividend, share capitalization, reclassification, recapitalization, split, combination, consolidation or exchange of shares, or any similar event related thereto) for 20 consecutive trading dates at any time between the Closing and the five year anniversary of the Closing.

"***Securities Act***" shall mean the United States Securities Act of 1933.

"***SPAC Founder Shares***" shall mean SPAC Shares sold by SPAC prior to its initial public offering.

"***SPAC Liabilities***" shall mean, as of any determination time, the aggregate amount of Liabilities of SPAC that would be accrued on a balance sheet in accordance with GAAP, whether or not such Liabilities are due and payable as of such time, including but not limited to SPAC Borrowings. Notwithstanding the foregoing or anything to the contrary herein, SPAC Liabilities shall not include any SPAC Transaction Costs.

"***SPAC Material Adverse Effect***" shall mean any change, event, state of facts, development or occurrence that, individually or in the aggregate: (a) has had, or would reasonably be expected to have, a materially adverse effect on the business, assets, financial condition or results of operations of SPAC; or (b) has or would reasonably be expected to

prevent or materially impede the ability of SPAC to consummate the Transactions by the Outside Date; provided, however, that in no event would any of the following, alone or in combination, be deemed to constitute, or be taken into account in determining whether there has been or will be, a SPAC Material Adverse Effect pursuant to clause (a): (i) acts of war, sabotage, civil unrest or terrorism, or any escalation or worsening thereof in the United States; (ii) earthquakes, hurricanes, tornados, disease, epidemics, pandemics (including COVID-19 or SARS-CoV- 2 virus or any mutation or variation thereof, or any COVID-19 Measures or any change in such COVID-19 Measures or interpretations following the date of this Agreement) or other natural or man-made disasters; (iii) changes attributable to the public announcement or pendency of the Transactions; (iv) changes or proposed changes in Applicable Law after the date of this Agreement; (v) changes or proposed changes in GAAP (or any interpretation thereof) after the date of this Agreement; (vi) any downturn in general economic conditions, including changes in the credit, debt, securities, financial, capital or reinsurance markets (including changes in interest or exchange rates, prices of any security or market index or commodity or any disruption of such markets), in each case, in the United States or anywhere else in the world; (vii) any actions required to be taken, or required not to be taken, pursuant to the terms of this Agreement; or (viii) any action taken by, or at the request of, the Company; provided, however, that if a change or effect related to clauses (i), (ii), (iii) through (vi) disproportionately adversely affects SPAC compared to similarly situated Persons, then such disproportionate impact may be taken into account in determining whether a SPAC Material Adverse Effect has occurred, but only to the extent of the incremental disproportionate effect on SPAC, relative to similarly situated Persons.

"***SPAC Private Units***" shall mean the SPAC Units sold by SPAC to the Founders and EBC in connection with SPAC's initial public offering.

" ***SPAC Public Shares***" shall mean the SPAC Shares sold to the public by SPAC as part of SPAC's initial public offering (whether purchased in such offering or thereafter in the public market).

"***SPAC Representative Shares***" shall mean SPAC Shares issued to EBC and its designees by SPAC.

"***SPAC Stockholder Approval***" shall mean the vote of the holders of SPAC Shares required to approve the SPAC Transaction Proposals, as determined in accordance with Applicable Law and SPAC's Organizational Documents.

"***SPAC Transaction Costs***" shall mean, as of any determination time, the aggregate amount of all out-of-pocket fees, commissions, costs, finder's fees, expenses and other amounts incurred by or on behalf of, or otherwise payable by, whether or not due, SPAC in connection with the negotiation, preparation or execution of this Agreement or the other Transaction Agreements, the consummation of the Transactions or the consummation of SPAC's initial public offering, including (a) the fees and expenses of outside legal counsel, accountants, brokers, investment bankers, consultants, or other agents or service providers of SPAC, (b) deferred underwriting fees, costs and expenses from SPAC's initial public offering and (c) any other fees, filing fees, expenses, commissions or other amounts that are expressly allocated to SPAC pursuant to this Agreement or any other Transaction Agreements (including the cost of the D&O Tail), in each case, whether paid or unpaid prior to the Closing.

"***SPAC Transaction Proposals***" shall mean (a) the adoption of this Agreement and approval of the Transactions, including the authorization of the Merger, (b) if required by Applicable Law, the approval of the material differences between the SPAC's Organizational Documents and the Restated Articles, (c) the adoption and approval of each other proposal reasonably agreed to by SPAC and the Company as necessary or appropriate in connection with the consummation of the Transactions (including any proposal to alter the authorized share capital of SPAC to match the authorized share capital of Merger Sub) and (d) the adoption and approval of a proposal for the adjournment of the SPAC Stockholders' Meeting in accordance with Section 6.1(b)(iii).

"***SPAC Units***" shall mean equity securities of SPAC each consisting of one share of SPAC Share and one SPAC Warrant.

"***SPAC Warrants***" shall mean the warrants of SPAC that entitle the holders thereof to purchase SPAC Shares at an exercise price of $11.50 per share.

"***Specified Business Conduct Laws***" shall mean: (a) the U.S. Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010, the Corruption of Foreign Public Officials Act (Canada), and other Applicable Law relating to bribery or corruption; (b) all Applicable Law imposing economic or financial sanctions on any Person, including the Special Economic Measures Act (Canada), the Justice for Victims of Corrupt Foreign Officials Act (Canada), all Applicable Law administered by OFAC or the Bureau of Industry and Security administered by the U.S. Department of Commerce, all sanctions laws or embargos imposed or administered by the U.S. Department of State, the United Nations Security Council, Her Majesty's Treasury of the United Kingdom, the European Union and all anti-boycott or anti-embargo laws; (c) all Applicable Law relating to the import, export, re-export, transfer of information, data, goods, software, and technology, including the Export Administration Regulations administered by the U.S. Department of Commerce and the International Traffic in Arms Regulations administered by the U.S. Department of State; and (d) the Money Laundering Control Act, the Currency and Foreign Transactions Reporting Act, The Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada) and other Applicable Law relating to money laundering.

"***Subsidiary***" shall mean, with respect to any Person, any partnership, limited liability company, corporation or other business entity of which: (a) if a corporation, a majority of the total voting power of shares of capital stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers, or trustees thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof; (b) if a partnership, limited liability company or other business entity, a majority of the partnership or other similar ownership interests thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more Subsidiaries of that Person or a combination thereof; or (c) in any case, such Person controls the management thereof.

"***Tax***" or "***Taxes***" shall mean (i) any and all federal, state, local and foreign taxes, including, without limitation, gross receipts, income, profits, capital gains, capital stock, windfall profits, license, sales (including GST/HST and PST), use, estimated, occupation, VAT, ad valorem, transfer, franchise, withholding, severance, social security, payroll, recapture, net worth, employment, excise and property taxes, assessments, escheat, abandoned property, stamp, environmental, registration, governmental charges, duties, fees, levies and other similar charges, in each case, imposed by a Governmental Entity, (whether disputed or not) together with all interest, penalties, surcharges, deficiency assessments, and additions imposed by a Governmental Entity with respect to any such amounts, (ii) a liability for amounts of the type described in clause (i) as a result Treasury Regulations §1.1502-6, as a result of being a transferee or successor, or as a result of a contract or otherwise, or (iii) any penalties or fees for failure to file or late filing of any Tax Returns.

"***Tax Act***" shall mean the Income Tax Act (Canada) and regulations thereto.

"***Tax Return***" shall mean any return, declaration, report, claim for refund, or information return or statement relating to Taxes that is filed or required to be filed with a Governmental Entity, including any schedule or attachment thereto and any amendment thereof.

"***Tax Sharing Agreement***" shall mean any agreement or arrangement (including any provision of a Contract) primarily related to Taxes pursuant to which any Group Company is or may be obligated to indemnify any Person for, or otherwise pay, any Tax of, or imposed on, another Person.

"***Third Earnout Right***" shall mean a right, automatically exercisable and convertible by the holder thereof upon the Third Earnout Event, for and into such number of Company Common Shares that is equal to the quotient obtained by dividing (i) the number of Company Common Shares issuable in connection with the Third Earnout Event by (ii) the number of Third Earnout Rights.

"***Third Price Target***" shall mean the VWAP exceeds $18.00 per Company Common Share (as adjusted appropriately in light of any stock dividend, share capitalization, reclassification, recapitalization, split, combination, consolidation or exchange of shares, or any similar event related thereto) for 20 consecutive trading dates at any time between the Closing and the five year anniversary of the Closing.

"***Transaction Agreements***" shall mean this Agreement, the Subscription Agreements, the Confidentiality Agreement, the Restated Articles, the Notice of Alteration, the Founder Support Agreement and all the agreements documents, instruments and certificates entered into in connection herewith or therewith and any and all exhibits and schedules thereto.

"***Transactions***" shall mean the transactions contemplated pursuant to this Agreement and the Transaction Agreements, including the Merger.

"***Treasury Regulations***" shall mean the regulations promulgated by the U.S. Department of the Treasury pursuant to and in respect of provisions of the Code.

"***Unpaid SPAC Liabilities***" shall mean the outstanding SPAC Liabilities.

"***VWAP***" shall mean, with respect to a Company Common Share, the dollar-weighted average price on the Nasdaq or other primary stock exchange during the period beginning at 9:30:01 a.m., New York time, and ending at 4:00:00 p.m., New York time, as reported by Bloomberg through its "HP" function (set to weighted average) or, if the foregoing does not apply, the dollar volume-weighted average price in the over-the-counter market on the electronic bulletin board during the period beginning at 9:30:01 a.m., New York time, and ending at 4:00 p.m., New York time, as reported by Bloomberg, or, if no dollar volume- weighted average price is reported by Bloomberg for such hours, the average of the highest closing bid price and the lowest closing ask price of any of the market makers as reported by OTC Markets Group Inc. If VWAP cannot be calculated on any of the foregoing bases, VWAP shall be the fair market value per Company Common Share on such date(s) as reasonably determined by a majority of the board of directors of the Company, including a majority of disinterested directors.

"***Warrant Agreement***" shall mean the Warrant Agreement, dated as of January 22, 2021, between Continental and SPAC.

"***Willful Breach***" shall mean a material breach that is a consequence of an omission by, or act undertaken by or caused by, the breaching party intentionally and with the knowledge that such omission or taking or causing of such act would, or would reasonably be expected to, cause such material breach, including the failure to cause the Closing to occur when required pursuant to this Agreement.

[*Signature Pages Follow*]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the date first written above.

1295908 B.C. LTD.

By: /s/ Rajat Marwah
Name: Rajat Marwah
Title: Chief Financial Officer

ALGOMA MERGER SUB, INC.

By: /s/ Michael McQuade
Name: Michael McQuade
Title: President

LEGATO MERGER CORP.

By: /s/ David D. Sgro
Name: David D. Sgro
Title: Chief Executive Officer

Exhibit A

Form of Restated Articles

A-71

Exhibit B

Form of Notice of Alteration

Annex B

Form of Restated Articles of Algoma Steel Group Inc. (to be effective upon consummation of the Merger)

ARTICLES

1295908 B.C. LTD. (the "Company")

Incorporation number: BC1295908

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ARTICLES

1. INTERPRETATION

1.1. Definitions

In these Articles, unless the context otherwise requires:

(1) "Acknowledgement" means a non-transferable written acknowledgement of the shareholder's right to obtain a certificate for shares of any class or series, including a direct registration system advice;

(2) "Applicable Securities Laws" means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules and regulations made or promulgated under any such statute and the published national instruments, multilateral instruments, forms, policies, bulletins and notices of the securities commission and similar regulatory authority of each province and territory of Canada and the applicable securities laws of the United States, including the United States Securities Exchange Act of 1934, as amended, the United States Securities Act of 1933, as amended, and any applicable securities laws of any state of the United States;

(3) "appropriate person" has the meaning assigned thereto in the *Securities Transfer Act*;

(4) "board of directors", "directors" and "board" mean the directors or sole director of the Company for the time being;

(5) "*Business Corporations Act*" means the *Business Corporations Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;

(6) "business day" means any day other than a Saturday, Sunday or any statutory holiday in the province of British Columbia;

(7) "*Interpretation Act*" means the *Interpretation Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;

(8) "legal personal representative" means the personal or other legal representative of a shareholder;

(9) "protected purchaser" has the meaning assigned thereto in the *Securities Transfer Act*;

(10) "registered address" of a shareholder means the shareholder's address as recorded in the central securities register;

(11) "Representatives" of a person means the affiliates and associates of such person, all persons acting jointly or in concert with any of the foregoing, and the affiliates and associates of any of such persons acting jointly or in concert, and "Representative" means any one of them;

(12) "seal" means the seal of the Company, if any; and

(15) "*Securities Transfer Act*" means the *Securities Transfer Act* (British Columbia), as amended or re-enacted from time to time.

1.2. General

In these Articles:

(1) expressions referring to writing include printing, lithography, typewriting, photography, facsimile, e-mail, electronic and other modes of representing or reproducing words;

(2) expressions referring to signing include facsimile and electronic signatures; and

(3) the words "including", "includes" and "include" means including (or includes or include) without limitation.

1.3. Special Majority

(1) For the purposes of the Articles and the *Business Corporations Act*, the majority of votes required for the Company to pass a special resolution at a general meeting is two-thirds of the votes cast on the resolution.

(2) For the purposes of the *Business Corporations Act*, and unless otherwise provided in the Articles, the majority of votes required for shareholders holding shares of a class or series of shares to pass a special separate resolution is two-thirds of the votes cast on the resolution.

1.4. *Business Corporations Act* and *Interpretation Act* Definitions Applicable

The definitions in the *Business Corporations Act* and the definitions and rules of construction in the *Interpretation Act*, with the necessary changes, so far as applicable, and unless the context requires otherwise, apply to these Articles as if they were an enactment. If there is a conflict between a definition in the *Business Corporations Act* and a definition or rule in the *Interpretation Act* relating to a term used in these Articles, the definition in the *Business Corporations Act* will prevail in relation to the use of the term in these Articles. If there is a conflict or inconsistency between these Articles and the *Business Corporations Act*, the *Business Corporations Act* will prevail.

2. SHARES AND SHARE CERTIFICATES

2.1. Authorized Share Structure

The authorized share structure of the Company consists of shares of the class or classes and series, if any, described in the Notice of Articles of the Company.

2.2. Form of Share Certificate

Each share certificate issued by the Company must comply with, and be signed as required by, the *Business Corporations Act*.

2.3. Shareholder Entitled to Certificate or Acknowledgement

Each shareholder is entitled, without charge, to (a) one share certificate representing the shares of each class or series of shares registered in the shareholder's name or (b) an Acknowledgement, provided that in respect of a share held jointly by several persons, the Company is not bound to issue more than one share certificate or Acknowledgement and delivery of a share certificate or an Acknowledgement to one of several joint shareholders or to a duly authorized agent of one of the joint shareholders will be sufficient delivery to all.

2.4. Delivery by Mail

Any share certificate or Acknowledgement may be sent to the shareholder by mail at the shareholder's registered address and neither the Company nor any director, officer or agent of the Company is liable for any loss to the shareholder because the share certificate or Acknowledgement is lost in the mail or stolen.

2.5. Replacement of Worn Out or Defaced Certificate or Acknowledgement

If the directors are satisfied that a share certificate or Acknowledgement is worn out or defaced, they must, on production to them of the share certificate or Acknowledgement, as the case may be, and on such other terms, if any, as they think fit:

(1) order the share certificate or Acknowledgement, as the case may be, to be cancelled; and

(2) issue a replacement share certificate or Acknowledgement, as the case may be.

2.6. Replacement of Lost, Stolen or Destroyed Certificate or Acknowledgement

If a person entitled to a share certificate claims that the share certificate has been lost, destroyed or wrongfully taken, the Company must issue a share certificate or an Acknowledgement if that person:

(1) so requests before the Company has notice that the share certificate has been acquired by a protected purchaser;

(2) provides the Company with an indemnity bond sufficient in the Company's judgment to protect the Company from any loss that the Company may suffer by issuing a new certificate or Acknowledgement; and

(3) satisfies any other reasonable requirements imposed by the directors.

A person entitled to a share certificate or Acknowledgement may not assert against the Company a claim for a new share certificate or Acknowledgement where a share certificate has been lost, apparently destroyed or wrongfully taken if that person fails to notify the Company of that fact within a reasonable time after that person has notice of it and the Company registers a transfer of the shares represented by the certificate before receiving a notice of the loss, apparent destruction or wrongful taking of the share certificate.

2.7. Recovery of New Share Certificate

If, after the issue of a new share certificate, a protected purchaser of the original share certificate presents the original share certificate for the registration of a transfer, then in addition to any rights on the indemnity bond, the Company may recover the new share certificate from a person to whom it was issued or any other person, other than a protected purchaser.

2.8. Splitting Share Certificates

If a shareholder surrenders a share certificate or Acknowledgement to the Company with a written request that the Company issue in the shareholder's name two or more share certificates or Acknowledgements, each representing a specified number of shares and in the aggregate representing the same number of shares as the share certificate or Acknowledgement so surrendered, the Company must cancel the surrendered share certificate or Acknowledgement and issue replacement share certificates or Acknowledgements in accordance with that request.

2.9. Certificate or Acknowledgement Fee

There must be paid to the Company, in relation to the issue of any share certificate or Acknowledgement under Articles 2.5, 2.6 or 2.8, the amount, if any, which must not exceed the amount prescribed under the *Business Corporations Act*, determined by the directors or the Company's transfer agent.

2.10. Recognition of Trusts

Except as required by law or statute or these Articles, no person will be recognized by the Company as holding any share upon any trust, and the Company is not bound by or compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or fraction of a share or (except as required by law or statute or these Articles or as ordered by a court of competent jurisdiction) any other rights in respect of any share except an absolute right to the entirety thereof in the shareholder.

3. ISSUE OF SHARES

3.1. Directors Authorized

Subject to the *Business Corporations Act* and the rights, if any, of the holders of issued shares of the Company, the Company may issue, sell or otherwise dispose of the unissued shares, and issued shares held by the Company, at the times, to the persons, including directors, in the manner, on the terms and conditions and for the issue prices (including any premium at which shares with par value may be issued) that the directors may determine. The issue price for a share with par value must be equal to or greater than the par value of the share.

3.2. Commissions and Discounts

The Company may at any time pay a reasonable commission or allow a reasonable discount to any person in consideration of that person purchasing or agreeing to purchase shares of the Company from the Company or any other person or procuring or agreeing to procure purchasers for shares of the Company.

3.3. Brokerage

The Company may pay such brokerage fee or other consideration as may be lawful for or in connection with the sale or placement of its securities.

3.4. Conditions of Issue

Except as provided for by the *Business Corporations Act*, no share may be issued until it is fully paid. A share is fully paid when:

(1) consideration is provided to the Company for the issue of the share by one or more of the following:

(a) past services performed for the Company;

(b) property;

(c) money; and

(2) the value of the consideration received by the Company equals or exceeds the issue price set for the share under Article 3.1.

3.5. Share Purchase Warrants and Rights

Subject to the *Business Corporations Act*, the Company may issue share purchase warrants, options and rights upon such terms and conditions as the directors determine, which share purchase warrants, options and rights may be issued alone or in conjunction with debentures, debenture stock, bonds, shares or any other securities issued or created by the Company from time to time.

4. SHARE REGISTERS

4.1. Central Securities Register

As required by and subject to the *Business Corporations Act*, the Company must maintain a central securities register, which may be kept in electronic form and may be made available for inspection in accordance with the *Business Corporations Act* by means of computer terminal or other electronic technology.

4.2. Appointment of Agent

The directors may, subject to the *Business Corporations Act*, appoint an agent to maintain the central securities register. The directors may also appoint one or more agents, including the agent which keeps the central securities register, as transfer agent for its shares or any class or series of its shares, as the case may be, and the same or another agent as registrar for its shares or such class or series of its shares, as the case may be. The directors may terminate such appointment of any agent at any time and may appoint another agent in its place.

5. SHARE TRANSFERS

5.1. Registering Transfers

Subject to the *Business Corporations Act* and the *Securities Transfer Act*, a transfer of a share of the Company must not be registered unless the Company or the transfer agent or registrar for the class or series of share to be transferred has received:

(1) in the case of a share certificate that has been issued by the Company in respect of the share to be transferred, that share certificate and a written instrument of transfer (which may be on a separate document or endorsed on the share certificate) from the shareholder or other appropriate person or from an agent who has actual authority to act on behalf of that person;

(2) in the case of an Acknowledgment in respect of the share to be transferred, a written instrument of transfer that directs that the transfer of the share be registered, from the shareholder or other appropriate person or from an agent who has actual authority to act on behalf of that person;

(3) in the case of a share that is an uncertificated share, a written instrument of transfer that directs that the transfer of the share be registered, from the shareholder or other appropriate person or from an agent who has actual authority to act on behalf of that person; and

(4) such other evidence, if any, as the Company or the transfer agent or registrar for the class or series of share to be transferred may require to prove the title of the transferor or the transferor's right to transfer the share, that the written instrument of transfer is genuine and authorized and that the transfer is rightful or to a protected purchaser.

5.2. Form of Instrument of Transfer

The instrument of transfer in respect of any share of the Company must be either in the form, if any, on the back of the Company's share certificates or in any other form that may be approved from time to time by the Company or its transfer agent for the class or series of shares to be transferred.

5.3. Transferor Remains Shareholder

Except to the extent that the *Business Corporations Act* otherwise provides, the transferor of shares is deemed to remain the holder of the shares until the name of the transferee is entered in a securities register of the Company in respect of the transfer.

5.4. Signing of Instrument of Transfer

An instrument of transfer signed by a person contemplated in Article 5.1 constitutes a complete and sufficient authority to the Company and its directors, officers and agents to register the number of shares specified in the instrument of transfer or specified in any other manner, or, if no number is specified, all the shares represented by the share certificates or set out in the Acknowledgement deposited with the instrument of transfer:

(1) in the name of the person named as transferee in that instrument of transfer; or

(2) if no person is named as transferee in that instrument of transfer, in the name of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered.

5.5. Enquiry as to Title Not Required

Neither the Company nor any director, officer or agent of the Company is bound to inquire into the title of the person named in the instrument of transfer as transferee or, if no person is named as transferee in the instrument of transfer, of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered or is liable for any claim related to registering the transfer by the shareholder or by any intermediate owner or holder of the shares, of any interest in the shares, of any share certificate representing such shares or of any Acknowledgement of a right to obtain a share certificate for such shares.

5.6. Transfer Fee

There must be paid to the Company or its transfer agent, in relation to the registration of any transfer, the amount, if any, determined by the Company or its transfer agent.

6. TRANSMISSION OF SHARES

6.1. Legal Personal Representative Recognized on Death

In case of the death of a shareholder, the legal personal representative of the shareholder, or in the case of shares registered in the shareholder's name and the name of another person in joint tenancy, the surviving joint holder, will be the only person recognized by the Company as having any title to the shareholder's interest in the shares. Before recognizing a person as a legal personal representative of a shareholder, the directors may require proof of appointment by a court of competent jurisdiction, a grant of letters probate, letters of administration or such other evidence or documents as the directors consider appropriate.

6.2. Rights of Legal Personal Representative

The legal personal representative of a shareholder has the same rights, privileges and obligations that attach to the shares held by the shareholder, including the right to transfer the shares in accordance with these Articles, provided appropriate evidence of appointment or incumbency, within the meaning of the *Securities Transfer Act*, and the documents required by the *Business Corporations Act* and the directors have been deposited with the Company. This Article 6.2 does not apply in the case of the death of a shareholder with respect to shares registered in the shareholder's name and the name of another person in joint tenancy.

7. PURCHASE OF SHARES

7.1. Company Authorized to Purchase Shares

Subject to Article 7.2, the special rights and restrictions attached to the shares of any class or series and the *Business Corporations Act*, the Company may, if authorized by the directors, purchase or otherwise acquire any of its shares at the price and upon the terms determined by the directors.

7.2. Purchase When Insolvent

The Company must not make a payment or provide any other consideration to purchase or otherwise acquire any of its shares if there are reasonable grounds for believing that:

(1) the Company is insolvent; or

(2) making the payment or providing the consideration would render the Company insolvent.

7.3. Sale and Voting of Purchased Shares

If the Company retains a share redeemed, purchased or otherwise acquired by it, the Company may sell, gift or otherwise dispose of the share, but, while such share is held by the Company, it:

(1) is not entitled to vote the share at a meeting of its shareholders;

(2) must not pay a dividend in respect of the share; and

(3) must not make any other distribution in respect of the share.

8. BORROWING POWERS

The Company, if authorized by the directors, may:

(1) borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that they consider appropriate;

(2) issue bonds, debentures and other debt obligations either outright or as security for any liability or obligation of the Company or any other person and at such discounts or premiums and on such other terms as they consider appropriate;

(3) guarantee the repayment of money by any other person or the performance of any obligation of any other person; and

(4) mortgage, charge, whether by way of specific or floating charge, grant a security interest in, or give other security on, the whole or any part of the present and future assets and undertaking of the Company.

9. ALTERATIONS

9.1. Alteration of Authorized Share Structure

Subject to Article 9.2, the *Business Corporations Act*, and the special rights and restrictions attached to any class or series of shares, the Company may:

(1) by special resolution:

(a) create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares;

(b) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;

(c) if the Company is authorized to issue shares of a class of shares with par value:

(i) decrease the par value of those shares;

(ii) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares;

(d) change all or any of its unissued, or fully paid issued, shares with par value into shares without par value or any of its unissued shares without par value into shares with par value; or

(e) alter the identifying name of any of its shares;

and, if applicable, alter its Articles and Notice of Articles accordingly; or

(2) by resolution of the directors, subdivide or consolidate all or any of its unissued, or fully paid issued, shares and, if applicable, alter its Articles and Notice of Articles accordingly.

9.2. Special Rights and Restrictions

Subject to the *Business Corporations Act* and the special rights and restrictions attached to any class or series of shares, the Company may by special resolution:

(1) create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class or series of shares, whether or not any or all of those shares have been issued; or

(2) vary or delete any special rights or restrictions attached to the shares of any class or series of shares, whether or not any or all of those shares have been issued;

and, if applicable, alter its Articles and Notice of Articles accordingly.

9.3. Change of Name

The Company may by resolution of the directors authorize an alteration of its Notice of Articles in order to change its name or to adopt or change any translation of that name.

9.4. Other Alterations

If the *Business Corporations Act* does not specify the type of resolution and these Articles do not specify another type of resolution, the Company may by ordinary resolution of the shareholders alter these Articles.

10. MEETINGS OF SHAREHOLDERS

10.1. Annual General Meetings

Unless an annual general meeting is deferred or waived in accordance with the *Business Corporations Act*, the Company must hold its first annual general meeting within 18 months after the date on which it was recognized under the *Business Corporations Act*, and after that must hold an annual general meeting at least once in each calendar year and not more than 15 months after the last annual reference date at such time and place as may be determined by the directors.

10.2. Calling and Location of Meetings of Shareholders

The directors may, at any time, call a meeting of shareholders. Subject to Article 10.8, the location of a meeting of shareholders shall be determined by the directors and may be within or outside British Columbia.

10.3. Notice for Meetings of Shareholders

The Company must send notice of the date, time and location of any meeting of shareholders in the manner provided in these Articles to each shareholder entitled to attend the meeting, to each director and to the auditor of the Company, unless these Articles otherwise provide, at least the following number of days before the meeting:

(a) if and for so long as the Company is a public company, 21 days;

(b) otherwise, 10 days.

10.4. Record Date for Notice and Voting

The directors may set a date as the record date for the purpose of determining shareholders entitled to notice of, and to vote at, any meeting of shareholders.

10.5. Failure to Give Notice and Waiver of Notice

The accidental omission to send notice of any meeting of shareholders to, or the non-receipt of any notice by, any of the persons entitled to notice does not invalidate any proceedings at that meeting. Any person entitled to notice of a meeting of shareholders, and any duly appointed proxy of a shareholder entitled to such notice, may, in writing or otherwise, waive that entitlement or may agree to reduce the period of that notice. Attendance of a person (or duly appointed proxy) at a meeting of shareholders is a waiver of entitlement to notice of the meeting, unless that person attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

10.6. Notice of Special Business at Meetings of Shareholders

If a meeting of shareholders is to consider special business within the meaning of Article 11.1, the notice of meeting must state:

(1) the general nature of the special business; and

(2) the text or any resolution to be submitted to the meeting in respect of such special business.

10.7. Class Meetings and Series Meetings of Shareholders

Unless otherwise specified in these Articles, the provisions of these Articles relating to a meeting of shareholders will apply, with the necessary changes and so far as they are applicable, to a class meeting or series meeting of shareholders holding a particular class or series of shares.

10.8. Electronic Meetings

The directors may determine that a meeting of shareholders shall be held entirely by means of telephone, electronic or other communication facilities that permit all participants to communicate with each other during the meeting. A meeting of shareholders may also be held at which some, but not necessarily all, persons entitled to attend may participate by means of such communication facilities, if the directors determine to make them available. A person participating in a meeting by such means is deemed to be present at the meeting.

10.9. Electronic Voting

Any vote at a meeting of shareholders may be held entirely or partially by means of telephone, electronic or other communication facilities, if the directors determine to make them available, whether or not persons entitled to attend participate in the meeting by means of communication facilities.

11. PROCEEDINGS AT MEETINGS OF SHAREHOLDERS

11.1. Special Business

At a meeting of shareholders, the following business is special business:

(1) at a meeting of shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of or voting at the meeting; and

(2) at an annual general meeting, all business is special business except for the following:

  (a) business relating to the conduct of or voting at the meeting;

  (b) consideration of any financial statements of the Company presented to the meeting;

  (c) consideration of any reports of the directors or auditor;

(d) the election or appointment of directors;

(e) the appointment of an auditor;

(f) business arising out of a report of the directors not requiring the passing of a special resolution; and

(g) any other business which, under these Articles or the *Business Corporations Act*, may be transacted at a meeting of shareholders without prior notice of the business being given to the shareholders.

11.2. Quorum

Subject to the special rights and restrictions attached to the shares of any class or series of shares, the quorum for the transaction of business at a meeting of shareholders is two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 25% of the issued shares entitled to be voted at the meeting.

11.3. Persons Entitled to Attend Meeting

The only persons entitled to be present at a meeting of shareholders shall be those entitled to vote thereat, the directors and auditor of the Company and others who, although not entitled to vote, are entitled or required under any provision of the *Business Corporations Act*, the special rights and restrictions attaching to their shares or these Articles to be present at the meeting. Any other person may be admitted only on the invitation of the chair of the meeting or with the consent of the directors.

11.4. Requirement of Quorum

No business, other than the election of a chair of the meeting and the adjournment of the meeting, may be transacted at any meeting of shareholders unless a quorum of shareholders entitled to vote is present at the commencement of the meeting, but such quorum need not be present throughout the meeting.

11.5. Lack of Quorum

If, within one-half hour from the time set for the holding of a meeting of shareholders, a quorum is not present:

(1) in the case of a general meeting requisitioned by shareholders, the meeting is dissolved, and

(2) in the case of any other meeting of shareholders, the meeting stands adjourned to the time and place determined by the chair of the board or by the directors.

11.6. Lack of Quorum at Succeeding Meeting

If, at the meeting to which the meeting referred to in Article 11.5(2) was adjourned, a quorum is not present within one-half hour from the time set for the holding of the meeting, the original meeting shall be deemed to have terminated forthwith after its adjournment.

11.7. Chair

The following individual is entitled to preside as chair at a meeting of shareholders:

(1) the chair of the board, if any;

(2) if the chair of the board is absent or unwilling to act as chair of the meeting, the chief executive officer, if any; or

(3) if neither the chair of the board nor the chief executive officer is present, or willing to act, any director.

11.8. Adjournments

The chair of a meeting of shareholders may, and if so directed by ordinary resolution must, adjourn the meeting from time to time and from place to place, but no business may be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

11.9. Notice of Adjourned Meeting

It is not necessary to give any notice of an adjourned meeting of shareholders or of the business to be transacted at an adjourned meeting of shareholders except that, when a meeting is adjourned for 45 days or more, notice of the adjourned meeting must be given as in the case of the original meeting.

11.10. Decisions by Show of Hands or Poll

Subject to the *Business Corporations Act*, every motion put to a vote at a meeting of shareholders will be decided on a show of hands or the functional equivalent of a show of hands by means of electronic, telephonic or other communication facility, unless a poll, before or on the declaration of the result of the vote by show of hands or the functional equivalent of a show of hands, is directed by the chair of the meeting or demanded by any shareholder entitled to vote who is present in person or by proxy.

11.11. Declaration of Result

The chair of a meeting of shareholders must declare to the meeting the decision on every question in accordance with the result of the show of hands (or its functional equivalent) or the poll, as the case may be, and that decision must be entered in the minutes of the meeting. A declaration of the chair that a resolution is carried by the necessary majority or is defeated is, unless a poll is directed by the chair or demanded under Article 11.10, conclusive evidence without proof of the number or proportion of the votes recorded in favour of or against the resolution.

11.12. Motion Need Not be Seconded

No motion proposed at a meeting of shareholders need be seconded unless the chair of the meeting rules otherwise, and the chair of any meeting of shareholders is entitled to propose or second a motion.

11.13. Casting Vote

In case of an equality of votes, the chair of a meeting of shareholders shall not have a second or casting vote in addition to the vote or votes to which the chair may be entitled as a shareholder or proxy holder.

11.14. Manner of Taking Poll

Subject to Article 11.15, if a poll is duly demanded at a meeting of shareholders:

(1) the poll must be taken:

  (a) at the meeting, or within seven days after the date of the meeting, as the chair of the meeting directs; and

  (b) in the manner, at the time and at the place that the chair of the meeting directs;

(2) the result of the poll is deemed to be the decision of the meeting at which the poll is demanded; and

(3) the demand for the poll may be withdrawn by the person who demanded it.

11.15. Demand for Poll on Adjournment

A poll demanded at a meeting of shareholders on a question of adjournment must be taken immediately at the meeting.

11.16. Chair Must Resolve Dispute

In the case of any dispute as to the admission or rejection of a vote given on a poll, the chair of the meeting must determine the dispute, and his or her determination made in good faith is final and conclusive.

11.17. Casting of Votes

On a poll, a shareholder entitled to more than one vote need not cast all the votes in the same way.

11.18. Demand for Poll Not to Prevent Continuance of Meeting

The demand for a poll at a meeting of shareholders does not, unless the chair of the meeting so rules, prevent the continuation of a meeting for the transaction of any business other than the question on which a poll has been demanded.

11.19. Retention of Ballots and Proxies

The Company must, for at least three months after a meeting of shareholders, keep each ballot cast on a poll and each proxy voted at the meeting, and, during that period, make them available for inspection during normal business hours by any shareholder or proxy holder entitled to vote at the meeting. At the end of such three-month period, the Company may destroy such ballots and proxies.

12. VOTES OF SHAREHOLDERS

12.1. Number of Votes by Shareholder or by Shares

Subject to any special rights or restrictions attached to any shares and to the restrictions imposed on joint shareholders under Article 12.3:

(1) on a vote by show of hands (or its functional equivalent), every person present who is a shareholder or proxy holder and entitled to vote on the matter has one vote; and

(2) on a poll, every shareholder entitled to vote on the matter has, in respect of each share entitled to be voted on the matter and held by that shareholder, that number of votes provided by the Articles or the *Business Corporations Act* and may exercise that vote either in person or by proxy.

12.2. Votes of Persons in Representative Capacity

A person who is not a shareholder may vote at a meeting of shareholders, whether on a show of hands (or its functional equivalent) or on a poll, and may appoint a proxy holder to act at the meeting, if, before doing so, the person satisfies the chair of the meeting, or the directors, that the person is a legal personal representative or a trustee in bankruptcy for a shareholder who is entitled to vote at the meeting.

12.3. Votes by Joint Holders

If there are joint shareholders registered in respect of any share:

(1) any one of the joint shareholders may vote at any meeting of shareholders, personally or by proxy, in respect of the share as if that joint shareholder were solely entitled to it; or

(2) if more than one of the joint shareholders is present at any meeting of shareholders, personally or by proxy, and more than one of them votes in respect of that share, then only the vote of the joint shareholder present whose name stands first on the central securities register in respect of the share will be counted.

12.4. Legal Personal Representatives as Joint Shareholders

Two or more legal personal representatives of a shareholder in whose sole name any share is registered are, for the purposes of Article 12.3, deemed to be joint shareholders registered in respect of that share.

12.5. Representative of a Corporate Shareholder

Any shareholder which is a corporation may authorize by resolution of its directors or governing body an individual to represent it at a meeting of shareholders and such individual may exercise on the shareholder's behalf all the powers it could exercise if it were an individual shareholder. The authority of such an individual shall be established by depositing with the Company a certified copy of such resolution, or in such other manner as may be satisfactory to the secretary of the Company or the chair of the meeting. Any such representative need not be a shareholder.

12.6. Appointment of Proxy Holders

Every shareholder of the Company, including a corporation that is a shareholder, entitled to vote at a meeting of shareholders may, by proxy, appoint one or more proxy holders to attend and act at the meeting in the manner, to the extent and with the powers conferred by the proxy. The instructing of proxy holders may be carried out by means of telephone, electronic or other communication facility in addition to or in substitution for instructing proxy holders by mail.

12.7. Alternate Proxy Holders

A shareholder may appoint one or more alternate proxy holders to act in the place of an absent proxy holder.

12.8. Deposit of Proxy

The board may specify in the notice calling a meeting of shareholders a time, not exceeding 48 hours (excluding non-business days), preceding the meeting, or an adjournment thereof, before which proxies must be deposited with the Company or its agent specified in such notice. Subject to Articles 12.13 and 12.14, a proxy shall be acted upon only if, prior to the time so specified, it shall have been deposited with the Company or an agent thereof specified in such notice or, where no such time is specified in such notice, if it has been so deposited or received by the secretary of the Company or by the chair of the meeting or any adjournment thereof prior to the time of voting. A proxy may be sent to the Company or its agent by written instrument, fax or any other method of transmitting legibly recorded messages and by using available telephone, electronic or other voting services as may be approved by the directors.

12.9. Validity of Proxy Vote

A vote given in accordance with the terms of a proxy is valid notwithstanding the death or incapacity of the shareholder giving the proxy and despite the revocation of the proxy or the revocation of the authority under which the proxy is given, unless notice in writing of that death, incapacity or revocation is received:

(1) at the registered office of the Company, at any time up to and including the last business day before the day set for the holding of the meeting or any adjourned meeting at which the proxy is to be used; or

(2) at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting, before any vote in respect of which the proxy has been given has been taken.

12.10. Form of Proxy

A proxy, whether for a specified meeting or otherwise, must be in the form approved by the directors or the chair of the meeting.

12.11. Chair May Determine Validity of Proxy

The chair of any meeting of shareholders may, but need not, at his or her sole discretion, make determinations as to the acceptability of proxies deposited for use at the meeting, including the acceptability of proxies which may not strictly comply with the requirements of this Article 12 as to form, execution, accompanying documentation or otherwise, and any such determination made in good faith shall be final and conclusive.

12.12. Revocation of Proxy

Subject to Articles 12.13 and 12.14, every proxy may be revoked by an instrument in writing that is received:

(1) at the registered office of the Company at any time up to and including the last business day before the day set for the holding of the meeting or any adjourned meeting at which the proxy is to be used; or

(2) at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting, before any vote in respect of which the proxy has been given has been taken.

12.13. Waiver of Proxy Time Limits

Notwithstanding Articles 12.8 and 12.12, the chair of any meeting or the directors may, but need not, at his, her or their sole discretion waive the time limits for the deposit or revocation of proxies by shareholders, including any deadline set out in the notice calling the meeting of shareholders, any proxy circular or specified in a proxy for the meeting and any such waiver shall be final and conclusive.

12.14. Revocation of Proxy Must Be Signed

An instrument referred to in Article 12.12 must be signed as follows:

(1) if the shareholder for whom the proxy holder is appointed is an individual, the instrument must be signed by the shareholder or his or her legal personal representative or trustee in bankruptcy; or

(2) if the shareholder for whom the proxy holder is appointed is a corporation, the instrument must be signed by the corporation or by a representative appointed for the corporation under Article 12.5.

12.15. Production of Evidence of Authority to Vote

The board or chair of any meeting of shareholders may, but need not, at any time (including prior to, at or subsequent to the meeting), ask questions of, and request the production of evidence from, a shareholder (including a beneficial owner), the transfer agent or such other person as they, he or she considers appropriate for the purposes of determining a person's share ownership position as at the relevant record date and authority to vote. For greater certainty, the board or the chair of any meeting of shareholders may, but need not, at any time, inquire into the legal or beneficial share ownership of any person as at the relevant record date and the authority of any person to vote at the meeting and may, but need not, at any time, request from that person production of evidence as to such share ownership position and the existence of the authority to vote. Such request by the directors or the chair of any meeting shall be responded to as soon as reasonably possible.

13. DIRECTORS

13.1. First Directors; Number of Directors

The first directors are the persons designated as directors of the Company in the Notice of Articles that applies to the Company when it is recognized under the *Business Corporations* Act. The number of directors shall be a minimum of three and a maximum of 20 and the number of directors, excluding additional directors appointed under Article 13.2, may be fixed within such range from time to time by the board of directors, whether previous notice thereof has been given or not.

13.2. Additional Directors

Notwithstanding Article 13.1, between annual general meetings, the board of directors may appoint one or more additional directors, but the number of additional directors appointed under this Article 13.2 must not at any time exceed:

(1) one-third of the number of first directors, if, at the time of the appointments, one or more of the first directors have not yet completed their first term of office; or

(2) in any other case, one-third of the number of the current directors who were elected or appointed as directors other than under this Article 13.2.

13.3. Directors' Acts Valid Despite Vacancy

An act or proceeding of the directors is not invalid merely because fewer than the number of directors set or otherwise required under these Articles is in office.

13.4. Qualifications of Directors

A director is not required to hold a share in the capital of the Company as qualification for his or her office but must be qualified as required by the *Business Corporations Act* to become, act or continue to act as a director.

13.5. Remuneration and Reimbursement of Expenses

The directors are entitled to the remuneration for acting as directors, if any, as the directors may from time to time determine. The Company must reimburse each director for the reasonable expenses that he or she may incur in connection with the business of the Company.

14. ELECTION AND REMOVAL OF DIRECTORS

14.1. Election at Annual General Meeting

At every annual general meeting:

(1) the shareholders entitled to vote at the annual general meeting for the election of directors must elect a board of directors consisting of not more than the number of directors set by the directors pursuant to Article 13.1; and

(2) all the directors cease to hold office upon the election or appointment of directors under paragraph 14.1(1), but are eligible for re-election or re-appointment.

14.2. Nomination of Directors

(1) Only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Company. Nominations of persons for election to the board may be made at any annual general meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors:

(a) by or at the direction of the board, including pursuant to a notice of meeting;

(b) by or at the direction or request of one or more shareholders pursuant to a "proposal" made in accordance with the *Business Corporations Act*, or a requisition of the shareholders made in accordance with the *Business Corporations Act*; or

(c) by any person (a "**Nominating Shareholder**"): (A) who, at the close of business on the date of the giving by the Nominating Shareholder of the notice provided for below in this Article 14.2 and at the close of business on the record date for notice of such meeting, is entered in the central securities register of the Company as a holder of one or more shares carrying the right to vote at such meeting or beneficially owns shares that are entitled to be voted at such meeting; and (B) who complies with the notice procedures set forth below in this Article 14.2.

(2) In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given notice thereof that is both timely (in accordance with Article 14.2(3)) and in proper written form (in accordance with Article 14.2(4)) to the secretary of the Company at the principal executive offices of the Company.

(3) To be timely, a Nominating Shareholder's notice to the secretary of the Company must be made:

(a) in the case of an annual general meeting of shareholders, not less than 30 days prior to the date of the annual general meeting of shareholders; provided, however, that in the event that the annual general meeting of shareholders is to be held on a date that is less than 50 days after the date (the "**Notice Date**") on which the first public announcement of the date of the annual general meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the tenth day following the Notice Date; and

(b) in the case of a special meeting (which is not also an annual general meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes as well), not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting of shareholders was made.

(4) To be in proper written form, a Nominating Shareholder's notice to the secretary of the Company must:

(a) set forth, as to each person whom the Nominating Shareholder proposes to nominate for election as a director (each, a "**Proposed Nominee**"):

(i) the name, age, business address and residential address of the person;

(ii) the principal occupation or employment of the person for the past five years;

(iii) the class or series and number of shares in the capital of the Company which are directly or indirectly controlled or which are directly or indirectly owned beneficially or of record by the Proposed Nominee and his or her Representatives as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice;

(iv) full particulars regarding any contract, agreement, arrangement, understanding or relationship (collectively, "**Arrangements**"), including without limitation financial, compensation and indemnity related Arrangements, between the Proposed Nominee or any of his or her Representatives and any Nominating Shareholder or any of its Representatives; and

(v) any other information relating to the Proposed Nominee or his or her associates or affiliates that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the *Business Corporations Act* and Applicable Securities Laws, provided that if any such additional information, if requested or received, shall be made publicly available to shareholders of the Company; and

(b) set forth, as to each Nominating Shareholder giving the notice and each beneficial owner, if any, on whose behalf the nomination is made:

(i) the name, age, business address and, if applicable, residential address of such person;

(ii) the class or series and number of shares in the capital of the Company which are, directly or indirectly, under the control or direction of, or owned beneficially or of record by, such person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice;

(iii) full particulars regarding (i) any proxy or other Arrangement pursuant to which such person or any of its Representatives has a right to vote or direct the voting of any shares of the Company, and (ii) any other Arrangement of such person or any of its Representatives relating to the voting of any shares of the Company or the nomination of any person(s) to the board;

(iv) full particulars regarding any Arrangement of such person or any of its Representatives, the purpose or effect of which is to alter, directly or indirectly, the economic interest of such person or any of its Representatives in a security of the Company or the economic exposure of any such person or any of its Representatives to the Company;

(v) full particulars of any direct or indirect interest of such person or any of its Representatives in any contract with the Company or with any of the Company's affiliates, competitors or material suppliers;

(vi) full particulars regarding any Arrangement, including without limitation financial, compensation and indemnity related Arrangements, between the Proposed Nominee or any associate or affiliate of the Proposed Nominee and such person or any of its Representatives; and

(vii) any other information relating to such person or any of its Representatives that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the *Business Corporations Act* and Applicable Securities Laws.

(5) All information to be provided in a timely notice pursuant to Article 14.2(4) shall be provided as of the date of such notice. If requested by the Company, the Nominating Shareholder shall update such information forthwith so that it is true and correct in all material respects as of the date that is 10 business days prior to the date of the meeting, or any adjournment or postponement thereof.

(6) For the avoidance of doubt, this Article 14.2 shall be the exclusive means for any person to bring nominations for election to the board before any annual general or special meeting of shareholders of the Company. No person shall be eligible for election as a director of the Company unless such person has been nominated in accordance with the provisions of this Article 14.2; provided, however, that nothing in this Article 14.2 shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter in respect of which such shareholder would have been entitled to submit a proposal

pursuant to the provisions of the *Business Corporations Act*. The chair of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

(7) Notwithstanding any other provision of these Articles, any notice or other document or information required to be given to the secretary of the Company pursuant to this Article 14.2 may only be given by personal delivery, facsimile transmission or by e-mail (at such e-mail address as may be stipulated from time to time by the secretary of the Company for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery to the secretary at the address of the principal executive offices of the Company, e-mailed (to the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received); provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Eastern time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the next following day that is a business day.

(8) Notwithstanding the foregoing, the board may, in its sole discretion, waive all or any of the requirements in this Article 14.2.

14.3. Consent to be a Director

No election, appointment or designation of an individual as a director is valid unless:

(1) that individual consents to be a director in the manner provided for in the *Business Corporations Act*;

(2) that individual is elected or appointed at a meeting at which the individual is present and the individual does not refuse, at the meeting, to be a director; or

(3) with respect to first directors, the designation is otherwise valid under the *Business Corporations Act*.

14.4. Failure to Elect or Appoint Directors

If:

(1) the Company fails to hold an annual general meeting, on or before the date by which the annual general meeting is required to be held under the *Business Corporations Act*; or

(2) the shareholders fail, at the annual general meeting, to elect or appoint any directors;

then each director then in office continues to hold office until the earlier of:

(3) the date on which his or her successor is elected or appointed; and

(4) the date on which he or she otherwise ceases to hold office under the *Business Corporations Act* or these Articles.

14.5. Directors May Appoint to Fill Vacancies

The directors may appoint a qualified person to fill any vacancy occurring in the board of directors except a vacancy:

(1) resulting from an increase in the minimum or maximum number of directors; or

(2) resulting from a failure by the shareholders to elect the number of directors set or otherwise required under these Articles;

and a director elected or appointed to fill a vacancy on the board of directors shall hold office for the unexpired term of his or her predecessor. For greater certainty, the ability of the directors to add additional directors as provided in Article 13.2 is not filling a vacancy as contemplated hereunder.

14.6. Remaining Directors' Power to Act

The directors may act notwithstanding any vacancy in the board of directors, but if the Company has fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the directors may only act for the purpose of appointing directors up to that number or of calling a meeting of shareholders for the purpose of filling any vacancies on the board of directors or, subject to the *Business Corporations Act*, for any other purpose.

14.7. Shareholders May Fill Vacancies

If the Company has no directors or fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the shareholders may elect or appoint directors to fill any vacancies on the board of directors.

14.8. Ceasing to be a Director

Subject to Article 14.4, a director ceases to be a director when:

(1) the term of office of the director expires;

(2) the director dies;

(3) the director resigns as a director by notice in writing provided to the Company; or

(4) the director is removed from office pursuant to Articles 14.9 or 14.10.

14.9. Removal of Director by Shareholders

The shareholders may remove any director before the expiration of his or her term of office by special resolution. In that event, the shareholders may elect, or appoint by ordinary resolution, a director to fill the resulting vacancy. If the shareholders do not elect or appoint a director to fill the resulting vacancy contemporaneously with the removal, then the directors may appoint or the shareholders may elect, or appoint by ordinary resolution, a director to fill that vacancy.

14.10. Removal of Director by Directors

The directors may remove any director before the expiration of his or her term of office if the director is convicted of an indictable offence, or if the director ceases to be qualified to act as a director of a company and does not promptly resign, and the directors may appoint a director to fill the resulting vacancy.

15. POWERS AND DUTIES OF DIRECTORS

15.1. Powers of Management

The directors must, subject to the *Business Corporations Act* and these Articles, manage or supervise the management of the business and affairs of the Company and have the authority to exercise all such powers of the Company as are not, by the *Business Corporations Act* or by these Articles, required to be exercised by the shareholders of the Company.

15.2. Appointment of Attorney of Company

The directors may from time to time, by power of attorney or other instrument, under seal if so required by law, appoint any person to be the attorney of the Company for such purposes, and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these Articles and excepting the power to fill vacancies in the board of directors, to remove a director, to change the membership of, or fill vacancies in, any committee of the directors, to appoint or remove officers appointed by the directors and to declare dividends) and for such period, and with such remuneration and subject to such conditions as the directors may think fit. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the directors think fit. Any such attorney may be authorized by the directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him or her.

16. INTERESTS OF DIRECTORS AND OFFICERS

16.1. Director Holding Other Office in the Company

A director may hold any office or place of profit with the Company, other than the office of auditor of the Company, in addition to his or her office of director for the period and on the terms (as to remuneration or otherwise) that the directors may determine.

16.2. No Disqualification

No director or intended director is disqualified by his or her office from contracting with the Company either with regard to the holding of any office or place of profit the director holds with the Company or as vendor, purchaser or otherwise, and no contract or transaction entered into by or on behalf of the Company in which a director is in any way interested is liable to be voided for that reason.

16.3. Director or Officer in Other Corporations

A director or officer may be or become a director, officer or employee of, or otherwise interested in, any person in which the Company may be interested as a shareholder or otherwise, and, subject to the *Business Corporations Act*, the director or officer is not accountable to the Company for any remuneration or other benefits received by him or her as director, officer or employee of, or from his or her interest in, such other person.

17. PROCEEDINGS OF DIRECTORS

17.1. Meetings of Directors

The directors may meet together for the conduct of business, adjourn and otherwise regulate their meetings as they think fit, and meetings of the directors held at regular intervals may be held at the place, at the time and on the notice, if any, as the directors may from time to time determine.

17.2. Voting at Meetings

Questions arising at any meeting of directors are to be decided by a majority of votes and, in the case of an equality of votes, the chair of the meeting does not have a second or casting vote.

17.3. Chair of Meetings

The following individual is entitled to preside as chair at a meeting of directors:

(1) the chair of the board, if any; or

(2) any other director chosen by the directors present if:

  (a) the chair of the board is not present at the meeting within 15 minutes after the time set for holding the meeting;

  (b) the chair of the board is not willing to chair the meeting; or

  (c) the chair of the board has advised the secretary, if any, or any other director, that they will not be present at the meeting.

17.4. Meetings by Telephone or Other Communications Medium

A director may participate in a meeting of the directors or of any committee of the directors:

(1) in person;

(2) by telephone; or

(3) by other communications medium,

if all the directors participating in the meeting, whether in person, by telephone or by other communications medium, are able to communicate with each other. A director who participates in a meeting in a manner contemplated by this Article 17.4 is deemed for all

purposes of the *Business Corporations Act* and these Articles to be present at the meeting and to have agreed to participate in that manner.

17.5. Calling of Meetings

The chair of the board, the chief executive officer or any director may, and the secretary or an assistant secretary of the Company, if any, on the request of any of the foregoing must, call a meeting of the directors at any time.

17.6. Notice of Meetings

Other than for meetings held at regular intervals as determined by the directors pursuant to Article 17.1, reasonable notice of each meeting of the directors, specifying the place, day and time of that meeting must be given to each of the directors by any method set out in Article 23.1 or orally or by telephone conversation with that director.

17.7. When Notice Not Required

It is not necessary to give notice of a meeting of the directors to a director if:

(1) the meeting is to be held immediately following a meeting of shareholders at which that director was elected or appointed, or is the meeting of the directors at which that director is appointed; or

(2) the director has waived notice of the meeting.

17.8. Meeting Valid Despite Failure to Give Notice

The accidental omission to give notice of any meeting of directors to, or the non-receipt of any notice by, any director does not invalidate any proceedings at that meeting.

17.9. Waiver of Notice of Meetings

Any director may send to the Company (by fax, e-mail or any other method transmitting legible messages) a document waiving notice of any past, present or future meeting or meetings of the directors and may at any time withdraw that waiver with respect to meetings held after that withdrawal. After sending a waiver with respect to all future meetings and until that waiver is withdrawn, no notice of any meeting of the directors need be given to that director and all meetings of the directors so held are deemed not to be improperly called or constituted by reason of notice not having been given to such director.

Attendance of a director at a meeting of the directors is a waiver of notice of the meeting, unless that director attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

17.10. Quorum

The quorum necessary for the transaction of the business of the directors may be set by the directors to a number not less than a majority of the directors then in office and, if not so set, is deemed to be a majority of the directors then in office.

17.11. Validity of Acts Where Appointment Defective

Subject to the *Business Corporations Act*, an act of a director or officer is not invalid merely because of an irregularity in the election or appointment or a defect in the qualification of that director or officer.

17.12. Consent Resolutions in Writing

A resolution of the directors or of any committee of the directors may be passed without a meeting:

(1) in all cases, if each of the directors entitled to vote on the resolution consents to it in writing; or

(2) in the case of a resolution to approve a contract or transaction in respect of which a director has disclosed that he or she has or may have a disclosable interest, if each of the other directors entitled to vote on the resolution who have not made such a disclosure consents in writing to the resolution.

A consent in writing under this Article may be by written instrument, fax, e-mail or any other method of transmitting legibly recorded messages in which the consent of the director is evidenced, whether or not the signature of the director is included in the record. A consent in writing may be in two or more counterparts which together are deemed to constitute one consent in writing. A resolution of the directors or of any committee of the directors passed in accordance with this Article 17.12 is effective on the date stated in the consent in writing or on the latest date stated on any counterpart and is deemed to be a proceeding at a meeting of directors or of the committee of the directors and to be as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors that satisfies all the requirements of the *Business Corporations Act* and all the requirements of these Articles relating to meetings of the directors or of a committee of the directors.

18. COMMITTEES AND DELEGATION OF AUTHORITY

18.1. Delegation of Authority

The directors may from time to time delegate to such one or more of the directors or officers of the Company as may be designated by the board all or any of the powers conferred on the board, including by Article 8.1 or by the *Business Corporations Act*, but not including those powers set forth in Article 18.2(2)(a) through 18.2(2)(g), to such extent and in such manner as the directors shall determine at the time of each such delegation.

18.2. Appointment and Powers of Committees

The directors may, by resolution:

(1) appoint one or more committees consisting of the director or directors that they consider appropriate;

(2) delegate to a committee appointed under paragraph 18.2(1) any of the directors' powers, except the power to:

- (a) fill vacancies in the board of directors;
- (b) remove a director;
- (c) create a committee of the directors, create or modify the terms of reference for a committee of the directors, or change the membership of, or fill vacancies in, any committee of the directors;
- (d) issue securities except on the terms authorized by the directors;
- (e) declare dividends;
- (f) purchase, redeem or otherwise acquire shares issued by the Company except on the terms authorized by the directors; and
- (g) appoint or remove the chief executive officer; and

(3) make any delegation referred to in paragraph 18.2(2) subject to the conditions set out in the resolution or any subsequent directors' resolution.

18.3. Audit Committee

The directors shall appoint from among its number an audit committee to be composed of not fewer than three directors in compliance with all regulatory requirements and to provide to the audit committee the powers and duties as determined by the directors.

18.4. Powers of Board

The directors may, at any time, with respect to a committee appointed under Article 18.1 or 18.3:

(1) revoke or alter the authority given to the committee, or override a decision made by the committee, except as to acts done before such revocation, alteration or overriding;

(2) terminate the appointment of, or change the membership of, the committee; and

(3) fill vacancies in the committee.

18.5. Procedure

Unless otherwise determined by the directors or required by the *Business Corporations Act*:

(1) each committee shall have power to fix its quorum at not less than 50% of its members, to elect its chair and to regulate its procedure; and

(2) questions arising at any meeting of a committee at which quorum is present shall be determined by a majority of votes of the members present.

19. OFFICERS

19.1. Directors May Appoint Officers

The directors may, from time to time, appoint such officers, if any, as the directors determine and the directors may, at any time, terminate any such appointment.

19.2. Functions, Duties and Powers of Officers

The directors may, for each officer:

(1) determine the title of the officer;

(2) determine the functions and duties of the officer or permit the chief executive officer to make that determination; and

(3) revoke, withdraw, alter or vary all or any of the functions and duties of the officer or change the title of the officer or permit the chief executive officer to make any such determinations.

19.3. Qualifications

No officer may be appointed unless that officer is qualified in accordance with the *Business Corporations Act*. One person may hold more than one position as an officer of the Company. Any person appointed as the chair of the board must be a director. Any other officer need not be a director.

19.4. Remuneration and Terms of Appointment

All appointments of officers are to be made on the terms and conditions determined by the directors, or if directed by the directors, by the chief executive officer or such other officer designated by the directors, and are subject to termination at the pleasure of the directors.

20. INDEMNIFICATION

20.1. Mandatory Indemnification of Eligible Parties

Subject to the *Business Corporations Act*, the Company must indemnify an eligible party and his or her heirs and legal personal representatives against all eligible penalties to which such person is or may be liable, and the Company must indemnify, and pay expenses in advance of the final disposition of an eligible proceeding in accordance with, and to the fullest extent permitted by, the *Business Corporations Act*.

20.2. Indemnification of Other Persons

Subject to any restrictions in the *Business Corporations Act*, the Company may indemnify any person.

20.3. Non-Compliance with *Business Corporations Act*

The failure of an eligible party to comply with the *Business Corporations Act* or these Articles or, if applicable, any former Articles, does not invalidate any indemnity to which he or she is entitled under this Part.

20.4. Company May Purchase Insurance

The Company may purchase and maintain insurance for the benefit of any person (or his or her heirs or legal personal representatives) referred to in this Article 20.

20.5. Indemnity Agreements

The Company is authorized to execute agreements evidencing its indemnity in favour of the persons contemplated by Articles 20.1 and 20.2 to the fullest extent permitted by law.

21. DIVIDENDS

21.1. Payment of Dividends Subject to Special Rights

The provisions of this Article 21 are subject to the rights, if any, of shareholders holding shares with special rights as to dividends.

21.2. Declaration of Dividends

Subject to the *Business Corporations Act*, the directors may from time to time declare and authorize payment of such dividends as they may deem advisable.

21.3. No Notice Required

The directors need not give notice to any shareholder of any declaration under Article 21.2.

21.4. Record Date

The directors may set a date as the record date for the purpose of determining shareholders entitled to receive payment of a dividend. The record date must not precede the date on which the dividend is to be paid by more than two months. If no record date is set, the record date is 5:00 p.m. (Eastern time) on the date on which the directors pass the resolution declaring the dividend.

21.5. Manner of Paying Dividend

A resolution declaring a dividend may direct payment of the dividend wholly or partly in money or by the distribution of specific assets or of fully paid shares or of bonds, debentures or other securities of the Company or any other corporation, or in any one or more of those ways.

21.6. When Dividend Payable

Any dividend may be made payable on such date as is fixed by the directors.

21.7. Receipt by Joint Shareholders

If several persons are joint shareholders of any share, any one of them may give an effective receipt for any dividend, bonus or other money payable in respect of the share.

21.8. Dividend Bears No Interest

No dividend bears interest against the Company.

21.9. Fractional Dividends

If a dividend to which a shareholder is entitled includes a fraction of the smallest monetary unit of the currency of the dividend, that fraction may be disregarded in making payment of the dividend and that payment represents full payment of the dividend.

21.10. Payment of Dividends

Any dividend or other distribution payable in money in respect of shares may be paid by cheque sent through the post or by electronic transfer, so authorized by the shareholder, directed to the registered address of the shareholder or the account specified by such shareholder, or in the case of joint shareholders, to the registered address of the joint shareholder who is first named on the central securities register, or to the person and to the address the shareholder or joint shareholders may direct in writing. Every cheque shall be made payable to the order of the person whom it is sent. The mailing of such cheque or the forwarding by electronic transfer will, to the extent of the sum represented by such cheque or by such electronic transfer (plus the amount of the tax required by law to be deducted), discharge all liability for the dividend unless such cheque is not paid on presentation or the amount of tax so deducted is not paid to the appropriate taxing authority.

21.11. Capitalization of Retained Earnings or Surplus

Notwithstanding anything contained in these Articles, the directors may from time to time capitalize any retained earnings or surplus of the Company and may from time to time issue, as fully paid, shares or any bonds, debentures or other securities of the Company as a dividend representing the retained earnings or surplus so capitalized or any part thereof.

21.12. Unclaimed Dividends

Any dividend unclaimed after a period of three years from the date on which the same has been declared to be payable shall be forfeited and shall revert to the Company. The Company shall not be liable to any person in respect of any dividend which is forfeited to the Company or delivered to any public official pursuant to any applicable abandoned property, escheat or similar law.

22. ACCOUNTING RECORDS

22.1. Recording of Financial Affairs

The directors must cause adequate accounting records to be kept to record properly the financial affairs and condition of the Company and to comply with the *Business Corporations Act*.

22.2. Inspection of Accounting Records

Unless the directors determine otherwise, no shareholder of the Company is entitled to inspect or obtain a copy of any accounting records of the Company.

22.3. Remuneration of Auditor

The directors may set the remuneration of the auditor of the Company.

23. NOTICES

23.1. Method of Giving Notice

Unless the *Business Corporations Act* or these Articles provides otherwise, a notice, statement, report or other record required or permitted by the *Business Corporations Act* or these Articles to be sent by or to a person may be sent by any one of the following methods:

(1) mail addressed to the person at the applicable address for that person as follows:

- (a) for a record mailed to a shareholder, the shareholder's registered address;
- (b) for a record mailed to a director or officer, the prescribed address for mailing shown for the director or officer in the records kept by the Company or the mailing address provided by the recipient for the sending of that record or records of that class; or
- (c) in any other case, the mailing address of the intended recipient;

(2) delivery at the applicable address for that person as follows, addressed to the person:

(a) for a record delivered to a shareholder, the shareholder's registered address;

(b) for a record delivered to a director or officer, the prescribed address for delivery shown for the director or officer in the records kept by the Company or the delivery address provided by the recipient for the sending of that record or records of that class; or

(c) in any other case, the delivery address of the intended recipient;

(3) sending the record by fax to the fax number provided by the intended recipient for the sending of that record or records of that class;

(4) sending the record by e-mail to the e-mail address provided by the intended recipient for the sending of that record or records of that class;

(5) physical delivery to the intended recipient; or

(6) creating and providing the record that is posted on or made available through a generally accessible electronic source and providing the person notice in writing, including by mail, courier, delivery, fax or e-mail, of the availability and location of the record.

23.2. Deemed Receipt

A notice, statement, report or other record that is:

(1) mailed to a person by ordinary mail to the applicable address for that person referred to in Article 23.1 is deemed to be received by the person to whom it was mailed on the day, Saturdays, Sundays and holidays excepted, following the date of mailing;

(2) delivered to a person is deemed to be received by the person on the day it was delivered;

(3) faxed to a person to the fax number provided by that person referred to in Article 23.1 is deemed to be received by the person to whom it was faxed on the day it was faxed;

(4) e-mailed to a person to the e-mail address provided by that person referred to in Article 23.1 is deemed to be received by the person to whom it was e-mailed on the day it was e-mailed; and

(5) delivered by posting it on or making it available through a generally accessible electronic source referred to in Article 23.1 is deemed to be received by the person on the day such person is sent notice in writing, including by mail, courier, delivery, fax or e-mail, of the availability and location of such notice, statement, report, document or other record.

23.3. Certificate of Sending

A certificate signed by the secretary, if any, or other officer of the Company or of any other corporation acting in that capacity on behalf of the Company stating that a notice, statement, report or other record was sent in accordance with Article 23.1 is conclusive evidence of that fact.

23.4. Notice to Joint Shareholders

A notice, statement, report or other record may be provided by the Company to the joint shareholders of a share by providing such record to the joint shareholder first named in the central securities register in respect of the share.

23.5. Notice to Legal Personal Representatives and Trustees

A notice, statement, report or other record may be provided by the Company to the persons entitled to a share in consequence of the death, bankruptcy or incapacity of a shareholder by:

(1) mailing the record, addressed to them:

(a) by name, by the title of the legal personal representative of the deceased or incapacitated shareholder, by the title of trustee of the bankrupt shareholder or by any similar description; and

(b) at the address, if any, supplied to the Company for that purpose by the persons claiming to be so entitled; or

(2) if an address referred to in paragraph 23.5(1)(b) has not been supplied to the Company, by giving the notice in a manner in which it might have been given if the death, bankruptcy or incapacity had not occurred.

23.6. Undelivered Notices

If, on two consecutive occasions, a notice, statement, report or other record is sent to a shareholder pursuant to Article 23.1 and on each of those occasions any such record is returned because the shareholder cannot be located, the Company shall not be required to send any further records to the shareholder until the shareholder informs the Company in writing of his or her new address.

23.7. Omission and Errors

The accidental omission to give any notice to any shareholder, director, officer, auditor or member of a committee of the directors or the non-receipt of any notice by any such person or any error in any notice not affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded thereon.

23.8. Unregistered Shareholders

Every person who becomes entitled to any share by any means whatsoever shall be bound by every notice in respect of such share which shall have been duly given to the shareholder from whom he derives his title to such share prior to his name and address being entered on the central securities register (whether such notice was given before or after the happening of the event upon which he became so entitled) and prior to his furnishing to the Company the proof of authority of his entitlement prescribed by the *Business Corporations Act*.

24. SEAL AND EXECUTION OF INSTRUMENTS

24.1. Who May Attest Seal

Except as provided in Article 24.2, the Company's seal, if any, must not be impressed on any record except when that impression is attested by the signatures of:

(1) any two directors;

(2) any officer, together with any director;

(3) any one or more directors or officers or persons as may be determined by the directors.

24.2. Sealing Copies

For the purpose of certifying under seal a certificate of incumbency of the directors or officers of the Company or a true copy of any resolution or other document, despite Article 24.1, the impression of the seal may be attested by the signature of any director or officer, or the signature of any other person as may be determined by the directors.

24.3. Mechanical Reproduction of Seal

The directors may authorize the seal to be impressed by third parties on share certificates or bonds, debentures or other securities of the Company as they may determine appropriate from time to time. To enable the seal to be impressed on any share certificates or bonds, debentures or other securities of the Company, whether in definitive or interim form, on which facsimiles of any of the signatures of the directors or officers of the Company are, in accordance with the *Business Corporations Act* or these Articles, printed or otherwise mechanically reproduced, there may be delivered to the person employed to engrave, lithograph or print such definitive or interim share certificates or bonds, debentures or other securities one or more unmounted dies reproducing the seal and such persons as are authorized under Article 24.1 to attest the Company's seal may in writing authorize such person to cause the seal to be impressed on such definitive or interim share certificates or bonds, debentures or other securities by the use of such dies. Share certificates or bonds, debentures or other securities to which the seal has been so impressed are for all purposes deemed to be under and to bear the seal impressed on them.

24.4. Execution of Instruments

The directors may from time to time by resolution appoint any one or more persons, officers or directors for the purpose of executing any instrument, document or agreement in the name of and on behalf of the Company for which the seal need not be affixed, and if no such person, officer or director is appointed, then any one officer or director of the Company may execute such instrument, document and agreement.

25. SPECIAL RIGHTS AND RESTRICTIONS ATTACHED TO COMMON SHARES

The common shares without par value shall have attached thereto the following special rights and restrictions:

25.1. Voting Rights

The registered holders of the Common shares shall be entitled to receive notice of and to attend all general meetings of the shareholders of the Company and shall have the right to vote at any such meeting on the basis of one vote for each Common share held.

25.2. Dividends

The registered holders of Common shares shall, in the absolute discretion of the directors, be entitled to receive dividends as and when declared by the directors out of monies of the Company properly applicable to the payment of dividends, subject to the special rights and restrictions attaching to any other class or series of shares of the Company, including any series of preferred shares, to receive any dividend. The registered holders of Common shares shall rank equally, *pari passu* and share for share, with respect to dividends.

25.3. Distribution of Assets

In the event of the liquidation, dissolution or winding-up of the Company or other distribution of assets of the Company among its shareholders for the purpose of winding-up its affairs, the registered holders of the Common shares of the Company shall be entitled to share equally, share for share, in the remaining assets and property of the Company, subject to the special rights and restrictions attaching to any other class or series of shares of the Company.

26. SPECIAL RIGHTS AND RESTRICTIONS ATTACHED TO THE PREFERRED SHARES AS A CLASS

The preferred shares without par value shall have attached thereto, as a class, the following special rights and restrictions:

26.1. Issuable in Series

The preferred shares may at any time and from time to time be issued in one or more series, and the directors may by resolution create each such series of preferred shares, determine the maximum number of shares of any of those series that the Company is authorized to issue, if any, or alter any such determination, create an identifying name by which the shares of each such series of preferred shares may be identified, or alter any such identifying name, and alter the Company's Articles and authorize the alteration of the Company's Notice of Articles accordingly.

26.2. Special Rights and Restrictions of Series

The board of directors may, by resolution duly passed before the issue of any preferred shares of any series, create and attach special rights and restrictions to the preferred shares of any such series, including, but without in any way limiting or restricting the generality of the foregoing:

(1) the rate, amount or method of calculation of any dividends, whether cumulative, non-cumulative or partially cumulative, and whether such rate, amount or method of calculation shall be subject to change or adjustment in the future, the currency or currencies of payment, the date or dates and place or places of payment thereof and the date or dates from which any such dividends shall accrue and any preference of such dividends, which may be in preference and priority to any dividends payable to the holders of the common shares or any other shares ranking junior to the preferred shares;

(2) any rights of redemption and/or purchase and the redemption or purchase prices and terms and conditions of any such rights;

(3) any rights of retraction vested in the holders of preferred shares of such series and the prices and terms and conditions of any such rights and whether any other rights of retraction may be vested in such holders in the future;

(4) any voting rights;

(5) any conversion rights;

(6) any rights to receive the remaining property of the Company upon dissolution, liquidation or winding-up and the amount and preference of any such rights, which may be in preference and priority to any distribution of the property or assets of the Company to the holders of the common shares or any other shares ranking junior to the preferred shares;

(7) any sinking fund or purchase fund; and

(8) any other provisions attaching to any such series of preferred shares;

or alter any special rights or restrictions attached to those shares (if none of the shares of that series is issued), and alter the Company's Articles and authorize the alteration of the Company's Notice of Articles accordingly.

Annex C

LETTERHEAD OF CASSEL SALPETER & CO., LLC

May 24, 2021

Legato Merger Corp.
777 Third Avenue 37th Floor
New York, NY 10017
Attention: The Board of Directors

Members of the Board of Directors:

We understand that Legato Merger Corp. ("SPAC") intends to enter into an Agreement and Plan of Merger (the "Agreement") by and among 1295908 B.C. Ltd. (the "Company"), Algoma Merger Sub, Inc., a direct, wholly owned subsidiary of the Company ("Merger Sub"), and SPAC. We have been advised that pursuant to the Agreement, among other things (i) Merger Sub will merge (the "Merger") with and into SPAC, (ii) SPAC will survive the Merger as a direct, wholly owned subsidiary of the Company, and (iii) each issued and outstanding share of common stock, par value $0.0001 per share (each, a "SPAC Share"), of SPAC will be converted into the right to receive one common share, without par value (each, a "Company Common Share"), of the Company (the "Merger Consideration"). We in addition understand that prior to the Merger, the Company will effectuate a stock split (the "Stock Split") such that each Company Common Share then outstanding will be converted into a number of Company Common Shares equal to (i) $750,000,000 (the "Equity Value") divided by (ii) the product of (a) $10.00 (the "Reference Value") multiplied by (b) the number of Company Common Shares outstanding immediately prior to the Merger. We also understand that following the Stock Split and prior to the Merger, the Company will grant (the "Earnout Rights Grant") in respect of the Company Common Shares then outstanding certain rights ("Earnout Rights") to receive in the aggregate up to 37,500,000 Company Common Shares, subject to, and in accordance with, the terms and conditions of the Agreement. We in addition understand that certain investors will enter into subscription agreements pursuant to which such investors will purchase Company Common Shares from the Company or SPAC Shares from SPAC immediately prior to the Merger (the "PIPE Investment" and, collectively with the Merger, the Stock Split and the Earnout Rights Grant, the "Transaction").

You have requested that Cassel Salpeter & Co., LLC render an opinion (this "Opinion") to the Board of Directors of SPAC (the "Board") as to whether, as of the date of this Opinion, (i) the Merger Consideration to be received by the holders of SPAC Shares, other than holders of SPAC Shares issued in private placements, including Shares issued to SPAC's initial shareholders (such holders, "Founders") or to underwriters and their respective affiliates (collectively, the "Excluded Holders"), in the Merger pursuant to the Agreement, after giving effect to the Stock Split and the Earnout Rights Grant, is fair, from a financial point of view, to such holders (other than the Excluded Holders) and (ii) the Company has a fair market value equal to at least 80% of the balance of funds in SPAC's trust account (the "Trust Fund") (less any deferred underwriting commissions and taxes payable on interest earned).

In arriving at this Opinion, we have made such reviews, analyses, and inquiries as we have deemed necessary and appropriate under the circumstances. Among other things, we have:

- Reviewed an execution copy, dated May 24, 2021, of the Agreement.
- Reviewed certain publicly available financial information and other data with respect to SPAC and the Company that we deemed relevant.
- Reviewed certain other information and data with respect to SPAC and the Company made available to us by SPAC and the Company, including financial projections with respect to the future financial performance of the Company prepared by, and adjusted based on discussions with, management of the Company (the "Company Projections") as further adjusted for certain contingent liabilities based on discussions with management of SPAC (the "SPAC Projections for the Company") and other internal financial information furnished to us by or on behalf of SPAC and the Company.
- Considered and compared the financial and operating performance of the Company with that of companies with publicly traded equity securities that we deemed relevant.

- Considered the publicly available financial terms of certain transactions that we deemed relevant.
- Compared the implied enterprise value reference ranges of the Company to the balance, as provided by SPAC management, of the Trust Fund.
- Discussed the business, operations and prospects of the Company and the proposed Merger with SPAC's and the Company's management and certain of SPAC's and the Company's representatives.
- Conducted such other analyses and inquiries, and considered such other information and factors as we deemed appropriate.

For purposes of our analyses and this Opinion we have, at your direction, (i) assumed that the aggregate value of the Company Common Shares issued in the Stock Split is equal to the Equity Value, (ii) assumed that the maximum aggregate value of the Earnout Rights is, based on the maximum number of Company Common Shares issuable in respect thereof and the Reference Value is $375,000,000 (the "Assumed Maximum Earnout Value"), and (iii) evaluated the fairness, from a financial point of view, to the holders of SPAC Shares, other than the Excluded Holders, of the Merger Consideration to be received by such holders (other than the Excluded Holders) in the Merger pursuant to the agreement, after giving effect to the Stock Split and the Earnout Rights Grant, based solely on a comparison of (a) the Equity Value and the Assumed Maximum Earnout Value and (b) the implied aggregate equity value reference ranges for the Company that we believe are indicated by our financial analyses of the Company. In addition, for purposes of our analysis and this Opinion we have, with your consent, evaluated whether the Company has a fair market value equal to at least 80% of the Trust Fund solely upon the basis of a comparison of the implied enterprise value reference ranges of the Company indicated by our financial analysis with the balance of the Trust Fund, which you have advised us and we, for purposes of our analysis and this Opinion, have assumed does not and shall not exceed $235,790,000.

This Opinion only addresses whether, as of the date hereof, (i) the Merger Consideration to be received by the holders of SPAC Shares, other than the Excluded Holders, in the Merger pursuant to the Agreement, after giving effect to the Stock Split and the Earnout Rights Grant, is fair, from a financial point of view, to such holders (other than the Excluded Holders) and (ii) the Company has a fair market value equal to at least 80% of the Trust Fund (less any deferred underwriting commissions and taxes payable on interest earned). It does not address any other terms, aspects, or implications of the Transaction or the Agreement, including, without limitation, (i) other than assuming the consummation thereof in accordance with the Agreement, the Stock Split, the Earnout Rights Grant, the PIPE Investment or the assumption by the Company of outstanding warrants ("SPAC Warrants") to purchase SPAC Shares, (ii) any term or aspect of the Merger that is not susceptible to financial analysis, (iii) the fairness of the Merger, or all or any portion of the Merger Consideration, to any other security holders of SPAC (including, without limitation, the Excluded Holders or holders of SPAC Warrants), the Company or any other person or any creditors or other constituencies of SPAC, the Company or any other person, (iv) the fairness of any portion or aspect of the Transaction to any one class or group of SPAC's or any other party's security holders or other constituencies relative to any other class or group of SPAC's or such other party's security holders or other constituencies (including, without limitation, the fairness of the Merger Consideration to be received by the Excluded Holders relative to the other holders of SPAC Shares or the potential dilutive or other effects of the Transaction on such other holders), (v) the appropriate capital structure of the Company or whether the Company should be issuing debt or equity securities or a combination of both, nor (vi) the fairness of the amount or nature, or any other aspect, of any compensation or consideration payable to or received by any officers, directors, or employees of any parties to the Transaction, or any class of such persons, relative to the Merger Consideration in the Merger pursuant to the Agreement or otherwise. We are not expressing any view or opinion as to (i) what the value of Company Common Shares actually will be when issued in the Merger, (ii) the prices at which Company Common Shares or SPAC Shares may trade, be purchased or sold at any time, including without limitation, for purposes of assessing the Earnout Rights, or (iii) the conditions under which Company Common Shares are issuable in respect of the Earnout Rights pursuant to the Agreement or the timing or likelihood of achieving such conditions. In addition, we make no representation or warranty regarding the adequacy of this Opinion or the analyses underlying this Opinion for the purpose of SPAC's compliance with the terms of its constituent documents, the rules of any securities exchange or any other general or particular purpose.

This Opinion does not address the relative merits of the Transaction as compared to any alternative transaction or business strategy that might exist for SPAC, or the merits of the underlying decision by the Board or SPAC to engage in or consummate the Transaction. The financial and other terms of the Transaction were determined pursuant to negotiations

between the parties to the Agreement and were not determined by or pursuant to any recommendation from us. In addition, we were not authorized to, and we did not, solicit indications of interest from third parties regarding a potential transaction involving SPAC.

In arriving at this Opinion, we have, with your consent, relied upon and assumed, without independently verifying, the accuracy and completeness of all of the financial and other information that was supplied or otherwise made available to us or available from public sources, and we have further relied upon the assurances of SPAC's and the Company's management that they were not aware of any facts or circumstances that would make any such information inaccurate or misleading. We are not legal, tax, accounting, environmental, or regulatory advisors, and we do not express any views or opinions as to any legal, tax, accounting, environmental, or regulatory matters relating to SPAC, the Company, the Transaction, or otherwise. We understand and have assumed that SPAC has obtained or will obtain such advice as it deems necessary or appropriate from qualified legal, tax, accounting, environmental, regulatory, and other professionals, that such advice is sound and reasonable and that SPAC has acted or will act in accordance therewith.

With your consent, we have assumed that the Company Projections were reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of the Company with respect to the future financial performance of the Company. You have advised us and at your direction we have assumed that (i) the SPAC Projections for the Company were reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of SPAC with respect to the future financial performance of the Company, and (ii) that the SPAC Projections for the Company provide a reasonable basis upon which to analyze and evaluate the Company and form an opinion. At your direction, we have used and relied upon the SPAC Projections for the Company for purposes of our analyses and this Opinion. We express no view with respect to the Company Projections, the SPAC Projections for the Company or the respective assumptions on which they are based. We have not evaluated the solvency or creditworthiness of SPAC, the Company or any other party to the Transaction, the fair value of SPAC, the Company or any of their respective assets or liabilities, or whether SPAC, the Company or any other party to the Transaction is paying or receiving reasonably equivalent value in the Transaction under any applicable foreign, state, or federal laws relating to bankruptcy, insolvency, fraudulent transfer, or similar matters, nor have we evaluated, in any way, the ability of SPAC, the Company or any other party to the Transaction to pay its obligations when they come due. We have not physically inspected SPAC's or the Company's properties or facilities and have not made or obtained any evaluations or appraisals of SPAC's or the Company's assets or liabilities (including any contingent, derivative, or off-balance-sheet assets and liabilities). We have not attempted to confirm whether SPAC or the Company have good title to their respective assets. Our role in reviewing any information was limited solely to performing such reviews as we deemed necessary to support our own advice and analysis and was not on behalf of the Board, SPAC, or any other party.

We have assumed, with your consent, that the Transaction will be consummated in a manner that complies in all respects with applicable foreign, federal, state, and local laws, rules, and regulations and that, in the course of obtaining any regulatory or third party consents, approvals, or agreements in connection with the Transaction, no delay, limitation, restriction, or condition will be imposed that would have an adverse effect on SPAC, the Company or the Transaction. We also have assumed, with your consent, that the final executed form of the Agreement will not differ in any material respect from the copy we have reviewed and that the Transaction will be consummated on the terms set forth in the Agreement, without waiver, modification, or amendment of any term, condition, or agreement thereof that is material to our analyses or this Opinion. We have also assumed that the representations and warranties of the parties to the Agreement contained therein are true and correct and that each such party will perform all of the covenants and agreements to be performed by it under the Agreement. We offer no opinion as to the contractual terms of the Agreement or the likelihood that the conditions to the consummation of the Transaction set forth in the Agreement will be satisfied. You have also advised us, and we have assumed, that for U.S. federal tax income purposes the Merger shall qualify as a reorganization within the meaning of Section 368 of the Internal Revenue Code of 1986, as amended.

We have not been requested to, and did not, (a) initiate or participate in any discussions or negotiations with respect to the Transaction, the securities, assets, businesses or operations of the SPAC, the Company or any other party, or any alternatives to the Transaction, (b) negotiate the terms of the Transaction, or (c) advise the Board or any other party with respect to alternatives to the Transaction. Our analysis and this Opinion are necessarily based upon market, economic, and other conditions as they exist on, and could be evaluated as of, the date hereof. Furthermore, as you are aware, the credit, financial and stock markets have experienced significant volatility, due to, among other things, the COVID-19 pandemic and related illnesses and the direct and indirect business, financial, economic and market

implications thereof, and we express no opinion or view as to any potential effects of such matters on SPAC, the Company or the Transaction. Accordingly, although subsequent developments may arise that would otherwise affect this Opinion, we do not assume any obligation to update, review, or reaffirm this Opinion to you or any other person or otherwise to comment on or consider events occurring or coming to our attention after the date hereof.

This Opinion is addressed to the Board for the use and benefit of the members of the Board (in their capacities as such) in connection with the Board's evaluation of the Merger. This Opinion is not intended to and does not constitute advice or a recommendation to any of SPAC's stockholders or any other security holders as to how such holder should vote or act with respect to any matter relating to the Transaction or otherwise, including, without limitation, whether any such stockholder should redeem their shares or whether any party should participate in the PIPE Investment.

We will receive a fee for rendering this Opinion, no portion of which is contingent upon the completion of the Transaction or the Merger. In addition, SPAC has agreed to reimburse certain of our expenses and to indemnify us and certain related parties for certain liabilities that may arise out of our engagement or the rendering of this Opinion. We have in the past provided investment banking or other financial services to affiliates of the Founders for which we have received compensation including, during the past two years, having acted as the financial advisor to Allegro Merger Corp, a special purpose acquisition company sponsored by certain of the Founders or their affiliates in connection with a potential acquisition announced in November 2019. In accordance with our policies and procedures, a fairness committee was not required to, and did not, approve the issuance of this Opinion.

Based upon and subject to the foregoing, it is our opinion that, as of the date of this Opinion, (i) the Merger Consideration to be received by the holders of SPAC Shares, other than the Excluded Holders, in the Merger pursuant to the Agreement, after giving effect to the Stock Split and the Earnout Rights Grant, is fair, from a financial point of view, to such holders (other than the Excluded Holders), and (ii) the Company has a fair market value equal to at least 80% of the balance of the Trust Fund (less any deferred underwriting commissions and taxes payable on interest earned).

Very truly yours,

/s/ Cassel Salpeter & Co., LLC

PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

Item 20. Indemnification of Directors and Officers

Under the Business Corporations Act (British Columbia) (the "BCA"), a corporation may indemnify a director or officer, a former director or officer, or a person who acts or acted at the corporation's request as a director or officer, or an individual acting in a similar capacity, of another entity, which we refer to as an eligible party, against all judgments, penalties or fines, including an amount paid to settle an action or satisfy a judgment, and after final disposition may pay all costs, charges and expenses reasonably incurred by him or her, in respect of any civil, criminal, administrative, investigative or other proceeding in which he or she is involved because of that association with the corporation or other entity, if: (1) in relation to the subject matter of the claim, the individual acted honestly and in good faith with a view to the best interests of such corporation or the other entity, as the case may be; and (2) in the case of a proceeding other than a civil proceeding, the individual had reasonable grounds for believing that the individual's conduct was lawful. A corporation cannot indemnify an eligible party if it is prohibited from doing so under its articles, even if it had agreed to do so by an indemnification agreement (provided that the articles prohibited indemnification when the indemnification agreement was made). A corporation may advance the expenses of an eligible party as they are incurred in an eligible proceeding only if the eligible party has provided an undertaking that, if it is ultimately determined that the payment of expenses was prohibited, the eligible party will repay any amounts advanced. On application from an eligible party, a court may make any order the court considers appropriate in respect of an eligible proceeding, including the indemnification of liabilities or expenses incurred in any such proceedings and the enforcement of an indemnification agreement.

The restated articles of Algoma that will become effective upon the closing of the Merger (the "Restated Articles") require Algoma to indemnify an eligible party and his or her heirs and legal personal representatives against all eligible penalties to which such person is or may be liable, and Algoma must after final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that proceeding. Subject to the BCA, Algoma may also indemnify any other person. In addition, the Restated Articles specify that failure of an eligible party to comply with the provisions of the BCA or Restated Articles, or if applicable, any former legislation or articles, will not invalidate any indemnity to which he or she is entitled. The Restated Articles also allow for Algoma to purchase and maintain insurance for the benefit of specified eligible parties.

Prior to the completion of the Merger, we intend to enter into agreements with our directors and certain officers (each an "Indemnitee" under such agreements) to indemnify the Indemnitee, to the fullest extent permitted by law and subject to certain limitations, against all liabilities, costs, charges and expenses reasonably incurred by an Indemnitee in an action or proceeding to which the Indemnitee was made a party by reason of the Indemnitee being an officer or director of (i) our corporation or (ii) an organization of which our corporation is a shareholder or creditor if the Indemnitee serves such organization at our request.

We may purchase insurance policies relating to certain liabilities that our directors and officers may incur in such capacity.

Item 21. Exhibits and Financial Statements Schedules

(a) Exhibits.

Exhibit Number	Description
2.1	Agreement and Plan of Merger, dated as of May 24, 2021, by and among Algoma Steel Group Inc. (formerly known as 1295908 B.C. Ltd.), Algoma Merger Sub, Inc., and Legato Merger Corp. (included as Annex A to the proxy statement/prospectus).
3.1	Articles of Algoma Steel Group Inc. (formerly known as 1295908 B.C. Ltd.).
3.2	Form of Restated Articles of Algoma Steel Group Inc. (to be effective upon consummation of the Merger) (included as Annex B to the proxy statement/prospectus).
3.3	Amended and Restated Certificate of Incorporation of Legato Merger Corp.

Exhibit Number	Description
4.1	Specimen Unit Certificate of Legato Merger Corp.
4.2	Specimen Common Stock Certificate of Legato Merger Corp.
4.3	Specimen Warrant Certificate of Legato Merger Corp.
4.4	Warrant Agreement, dated as of January 19, 2021, between Continental Stock Transfer & Trust Company and Legato Merger Corp.
4.5*	Specimen Common Share Certificate of Algoma Steel Group Inc.
4.6*	Specimen Warrant Certificate of Algoma Steel Group Inc.
4.7*	Form of Assignment, Assumption and Amendment Agreement, by and among Algoma Steel Group Inc., Legato Merger Corp. and Continental Stock Transfer & Trust Company.
4.8*	Form of Investor Rights Agreement.
5.1*	Opinion of Lawson Lundell LLP.
10.1	Investment Management Trust Agreement, dated as of January 19, 2021, by and between Continental Stock Transfer & Trust Company and Legato Merger Corp.
10.2	Administrative Services Agreement, dated as of January 19, 2021, between Legato Merger Corp. and Crescendo Advisors II, LLC.
10.3	Form of Support Agreement, dated as of May 24. 2021.
10.4	Form of PIPE Subscription Agreement, dated as of May 24, 2021.
10.5	Form of Lock-up Agreement, dated as of May 24, 2021
10.6	Revolving Credit Agreement dated November 30, 2018 among Algoma Steel Inc., as borrower, Algoma Steel Intermediate Holdings Inc. and certain subsidiaries of Algoma Steel Inc., as guarantors, Wells Fargo Capital Finance Corporation Canada, as administrative agent and collateral agent, and the lenders party thereto from time to time.
10.7	Term loan credit agreement dated November 30, 2018 among Algoma Steel Inc., as borrower, Algoma Steel Intermediate Holdings Inc. and certain subsidiaries of Algoma Steel Inc., as guarantors, Cortland Capital Market Services LLC, as administrative agent and collateral agent, and the lenders party thereto from time to time.
10.8	Senior secured term loan credit agreement dated November 30, 2018 among Algoma Docks LP, as borrower, Algoma Docks GP Inc., Algoma Steel Inc., as guarantor, Cortland Capital Market Services LLC, as administrative agent and collateral agent, and the investors party thereto from time to time.
10.9	Amended and restated contribution agreement dated as of December 19, 2018 among Algoma Steel Inc., as borrower, Algoma Steel Intermediate Holdings Inc. and Algoma Steel USA Inc., as guarantors, and Her Majesty the Queen in Right of Canada as represented by the Minister responsible for the Federal Economic Development Agency for Southern Ontario.
10.10	Credit agreement dated as of November 30, 2018 between Algoma Steel Inc., as borrower and Her Majesty the Queen in Right of Ontario as represented by the Minister of Energy, Northern Development and Mines, as lender.
10.11	Agreement dated as of March 29, 2019 among Algoma Steel Inc., as recipient, Algoma Steel Intermediate Holdings Inc., as guarantor, and Her Majesty the Queen in Right of Canada as represented by the Minister of Industry.
10.12	Intercreditor Agreement dated November 30, 2018.
10.13*	Form of Director and Executive Officer Indemnification Agreement
10.14	Algoma Steel Holdings Inc. Long-Term Incentive Plan

Exhibit Number	Description
10.15*	Form of Algoma Steel Group Inc. Omnibus Incentive Equity Plan
21.1	List of subsidiaries of Algoma Steel Group Inc.
23.1	Consent of Deloitte LLP.
23.2	Consent of WithumSmith+Brown, PC.
23.3*	Consent of Lawson Lundell LLP (included in Exhibit 5.1).
99.1*	Form of Proxy Card for the Special Meeting of Legato Merger Corp. Stockholders.
99.2	Consent of Michael Alexander, director nominee.
99.3	Consent of Michael Bevacqua, director nominee.
99.4	Consent of Andy Harshaw, director nominee.
99.5	Consent of Brian Hook, director nominee.
99.6	Consent of Andrew E. Schultz, director nominee.
99.7	Consent of David D. Sgro, director nominee.
99.8	Consent of Eric S. Rosenfeld, director nominee.
99.9	Consent of Brian Pratt, director nominee.
99.10	Consent of Cassel Salpeter & Co., LLC

* To be filed by amendment.

Item 22. Undertakings

The undersigned registrant hereby undertakes:

- to file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement;
- to include any prospectus required by Section 10(a)(3) of the Securities Act;
- to reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement;
- to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;
- that, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof;
- to remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering; and
- to file a post-effective amendment to the registration statement to include any financial statements required by Item 8.A of Form 20-F at the start of any delayed offering or throughout a continuous offering. Financial statements and information otherwise required by Section 10(a)(3) of the Securities Act need not be furnished, provided that the registrant includes in the prospectus, by means of a post-effective amendment, financial statements required pursuant to this paragraph (1)(d) and other information necessary to ensure that all other information in the prospectus is at least as current as the date of those financial statements.

That, for the purpose of determining liability of the registrant under the Securities Act to any purchaser in the initial distribution of the securities, the undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the

securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

- any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;
- any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;
- the portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and
- any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

The undersigned registrant hereby undertakes as follows: that prior to any public reoffering of the securities registered hereunder through use of a prospectus which is a part of this registration statement, by any person or party who is deemed to be an underwriter within the meaning of Rule 145(c), the issuer undertakes that such reoffering prospectus will contain the information called for by the applicable registration form with respect to reofferings by persons who may be deemed underwriters, in addition to the information called for by the other items of the applicable form.

The registrant undertakes that every prospectus: (a) that is filed pursuant to the immediately preceding paragraph, or (b) that purports to meet the requirements of Section 10(a)(3) of the Securities Act and is used in connection with an offering of securities subject to Rule 415, will be filed as a part of an amendment to the registration statement and will not be used until such amendment is effective, and that, for purposes of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes (i) to respond to requests for information that is incorporated by reference into the prospectus pursuant to Items 4, 10(b), 11, or 13 of this Form, within one business day of receipt of such request, and to send the incorporated documents by first class mail or other equally prompt means; and (ii) to arrange or provide for a facility in the U.S. for the purpose of responding to such requests. The undertaking in subparagraph (i) above includes information contained in documents filed subsequent to the effective date of the registration statement through the date of responding to the request.

The undersigned registrant hereby undertakes to supply by means of a post-effective amendment all information concerning a transaction, and the company being acquired involved therein, that was not the subject of and included in the registration statement when it became effective.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Sault Ste. Marie, Ontario on the 6th day of July, 2021.

ALGOMA STEEL GROUP INC.

By: /s/ Michael McQuade
Name:: Michael McQuade
Title: Chief Executive Officer and Director

KNOW ALL PERSONS BY THESE PRESENTS, that each of the undersigned constitutes and appoints each of Michael McQuade, Rajat Marwah and John Naccarato, each acting alone, his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for such person and in his or her name, place and stead, in any and all capacities, to sign this Registration Statement on Form F-4, or other appropriate form, and all amendments thereto, including post-effective amendments, of Algoma Steel Group Inc., and to file the same, with all exhibits thereto, and other document in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, each acting alone, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming that any such attorney-in-fact and agent, or his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed below by the following persons in the capacities and on the dates indicated.

NAME	POSITION	DATE
/s/ Michael McQuade Michael McQuade	Chief Executive Officer and Director (*Principal Executive Officer*)	July 6, 2021
/s/ Rajat Marwah Rajat Marwah	Chief Financial Officer (*Principal Financial and Accounting Officer*)	July 6, 2021

AUTHORIZED REPRESENTATIVE

Pursuant to the requirements of the Securities Act of 1933, as amended, the undersigned, the duly authorized representative in the United States of Algoma Steel Group Inc. has signed this registration statement on July 6, 2021.

ALGOMA STEEL USA INC.

By: /s/ Rajat Marwah
Name: Rajat Marwah
Title: President, Chief Financial Officer
and Secretary

Exhibit 3.1

ARTICLES
of
1295908 B.C. LTD.

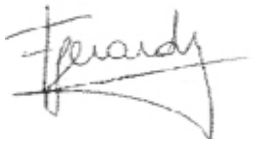
TABLE OF CONTENTS

ARTICLES

1295908 B.C. LTD. (the "Company")

The Company will have as its Articles on incorporation the following Articles.

Signature and full name of the Incorporator	**Date of signing**
Algoma Steel Intermediate Parent S.a r.l.	Mar 23, 2021



Per: _____
Authorized Signatory

Incorporation number: BC1295908

1295908 B.C. LTD. (the "Company")

ARTICLES

1. INTERPRETATION

1.1. Definitions

In these Articles, unless the context otherwise requires:

(1) "board of directors", "directors" and "board" mean the directors or sole director of the Company for the time being;

(2) "Business Corporations Act" means the *Business Corporations Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;

(3) "Interpretation Act" means the Interpretation Act (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;

(4) "legal personal representative" means the personal or other legal representative of a shareholder;

(5) "registered address" of a shareholder means the shareholder's address as recorded in the central securities register; and

(6) "seal" means the seal of the Company, if any.

1.2. Business Corporations Act and Interpretation Act Definitions Applicable

The definitions in the Business Corporations Act and the definitions and rules of construction in the Interpretation Act, with the necessary changes, so far as applicable, and unless the context requires otherwise, apply to these Articles as if they were an enactment. If there is a conflict between a definition in the Business Corporations Act and a definition or rule in the Interpretation Act relating to a term used in these Articles, the definition in the Business Corporations Act will prevail in relation to the use of the term in these Articles. If there is a conflict or inconsistency between these Articles and the Business Corporations Act, the Business Corporations Act will prevail.

2. SHARES AND SHARE CERTIFICATES

2.1. Authorized Share Structure

The authorized share structure of the Company consists of shares of the class or classes and series, if any, described in the Notice of Articles of the Company.

2.2. Form of Share Certificate

Each share certificate issued by the Company must comply with, and be signed as required by, the Business Corporations Act.

2.3. Shareholder Entitled to Certificate or Acknowledgement

Unless the shares are uncertificated shares, each shareholder is entitled, without charge, to (a) one share certificate representing the shares of each class or series of shares registered in the shareholder's name or (b) a non-transferable written acknowledgement of the shareholder's right to obtain such a share certificate, provided that in respect of a share held jointly by several persons, the Company is not bound to issue more than one share certificate or acknowledgement and delivery of a share certificate or an acknowledgement to one of several joint shareholders or to a duly authorized agent of one of the joint shareholders will be sufficient delivery to all. The Company or the transfer agent and registrar of the Company must send to any holder of an uncertificated share a written notice containing the information required by the Business Corporations Act within a reasonable time after the issue or transfer of such share.

2.4. Delivery by Mail

Any share certificate, non-transferable written acknowledgement of a shareholder's right to obtain a share certificate, or written notice of the issue or transfer of an uncertificated share, may be sent to the shareholder by mail at the shareholder's registered address and neither the Company nor any director, officer or agent of the Company is liable for any loss to the shareholder because the share certificate, written acknowledgement or written notice is lost in the mail or stolen.

2.5. Replacement of Worn Out or Defaced Certificate or Acknowledgement

If the directors are satisfied that a share certificate or a non-transferable written acknowledgement of the shareholder's right to obtain a share certificate is worn out or defaced,

they must, on production to them of the share certificate or acknowledgement, as the case may be, and on such other terms, if any, as they think fit:

(1) order the share certificate or acknowledgement, as the case may be, to be cancelled; and

(2) issue a replacement share certificate or acknowledgement, as the case may be.

2.6. Replacement of Lost, Stolen or Destroyed Certificate or Acknowledgement

If a share certificate or a non-transferable written acknowledgement of a shareholder's right to obtain a share certificate is lost, stolen or destroyed, a replacement share certificate or acknowledgement, as the case may be, must be issued to the person entitled to that share certificate or acknowledgement, as the case may be, if the directors receive:

(1) proof satisfactory to them that the share certificate or acknowledgement is lost, stolen or destroyed; and

(2) any indemnity the directors consider adequate.

2.7. Splitting Share Certificates

If a shareholder surrenders a share certificate to the Company with a written request that the Company issue in the shareholder's name two or more share certificates, each representing a specified number of shares and in the aggregate representing the same number of shares as the share certificate so surrendered, the Company must cancel the surrendered share certificate and issue replacement share certificates in accordance with that request.

2.8. Certificate Fee

There must be paid to the Company, in relation to the issue of any share certificate under Articles 2.5, 2.6 or 2.7, the amount, if any and which must not exceed the amount prescribed under the Business Corporations Act, determined by the directors.

2.9. Recognition of Trusts

Except as required by law or statute or these Articles, no person will be recognized by the Company as holding any share upon any trust, and the Company is not bound by or compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or fraction of a share or (except as required by law or statute or these Articles or as ordered by a court of competent jurisdiction) any other rights in respect of any share except an absolute right to the entirety thereof in the shareholder.

3. ISSUE OF SHARES

3.1. Directors Authorized

Subject to the Business Corporations Act and the rights, if any, of the holders of issued shares of the Company, the Company may issue, sell or otherwise dispose of the unissued shares, and issued shares held by the Company, at the times, to the persons, including directors, in the

manner, on the terms and conditions and for the issue prices (including any premium at which shares with par value may be issued) that the directors may determine. The issue price for a share with par value must be equal to or greater than the par value of the share.

3.2. Commissions and Discounts

The Company may at any time pay a reasonable commission or allow a reasonable discount to any person in consideration of that person purchasing or agreeing to purchase shares of the Company from the Company or any other person or procuring or agreeing to procure purchasers for shares of the Company.

3.3. Brokerage

The Company may pay such brokerage fee or other consideration as may be lawful for or in connection with the sale or placement of its securities.

3.4. Conditions of Issue

Except as provided for by the Business Corporations Act, no share may be issued until it is fully paid. A share is fully paid when:

(1) consideration is provided to the Company for the issue of the share by one or more of the following:

  (a) past services performed for the Company;

  (b) property;

  (c) money; and

(2) the value of the consideration received by the Company equals or exceeds the issue price set for the share under Article 3.1.

3.5. Share Purchase Warrants and Rights

Subject to the Business Corporations Act, the Company may issue share purchase warrants, options and rights upon such terms and conditions as the directors determine, which share purchase warrants, options and rights may be issued alone or in conjunction with debentures, debenture stock, bonds, shares or any other securities issued or created by the Company from time to time.

4. SHARE REGISTERS

4.1. Central Securities Register

As required by and subject to the Business Corporations Act, the Company must maintain in British Columbia a central securities register. The directors may, subject to the Business Corporations Act, appoint an agent to maintain the central securities register. The directors may also appoint one or more agents, including the agent which keeps the central securities register,

as transfer agent for its shares or any class or series of its shares, as the case may be, and the same or another agent as registrar for its shares or such class or series of its shares, as the case may be. The directors may terminate such appointment of any agent at any time and may appoint another agent in its place.

4.2. Closing Register

The Company must not at any time close its central securities register.

5. SHARE TRANSFERS

5.1. Registering Transfers

A transfer of a share of the Company must not be registered unless the Company or the transfer agent or registrar for the class or series of share to be transferred has received:

(1) a duly signed instrument of transfer in respect of the share;

(2) if a share certificate has been issued by the Company in respect of the share to be transferred, that share certificate;

(3) if a non-transferable written acknowledgement of the shareholder's right to obtain a share certificate has been issued by the Company in respect of the share to be transferred, that acknowledgement; and

(4) in the case of a share that is an uncertificated share, a written instrument of transfer that directs that the transfer of the share be registered, made by the shareholder or other appropriate person or by an agent who has actual authority to act on behalf of that person; and

(5) such other evidence, if any, as the Company or the transfer agent or registrar for the class or series of share to be transferred may require to prove the title of the transferor or the transferor's right to transfer the share, the due signing of the instrument of transfer and the right of the transferee to have the transfer registered.

5.2. Form of Instrument of Transfer

The instrument of transfer in respect of any share of the Company must be either in the form, if any, on the back of the Company's share certificates or in any other form that may be approved by the directors from time to time.

5.3. Transferor Remains Shareholder

Except to the extent that the Business Corporations Act otherwise provides, the transferor of shares is deemed to remain the holder of the shares until the name of the transferee is entered in a securities register of the Company in respect of the transfer.

5.4. Signing of Instrument of Transfer

If a shareholder, or his or her duly authorized attorney, signs an instrument of transfer in respect of shares registered in the name of the shareholder, the signed instrument of transfer constitutes a complete and sufficient authority to the Company and its directors, officers and agents to register the number of shares specified in the instrument of transfer or specified in any other manner, or, if no number is specified, all the shares represented by the share certificates or set out in the written acknowledgements deposited with the instrument of transfer, or if the shares are uncertificated shares, then all of the shares registered in the name of the shareholder on the central securities register:

(1) in the name of the person named as transferee in that instrument of transfer; or

(2) if no person is named as transferee in that instrument of transfer, in the name of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered.

5.5. Enquiry as to Title Not Required

Neither the Company nor any director, officer or agent of the Company is bound to inquire into the title of the person named in the instrument of transfer as transferee or, if no person is named as transferee in the instrument of transfer, of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered or is liable for any claim related to registering the transfer by the shareholder or by any intermediate owner or holder of the shares, of any interest in the shares, of any share certificate representing such shares or of any written acknowledgement of a right to obtain a share certificate for such shares.

5.6. Transfer Fee

There must be paid to the Company, in relation to the registration of any transfer, the amount, if any, determined by the directors.

6. TRANSMISSION OF SHARES

6.1. Legal Personal Representative Recognized on Death

In case of the death of a shareholder, the legal personal representative of the shareholder, or in the case of shares registered in the shareholder's name and the name of another person in joint tenancy, the surviving joint holder, will be the only person recognized by the Company as having any title to the shareholder's interest in the shares. Before recognizing a person as a legal personal representative of a shareholder, the directors may require proof of appointment by a court of competent jurisdiction, a grant of letters probate, letters of administration or such other evidence or documents as the directors consider appropriate.

6.2. Rights of Legal Personal Representative

The legal personal representative of a shareholder has the same rights, privileges and obligations that attach to the shares held by the shareholder, including the right to transfer the shares in accordance with these Articles, provided the documents required by the Business Corporations

Act and the directors have been deposited with the Company. This Article 6.2 does not apply in the case of the death of a shareholder with respect to shares registered in the shareholder's name and the name of another person in joint tenancy.

7. PURCHASE OF SHARES

7.1. Company Authorized to Purchase Shares

Subject to Article 7.2, the special rights and restrictions attached to the shares of any class or series and the Business Corporations Act, the Company may, if authorized by the directors, purchase or otherwise acquire any of its shares at the price and upon the terms determined by the directors.

7.2. Purchase When Insolvent

The Company must not make a payment or provide any other consideration to purchase or otherwise acquire any of its shares if there are reasonable grounds for believing that:

(1) the Company is insolvent; or

(2) making the payment or providing the consideration would render the Company insolvent.

7.3. Sale and Voting of Purchased Shares

If the Company retains a share redeemed, purchased or otherwise acquired by it, the Company may sell, gift or otherwise dispose of the share, but, while such share is held by the Company, it:

(1) is not entitled to vote the share at a meeting of its shareholders;

(2) must not pay a dividend in respect of the share; and

(3) must not make any other distribution in respect of the share.

8. BORROWING POWERS

The Company, if authorized by the directors, may:

(1) borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that they consider appropriate;

(2) issue bonds, debentures and other debt obligations either outright or as security for any liability or obligation of the Company or any other person and at such discounts or premiums and on such other terms as they consider appropriate;

(3) guarantee the repayment of money by any other person or the performance of any obligation of any other person; and

(4) mortgage, charge, whether by way of specific or floating charge, grant a security interest in, or give other security on, the whole or any part of the present and future assets and undertaking of the Company.

9. ALTERATIONS

9.1. Alteration of Authorized Share Structure

Subject to Article 9.2 and the Business Corporations Act and the special rights and restrictions attached to any class of shares or any series of shares, the Company may by special resolution:

(1) create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares;

(2) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;

(3) subdivide or consolidate all or any of its unissued, or fully paid issued, shares;

(4) if the Company is authorized to issue shares of a class of shares with par value:

(a) decrease the par value of those shares; or

(b) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares;

(5) change all or any of its unissued, or fully paid issued, shares with par value into shares without par value or any of its unissued shares without par value into shares with par value;

(6) alter the identifying name of any of its shares; or

(7) otherwise alter its shares or authorized share structure when required or permitted to do so by the Business Corporations Act;

and, if applicable, alter its Notice of Articles and, if applicable, its Articles, accordingly.

9.2. Special Rights and Restrictions

Subject to the Business Corporations Act and the special rights and restrictions attached to any class of shares or any series of shares, the Company may by special resolution:

(1) create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class or series of shares, whether or not any or all of those shares have been issued; or

(2) vary or delete any special rights or restrictions attached to the shares of any class or series of shares, whether or not any or all of those shares have been issued;

and alter its Articles and Notice of Articles accordingly.

9.3. Change of Name

The Company may by special resolution authorize an alteration of its Notice of Articles in order to change its name and may by ordinary resolution or directors' resolution adopt or change any translation of that name.

9.4. Other Alterations

If the Business Corporations Act does not specify the type of resolution and these Articles do not specify another type of resolution, the Company may by special resolution alter these Articles.

10. MEETINGS OF SHAREHOLDERS

10.1. Annual General Meetings

Unless an annual general meeting is deferred or waived in accordance with the Business Corporations Act, the Company must hold its first annual general meeting within 18 months after the date on which it was incorporated or otherwise recognized, and after that must hold an annual general meeting at least once in each calendar year and not more than 15 months after the last annual reference date at such time and place as may be determined by the directors.

10.2. Resolution Instead of Annual General Meeting

If all the shareholders who are entitled to vote at an annual general meeting consent by a unanimous resolution to all of the business that is required to be transacted at that annual general meeting, the annual general meeting is deemed to have been held on the date of the unanimous resolution. The shareholders must, in any unanimous resolution passed under this Article 10.2, select as the Company's annual reference date a date that would be appropriate for the holding of the applicable annual general meeting.

10.3. Calling and Location of Meetings of Shareholders

The directors may, at any time, call a meeting of shareholders. The location of a meeting of shareholders shall be determined by the directors and may be within or outside British Columbia.

10.4. Notice for Meetings of Shareholders

The Company must send notice of the date, time and location of any meeting of shareholders (including, without limitation, any notice specifying the intention to propose a resolution as an exceptional resolution, a special resolution or a special separate resolution, and any notice to consider approving an amalgamation into a foreign jurisdiction, an arrangement or the adoption of an amalgamation agreement, and any notice of a general meeting, class meeting or series meeting), in the manner provided in these Articles, or in such other manner, if any, as may be prescribed by ordinary resolution (whether previous notice of the resolution has been given or not), to each shareholder entitled to attend the meeting, to each director and to the auditor of the Company, unless these Articles otherwise provide, at least the following number of days before the meeting:

(1) if and for so long as the Company is a public company, 21 days;

(2) otherwise, 10 days.

10.5. Record Date for Notice

The directors may set a date as the record date for the purpose of determining shareholders entitled to notice of any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the Business Corporations Act, by more than four months. The record date must not precede the date on which the meeting is held by fewer than:

(1) if and for so long as the Company is a public company, 21 days;

(2) otherwise, 10 days.

If no record date is set, the record date is 5 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

10.6. Record Date for Voting

The directors may set a date as the record date for the purpose of determining shareholders entitled to vote at any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the Business Corporations Act, by more than four months. If no record date is set, the record date is 5 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

10.7. Failure to Give Notice and Waiver of Notice

The accidental omission to send notice of any meeting of shareholders to, or the non-receipt of any notice by, any of the persons entitled to notice does not invalidate any proceedings at that meeting. Any person entitled to notice of a meeting of shareholders may, in writing or otherwise, waive that entitlement or may agree to reduce the period of that notice. Attendance of a person at a meeting of shareholders is a waiver of entitlement to notice of the meeting, unless that person attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

10.8. Notice of Special Business at Meetings of Shareholders

If a meeting of shareholders is to consider special business within the meaning of Article 11.1, the notice of meeting must:

(1) state the general nature of the special business; and

(2) if the special business includes considering, approving, ratifying, adopting or authorizing any document or the signing of or giving of effect to any document, have attached to it a copy of the document or state that a copy of the document will be available for inspection by shareholders:

(a) at the Company's records office, or at such other reasonably accessible location in British Columbia as is specified in the notice; and

(b) during statutory business hours on any one or more specified days before the day set for the holding of the meeting.

10.9. Notice of Dissent Rights

The Company must send to each of its shareholders, whether or not their shares carry the right to vote, a notice of any meeting of shareholders at which a resolution entitling shareholders to dissent is to be considered specifying the date of the meeting and containing a statement advising of the right to send a notice of dissent together with a copy of the proposed resolution at least the following number of days before the meeting:

(1) if and for so long as the Company is a public company, 21 days;

(2) otherwise, 10 days.

11. PROCEEDINGS AT MEETINGS OF SHAREHOLDERS

11.1. Special Business

At a meeting of shareholders, the following business is special business:

(1) at a meeting of shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of or voting at the meeting;

(2) at an annual general meeting, all business is special business except for the following:

(a) business relating to the conduct of or voting at the meeting;

(b) consideration of any financial statements of the Company presented to the meeting;

(c) consideration of any reports of the directors or auditor;

(d) the setting or changing of the number of directors;

(e) the election or appointment of directors;

(f) the appointment of an auditor;

(g) the setting of the remuneration of an auditor;

(h) business arising out of a report of the directors not requiring the passing of a special resolution or an exceptional resolution;

(i) any other business which, under these Articles or the Business Corporations Act, may be transacted at a meeting of shareholders without prior notice of the business being given to the shareholders.

11.2. Special Majority

The majority of votes required for the Company to pass a special resolution at a general meeting of shareholders is two-thirds of the votes cast on the resolution.

11.3. Quorum

Subject to the special rights and restrictions attached to the shares of any class or series of shares and to Article 11.4, the quorum for the transaction of business at a meeting of shareholders is two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to be voted at the meeting.

11.4. One Shareholder May Constitute Quorum

If there is only one shareholder entitled to vote at a meeting of shareholders:

(1) the quorum is one person who is, or who represents by proxy, that shareholder, and

(2) that shareholder, present in person or by proxy, may constitute the meeting.

11.5. Persons Entitled to Attend Meeting

In addition to those persons who are entitled to vote at a meeting of shareholders, the only other persons entitled to be present at the meeting are the directors, the president (if any), the secretary (if any), the assistant secretary (if any), any lawyer for the Company, the auditor of the Company, any persons invited to be present at the meeting by the directors or by the chair of the meeting and any persons entitled or required under the Business Corporations Act or these Articles to be present at the meeting; but if any of those persons does attend the meeting, that person is not to be counted in the quorum and is not entitled to vote at the meeting unless that person is a shareholder or proxy holder entitled to vote at the meeting.

11.6. Requirement of Quorum

No business, other than the election of a chair of the meeting and the adjournment of the meeting, may be transacted at any meeting of shareholders unless a quorum of shareholders entitled to vote is present at the commencement of the meeting, but such quorum need not be present throughout the meeting.

11.7. Lack of Quorum

If, within one-half hour from the time set for the holding of a meeting of shareholders, a quorum is not present:

(1) in the case of a general meeting requisitioned by shareholders, the meeting is dissolved, and

(2) in the case of any other meeting of shareholders, the meeting stands adjourned to the same day in the next week at the same time and place.

11.8. Lack of Quorum at Succeeding Meeting

If, at the meeting to which the meeting referred to in Article 11.7(2) was adjourned, a quorum is not present within one-half hour from the time set for the holding of the meeting, the person or persons present and being, or representing by proxy, one or more shareholders entitled to attend and vote at the meeting constitute a quorum.

11.9. Chair

The following individual is entitled to preside as chair at a meeting of shareholders:

(1) the chair of the board, if any; or

(2) if the chair of the board is absent or unwilling to act as chair of the meeting, the president, if any.

11.10. Selection of Alternate Chair

If, at any meeting of shareholders, there is no chair of the board or president present within 15 minutes after the time set for holding the meeting, or if the chair of the board and the president are unwilling to act as chair of the meeting, or if the chair of the board and the president have advised the secretary, if any, or any director present at the meeting, that they will not be present at the meeting, the directors present must choose one of their number to be chair of the meeting or if all of the directors present decline to take the chair or fail to so choose or if no director is present, the shareholders entitled to vote at the meeting who are present in person or by proxy may choose any person present at the meeting to chair the meeting.

11.11. Adjournments

The chair of a meeting of shareholders may, and if so directed by the meeting must, adjourn the meeting from time to time and from place to place, but no business may be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

11.12. Notice of Adjourned Meeting

It is not necessary to give any notice of an adjourned meeting of shareholders or of the business to be transacted at an adjourned meeting of shareholders except that, when a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given as in the case of the original meeting.

11.13. Decisions by Show of Hands or Poll

Subject to the Business Corporations Act, every motion put to a vote at a meeting of shareholders will be decided on a show of hands unless a poll, before or on the declaration of the result of the vote by show of hands, is directed by the chair or demanded by any shareholder entitled to vote who is present in person or by proxy.

11.14. Declaration of Result

The chair of a meeting of shareholders must declare to the meeting the decision on every question in accordance with the result of the show of hands or the poll, as the case may be, and that decision must be entered in the minutes of the meeting. A declaration of the chair that a resolution is carried by the necessary majority or is defeated is, unless a poll is directed by the chair or demanded under Article 11.13, conclusive evidence without proof of the number or proportion of the votes recorded in favour of or against the resolution.

11.15. Motion Need Not be Seconded

No motion proposed at a meeting of shareholders need be seconded unless the chair of the meeting rules otherwise, and the chair of any meeting of shareholders is entitled to propose or second a motion.

11.16. Casting Vote

In case of an equality of votes, the chair of a meeting of shareholders does not, either on a show of hands or on a poll, have a second or casting vote in addition to the vote or votes to which the chair may be entitled as a shareholder.

11.17. Manner of Taking Poll

Subject to Article 11.18, if a poll is duly demanded at a meeting of shareholders:

(1) the poll must be taken:

(a) at the meeting, or within seven days after the date of the meeting, as the chair of the meeting directs; and

(b) in the manner, at the time and at the place that the chair of the meeting directs;

(2) the result of the poll is deemed to be the decision of the meeting at which the poll is demanded; and

(3) the demand for the poll may be withdrawn by the person who demanded it.

11.18. Demand for Poll on Adjournment

A poll demanded at a meeting of shareholders on a question of adjournment must be taken immediately at the meeting.

11.19. Chair Must Resolve Dispute

In the case of any dispute as to the admission or rejection of a vote given on a poll, the chair of the meeting must determine the dispute, and his or her determination made in good faith is final and conclusive.

11.20. Casting of Votes

On a poll, a shareholder entitled to more than one vote need not cast all the votes in the same way.

11.21. No Demand for Poll on Election of Chair

No poll may be demanded in respect of the vote by which a chair of a meeting of shareholders is elected.

11.22. Demand for Poll Not to Prevent Continuance of Meeting

The demand for a poll at a meeting of shareholders does not, unless the chair of the meeting so rules, prevent the continuation of a meeting for the transaction of any business other than the question on which a poll has been demanded.

11.23. Retention of Ballots and Proxies

The Company must, for at least three months after a meeting of shareholders, keep each ballot cast on a poll and each proxy voted at the meeting, and, during that period, make them available for inspection during normal business hours by any shareholder or proxyholder entitled to vote at the meeting. At the end of such three month period, the Company may destroy such ballots and proxies.

12. VOTES OF SHAREHOLDERS

12.1. Number of Votes by Shareholder or by Shares

Subject to any special rights or restrictions attached to any shares and to the restrictions imposed on joint shareholders under Article 12.3:

(1) on a vote by show of hands, every person present who is a shareholder or proxy holder and entitled to vote on the matter has one vote; and

(2) on a poll, every shareholder entitled to vote on the matter has one vote in respect of each share entitled to be voted on the matter and held by that shareholder and may exercise that vote either in person or by proxy.

12.2. Votes of Persons in Representative Capacity

A person who is not a shareholder may vote at a meeting of shareholders, whether on a show of hands or on a poll, and may appoint a proxy holder to act at the meeting, if, before doing so, the person satisfies the chair of the meeting, or the directors, that the person is a legal personal representative or a trustee in bankruptcy for a shareholder who is entitled to vote at the meeting.

12.3. Votes by Joint Holders

If there are joint shareholders registered in respect of any share:

(1) any one of the joint shareholders may vote at any meeting of shareholders, personally or by proxy, in respect of the share as if that joint shareholder were solely entitled to it; or

(2) if more than one of the joint shareholders is present at any meeting of shareholders, personally or by proxy, and more than one of them votes in respect of that share, then only the vote of the joint shareholder present whose name stands first on the central securities register in respect of the share will be counted.

12.4. Legal Personal Representatives as Joint Shareholders

Two or more legal personal representatives of a shareholder in whose sole name any share is registered are, for the purposes of Article 12.3, deemed to be joint shareholders registered in respect of that share.

12.5. Representative of a Corporate Shareholder

If a corporation, that is not a subsidiary of the Company, is a shareholder, that corporation may appoint an individual person to act as its representative at any meeting of shareholders of the Company, and:

(1) for that purpose, the instrument appointing a representative must be received:

(a) at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice for the receipt of proxies, or if no number of days is specified, two business days before the day set for the holding of the meeting or any adjourned meeting; or

(b) at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting or by a person designated by the chair of the meeting or adjourned meeting;

(2) if a representative is appointed under this Article 12.5:

(a) the representative is entitled to exercise in respect of and at that meeting the same rights on behalf of the corporation that the representative represents as that corporation could exercise if it were a shareholder who is an individual, including, without limitation, the right to appoint a proxy holder; and

(b) the representative, if present at the meeting, is to be counted for the purpose of forming a quorum and is deemed to be a shareholder present in person at the meeting.

Evidence of the appointment of any such representative may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages.

12.6. Proxy Provisions Do Not Apply to All Companies

If and for so long as the Company is a public company Articles 12.7 to 12.15 apply only insofar as they are not inconsistent with any securities legislation in any province or territory of Canada or in the federal jurisdiction of the United States or in any states of the United States that is applicable to the Company and insofar as they are not inconsistent with the regulations and rules made and promulgated under that legislation and all administrative policy statements, blanket orders and rulings, notices and other administrative directions issued by securities commissions or similar authorities appointed under that legislation.

12.7. Appointment of Proxy Holders

Every shareholder of the Company, including a corporation that is a shareholder but not a subsidiary of the Company, entitled to vote at a meeting of shareholders may, by proxy, appoint one or more (but not more than five) proxy holders to attend and act at the meeting in the manner, to the extent and with the powers conferred by the proxy.

12.8. Alternate Proxy Holders

A shareholder may appoint one or more alternate proxy holders to act in the place of an absent proxy holder.

12.9. When Proxy Holder Need Not Be Shareholder

A person must not be appointed as a proxy holder unless the person is a shareholder, although a person who is not a shareholder may be appointed as a proxy holder if:

(1) the person appointing the proxy holder is a corporation or a representative of a corporation appointed under Article 12.5;

(2) the Company has at the time of the meeting for which the proxy holder is to be appointed only one shareholder entitled to vote at the meeting; or

(3) the shareholders present in person or by proxy at and entitled to vote at the meeting for which the proxy holder is to be appointed, by a resolution on which the proxy holder is not entitled to vote but in respect of which the proxy holder is to be counted in the quorum, permit the proxy holder to attend and vote at the meeting.

12.10. Deposit of Proxy

A proxy for a meeting of shareholders must:

(1) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice, or if no number of days is specified, two business days before the day set for the holding of the meeting or any adjourned meeting; or

(2) unless the notice provides otherwise, be received, at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting or by a person designated by the chair of the meeting or adjourned meeting.

A proxy may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages.

12.11. Validity of Proxy Vote

A vote given in accordance with the terms of a proxy is valid notwithstanding the death or incapacity of the shareholder giving the proxy and despite the revocation of the proxy or the revocation of the authority under which the proxy is given, unless notice in writing of that death, incapacity or revocation is received:

(1) at the registered office of the Company, at any time up to and including the last business day before the day set for the holding of the meeting or any adjourned meeting at which the proxy is to be used; or

(2) at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting, before any vote in respect of which the proxy has been given has been taken.

12.12. Form of Proxy

A proxy, whether for a specified meeting or otherwise, must be either in the following form or in any other form approved by the directors or the chair of the meeting:

[name of company]
(the "Company")

The undersigned, being a shareholder of the Company, hereby appoints [name] or, failing that person, [name], as proxy holder for the undersigned to attend, act and vote for and on behalf of the undersigned at the meeting of shareholders of the Company to be held on [month, day, year] and at any adjournment of that meeting.

Number of shares in respect of which this proxy is given (if no number is specified, then this proxy is given in respect of all shares registered in the name of the undersigned): _____

Signed *[month, day, year]*

_____
[Signature of shareholder]

_____
[Name of shareholder-printed]

12.13. Revocation of Proxy

Subject to Article 12.14, every proxy may be revoked by an instrument in writing that is received:

(1) at the registered office of the Company at any time up to and including the last business day before the day set for the holding of the meeting or any adjourned meeting at which the proxy is to be used; or

(2) at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting, before any vote in respect of which the proxy has been given has been taken.

12.14. Revocation of Proxy Must Be Signed

An instrument referred to in Article 12.13 must be signed as follows:

(1) if the shareholder for whom the proxy holder is appointed is an individual, the instrument must be signed by the shareholder or his or her legal personal representative or trustee in bankruptcy;

(2) if the shareholder for whom the proxy holder is appointed is a corporation, the instrument must be signed by the corporation or by a representative appointed for the corporation under Article 12.5.

12.15. Production of Evidence of Authority to Vote

The chair of any meeting of shareholders may, but need not, inquire into the authority of any person to vote at the meeting and may, but need not, demand from that person production of evidence as to the existence of the authority to vote.

13. DIRECTORS

13.1. First Directors; Number of Directors

The first directors are the persons designated as directors of the Company in the Notice of Articles that applies to the Company when it is recognized under the Business Corporations Act. The number of directors, excluding additional directors appointed under Article 14.8, is set at:

(1) subject to paragraphs (2) and (3), the number of directors that is equal to the number of the Company's first directors;

(2) if the Company is a public company, the greater of three and the most recently set of:

  (a) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and

  (b) the number of directors set under Article 14.4;

(3) if the Company is not a public company, the most recently set of:

  (a) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and

  (b) the number of directors set under Article 14.4.

13.2. Change in Number of Directors

If the number of directors is set under Articles 13.1(2)(a) or 13.1(3)(a):

(1) the shareholders may elect or appoint the directors needed to fill any vacancies in the board of directors up to that number;

(2) if the shareholders do not elect or appoint the directors needed to fill any vacancies in the board of directors up to that number contemporaneously with the setting of that number, then the directors may, subject to Article 14.8, appoint, or the shareholders may elect or appoint, directors to fill those vacancies.

13.3. Directors' Acts Valid Despite Vacancy

An act or proceeding of the directors is not invalid merely because fewer than the number of directors set or otherwise required under these Articles is in office.

13.4. Qualifications of Directors

A director is not required to hold a share in the capital of the Company as qualification for his or her office but must be qualified as required by the Business Corporations Act to become, act or continue to act as a director.

13.5. Remuneration of Directors

The directors are entitled to the remuneration for acting as directors, if any, as the directors may from time to time determine. If the directors so decide, the remuneration of the directors, if any, will be determined by the shareholders. That remuneration may be in addition to any salary or other remuneration paid to any officer or employee of the Company as such, who is also a director.

13.6. Reimbursement of Expenses of Directors

The Company must reimburse each director for the reasonable expenses that he or she may incur in and about the business of the Company.

13.7. Special Remuneration for Directors

If any director performs any professional or other services for the Company that in the opinion of the directors are outside the ordinary duties of a director, or if any director is otherwise specially occupied in or about the Company's business, he or she may be paid remuneration fixed by the directors, or, at the option of that director, fixed by ordinary resolution, and such remuneration may be either in addition to, or in substitution for, any other remuneration that he or she may be entitled to receive.

13.8. Gratuity, Pension or Allowance on Retirement of Director

Unless otherwise determined by ordinary resolution, the directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any director who has held any salaried

office or place of profit with the Company or to his or her spouse or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

14. ELECTION AND REMOVAL OF DIRECTORS

14.1. Election at Annual General Meeting

At every annual general meeting and in every unanimous resolution contemplated by Article 10.2:

(1) the shareholders entitled to vote at the annual general meeting for the election of directors must elect, or in the unanimous resolution appoint, a board of directors consisting of the number of directors for the time being set under these Articles; and

(2) all the directors cease to hold office immediately before the election or appointment of directors under paragraph (1), but are eligible for re-election or re-appointment.

14.2. Consent to be a Director

No election, appointment or designation of an individual as a director is valid unless:

(1) that individual consents to be a director in the manner provided for in the Business Corporations Act;

(2) that individual is elected or appointed at a meeting at which the individual is present and the individual does not refuse, at the meeting, to be a director; or

(3) with respect to first directors, the designation is otherwise valid under the Business Corporations Act.

14.3. Failure to Elect or Appoint Directors

If:

(1) the Company fails to hold an annual general meeting, and all the shareholders who are entitled to vote at an annual general meeting fail to pass the unanimous resolution contemplated by Article 10.2, on or before the date by which the annual general meeting is required to be held under the Business Corporations Act; or

(2) the shareholders fail, at the annual general meeting or in the unanimous resolution contemplated by Article 10.2, to elect or appoint any directors;

then each director then in office continues to hold office until the earlier of:

(3) when his or her successor is elected or appointed; and

(4) when he or she otherwise ceases to hold office under the Business Corporations Act or these Articles.

14.4. Places of Retiring Directors Not Filled

If, at any meeting of shareholders at which there should be an election of directors, the places of any of the retiring directors are not filled by that election, those retiring directors who are not reelected and who are asked by the newly elected directors to continue in office will, if willing to do so, continue in office to complete the number of directors for the time being set pursuant to these Articles until further new directors are elected at a meeting of shareholders convened for that purpose. If any such election or continuance of directors does not result in the election or continuance of the number of directors for the time being set pursuant to these Articles, the number of directors of the Company is deemed to be set at the number of directors actually elected or continued in office.

14.5. Directors May Fill Casual Vacancies

Any casual vacancy occurring in the board of directors may be filled by the directors.

14.6. Remaining Directors' Power to Act

The directors may act notwithstanding any vacancy in the board of directors, but if the Company has fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the directors may only act for the purpose of appointing directors up to that number or of calling a meeting of shareholders for the purpose of filling any vacancies on the board of directors or, subject to the Business Corporations Act, for any other purpose.

14.7. Shareholders May Fill Vacancies

If the Company has no directors or fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the shareholders may elect or appoint directors to fill any vacancies on the board of directors.

14.8. Additional Directors

Notwithstanding Articles 13.1 and 13.2, between annual general meetings or unanimous resolutions contemplated by Article 10.2, the directors may appoint one or more additional directors, but the number of additional directors appointed under this Article 14.8 must not at any time exceed:

(1) one-third of the number of first directors, if, at the time of the appointments, one or more of the first directors have not yet completed their first term of office; or

(2) in any other case, one-third of the number of the current directors who were elected or appointed as directors other than under this Article 14.8.

Any director so appointed ceases to hold office immediately before the next election or appointment of directors under Article 14.1(1), but is eligible for re-election or re-appointment.

14.9. Ceasing to be a Director

A director ceases to be a director when:

(1) the term of office of the director expires;

(2) the director dies;

(3) the director resigns as a director by notice in writing provided to the Company or a lawyer for the Company; or

(4) the director is removed from office pursuant to Articles 14.10 or 14.11.

14.10. Removal of Director by Shareholders

The Company may remove any director before the expiration of his or her term of office by special resolution. In that event, the shareholders may elect, or appoint by ordinary resolution, a director to fill the resulting vacancy. If the shareholders do not elect or appoint a director to fill the resulting vacancy contemporaneously with the removal, then the directors may appoint or the shareholders may elect, or appoint by ordinary resolution, a director to fill that vacancy.

14.11. Removal of Director by Directors

The directors may remove any director before the expiration of his or her term of office if the director is convicted of an indictable offence, or if the director ceases to be qualified to act as a director of a company and does not promptly resign, and the directors may appoint a director to fill the resulting vacancy.

15. ALTERNATE DIRECTORS

15.1. Appointment of Alternate Director

Any director (an "appointor") may by notice in writing received by the Company appoint any person (an "appointee") who is qualified to act as a director to be his or her alternate to act in his or her place at meetings of the directors or committees of the directors at which the appointor is not present unless (in the case of an appointee who is not a director) the directors have reasonably disapproved the appointment of such person as an alternate director and have given notice to that effect to his or her appointor within a reasonable time after the notice of appointment is received by the Company.

15.2. Notice of Meetings

Every alternate director so appointed is entitled to notice of meetings of the directors and of committees of the directors of which his or her appointor is a member and to attend and vote as a director at any such meetings at which his or her appointor is not present.

15.3. Alternate for More Than One Director Attending Meetings

A person may be appointed as an alternate director by more than one director, and an alternate director:

(1) will be counted in determining the quorum for a meeting of directors once for each of his or her appointors and, in the case of an appointee who is also a director, once more in that capacity;

(2) has a separate vote at a meeting of directors for each of his or her appointors and, in the case of an appointee who is also a director, an additional vote in that capacity;

(3) will be counted in determining the quorum for a meeting of a committee of directors once for each of his or her appointors who is a member of that committee and, in the case of an appointee who is also a member of that committee as a director, once more in that capacity;

(4) has a separate vote at a meeting of a committee of directors for each of his or her appointors who is a member of that committee and, in the case of an appointee who is also a member of that committee as a director, an additional vote in that capacity.

15.4. Consent Resolutions

Every alternate director, if authorized by the notice appointing him or her, may sign in place of his or her appointor any resolutions to be consented to in writing.

15.5. Alternate Director Not an Agent

Every alternate director is deemed not to be the agent of his or her appointor.

15.6. Revocation of Appointment of Alternate Director

An appointor may at any time, by notice in writing received by the Company, revoke the appointment of an alternate director appointed by him or her.

15.7. Ceasing to be an Alternate Director

The appointment of an alternate director ceases when:

(1) his or her appointor ceases to be a director and is not promptly re-elected or re-appointed;

(2) the alternate director dies;

(3) the alternate director resigns as an alternate director by notice in writing provided to the Company or a lawyer for the Company;

(4) the alternate director ceases to be qualified to act as a director; or

(5) his or her appointor revokes the appointment of the alternate director.

15.8. Remuneration and Expenses of Alternate Director

The Company may reimburse an alternate director for the reasonable expenses that would be properly reimbursed if he or she were a director, and the alternate director is entitled to receive

from the Company such proportion, if any, of the remuneration otherwise payable to the appointor as the appointor may from time to time direct.

16. POWERS AND DUTIES OF DIRECTORS

16.1. Powers of Management

The directors must, subject to the Business Corporations Act and these Articles, manage or supervise the management of the business and affairs of the Company and have the authority to exercise all such powers of the Company as are not, by the Business Corporations Act or by these Articles, required to be exercised by the shareholders of the Company.

16.2. Appointment of Attorney of Company

The directors may from time to time, by power of attorney or other instrument, under seal if so required by law, appoint any person to be the attorney of the Company for such purposes, and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these Articles and excepting the power to fill vacancies in the board of directors, to remove a director, to change the membership of, or fill vacancies in, any committee of the directors, to appoint or remove officers appointed by the directors and to declare dividends) and for such period, and with such remuneration and subject to such conditions as the directors may think fit. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the directors think fit. Any such attorney may be authorized by the directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him or her.

17. INTERESTS OF DIRECTORS AND OFFICERS

17.1. Obligation to Account for Profits

A director or senior officer who holds a disclosable interest (as that term is used in the Business Corporations Act) in a contract or transaction into which the Company has entered or proposes to enter is liable to account to the Company for any profit that accrues to the director or senior officer under or as a result of the contract or transaction only if and to the extent provided in the Business Corporations Act.

17.2. Restrictions on Voting by Reason of Interest

A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter is not entitled to vote on any directors' resolution to approve that contract or transaction, unless all the directors have a disclosable interest in that contract or transaction, in which case any or all of those directors may vote on such resolution.

17.3. Interested Director Counted in Quorum

A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter and who is present at the meeting of directors at which the contract or transaction is considered for approval may be counted in the quorum at the meeting whether or not the director votes on any or all of the resolutions considered at the meeting.

17.4. Disclosure of Conflict of Interest or Property

A director or senior officer who holds any office or possesses any property, right or interest that could result, directly or indirectly, in the creation of a duty or interest that materially conflicts with that individual's duty or interest as a director or senior officer, must disclose the nature and extent of the conflict as required by the Business Corporations Act.

17.5. Director Holding Other Office in the Company

A director may hold any office or place of profit with the Company, other than the office of auditor of the Company, in addition to his or her office of director for the period and on the terms (as to remuneration or otherwise) that the directors may determine.

17.6. No Disqualification

No director or intended director is disqualified by his or her office from contracting with the Company either with regard to the holding of any office or place of profit the director holds with the Company or as vendor, purchaser or otherwise, and no contract or transaction entered into by or on behalf of the Company in which a director is in any way interested is liable to be voided for that reason.

17.7. Professional Services by Director or Officer

Subject to the Business Corporations Act, a director or officer, or any person in which a director or officer has an interest, may act in a professional capacity for the Company, except as auditor of the Company, and the director or officer or such person is entitled to remuneration for professional services as if that director or officer were not a director or officer.

17.8. Director or Officer in Other Corporations

A director or officer may be or become a director, officer or employee of, or otherwise interested in, any person in which the Company may be interested as a shareholder or otherwise, and, subject to the Business Corporations Act, the director or officer is not accountable to the Company for any remuneration or other benefits received by him or her as director, officer or employee of, or from his or her interest in, such other person.

18. PROCEEDINGS OF DIRECTORS

18.1. Meetings of Directors

The directors may meet together for the conduct of business, adjourn and otherwise regulate their meetings as they think fit, and meetings of the directors held at regular intervals may be held at the place, at the time and on the notice, if any, as the directors may from time to time determine.

18.2. Voting at Meetings

Questions arising at any meeting of directors are to be decided by a majority of votes and, in the case of an equality of votes, the chair of the meeting does not have a second or casting vote.

18.3. Chair of Meetings

The following individual is entitled to preside as chair at a meeting of directors:

(1) the chair of the board, if any;

(2) in the absence of the chair of the board, the president, if any, if the president is a director; or

(3) any other director chosen by the directors if:

(a) neither the chair of the board nor the president, if a director, is present at the meeting within 15 minutes after the time set for holding the meeting;

(b) neither the chair of the board nor the president, if a director, is willing to chair the meeting; or

(c) the chair of the board and the president, if a director, have advised the secretary, if any, or any other director, that they will not be present at the meeting.

18.4. Meetings by Telephone or Other Communications Medium

A director may participate in a meeting of the directors or of any committee of the directors:

(1) in person;

(2) by telephone; or

(3) by other communications medium,

if all the directors participating in the meeting, whether in person, by telephone or by other communications medium, are able to communicate with each other. A director who participates in a meeting in a manner contemplated by this Article 18.4 is deemed for all purposes of the Business Corporations Act and these Articles to be present at the meeting and to have agreed to participate in that manner.

18.5. Calling of Meetings

A director may, and the secretary or an assistant secretary of the Company, if any, on the request of a director must, call a meeting of the directors at any time.

18.6. Notice of Meetings

Other than for meetings held at regular intervals as determined by the directors pursuant to Article 18.1, reasonable notice of each meeting of the directors, specifying the place, day and time of that meeting must be given to each of the directors and the alternate directors by any method set out in Article 24.1 or orally or by telephone.

18.7. When Notice Not Required

It is not necessary to give notice of a meeting of the directors to a director or an alternate director if:

(1) the meeting is to be held immediately following a meeting of shareholders at which that director was elected or appointed, or is the meeting of the directors at which that director is appointed; or

(2) the director or alternate director, as the case may be, has waived notice of the meeting.

18.8. Meeting Valid Despite Failure to Give Notice

The accidental omission to give notice of any meeting of directors to, or the non-receipt of any notice by, any director or alternate director, does not invalidate any proceedings at that meeting.

18.9. Waiver of Notice of Meetings

Any director or alternate director may send to the Company a document signed by him or her waiving notice of any past, present or future meeting or meetings of the directors and may at any time withdraw that waiver with respect to meetings held after that withdrawal. After sending a waiver with respect to all future meetings and until that waiver is withdrawn, no notice of any meeting of the directors need be given to that director and, unless the director otherwise requires by notice in writing to the Company, to his or her alternate director, and all meetings of the directors so held are deemed not to be improperly called or constituted by reason of notice not having been given to such director or alternate director.

Attendance of a director or alternate director at a meeting of the directors is a waiver of notice of the meeting, unless that director or alternate director attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

18.10. Quorum

The quorum necessary for the transaction of the business of the directors may be set by the directors and, if not so set, is deemed to be set at two directors or, if the number of directors is set at one, is deemed to be set at one director, and that director may constitute a meeting.

18.11. Validity of Acts Where Appointment Defective

Subject to the Business Corporations Act, an act of a director or officer is not invalid merely because of an irregularity in the election or appointment or a defect in the qualification of that director or officer.

18.12. Consent Resolutions in Writing

A resolution of the directors or of any committee of the directors may be passed without a meeting:

(1) in all cases, if each of the directors entitled to vote on the resolution consents to it in writing; or

(2) in the case of a resolution to approve a contract or transaction in respect of which a director has disclosed that he or she has or may have a disclosable interest, if each of the other directors who have not made such a disclosure consents in writing to the resolution.

A consent in writing under this Article may be by signed document, fax, e-mail or any other method of transmitting legibly recorded messages. A consent in writing may be in two or more counterparts which together are deemed to constitute one consent in writing. A resolution of the directors or of any committee of the directors passed in accordance with this Article 18.12 is effective on the date stated in the consent in writing or on the latest date stated on any counterpart and is deemed to be a proceeding at a meeting of directors or of the committee of the directors and to be as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors that satisfies all the requirements of the Business Corporations Act and all the requirements of these Articles relating to meetings of the directors or of a committee of the directors.

19. EXECUTIVE AND OTHER COMMITTEES

19.1. Appointment and Powers of Executive Committee

The directors may, by resolution, appoint an executive committee consisting of the director or directors that they consider appropriate, and this committee has, during the intervals between meetings of the board of directors, all of the directors' powers, except:

(1) the power to fill vacancies in the board of directors;

(2) the power to remove a director;

(3) the power to change the membership of, or fill vacancies in, any committee of the directors; and

(4) such other powers, if any, as may be set out in the resolution or any subsequent directors' resolution.

19.2. Appointment and Powers of Other Committees

The directors may, by resolution:

(1) appoint one or more committees (other than the executive committee) consisting of the director or directors that they consider appropriate;

(2) delegate to a committee appointed under paragraph (1) any of the directors' powers, except:

  (a) the power to fill vacancies in the board of directors;

  (b) the power to remove a director;

(c) the power to change the membership of, or fill vacancies in, any committee of the directors; and

(d) the power to appoint or remove officers appointed by the directors; and

(3) make any delegation referred to in paragraph (2) subject to the conditions set out in the resolution or any subsequent directors' resolution.

19.3. Obligations of Committees

Any committee appointed under Articles 19.1 or 19.2, in the exercise of the powers delegated to it, must:

(1) conform to any rules that may from time to time be imposed on it by the directors; and

(2) report every act or thing done in exercise of those powers at such times as the directors may require.

19.4. Powers of Board

The directors may, at any time, with respect to a committee appointed under Articles 19.1 or 19.2:

(1) revoke or alter the authority given to the committee, or override a decision made by the committee, except as to acts done before such revocation, alteration or overriding;

(2) terminate the appointment of, or change the membership of, the committee; and

(3) fill vacancies in the committee.

19.5. Committee Meetings

Subject to Article 19.3(1) and unless the directors otherwise provide in the resolution appointing the committee or in any subsequent resolution, with respect to a committee appointed under Articles 19.1 or 19.2:

(1) the committee may meet and adjourn as it thinks proper;

(2) the committee may elect a chair of its meetings but, if no chair of a meeting is elected, or if at a meeting the chair of the meeting is not present within 15 minutes after the time set for holding the meeting, the directors present who are members of the committee may choose one of their number to chair the meeting;

(3) a majority of the members of the committee constitutes a quorum of the committee; and

(4) questions arising at any meeting of the committee are determined by a majority of votes of the members present, and in case of an equality of votes, the chair of the meeting does not have a second or casting vote.

20. OFFICERS

20.1. Directors May Appoint Officers

The directors may, from time to time, appoint such officers, if any, as the directors determine and the directors may, at any time, terminate any such appointment.

20.2. Functions, Duties and Powers of Officers

The directors may, for each officer:

(1) determine the functions and duties of the officer;

(2) entrust to and confer on the officer any of the powers exercisable by the directors on such terms and conditions and with such restrictions as the directors think fit; and

(3) revoke, withdraw, alter or vary all or any of the functions, duties and powers of the officer.

20.3. Qualifications

No officer may be appointed unless that officer is qualified in accordance with the Business Corporations Act. One person may hold more than one position as an officer of the Company. Any person appointed as the chair of the board or as a managing director must be a director. Any other officer need not be a director.

20.4. Remuneration and Terms of Appointment

All appointments of officers are to be made on the terms and conditions and at the remuneration (whether by way of salary, fee, commission, participation in profits or otherwise) that the directors think fit and are subject to termination at the pleasure of the directors, and an officer may in addition to such remuneration be entitled to receive, after he or she ceases to hold such office or leaves the employment of the Company, a pension or gratuity.

21. INDEMNIFICATION

21.1. Definitions

In this Article 21, “eligible party”, “eligible penalty”, “eligible proceeding” and “expenses” have the meanings set out in Section 159 of the Business Corporations Act.

21.2. Mandatory Indemnification

Subject to the Business Corporations Act, the Company must indemnify a director, former director or alternate director of the Company and his or her heirs and legal personal representatives against all eligible penalties to which such person is or may be liable, and the Company must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that proceeding. Each director and alternate

director is deemed to have contracted with the Company on the terms of the indemnity contained in this Article 21.2.

21.3. Indemnification of Other Persons

Subject to any restrictions in the Business Corporations Act, the Company may indemnify any person.

21.4. Non-Compliance with Business Corporations Act

The failure of an eligible party to comply with the Business Corporations Act or these Articles or, if applicable, any former Companies Act or former Articles, does not invalidate any indemnity to which he or she is entitled under this Part.

21.5. Company May Purchase Insurance

The Company may purchase and maintain insurance for the benefit of any person (or his or her heirs or legal personal representatives) who:

(1) is or was a director, alternate director, officer, employee or agent of the Company;

(2) is or was a director, alternate director, officer, employee or agent of a corporation at a time when the corporation is or was an affiliate of the Company;

(3) at the request of the Company, is or was a director, alternate director, officer, employee or agent of a corporation or of a partnership, trust, joint venture or other unincorporated entity;

(4) at the request of the Company, holds or held a position equivalent to that of a director, alternate director or officer of a partnership, trust, joint venture or other unincorporated entity;

against any liability incurred by him or her as such director, alternate director, officer, employee or agent or person who holds or held such equivalent position.

22. DIVIDENDS

22.1. Payment of Dividends Subject to Special Rights

The provisions of this Article 22 are subject to the rights, if any, of shareholders holding shares with special rights as to dividends.

22.2. Declaration of Dividends

Subject to the Business Corporations Act, the directors may from time to time declare and authorize payment of such dividends as they may deem advisable.

22.3. No Notice Required

The directors need not give notice to any shareholder of any declaration under Article 22.2.

22.4. Record Date

The directors may set a date as the record date for the purpose of determining shareholders entitled to receive payment of a dividend. The record date must not precede the date on which the dividend is to be paid by more than two months. If no record date is set, the record date is 5 p.m. on the date on which the directors pass the resolution declaring the dividend.

22.5. Manner of Paying Dividend

A resolution declaring a dividend may direct payment of the dividend wholly or partly in money or by the distribution of specific assets or of fully paid shares or of bonds, debentures or other securities of the Company or any other corporation, or in any one or more of those ways.

22.6. Settlement of Difficulties

If any difficulty arises in regard to a distribution under Article 22.5, the directors may settle the difficulty as they deem advisable, and, in particular, may:

(1) set the value for distribution of specific assets;

(2) determine that money in substitution for all or any part of the specific assets to which any shareholders are entitled may be paid to any shareholders on the basis of the value so fixed in order to adjust the rights of all parties; and

(3) vest any such specific assets in trustees for the persons entitled to the dividend.

22.7. When Dividend Payable

Any dividend may be made payable on such date as is fixed by the directors.

22.8. Dividends to be Paid in Accordance with Number of Shares

All dividends on shares of any class or series of shares must be declared and paid according to the number of such shares held.

22.9. Receipt by Joint Shareholders

If several persons are joint shareholders of any share, any one of them may give an effective receipt for any dividend, bonus or other money payable in respect of the share.

22.10. Dividend Bears No Interest

No dividend bears interest against the Company.

22.11. Fractional Dividends

If a dividend to which a shareholder is entitled includes a fraction of the smallest monetary unit of the currency of the dividend, that fraction may be disregarded in making payment of the dividend and that payment represents full payment of the dividend.

22.12. Payment of Dividends

Any dividend or other distribution payable in money in respect of shares may be paid by cheque, made payable to the order of the person to whom it is sent, and mailed to the registered address of the shareholder, or in the case of joint shareholders, to the registered address of the joint shareholder who is first named on the central securities register, or to the person and to the address the shareholder or joint shareholders may direct in writing. The mailing of such cheque will, to the extent of the sum represented by the cheque (plus the amount of the tax required by law to be deducted), discharge all liability for the dividend unless such cheque is not paid on presentation or the amount of tax so deducted is not paid to the appropriate taxing authority.

22.13. Capitalization of Retained Earnings or Surplus

Notwithstanding anything contained in these Articles, the directors may from time to time capitalize any retained earnings or surplus of the Company and may from time to time issue, as fully paid, shares or any bonds, debentures or other securities of the Company as a dividend representing the retained earnings or surplus so capitalized or any part thereof.

23. ACCOUNTING RECORDS

23.1. Recording of Financial Affairs

The directors must cause adequate accounting records to be kept to record properly the financial affairs and condition of the Company and to comply with the Business Corporations Act.

23.2. Inspection of Accounting Records

Unless the directors determine otherwise, or unless otherwise determined by ordinary resolution, no shareholder of the Company is entitled to inspect or obtain a copy of any accounting records of the Company.

24. NOTICES

24.1. Method of Giving Notice

Unless the Business Corporations Act or these Articles provides otherwise, a notice, statement, report or other record required or permitted by the Business Corporations Act or these Articles to be sent by or to a person may be sent by any one of the following methods:

(1) mail addressed to the person at the applicable address for that person as follows:

(a) for a record mailed to a shareholder, the shareholder’s registered address;

(b) for a record mailed to a director or officer, the prescribed address for mailing shown for the director or officer in the records kept by the Company or the mailing address provided by the recipient for the sending of that record or records of that class;

(c) in any other case, the mailing address of the intended recipient;

(2) delivery at the applicable address for that person as follows, addressed to the person:

(a) for a record delivered to a shareholder, the shareholder's registered address;

(b) for a record delivered to a director or officer, the prescribed address for delivery shown for the director or officer in the records kept by the Company or the delivery address provided by the recipient for the sending of that record or records of that class;

(c) in any other case, the delivery address of the intended recipient;

(3) sending the record by fax to the fax number provided by the intended recipient for the sending of that record or records of that class;

(4) sending the record by e-mail to the e-mail address provided by the intended recipient for the sending of that record or records of that class;

(5) physical delivery to the intended recipient.

24.2. Deemed Receipt

A notice, statement, report or other record that is:

(1) mailed to a person by ordinary mail to the applicable address for that person referred to in Article 24.1 is deemed to be received by the person to whom it was mailed on the day, Saturdays, Sundays and holidays excepted, following the date of mailing;

(2) faxed to a person to the fax number provided by that person referred to in Article 24.1 is deemed to be received by the person to whom it was faxed on the day it was faxed; and

(3) e-mailed to a person to the e-mail address provided by that person referred to in Article 24.1 is deemed to be received by the person to whom it was e-mailed on the day it was e-mailed.

24.3. Certificate of Sending

A certificate signed by the secretary, if any, or other officer of the Company or of any other corporation acting in that capacity on behalf of the Company stating that a notice, statement, report or other record was sent in accordance with Article 24.1 is conclusive evidence of that fact.

24.4. Notice to Joint Shareholders

A notice, statement, report or other record may be provided by the Company to the joint shareholders of a share by providing such record to the joint shareholder first named in the central securities register in respect of the share.

24.5. Notice to Legal Personal Representatives and Trustees

A notice, statement, report or other record may be provided by the Company to the persons entitled to a share in consequence of the death, bankruptcy or incapacity of a shareholder by:

(1) mailing the record, addressed to them:

(a) by name, by the title of the legal personal representative of the deceased or incapacitated shareholder, by the title of trustee of the bankrupt shareholder or by any similar description; and

(b) at the address, if any, supplied to the Company for that purpose by the persons claiming to be so entitled; or

(2) if an address referred to in paragraph (1)(b) has not been supplied to the Company, by giving the notice in a manner in which it might have been given if the death, bankruptcy or incapacity had not occurred.

24.6. Undelivered Notices

If, on two consecutive occasions, a notice, statement, report or other record is sent to a shareholder pursuant to Article 24.1 and on each of those occasions any such record is returned because the shareholder cannot be located, the Company shall not be required to send any further records to the shareholder until the shareholder informs the Company in writing of his or her new address.

25. SEAL

25.1. Who May Attest Seal

Except as provided in Articles 25.2 and 25.3, the Company's seal, if any, must not be impressed on any record except when that impression is attested by the signatures of:

(1) any two directors;

(2) any officer, together with any director;

(3) if the Company only has one director, that director; or

(4) any one or more directors or officers or persons as may be determined by the directors.

25.2. Sealing Copies

For the purpose of certifying under seal a certificate of incumbency of the directors or officers of the Company or a true copy of any resolution or other document, despite Article 25.1, the impression of the seal may be attested by the signature of any director or officer, or the signature of any other person as may be determined by the directors.

25.3. Mechanical Reproduction of Seal

The directors may authorize the seal to be impressed by third parties on share certificates or bonds, debentures or other securities of the Company as they may determine appropriate from time to time. To enable the seal to be impressed on any share certificates or bonds, debentures or other securities of the Company, whether in definitive or interim form, on which facsimiles of any of the signatures of the directors or officers of the Company are, in accordance with the Business Corporations Act or these Articles, printed or otherwise mechanically reproduced, there may be delivered to the person employed to engrave, lithograph or print such definitive or interim share certificates or bonds, debentures or other securities one or more unmounted dies reproducing the seal and such persons as are authorized under Article 25.1 to attest the Company's seal may in writing authorize such person to cause the seal to be impressed on such definitive or interim share certificates or bonds, debentures or other securities by the use of such dies. Share certificates or bonds, debentures or other securities to which the seal has been so impressed are for all purposes deemed to be under and to bear the seal impressed on them.

25.4. Execution of Documents Generally

The directors may from time to time by resolution appoint any one or more persons, officers or directors for the purpose of executing any instrument, document or agreement in the name of and on behalf of the Company for which the seal need not be affixed, and if no such person, officer or director is appointed, then any one officer or director of the Company may execute such instrument, document and agreement.

26. PROHIBITIONS

26.1. Application

Article 26.2 does not apply to the Company if and for so long as it is a public company.

26.2. Consent Required for Transfer of Shares or Designated Securities

No securities of the Company other than non-convertible debt securities of the Company shall be transferred without the consent of the directors expressed by resolution and the directors shall not be required to give any reason for refusing to consent to any such transfer.

27. SPECIAL RIGHTS AND RESTRICTIONS ATTACHED TO COMMON SHARES

The common shares without par value shall have attached thereto the following special rights and restrictions:

27.1. Voting Rights

The registered holders of the Common shares shall be entitled to receive notice of and to attend all general meetings of the shareholders of the Company and shall have the right to vote at any such meeting on the basis of one vote for each Common share held.

27.2. Dividends

The registered holders of Common shares shall, in the absolute discretion of the directors, be entitled to receive dividends as and when declared by the directors out of monies of the Company properly applicable to the payment of dividends, subject to the special rights and restrictions attaching to any other class or series of shares of the Company, including any series of preferred shares, to receive any dividend. The registered holders of Common shares shall rank equally, *pari passu* and share for share, with respect to dividends.

27.3. Distribution of Assets

In the event of the liquidation, dissolution or winding-up of the Company or other distribution of assets of the Company among its shareholders for the purpose of winding-up its affairs, the registered holders of the Common shares of the Company shall be entitled to share equally, share for share, in the remaining assets and property of the Company, subject to the special rights and restrictions attaching to any other class or series of shares of the Company.

28. SPECIAL RIGHTS AND RESTRICTIONS ATTACHED TO THE PREFERRED SHARES AS A CLASS

The preferred shares without par value shall have attached thereto, as a class, the following special rights and restrictions:

28.1. Issuable in Series

The preferred shares may at any time and from time to time be issued in one or more series, and the directors may by resolution create each such series of preferred shares, determine the maximum number of shares of any of those series that the Company is authorized to issue, if any, or alter any such determination, create an identifying name by which the shares of each such series of preferred shares may be identified, or alter any such identifying name, and alter the Company's Articles and authorize the alteration of the Company's Notice of Articles accordingly.

28.2. Special Rights and Restrictions of Series

The board of directors may, by resolution duly passed before the issue of any preferred shares of any series, create and attach special rights and restrictions to the preferred shares of any such series, including, but without in any way limiting or restricting the generality of the foregoing:

(1) the rate, amount or method of calculation of any dividends, whether cumulative, non-cumulative or partially cumulative, and whether such rate, amount or method of calculation shall be subject to change or adjustment in the future, the currency or currencies of payment, the date or dates and place or places of payment thereof and the date or dates from which any such dividends shall accrue and any preference of such dividends, which may be in preference and priority to any dividends payable to the holders of the common shares or any other shares ranking junior to the preferred shares;

(2) any rights of redemption and/or purchase and the redemption or purchase prices and terms and conditions of any such rights;

(3) any rights of retraction vested in the holders of preferred shares of such series and the prices and terms and conditions of any such rights and whether any other rights of retraction may be vested in such holders in the future;

(4) any voting rights;

(5) any conversion rights;

(6) any rights to receive the remaining property of the Company upon dissolution, liquidation or winding-up and the amount and preference of any such rights, which may be in preference and priority to any distribution of the property or assets of the Company to the holders of the common shares or any other shares ranking junior to the preferred shares;

(7) any sinking fund or purchase fund; and

(8) any other provisions attaching to any such series of preferred shares;

or alter any special rights or restrictions attached to those shares (if none of the shares of that series is issued), and alter the Company's Articles and authorize the alteration of the Company's Notice of Articles accordingly.

Exhibit 3.3

AMENDED AND RESTATED

CERTIFICATE OF INCORPORATION

OF

LEGATO MERGER CORP.

Pursuant to Sections 242 and 245 of the
Delaware General Corporation Law

Legato Merger Corp., a corporation organized and existing under the laws of the State of Delaware (the "Corporation"), by its Chief Executive Officer, hereby certifies as follows:

1. The name of the Corporation is "Legato Merger Corp."

2. The Corporation's Certificate of Incorporation was filed in the office of the Secretary of State of the State of Delaware on June 26, 2020.

3. This Amended Restated Certificate of Incorporation restates, integrates and amends the Certificate of Incorporation of the Corporation.

4. This Amended and Restated Certificate of Incorporation was duly adopted by joint written consent of the directors and stockholders of the Corporation in accordance with the applicable provisions of Sections 141(f), 228, 242 and 245 of the General Corporation Law of the State of Delaware ("DGCL").

5. The text of the Certificate of Incorporation of the Corporation is hereby amended and restated to read in full as follows:

FIRST: The name of the corporation is Legato Merger Corp. (hereinafter sometimes referred to as the "Corporation").

SECOND: The registered office of the Corporation is to be located at c/o Vcorp Services, LLC, 1013 Centre Road, Suite 403-B, Wilmington, Delaware 19805. The name of its registered agent at that address is Vcorp Services, LLC.

THIRD: The purpose of the Corporation shall be to engage in any lawful act or activity for which corporations may be organized under the DGCL. In addition to the powers and privileges conferred upon the Corporation by law and those incidental thereto, the Corporation shall possess and may exercise all the powers and privileges that are necessary or convenient to the conduct, promotion or attainment of the business or purposes of the Corporation including, but not limited to, a Business Combination (as defined below).

FOURTH: The total number of shares of all classes of capital stock which the Corporation shall have authority to issue is 61,000,000 of which 60,000,000 shares shall be Common Stock of the par value of $.0001 per share and 1,000,000 shares shall be Preferred Stock of the par value of $.0001 per share.

A. Preferred Stock. The Board of Directors is expressly granted authority to issue shares of the Preferred Stock, in one or more series, and to fix for each such series such voting powers, full or limited, and such designations, preferences and relative, participating, optional or other special rights and such qualifications, limitations or restrictions thereof as shall be stated and expressed in the resolution or resolutions adopted by the Board of Directors providing for the issue of such series (a "Preferred Stock Designation") and as may be permitted by the DGCL. The number of authorized shares of Preferred Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the voting power of all of the then outstanding shares of the capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class, without a separate vote of the holders of the Preferred Stock, or any series thereof, unless a vote of any such holders is required pursuant to any Preferred Stock Designation.

B. Common Stock. Except as otherwise required by law or as otherwise provided in any Preferred Stock Designation, the holders of the Common Stock shall exclusively possess all voting power and each share of Common Stock shall have one vote.

FIFTH: Intentionally Omitted.

SIXTH: The introduction and the following provisions (A) through (J) of this Article Sixth shall apply during the period commencing upon the filing of this Certificate of Incorporation and terminating upon the consummation of any Business Combination (defined below) and no amendment to this Article Sixth shall be effective during the Target Business Acquisition Period (defined below) unless approved by the affirmative vote of the holders of at least a majority of the then outstanding shares of Common Stock. Notwithstanding the foregoing, if the Corporation seeks to amend any of the foregoing provisions other than in connection with a Business Combination, the Corporation will provide holders of IPO Shares (defined below) with the opportunity to have their IPO Shares redeemed in connection with any such vote as described in paragraph C below. The "Target Business Acquisition Period" shall mean the period from the effectiveness of the registration statement on Form S-l ("Registration Statement") filed with the Securities and Exchange Commission ("Commission") in connection with the Corporation's initial public offering ("IPO") up to and including the first to occur of (a) a Business Combination or (b) the Termination Date (each as defined below).

A. Certain Definitions.

1. A "Business Combination" means any merger, share exchange, asset acquisition, stock purchase, recapitalization, reorganization or other similar business combination involving the Corporation and one or more businesses or entities ("Target Business" or "Target Businesses"). So long as the Corporation's securities are listed on a national securities exchange, the Target Business or Target Businesses acquired in the Business Combination must together have a fair market value of at least 80% of the assets held in the Trust Account (defined below), excluding taxes payable on the income earned on the Trust Account, at the time of the signing of the definitive agreement governing the terms of the initial Business Combination. If the Corporation acquires less than 100% of the equity interests or assets of a Target Business, the portion of such Target Business that the Corporation acquires is what will be valued for purposes of the 80% fair market value test.

2. The "fair market value" for purposes of this Article Sixth will be determined by the Board of Directors of the Corporation based upon one or more standards generally accepted by the financial community (such as actual and potential sales, earnings, cash flow and/or book value). If the Board of Directors is unable to independently determine the fair market value of the Target Business, the Corporation will obtain an opinion from an independent investment banking firm, or another independent entity that commonly renders valuation opinions, with respect to the satisfaction of such criteria.

3. "Termination Date" means the date that is 18 months from the consummation of the IPO or, if such date is not a date on which government offices in Delaware are open, the next date on which such offices are open.

B. Prior to the consummation of any Business Combination, the Corporation shall either (i) submit such Business Combination to its stockholders for approval ("Proxy Solicitation") pursuant to the proxy rules promulgated under the Securities Exchange Act of 1934, as amended ("Exchange Act") or (ii) provide all holders of its Common Stock with the opportunity to sell their shares to the Corporation, effective upon consummation of such Business Combination, for cash through a tender offer ("Tender Offer") pursuant to the tender offer rules promulgated under the Exchange Act.

C. If the Corporation engages in a Proxy Solicitation in connection with any proposed Business Combination, the Corporation will consummate such Business Combination only if a majority of the then outstanding shares of Common Stock present and entitled to vote at the meeting to approve the Business Combination are voted for the approval of such Business Combination.

D. In the event that a Business Combination is approved in accordance with the above paragraph (B) and is consummated by the Corporation, any holder of shares of Common Stock sold in the IPO (the "IPO Shares") may demand that the Corporation have his IPO Shares redeemed for cash, irrespective of whether such holder votes for or against the Business Combination or at all. If so demanded, the Corporation shall, promptly after consummation of the Business Combination, redeem such shares for cash at a per share price equal to the quotient determined by dividing (i) the amount then held in the Trust Account (defined below) net of taxes payable, calculated as of two business days prior to the consummation of the Business Combination, by (ii) the total number of IPO Shares then outstanding (such price being referred to as the "Redemption Price"). "Trust Account" shall mean the trust account established by the Corporation at the consummation of its IPO and into which a certain amount of the net proceeds of the IPO and simultaneous private placement is deposited, all as described in the Registration Statement. The Corporation may require any holder of IPO Shares who demands that the Corporation redeem such IPO Shares for cash to either tender such holder's certificates to the Corporation's transfer agent at any time prior to the vote taken at the stockholder meeting relating to such Business Combination or to deliver their shares to the transfer agent electronically using The Depository Trust Company's DWAC (Deposit/Withdrawal At Custodian) System at any time prior to the vote taken at the stockholder meeting relating to such Business Combination, with the exact timing of the delivery of the IPO Shares to be set forth in the proxy materials relating to such Business Combination.

E. If the Corporation engages in a Tender Offer, the Corporation shall file tender offer documents with the Commission which will contain substantially the same financial and other information about the Business Combination as is required under the proxy rules promulgated under the Exchange Act and that would have been included in any proxy statement filed with the Commission in connection with a Proxy Solicitation, even if such information is not required under the tender offer rules promulgated under the Exchange Act. The per-share price at which the Corporation will repurchase the IPO Shares in any such Tender Offer shall be equal to the Redemption Price. The Corporation shall not purchase any shares of Common Stock other than IPO Shares in any such Tender Offer.

F. The Corporation will not consummate any Business Combination unless it has net tangible assets of at least $5,000,001 either immediately prior to or upon consummation of such Business Combination.

G. In the event that the Corporation does not consummate a Business Combination by the Termination Date, the Corporation shall (i) cease all operations except for the purposes of winding up, (ii) as promptly as reasonably possible but not more than ten (10) business days thereafter, redeem 100% of the IPO Shares for cash for a redemption price per share equal to the amount then held in the Trust Account, less any interest for any income or other taxes payable and up to $100,000 for liquidation expenses, divided by the total number of IPO Shares then outstanding (which redemption will completely extinguish such holders' rights as stockholders, including the right to receive further liquidation distributions, if any), subject to applicable law, and (iii) as promptly as reasonably possible following such redemption, subject to approval of the Corporation's then stockholders and subject to the requirements of the DGCL, including the adoption of a resolution by the Board pursuant to Section 275(a) of the DGCL finding the dissolution of the Corporation advisable and the provision of such notices as are required by said Section 275(a) of the DGCL, dissolve and liquidate, subject (in the case of clauses (ii) and (iii) above) to the Corporation's obligations under the DGCL to provide for claims of creditors and other requirements of applicable law.

H. A holder of IPO Shares shall be entitled to receive distributions from the Trust Fund only in the event (i) he demands redemption of his shares in accordance with paragraph D above in connection with any Proxy Solicitation, (ii) he sells his shares to the Corporation in accordance with paragraph E above in connection with any Tender Offer, (iii) that the Corporation has not consummated a Business Combination by the Termination Date or (iv) the Corporation seeks to amend the provisions of this Article Sixth prior to the consummation of a Business Combination. In no other circumstances shall a holder of IPO Shares have any right or interest of any kind in or to the Trust Fund.

I. Unless and until the Corporation has consummated its initial Business Combination as permitted under this Article Sixth, the Corporation may not consummate any other business combination transaction, whether by merger, capital stock exchange, asset acquisition, stock purchase, reorganization or other similar business combination, transaction or otherwise. The Corporation shall not consummate a Business Combination with an entity that is affiliated with any of the Corporation's officers, directors or sponsors unless the Corporation has obtained an opinion from an independent investment banking firm or another independent entity that commonly renders valuation opinions that such a Business Combination is fair to the Corporation (or its stockholders) from a financial point of view and a majority of the Corporation's disinterested independent directors approve such Business Combination.

J. Prior to the consummation of a Business Combination, the Board of Directors may not issue (i) any shares of Common Stock or any securities convertible into Common Stock; or (ii) any securities which participate in or are otherwise entitled in any manner to any of the proceeds in the Trust Account or which vote as a class with the Common Stock on any matter.

K. The Board of Directors shall be divided into three classes: Class A, Class B and Class C. The number of directors in each class shall be fixed exclusively by the Board of Directors and shall be as nearly equal as possible. At the first election of directors by the incorporator, the incorporator shall elect a Class C director for a term expiring at the Corporation's third Annual Meeting of Stockholders. The Class C director shall then appoint additional Class A, Class B and Class C directors, as necessary. The directors in Class A shall be elected for a term expiring at the first Annual Meeting of Stockholders, the directors in Class B shall be elected for a term expiring at the second Annual Meeting of Stockholders and the directors in Class C shall be elected for a term expiring at the third Annual Meeting of Stockholders. Commencing at the first Annual Meeting of Stockholders, and at each annual meeting thereafter, directors elected to succeed those directors whose terms expire shall be elected for a term of office to expire at the third succeeding annual meeting of stockholders after their election. Except as the DGCL may otherwise require, in the interim between annual meetings of stockholders or special meetings of stockholders called for the election of directors and/or the removal of one or more directors and the filling of any vacancy in that connection, newly created directorships and any vacancies in the Board of Directors, including unfilled vacancies resulting from the removal of directors for cause, may be filled only by the vote of a majority of the remaining directors then in office, although less than a quorum (as defined in the Corporation's Bylaws), or by the sole remaining director. All directors shall hold office until the expiration of their respective terms of office and until their successors shall have been elected and qualified. A director elected to fill a vacancy resulting from the death, resignation or removal of a director shall serve for the remainder of the full term of the director whose death, resignation or removal shall have created such vacancy and until his successor shall have been elected and qualified.

SEVENTH: The following provisions are inserted for the management of the business and for the conduct of the affairs of the Corporation, and for further definition, limitation and regulation of the powers of the Corporation and of its directors and stockholders:

A. Election of directors need not be by ballot unless the by-laws of the Corporation so provide.

B. In furtherance and not in limitation of the powers conferred by the laws of the State of Delaware, the Board of Directors is expressly authorized to make, alter and repeal the by-laws of the Corporation, subject to the power of the stockholders of the Corporation to alter or repeal any by-law whether adopted by them or otherwise.

C. The directors in their discretion may submit any contract or act for approval or ratification at any annual meeting of the stockholders or at any special meeting of the stockholders called for the purpose of considering any such act or contract, and any contract or act that shall be approved or be ratified by the vote of the holders of a majority of the stock of the Corporation which is represented in person or by proxy at such meeting and entitled to vote thereat (provided that a lawful quorum of stockholders be there represented in person or by proxy), unless a higher vote is required by applicable law, shall be as valid and binding upon the Corporation and upon all the stockholders as though it had been approved or ratified by every stockholder of the Corporation, whether or not the contract or act would otherwise be open to legal attack because of directors' interests, or for any other reason.

D. In addition to the powers and authorities hereinbefore or by statute expressly conferred upon them, the directors are hereby empowered to exercise all such powers and do all such acts and things as may be exercised or done by the Corporation; subject, nevertheless, to the provisions of the statutes of the State of Delaware, of this Certificate of Incorporation, and to any by-laws from time to time made by the stockholders; provided, however, that no by-law so made shall invalidate any prior act of the directors which would have been valid if such by-law had not been made.

EIGHTH: A. A director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the DGCL, or (iv) for any transaction from which the director derived an improper personal benefit. If the DGCL is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the DGCL, as so amended. Any repeal or modification of this paragraph A by the stockholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation with respect to events occurring prior to the time of such repeal or modification.

B. The Corporation, to the full extent permitted by Section 145 of the DGCL, as amended from time to time, shall indemnify all persons whom it may indemnify pursuant thereto. Expenses (including attorneys' fees) incurred by an officer or director in defending any civil, criminal, administrative, or investigative action, suit or proceeding for which such officer or director may be entitled to indemnification hereunder shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director or officer to repay such amount if it shall ultimately be determined that he or she is not entitled to be indemnified by the Corporation as authorized hereby.

NINTH: Whenever a compromise or arrangement is proposed between this Corporation and its creditors or any class of them and/or between this Corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of this Corporation or of any creditor or stockholder thereof or on the application of any receiver or receivers appointed for this Corporation under Section 291 of Title 8 of the Delaware Code or on the application of trustees in dissolution or of any receiver or receivers appointed for this Corporation under Section 279 of Title 8 of the Delaware Code order a meeting of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this Corporation, as the case may be, to be summoned in such manner as the said court directs. If a majority in number representing three-fourths in value of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this Corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of this Corporation as a consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the court to which the said application has been made, be binding on all the creditors or class of creditors, and/or on all the stockholders or class of stockholders, of this Corporation, as the case may be, and also on this Corporation.

TENTH: A. Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for any stockholder (including a beneficial owner) to bring (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee of the Corporation to the Corporation or the Corporation's stockholders, (iii) any action asserting a claim against the Corporation, its directors, officers or employees arising pursuant to any provision of the DGCL or this Amended and Restated Certificate or the By-Laws, or (iv) any action asserting a claim against the Corporation, its directors, officers or employees governed by the internal affairs doctrine and, if brought outside of Delaware, the stockholder bringing the suit will be deemed to have consented to service of process on such stockholder's counsel. Notwithstanding the foregoing, the Court of Chancery of the State of Delaware shall not be the sole and exclusive forum for any of the following actions: (A) as to which the Court of Chancery in the State of Delaware determines that there is an indispensable party not subject to the jurisdiction of the Court of Chancery (and the indispensable party does not consent to the personal jurisdiction of the Court of Chancery within ten days following such determination), (B) which is vested in the exclusive jurisdiction of a court or forum other than the Court of Chancery, (C) for which the Court of Chancery does not have subject matter jurisdiction, or (D) any action arising under the Securities Act of 1933, as amended. Furthermore, notwithstanding the foregoing, the provisions of this Section A will not apply to suits brought to enforce any liability or duty created by the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction.

B. If any action the subject matter of which is within the scope of Section A immediately above is filed in a court other than a court located within the State of Delaware (a "Foreign Action") in the name of any stockholder, such stockholder shall be deemed to have consented to (i) the personal jurisdiction of the state and federal courts located within the State of Delaware in connection with any action brought in any such court to enforce paragraph A immediately above (an "Enforcement Action") and (ii) having service of process made upon such stockholder in any such Enforcement Action by service upon such stockholder's counsel in the Foreign Action as agent for such stockholder.

C. If any provision or provisions of this Article TENTH shall be held to be invalid, illegal or unenforceable as applied to any person or entity or circumstance for any reason whatsoever, then, to the fullest extent permitted by law, the validity, legality and enforceability of such provisions in any other circumstance and of the remaining provisions of this Article TENTH (including, without limitation, each portion of any sentence of this Article TENTH containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) and the application of such provision to other persons or entities and circumstances shall not in any way be affected or impaired thereby. Any person or entity purchasing or otherwise acquiring any interest in shares of capital stock of the Corporation shall be deemed to have notice of and consented to the provisions of this Article TENTH.

ELEVENTH: The doctrine of corporate opportunity, or any other analogous doctrine, shall not apply with respect to the Corporation or any of its officers or directors in circumstances where the application of any such doctrine would conflict with any fiduciary duties or contractual obligations they may have as of the date of this Certificate of Incorporation or in the future. In addition to the foregoing, the doctrine of corporate opportunity shall not apply to any other corporate opportunity with respect to any of the directors or officers of the Corporation unless such corporate opportunity is offered to such person solely in his or her capacity as a director or officer of the Corporation and such opportunity is one the Corporation is legally and contractually permitted to undertake and would otherwise be reasonable for the Corporation to pursue.

[Signature Page Follows]

IN WITNESS WHEREOF, the Corporation has caused this Amended and Restated Certificate of Incorporation to be signed as of the 19th day of January, 2021.

/s/ David D. Sgro
David D. Sgro
Chief Executive Officer

[Signature Page to Amended and Restated Charter]

Exhibit 4.1

NUMBER **UNITS**

U-_____

SEE REVERSE FOR CERTAIN DEFINITIONS

LEGATO MERGER CORP.

CUSIP 52473X205

UNITS CONSISTING OF ONE SHARE OF COMMON STOCK AND ONE WARRANT

THIS CERTIFIES THAT

_____

is the owner of

_____ Units.

Each Unit ("Unit") consists of one (1) share of common stock, par value $0.0001 per share ("Common Stock"), of Legato Merger Corp., a Delaware corporation (the "Company"), and one warrant of the Company ("Warrant"). Each Warrant entitles the holder to purchase one share of Common Stock for $11.50 per share (subject to adjustment). Each Warrant will become exercisable on the later of (i) 30 days after the Company's completion of an initial merger, capital stock exchange, asset acquisition, or other similar business combination with one or more businesses or entities (a "Business Combination") and (ii) 12 months from the closing of the Company's initial public offering ("IPO"), and will expire unless exercised before 5:00 p.m., New York City Time, on the fifth anniversary of the completion of an initial Business Combination, or earlier upon redemption or liquidation. The Common Stock and Warrant(s) comprising the Unit(s) represented by this certificate are not transferable separately until ninety (90) days following the IPO, unless EarlyBirdCapital, Inc. informs the Company of its decision to allow earlier separate trading, except that in no event will the Common Stock and Warrants be separately tradeable until the Company has filed an audited balance sheet reflecting the Company's receipt of the gross proceeds of its initial public offering and issued a press release announcing when such separate trading will begin. The terms of the Warrants are governed by a Warrant Agreement, dated as of , 2020, between the Company and Continental Stock Transfer & Trust Company, as Warrant Agent, and are subject to the terms and provisions contained therein, all of which terms and provisions the holder of this certificate consents to by acceptance hereof. Copies of the Warrant Agreement are on file at the office of the Warrant Agent at 1 State Street, 30th Floor, New York, New York 10004, and are available to any Warrant holder on written request and without cost.

This certificate is not valid unless countersigned by the Transfer Agent and Registrar of the Company. Witness the facsimile seal of the Company and the facsimile signatures of its duly authorized officers.

By

_____ _____

Chairman Secretary

Legato Merger Corp.

The Company will furnish without charge to each unitholder who so requests, a statement of the powers, designations, preferences, and relative, participating, optional, or other special rights of each class of stock or series thereof of the Company and the qualifications, limitations, or restrictions of such preferences and/or rights.

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM -	as tenants in common	UNIF GIFT MIN ACT -	_____ Custodian _____
TEN ENT -	as tenants by the entireties		(Cust) (Minor)
JT TEN -	as joint tenants with right of survivorship and not as tenants in common		under Uniform Gifts to Minors Act _____ (State)

Additional abbreviations may also be used though not in the above list.

For value received, _____ *hereby sell, assign, and transfer unto*

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING ZIP CODE, OF ASSIGNEE)

_____ *Units represented by the within Certificate, and do hereby irrevocably constitute and appoint*

_____*Attorney to transfer the said Units on the books of the within named Company with full power of substitution in the premises.*

Dated _____

_____

Notice: The signature to this assignment must correspond with the name as written upon the face of the certificate in every particular, without alteration or enlargement or any change whatever.

Signature(s) Guaranteed:

_____

THE SIGNATURE(S) SHOULD BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION (BANKS, STOCKBROKERS, SAVINGS AND LOAN ASSOCIATIONS AND CREDIT UNIONS WITH MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE MEDALLION PROGRAM, PURSUANT TO S.E.C. RULE 17Ad-15).

The holder(s) of this certificate shall be entitled to receive a pro-rata portion of the funds from the trust account with respect to the common stock underlying this certificate only in the event that (i) the Corporation is forced to liquidate because it does not consummate an initial business combination within the period of time set forth in the Corporation's Amended and Restated Certificate of Incorporation, as the same may be amended from time to time (the "Charter") or (ii) if the holder seeks to convert his shares upon consummation of, or sell his shares in a tender offer in connection with, an initial business combination or in connection with certain

amendments to the Charter. In no other circumstances shall the holder(s) have any right or interest of any kind in or to the trust account.

Exhibit 4.2

NUMBER **SHARES**

_____C

LEGATO MERGER CORP.

INCORPORATED UNDER THE LAWS OF DELAWARE

COMMON STOCK

SEE REVERSE FOR CERTAIN DEFINITIONS

This Certifies that **CUSIP 52473X106**

is *the owner of*

FULLY PAID AND NON-ASSESSABLE SHARES OF COMMON STOCK OF THE PAR VALUE OF $0.0001 EACH OF

LEGATO MERGER CORP.

transferable on the books of the Company in person or by duly authorized attorney upon surrender of this certificate properly endorsed.

The Company will be forced to redeem all of its shares of Common Stock and liquidate if it is unable to complete an initial business combination within the time period set forth in the Company's Amended and Restated Certificate of Incorporation, as in effect at such time.

This certificate is not valid unless countersigned by the Transfer Agent and registered by the Registrar. Witness the facsimile seal of the Company and the facsimile signatures of its duly authorized officers.

Dated:

CHAIRMAN SECRETARY

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM -	as tenants in common	UNIF GIFT MIN ACT - _____Custodian _____
TEN ENT -	as tenants by the entireties	(Cust) (Minor)
JT TEN -	as joint tenants with right of survivorship and not as tenants in common	under Uniform Gifts to Minors Act _____ (State)

Additional abbreviations may also be used though not in the above list.

Legato Merger Corp.

The Company will furnish without charge to each stockholder who so requests the powers, designations, preferences, and relative, participating, optional, or other special rights of each class of stock or series thereof of the Company and the qualifications, limitations, or restrictions of such preferences, and/or rights. This certificate and the shares represented thereby are issued and shall be held subject to all the provisions of the Certificate of Incorporation and all amendments thereto and resolutions of the Board of Directors (copies of which may be obtained from the secretary of the Company), to all of which the holder of this certificate by acceptance hereof assents.

For value received, _____ hereby sell, assign and transfer unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING ZIP CODE, OF ASSIGNEE)

_____ *shares of the capital stock represented by the within Certificate, and do hereby irrevocably constitute and appoint*

_____ *Attorney to transfer the said stock on the books of the within named Company with full power of substitution in the premises.*

Dated _____

Notice: The signature to this assignment must correspond with the name as written upon the face of the certificate in every particular, without alteration or enlargement or any change whatever.

Signature(s) Guaranteed:

THE SIGNATURE(S) SHOULD BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION (BANKS, STOCKBROKERS, SAVINGS AND LOAN ASSOCIATIONS AND CREDIT UNIONS WITH MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE MEDALLION PROGRAM, PURSUANT TO S.E.C. RULE 17Ad-15).

The holder(s) of this certificate shall be entitled to receive a pro-rata portion of the funds from the trust account only in the event that (i) the Corporation is forced to liquidate because it does not consummate an initial business combination within the period of time set forth in the Corporation's Amended and Restated Certificate of Incorporation, as the same may be amended from time to time (the "Charter") or (ii) if the holder seeks to convert his shares upon consummation of, or sell his shares in a tender offer in connection with,

an initial business combination or in connection with certain amendments to the Charter. In no other circumstances shall the holder(s) have any right or interest of any kind in or to the trust account.

Exhibit 4.3

NUMBER _____-

(SEE REVERSE SIDE FOR LEGEND)
THIS WARRANT WILL BE VOID IF NOT EXERCISED PRIOR TO THE EXPIRATION DATE (DEFINED BELOW)

WARRANTS

LEGATO MERGER CORP.

CUSIP 52473X114

WARRANT

THIS CERTIFIES THAT, for value received

is the registered holder of a warrant or warrants (the "Warrant(s)") of Legato Merger Corp., a Delaware corporation (the "Company"), expiring at 5:00 p.m., New York City time, on the five year anniversary of the Company's completion of an initial merger, share exchange, asset acquisition, stock purchase, recapitalization, reorganization or other similar business combination with one or more businesses or entities (a "Business Combination") or earlier upon redemption or liquidation of the trust account established in connection with the Company's initial public offering, to purchase one fully paid and non-assessable share of common stock, par value $0.0001 per share ("Shares"), of the Company for each Warrant evidenced by this Warrant Certificate. The Warrant entitles the holder thereof to purchase from the Company, commencing on the later of (a) , 2021 and (b) thirty days after the Company's completion of an initial Business Combination, such number of Shares of the Company at the Warrant Price (as defined below), upon surrender of this Warrant Certificate and payment of the Warrant Price at the office or agency of Continental Stock Transfer & Trust Company (the "Warrant Agent"), but only subject to the conditions set forth herein and in the Warrant Agreement between the Company and Continental Stock Transfer & Trust Company. In no event will the Company be required to net cash settle any warrant exercise. The term "Warrant Price" as used in this Warrant Certificate refers to the price per Share at which Shares may be purchased at the time the Warrant is exercised. The initial Warrant Price per Share is equal to $11.50 per share. The Warrant Agreement provides that upon the occurrence of certain events the Warrant Price, the Redemption Trigger Price (defined below) and the number of Shares purchasable hereunder, set forth on the face hereof, may, subject to certain conditions, be adjusted.

No fraction of a Share will be issued upon any exercise of a Warrant. If the holder of a Warrant would be entitled to receive a fraction of a Share upon any exercise of a Warrant, the Company shall, upon such exercise, round up to the nearest whole number the number of Shares to be issued to such holder.

Upon any exercise of the Warrant for less than the total number of Shares provided for herein, there shall be issued to the registered holder hereof or the registered holder's assignee a new Warrant Certificate covering the number of Shares for which the Warrant has not been exercised.

Warrant Certificates, when surrendered at the office or agency of the Warrant Agent by the registered holder in person or by attorney duly authorized in writing, may be exchanged in the manner and subject to the limitations provided in the Warrant Agreement, but without payment of any service charge, for another Warrant Certificate or Warrant Certificates of like tenor and evidencing in the aggregate a like number of Warrants.

Upon due presentment for registration of transfer of this Warrant Certificate at the office of the Warrant Agent, a new Warrant Certificate or Warrant Certificates of like tenor and evidencing in the aggregate a like number of Warrants shall be issued to the transferee in exchange for this Warrant Certificate, subject to the limitations provided in the Warrant Agreement, without charge except for any applicable tax or other governmental charge imposed in connection therewith.

The Company and the Warrant Agent may deem and treat the registered holder as the absolute owner of this Warrant Certificate (notwithstanding any notation of ownership or other writing hereon made by anyone), for the purpose of any exercise hereof, of any distribution to the registered holder, and for all other purposes, and neither the Company nor the Warrant Agent shall be affected by any notice to the contrary.

Neither the Warrants nor this Warrant Certificate entitles the registered holder to any of the rights of a stockholder of the Company.

The Company reserves the right to call the Warrant at any time prior to its exercise with a notice of call in writing to the holders of record of the Warrant, giving at least 30 days' notice of such call, at any time while the Warrant is exercisable, if the reported closing price of the Shares has been at least $18.00 per share (as adjusted for stock splits, stock dividends, reorganizations,

recapitalizations and the like) (the "Redemption Trigger Price") for any 20 trading days within a 30 trading day period (the "30-day trading period") commencing after the Warrants become exercisable and ending on the third business day prior to the date on which notice of such call is given and if, and only if, there is a current registration statement in effect with respect to the Shares underlying the Warrants commencing five business days prior to the 30-day trading period and continuing each day thereafter until the date of redemption. The call price of the Warrants is to be $0.01 per Warrant. Any Warrant either not exercised or tendered back to the Company by the end of the date specified in the notice of call shall be canceled on the books of the Company and have no further value except for the $0.01 call price.

By _____ _____

President Secretary

SUBSCRIPTION FORM

To Be Executed by the Registered Holder in Order to Exercise Warrants

The undersigned Registered Holder irrevocably elects to exercise _____ Warrants represented by this Warrant Certificate, and to purchase the Common Stock issuable upon the exercise of such Warrants, and requests that Certificates for such shares shall be issued in the name of

(PLEASE TYPE OR PRINT NAME AND ADDRESS)

(SOCIAL SECURITY OR TAX IDENTIFICATION NUMBER)

and be delivered to _____
(PLEASE PRINT OR TYPE NAME AND ADDRESS)

and, if such number of Warrants shall not be all the Warrants evidenced by this Warrant Certificate, that a new Warrant Certificate for the balance of such Warrants be registered in the name of, and delivered to, the Registered Holder at the address stated below:

Dated: _____

(SIGNATURE)

(ADDRESS)

(TAX IDENTIFICATION NUMBER)

ASSIGNMENT

To Be Executed by the Registered Holder in Order to Assign Warrants

For Value Received, _____ hereby sell, assign, and transfer unto

(PLEASE TYPE OR PRINT NAME AND ADDRESS)

(SOCIAL SECURITY OR TAX IDENTIFICATION NUMBER)

and be delivered to _____
(PLEASE PRINT OR TYPE NAME AND ADDRESS)

_____ of the Warrants represented by this Warrant Certificate, and hereby irrevocably constitute and appoint _____ Attorney to transfer this Warrant Certificate on the books of the Company, with full power of substitution in the premises.

Dated: _____

(SIGNATURE)

THE SIGNATURE TO THE ASSIGNMENT OF THE SUBSCRIPTION FORM MUST CORRESPOND TO THE NAME WRITTEN UPON THE FACE OF THIS WARRANT CERTIFICATE IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATSOEVER, AND MUST BE GUARANTEED BY A COMMERCIAL BANK OR TRUST COMPANY OR A MEMBER FIRM OF THE NYSE AMERICAN, NASDAQ, NEW YORK STOCK EXCHANGE, PACIFIC STOCK EXCHANGE, OR CHICAGO STOCK EXCHANGE.

Exhibit 4.4

WARRANT AGREEMENT

This WARRANT AGREEMENT (this "Agreement") is made as of January 19, 2021 between Legato Merger Corp., a Delaware corporation, with offices at 777 Third Avenue, 37th Floor, New York, New York 10017 ("Company"), and Continental Stock Transfer & Trust Company, a New York limited purpose trust company, with offices at 1 State Street, New York, New York 10004, as warrant agent ("Warrant Agent").

WHEREAS, the Company is engaged in a public offering ("Public Offering") of up to 23,575,000 units (including 3,075,000 units which may be issued pursuant to an overallotment option granted to the underwriters of the Public Offering), each unit ("Unit") comprised of one share of common stock of the Company, par value $.0001 per share ("Common Stock"), and one warrant, where each warrant entitles the holder to purchase one share of Common Stock at a price of $11.50 per share, subject to adjustment as described herein, and, in connection therewith, will issue and deliver up to 23,575,000 warrants (the "Public Warrants") to the public investors in connection with the Public Offering; and

WHEREAS, the Company has filed with the Securities and Exchange Commission (the "SEC") registration statements on Form S-l, File No. 333-248997, and Form S-1MEF, File No. 333-252240 (together, the "Registration Statement"), and a prospectus ("Prospectus"), for the registration, under the Securities Act of 1933, as amended ("Act") of, among other securities, the Public Warrants; and

WHEREAS, the Company has received binding commitments ("Subscription Agreements") from the Company's initial stockholders and EarlyBirdCapital, Inc. ("Representative") to purchase up to an aggregate of 604,000 Units (including 61,501 Units which may be purchased if the underwriters' overallotment option is exercised in full) which will include up to an aggregate of 604,000 Warrants (the "Private Warrants") upon consummation of the Public Offering; and

WHEREAS, the Company may issue up to an additional 150,000 Units which will include up to an additional 150,000 Warrants ("Working Capital Warrants") in satisfaction of certain working capital loans made by the Company's officers, directors, initial stockholders and their affiliates; and

WHEREAS, following consummation of the Public Offering, the Company may issue additional warrants ("Post IPO Warrants" and together with the Public Warrants, Private Warrants, and Working Capital Warrants, the "Warrants") in connection with, or following the consummation by the Company of, a Business Combination (defined below); and

WHEREAS, the Company desires the Warrant Agent to act on behalf of the Company, and the Warrant Agent is willing to so act, in connection with the issuance, registration, transfer, exchange, redemption, and exercise of the Warrants; and

WHEREAS, the Company desires to provide for the form and provisions of the Warrants, the terms upon which they shall be issued and exercised, and the respective rights, limitation of rights, and immunities of the Company, the Warrant Agent, and the holders of the Warrants; and

WHEREAS, all acts and things have been done and performed which are necessary to make the Warrants, when executed on behalf of the Company and countersigned by or on behalf of the Warrant Agent, as provided herein, the valid, binding, and legal obligations of the Company, and to authorize the execution and delivery of this Agreement.

NOW, THEREFORE, in consideration of the mutual agreements herein contained, the parties hereto agree as follows:

1. Appointment of Warrant Agent. The Company hereby appoints the Warrant Agent to act as agent for the Company for the Warrants, and the Warrant Agent hereby accepts such appointment and agrees to perform the same in accordance with the terms and conditions set forth in this Agreement.

2. Warrants.

2.1. Form of Warrant. Each Warrant shall be issued in registered form only, shall be in substantially the form of Exhibit A hereto, the provisions of which are incorporated herein and shall be signed by, or bear the facsimile signature of, the Chairman of the Board of Directors or Chief Executive Officer and Treasurer, Secretary or Assistant Secretary of the Company and shall bear a facsimile of the Company's seal. In the event the person whose facsimile signature has been placed upon any Warrant shall have ceased to serve in the capacity in which such person signed the Warrant before such Warrant is issued, it may be issued with the same effect as if he or she had not ceased to be such at the date of issuance.

2.2. Uncertificated Warrants. Notwithstanding anything herein to the contrary, any Warrant, or portion thereof, may be issued as part of, and be represented by, a Unit, and any Warrant may be issued in uncertificated or book-entry form through the Warrant Agent and/or the facilities of The Depository Trust Company (the "Depositary") or other book-entry depositary system, in each case as determined by the Board of Directors of the Company or by an authorized committee thereof. Any Warrant so issued shall have the same terms, force and effect as a certificated Warrant that has been duly countersigned by the Warrant Agent in accordance with the terms of this Agreement.

2.3. Effect of Countersignature. Except with respect to uncertificated Warrants as described above, unless and until countersigned by the Warrant Agent pursuant to this Agreement, a Warrant shall be invalid and of no effect and may not be exercised by the holder thereof.

2.4. Registration.

2.4.1. Warrant Register. The Warrant Agent shall maintain books ("Warrant Register") for the registration of original issuance and the registration of transfer of the Warrants. Upon the initial issuance of the Warrants, the Warrant Agent shall issue and register the Warrants in the names of the respective holders thereof in such denominations and otherwise in accordance with instructions delivered to the Warrant Agent by the Company.

2.4.2. Registered Holder. Prior to due presentment for registration of transfer of any Warrant, the Company and the Warrant Agent may deem and treat the person in whose name such Warrant is then registered in the Warrant Register ("registered holder") as the absolute owner of such Warrant and of each Warrant represented thereby (notwithstanding any notation of ownership or other writing on the Warrant certificate made by anyone other than the Company or the Warrant Agent), for the purpose of any exercise thereof, and for all other purposes, and neither the Company nor the Warrant Agent shall be affected by any notice to the contrary.

2.5. Detachability of Warrants. The securities comprising the Units will not be separately transferable until the 90th day following the date of the Prospectus or, if such 90th day is not on a day, other than a Saturday, Sunday or federal holiday, on which banks in New York City are generally open for normal business (a "Business Day"), then on the immediately succeeding Business Day following such date, or earlier with the consent of the Representative of the underwriters of the Public Offering, but in no event will the Representative allow separate trading of the securities comprising the Units until (i) the Company has filed a Current Report on Form 8-K which includes an audited balance sheet reflecting the receipt by the Company of the gross proceeds of the Public Offering including the proceeds received by the Company from the exercise of the underwriters' over-allotment option in the Public Offering, if the over-allotment option is exercised prior to the filing of the Form 8-K, and (ii) the Company has issued a press release and has filed a Current Report on Form 8-K announcing when such separate trading shall begin (the "Detachment Date").

2.6. Private Warrant and Working Capital Warrant Attributes. The Private Warrants and Working Capital Warrants will be identical to the Public Warrants, except that such Warrants (i) will not be redeemable by the Company and (ii) may be exercised for cash or on a cashless basis at the holder's option, in either case as long as they are held by the initial purchasers or their Permitted Transferees (as defined in Section 5.6 hereof). Once a Private Warrant or Working Capital Warrant is transferred to a holder other than an Permitted Transferee, it shall be treated as a Public Warrant hereunder for all purposes.

2.7. Post IPO Warrants. The Post IPO Warrants, when and if issued, shall have the same terms and be in the same form as the Public Warrants except as may be agreed upon by the Company.

3. Terms and Exercise of Warrants

3.1. Warrant Price. Each Warrant shall, when countersigned by the Warrant Agent (except with respect to uncertificated Warrants), entitle the registered holder thereof, subject to the provisions of such Warrant and of this Agreement, to purchase from the Company the number of shares of Common Stock stated therein, at the price of $11.50 per share, subject to the adjustments provided in Section 4 hereof and in the last sentence of this Section 3.1. The term "Warrant Price" as used in this Agreement refers to the price per share at which the shares of Common Stock may be purchased at the time a Warrant is exercised. The Company in its sole discretion may lower the Warrant Price at any time prior to the Expiration Date (as defined below) for a period of not less than twenty (20) Business Days; provided, that the Company shall provide at least twenty (20) days' prior written notice of such reduction to registered holders of the Warrants and, provided further that any such reduction shall be applied consistently to all of the Warrants.

3.2. Duration of Warrants. A Warrant may be exercised only during the period commencing on the later of (a) the date that is thirty (30) days after the consummation by the Company of a merger, share exchange, asset acquisition, stock purchase, recapitalization, reorganization or other similar business combination with one or more businesses or entities ("Business Combination") (as described more fully in the Registration Statement) and (b) 12 months from the date of the closing of the Public Offering, and terminating at 5:00 p.m., New York City time on the earlier to occur of (i) the date that is five (5) years after the date on which the Company consummates a Business Combination, (ii) other than with respect to the Private Warrants and Working Capital Warrants then held by the initial purchasers or their respective Permitted Transferees with respect to a redemption pursuant to Section 6.1 (an "Inapplicable Redemption"), at 5:00 p.m., New York City time on the Redemption Date as provided in Section 6.2 of this Agreement and (iii) the liquidation of the Trust Account (defined below) ("Expiration Date"). The period of time from the date the Warrants will first become exercisable until the expiration of the Warrants shall hereafter be referred to as the "Exercise Period." Except with respect to the right to receive the Redemption Price (as set forth in Section 6 hereunder), as applicable, each outstanding Warrant (other than a Private Warrant or Working Capital Warrant in the event of an Inapplicable Redemption) not exercised on or before the Expiration Date shall become void, and all rights thereunder and all rights in respect thereof under this Agreement shall cease at the close of business on the Expiration Date. The Company in its sole discretion may extend the duration of the Warrants by delaying the Expiration Date; provided, however, that the Company will provide at least twenty (20) days' prior written notice of any such extension to registered holders and, provided further that any such extension shall be applied consistently to all of the Warrants.

3.3. Exercise of Warrants.

3.3.1. Payment. Subject to the provisions of the Warrant and this Agreement, a Warrant, when countersigned by the Warrant Agent, may be exercised by the registered holder thereof by surrendering it, at the office of the Warrant Agent, or at the office of its successor as Warrant Agent, in the Borough of Manhattan, City and State of New York, with the subscription form, as set forth in the Warrant, duly executed, and by paying in full the Warrant Price for each share of Common Stock as to which the Warrant is exercised and any and all applicable taxes due in connection with the exercise of the Warrant, as follows:

(a) in lawful money of the United States, by good certified check or good bank draft payable to the order of the Warrant Agent or wire transfer;

(b) in the event of a redemption pursuant to Section 6.1 hereof in which the Company's management has elected to force all holders of Warrants to exercise such Warrants on a "cashless basis," by surrendering the Warrants for that number of shares of Common Stock equal to the quotient obtained by dividing (x) the product of the number of shares of Common Stock underlying the Warrants, multiplied by the difference between the Warrant Price and the "Fair Market Value" (defined below) by (y) the Fair Market Value. Solely for purposes of this Section 3.3.1(b), the "Fair Market Value" shall mean the average reported closing price of the Common Stock for the five (5) trading days ending on the third trading day prior to the date on which the notice of redemption is sent to holders of the Warrants pursuant to Section 6 hereof; or

(c) with respect to any Private Warrants or Working Capital Warrants, so long as such Private Warrants or Working Capital Warrants are held by the initial purchasers or their permitted transferees, by surrendering such Private Warrants or Working Capital Warrants for that number of shares of Common Stock equal to the quotient obtained by dividing (x) the product of the number of shares of Common Stock underlying the Warrants, multiplied by the difference between the exercise price of the Warrants and the "Fair Market Value" by (y) the Fair Market Value; provided, however, that no cashless exercise shall be permitted unless the Fair Market Value is equal to or higher than the exercise price. Solely for purposes of this Section 3.3.1(c), the "Fair Market Value" shall mean the average reported closing price of the Common Stock for the five (5) trading days ending on the third trading day prior to the date of exercise; or

(d) in the event the registration statement required by Section 7.4 hereof is not effective and current within ninety (90) days after the closing of a Business Combination, by surrendering such Warrants for that number of shares of Common Stock equal to the quotient obtained by dividing (x) the product of the number of shares of Common Stock underlying the Warrants, multiplied by the difference between the exercise price of the Warrants and the "Fair Market Value" by (y) the Fair Market Value; provided, however, that no cashless exercise shall be permitted unless the Fair Market Value is equal to or higher than the exercise price. Solely for purposes of this Section 3.3.1(d), the "Fair Market Value" shall mean the average reported last sale price of the Common Stock for the five (5) trading days ending on the trading day prior to the date of exercise.

3.3.2. Issuance of Shares of Common Stock. As soon as practicable after the exercise of any Warrant and the clearance of the funds in payment of the Warrant Price (if any), the Company shall issue to the registered holder of such Warrant a certificate or certificates, or book entry position, for the number of shares of Common Stock to which he, she or it is entitled, registered in such name or names as may be directed by him, her or it, and if such Warrant shall not have been exercised in full, a new countersigned Warrant, or book entry position, for the number of shares as to which such Warrant shall not have been exercised. Notwithstanding the foregoing, in no event will the Company be required to net cash settle the Warrant exercise. No Warrant shall be exercisable for cash and the Company shall not be obligated to issue shares of Common Stock upon exercise of a Warrant unless the Common Stock issuable upon such Warrant exercise has been registered, qualified or deemed to be exempt under the securities laws of the state of residence of the registered holder of the Warrants. In the event that the condition in the immediately preceding sentence is not satisfied with respect to a Warrant, the holder of such Warrant shall not be entitled to exercise such Warrant for cash and such Warrant may have no value and expire worthless, in which case the purchaser of a Unit containing such Public Warrants shall have paid the full purchase price for the Unit solely for the shares of Common Stock underlying such Unit. Warrants may not be exercised by, or securities issued to, any registered holder in any state in which such exercise or issuance would be unlawful.

3.3.3. Valid Issuance. All shares of Common Stock issued upon the proper exercise of a Warrant in conformity with this Agreement shall be validly issued, fully paid and nonassessable.

3.3.4. Date of Issuance. Each person in whose name any book entry position or certificate for shares of Common Stock is issued shall for all purposes be deemed to have become the holder of record of such shares on the date on which the Warrant, or book entry position representing such Warrant, was surrendered and payment of the Warrant Price was made, irrespective of the date of delivery of such certificate, except that, if the date of such surrender and payment is a date when the share transfer books of the Company or book entry system of the Warrant Agent are closed, such person shall be deemed to have become the holder of such shares at the close of business on the next succeeding date on which the share transfer books or book entry system are open.

3.3.5 Maximum Percentage. A holder of a Warrant may notify the Company in writing in the event it elects to be subject to the provisions contained in this subsection 3.3.5; however, no holder of a Warrant shall be subject to this subsection 3.3.5 unless he, she or it makes such election. If the election is made by a holder, the Warrant Agent shall not cause the exercise of the holder's Warrant, and such holder shall not have the right to exercise such Warrant, to the extent that after giving effect to such exercise, such person (together with such person's affiliates), to the Warrant Agent's actual knowledge, would beneficially own in excess of 9.8% (the "Maximum Percentage") of the shares of Common Stock outstanding immediately after giving effect to such exercise. For purposes of the foregoing sentence, the aggregate number of shares of Common Stock beneficially owned by such person and its affiliates shall include the number of shares of Common Stock issuable upon exercise of the Warrant with respect to which the determination of such sentence is being made, but shall exclude shares of Common Stock that would be issuable upon (x) exercise of the remaining, unexercised portion of the Warrant beneficially owned by such person and its affiliates and (y) exercise or conversion of the unexercised or unconverted portion of any other securities of the Company beneficially owned by such person and its affiliates (including, without limitation, any convertible notes or convertible preferred stock or warrants) subject to a limitation on conversion or exercise analogous to the limitation contained herein. Except as set forth in the preceding sentence, for purposes of this paragraph, beneficial ownership shall be calculated in accordance with Section 13(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). For purposes of the Warrant, in determining the number of outstanding shares of Common Stock, the holder may rely on the number of outstanding shares of Common Stock as reflected in (1) the Company's most recent annual report on Form 10-K, quarterly report on Form 10-Q, current report on Form 8-K or other public filing with the SEC as the case may be, (2) a more recent public announcement by the Company or (3) any other notice by the Company or the Warrant Agent setting forth the number of shares of Common Stock outstanding. For any reason at any time, upon the written request of the holder of the Warrant, the Company shall, within two (2) Business Days, confirm orally and in writing to such holder the number of shares of Common Stock then outstanding. In any case, the number of outstanding shares of Common Stock shall be determined after giving effect to the conversion or exercise of equity securities of the Company by the holder and its affiliates since the date as of which such number of outstanding shares of Common Stock was reported. By written notice to the Company, the holder of a Warrant may from time to time increase or decrease the Maximum Percentage applicable to such holder to any other percentage specified in such notice; provided, however, that any such increase shall not be effective until the sixty-first (61st) day after such notice is delivered to the Company.

4. Adjustments.

4.1. Stock Dividends; Split Ups. If after the date hereof, and subject to the provisions of Section 4.6 below, the number of outstanding shares of Common Stock is increased by a stock dividend payable in shares of Common Stock, or by a split up of shares of Common Stock, or other similar event, then, on the effective date of such stock dividend, split up or similar event, the number of shares of Common Stock issuable on exercise of each Warrant shall be increased in proportion to such increase in outstanding shares of Common Stock.

4.2. Aggregation of Shares. If after the date hereof, the number of outstanding shares of Common Stock is decreased by a consolidation, combination, reverse stock split or reclassification of shares of Common Stock or other similar event, then, on the effective date of such consolidation, combination, reverse stock split, reclassification or similar event, the number of shares of Common Stock issuable on exercise of each Warrant shall be decreased in proportion to such decrease in outstanding shares of Common Stock.

4.3 Extraordinary Dividends. If the Company, at any time while the Warrants are outstanding and unexpired, shall pay a dividend or make a distribution in cash, securities or other assets to the holders of the shares of Common Stock or other shares of the Company's capital stock into which the Warrants are convertible (an "Extraordinary Dividend"), then the Warrant Price shall be decreased, effective immediately after the effective date of such Extraordinary Dividend, by the amount of cash and the fair market value (as determined by the Company's Board of Directors, in good faith) of any securities or other assets paid in respect of such Extraordinary Dividend divided by all outstanding shares of the Company at such time (whether or not any shareholders waived their right to receive such dividend); provided, however, that none of the following shall be deemed an Extraordinary Dividend for purposes of this provision: (a) any adjustment described in subsection 4.1 above, (b) any cash dividends or cash distributions which, when combined on a per share basis with all other cash dividends and cash distributions paid on the Common Stock during the 365-day period ending on the date of declaration of such dividend or distribution does not exceed $0.50 per share (taking into account all of the outstanding shares of the Company at such time (whether or not any shareholders waived their right to receive such dividend) and as adjusted to appropriately reflect any of the events referred to in other subsections of this Section 4 and excluding cash dividends or cash distributions that resulted in an adjustment to the Warrant Price or to the number of shares of Common Stock issuable on exercise of each Warrant) but only with respect to the amount of the aggregate cash dividends or cash distributions equal to or less than $0.50, (c) any payment to satisfy the conversion rights of the holders of the shares of Common Stock in connection with a proposed initial Business Combination or certain amendments to the Company's Amended and Restated Certificate of Incorporation (as described in the Registration Statement) or (d) any payment in connection with the Company's liquidation and the distribution of its assets upon its

failure to consummate a Business Combination. Solely for purposes of illustration, if the Company, at a time while the Warrants are outstanding and unexpired, pays a cash dividend of $0.35 and previously paid an aggregate of $0.40 of cash dividends and cash distributions on the Common Stock during the 365-day period ending on the date of declaration of such $0.35 dividend, then the Warrant Price will be decreased, effectively immediately after the effective date of such $0.35 dividend, by $0.25 (the absolute value of the difference between $0.75 (the aggregate amount of all cash dividends and cash distributions paid or made in such 365-day period, including such $0.35 dividend) and $0.50 (the greater of (x) $0.50 and (y) the aggregate amount of all cash dividends and cash distributions paid or made in such 365-day period prior to such $0.35 dividend)). Furthermore, solely for the purposes of illustration, if following the closing of the Company's initial Business Combination, there were 100,000,000 shares outstanding and the Company paid a $1.00 dividend to 17,500,000 of such shares (with the remaining 82,500,000 shares waiving their right to receive such dividend), then no adjustment to the Warrant Price would occur as a $17.5 million dividend payment divided by 100,000,000 shares equals $0,175 per share which is less than $0.50 per share.

4.4 Adjustments in Exercise Price. Whenever the number of shares of Common Stock purchasable upon the exercise of the Warrants is adjusted, as provided in Sections 4.1 and 4.2 above, the Warrant Price shall be adjusted (to the nearest cent) by multiplying such Warrant Price immediately prior to such adjustment by a fraction (x) the numerator of which shall be the number of shares of Common Stock purchasable upon the exercise of the Warrants immediately prior to such adjustment, and (y) the denominator of which shall be the number of shares of Common Stock so purchasable immediately thereafter.

4.5. Replacement of Securities upon Reorganization, etc. In case of any reclassification or reorganization of the outstanding shares of Common Stock (other than a change covered by Section 4.1, 4.2 or 4.3 hereof or that solely affects the par value of the Common Stock), or in the case of any merger or consolidation of the Company with or into another corporation (other than a consolidation or merger in which the Company is the continuing corporation and that does not result in any reclassification or reorganization of the outstanding Common Stock), or in the case of any sale or conveyance to another corporation or entity of the assets or other property of the Company as an entirety or substantially as an entirety in connection with which the Company is dissolved, the Warrant holders shall thereafter have the right to purchase and receive, upon the basis and upon the terms and conditions specified in the Warrants and in lieu of the shares of Common Stock of the Company immediately theretofore purchasable and receivable upon the exercise of the rights represented thereby, the kind and amount of shares of stock or other securities or property (including cash) receivable upon such reclassification, reorganization, merger or consolidation, or upon a dissolution following any such sale or transfer, that the Warrant holder would have received if such Warrant holder had exercised his, her or its Warrant(s) immediately prior to such event. If any reclassification also results in a change in the Common Stock covered by Section 4.1, 4.2 or 4.3, then such adjustment shall be made pursuant to Sections 4.1, 4.2, 4.3, 4.4 and this Section 4.5. The provisions of this Section 4.5 shall similarly apply to successive reclassifications, reorganizations, mergers or consolidations, sales or other transfers. In no event will the Warrant Price be reduced to less than the par value per share issuable upon exercise of the Warrant.

4.6. Issuance in connection with a Business Combination. If, in connection with a Business Combination, the Company (a) issues additional shares of Common Stock or equity-linked securities at an issue price or effective issue price of less than $9.20 per share (with such issue price or effective issue price as determined by the Company's Board of Directors, in good faith, and in the case of any such issuance to the Company's initial stockholders, or their affiliates, without taking into account any founders' shares held by them prior to such issuance), (b) the aggregate gross proceeds from such issuances represent more than 60% of the total equity proceeds, and interest thereon, available for the funding of the Business Combination on the date of the consummation of such Business Combination (net of redemptions), and (c) the Fair Market Value (as defined below) is below $9.20 per share, the exercise price of the warrants will be adjusted (to the nearest cent) to be equal to 115% of the greater of (i) the Fair Market Value or (ii) the price at which the Company issues the Common Stock or equity-linked securities. Solely for purposes of this Section 4.6, the "Fair Market Value" shall mean the volume weighted average reported trading price of the Common Stock for the twenty (20) trading days starting on the trading day prior to the date of the consummation of the Business Combination.

4.7 Notices of Changes in Warrant. Upon every adjustment of the Warrant Price or the number of shares issuable upon exercise of a Warrant, the Company shall give written notice thereof to the Warrant Agent, which notice shall state the Warrant Price resulting from such adjustment and the increase or decrease, if any, in the number of shares purchasable at such price upon the exercise of a Warrant, setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based. Upon the occurrence of any event specified in Sections 4.1, 4.2, 4.3, 4.4, 4.5, or 4.6, then, in any such event, the Company shall give written notice to each Warrant holder, at the last address set forth for such holder in the Warrant Register, of the record date or the effective date of the event. Failure to give such notice, or any defect therein, shall not affect the legality or validity of such event.

4.8. No Fractional Warrants or Shares. Notwithstanding any provision contained in this Agreement to the contrary, the Company shall not issue fractional shares upon exercise of Warrants. If, by reason of any adjustment made pursuant to this Section 4, the holder of any Warrant would be entitled, upon the exercise of such Warrant, to receive a fractional interest in a share, the Company shall, upon such exercise, round up to the nearest whole number of shares of Common Stock to be issued to the Warrant holder.

4.9. Form of Warrant. The form of Warrant need not be changed because of any adjustment pursuant to this Section 4, and Warrants issued after such adjustment may state the same Warrant Price and the same number of shares as is stated in the Warrants initially issued pursuant to this Agreement. However, the Company may at any time in its sole discretion make any change in the form of Warrant that the Company may deem appropriate and that does not affect the substance thereof, and any Warrant thereafter issued or countersigned, whether in exchange or substitution for an outstanding Warrant or otherwise, may be in the form as so changed.

4.10 Other Events. In case any event shall occur affecting the Company as to which none of the provisions of preceding subsections of this Section 4 are strictly applicable, but which would require an adjustment to the terms of the Warrants in order to (i) avoid an adverse impact on the Warrants and (ii) effectuate the intent and purpose of this Section 4, then, in each such case, the Company shall appoint a firm of independent public accountants, investment banking or other appraisal firm of recognized national standing, which shall give its opinion as to whether or not any adjustment to the rights represented by the Warrants is necessary to effectuate the intent and purpose of this Section 4 and, if they determine that an adjustment is necessary, the terms of such adjustment. The Company shall adjust the terms of the Warrants in a manner that is consistent with any adjustment recommended in such opinion.

5. Transfer and Exchange of Warrants.

5.1. Registration of Transfer. The Warrant Agent shall register the transfer, from time to time, of any outstanding Warrant upon the Warrant Register, upon surrender of such Warrant for transfer, properly endorsed with signatures, in the case of certificated Warrants, properly guaranteed and accompanied by appropriate instructions for transfer. Upon any such transfer, a new Warrant representing an equal aggregate number of Warrants shall be issued and the old Warrant shall be cancelled by the Warrant Agent. In the case of certificated Warrants, the Warrants so cancelled shall be delivered by the Warrant Agent to the Company from time to time upon request.

5.2. Procedure for Surrender of Warrants. Warrants may be surrendered to the Warrant Agent, either in certificated form or in book entry position, together with a written request for exchange or transfer, and thereupon the Warrant Agent shall issue in exchange therefor one or more new Warrants, or book entry positions, as requested by the registered holder of the Warrants so surrendered, representing an equal aggregate number of Warrants; provided, however, that in the event that a Warrant surrendered for transfer bears a restrictive legend, the Warrant Agent shall not cancel such Warrant and issue new Warrants in exchange therefor until the Warrant Agent has received an opinion of counsel for the Company stating that such transfer may be made and indicating whether the new Warrants must also bear a restrictive legend.

5.3. Fractional Warrants. The Warrant Agent shall not be required to effect any registration of transfer or exchange which will result in the issuance of a warrant certificate or book-entry position for a fraction of a Warrant.

5.4. Service Charges. No service charge shall be made for any exchange or registration of transfer of Warrants.

5.5. Warrant Execution and Countersignature. The Warrant Agent is hereby authorized to countersign and to deliver, in accordance with the terms of this Agreement, the Warrants required to be issued pursuant to the provisions of this Section 5, and the Company, whenever required by the Warrant Agent, will supply the Warrant Agent with Warrants duly executed on behalf of the Company for such purpose.

5.6. Private Warrants and Working Capital Warrants. The Warrant Agent shall not register any transfer of Private Warrants or Working Capital Warrants until after the consummation by the Company of an initial Business Combination, except for transfers (i) among the initial stockholders or to the initial stockholders' or the Company's officers, directors, consultants or their affiliates, (ii) to a holder's stockholders or members upon the holder's liquidation, in each case if the holder is an entity, (iii) by bona fide gift to a member of the holder's immediate family or to a trust, the beneficiary of which is the holder or a member of the holder's immediate family, in each case for estate planning purposes, (iv) by virtue of the laws of descent and distribution upon death, (v) pursuant to a qualified domestic relations order, (vi) to the Company for no value for cancellation in connection with the consummation of a Business Combination, (vii) in connection with the consummation of a Business Combination by private sales at prices no greater than the price at which the Private Warrants were originally purchased, (viii) in the event of the Company's liquidation prior to its consummation of an initial Business Combination or (ix) in the event that, subsequent to the consummation of an initial Business Combination, the Company completes a liquidation, merger, share exchange or other similar transaction which results in all of the Company's stockholders having the right to exchange their Common Stock for cash, securities or other property, in each case (except for clauses (vi), (viii) or (ix) or with the Company's prior written consent) on the condition that prior to such registration for transfer, the Warrant Agent shall be presented with written documentation pursuant to which each transferee or the trustee or legal guardian for such transferee agrees to be bound by the transfer restrictions contained in this section and any other applicable agreement the transferor is bound by.

5.7. Transfers prior to Detachment. Prior to the Detachment Date, the Public Warrants may be transferred or exchanged only together with the Unit in which such Warrant is included, and only for the purpose of effecting, or in conjunction with, a transfer or exchange of such Unit. Furthermore, each transfer of a Unit on the register relating to such Units shall operate also to transfer the Warrants included in such Unit. Notwithstanding the foregoing, the provisions of this Section 5.7 shall have no effect on any transfer of Warrants on or after the Detachment Date.

6. Redemption.

6.1. Redemption. Subject to Section 6.4 hereof, not less than all of the outstanding Warrants may be redeemed, at the option of the Company, at any time during the Exercise Period, at the office of the Warrant Agent, upon the notice referred to in Section 6.2, at the price of $0.01 per Warrant ("Redemption Price"), provided that the closing price of the Common Stock equals or exceeds $18.00 per share (subject to adjustment in accordance with Section 4 hereof), on each of twenty (20) trading days within any thirty (30) trading day period commencing after the Warrants become exercisable and ending on the third trading day prior to the date on which notice of redemption is given and provided that there is an effective registration statement covering the shares of Common Stock issuable upon exercise of the Warrants, and a current prospectus relating thereto, available throughout the 30-day redemption or the Company has elected to require the exercise of the Warrants on a "cashless basis" pursuant to subsection 3.3.1(b); provided, however, that if and when the Public Warrants become redeemable by the Company, the Company may not exercise such redemption right if the issuance of shares of Common Stock upon exercise of the Public Warrants is not exempt from registration or qualification under applicable state blue sky laws or the Company is unable to effect such registration or qualification.

6.2. Date Fixed for, and Notice of, Redemption. In the event the Company shall elect to redeem all of the Warrants that are subject to redemption, the Company shall fix a date for the redemption (the "Redemption Date"). Notice of redemption shall be mailed by first class mail, postage prepaid, by the Company not less than thirty (30) days prior to the Redemption Date to the registered holders of the Warrants to be redeemed at their last addresses as they shall appear on the registration books. Any notice mailed in the manner herein provided shall be conclusively presumed to have been duly given whether or not the registered holder received such notice.

6.3. Exercise After Notice of Redemption. The Public Warrants may be exercised, for cash (or on a "cashless basis" in accordance with Section 3 of this Agreement) at any time after notice of redemption shall have been given by the Company pursuant to Section 6.2 hereof and prior to the Redemption Date. In the event the Company determines to require all holders of Public Warrants to exercise their Warrants on a "cashless basis" pursuant to Section 3.3.1(b), the notice of redemption will contain the information necessary to calculate the number of shares of Common Stock to be received upon exercise of the Warrants, including the "Fair Market Value" in such case. On and after the Redemption Date, the record holder of the Warrants shall have no further rights except to receive, upon surrender of the Warrants, the Redemption Price.

6.4 Exclusion of Certain Warrants. The Company agrees that the redemption rights provided in this Section 6 shall not apply to (i) the Private Warrants and Working Capital Warrants if at the time of the redemption such Private Warrants or Working Capital Warrants continue to be held by the initial purchasers or their Permitted Transferees or (ii) Post IPO Warrants if such warrants provide that they are non-redeemable by the Company. However, with respect to the Private Warrants or Working Capital Warrants, once such Private Warrants or Working Capital Warrants are transferred (other than to Permitted Transferees under Section 5.6), the Company may redeem the Private Warrants and Working Capital Warrants in the same manner as the Public Warrants.

7. Other Provisions Relating to Rights of Holders of Warrants.

7.1. No Rights as Stockholder. A Warrant does not entitle the registered holder thereof to any of the rights of a stockholder of the Company, including, without limitation, the right to receive dividends, or other distributions, exercise any preemptive rights to vote or to consent or to receive notice as stockholders in respect of the meetings of stockholders or the election of directors of the Company or any other matter.

7.2. Lost, Stolen, Mutilated, or Destroyed Warrants. If any Warrant is lost, stolen, mutilated, or destroyed, the Company and the Warrant Agent may on such terms as to indemnity or otherwise as they may in their discretion impose (which shall, in the case of a mutilated Warrant, include the surrender thereof), issue a new Warrant of like denomination, tenor, and date as the Warrant so lost, stolen, mutilated, or destroyed. Any such new Warrant shall constitute a substitute contractual obligation of the Company, whether or not the allegedly lost, stolen, mutilated, or destroyed Warrant shall be at any time enforceable by anyone.

7.3. Reservation of Shares of Common Stock. The Company shall at all times reserve and keep available a number of its authorized but unissued shares of Common Stock that will be sufficient to permit the exercise in full of all outstanding Warrants issued pursuant to this Agreement.

7.4. Registration of Shares of Common Stock. The Company agrees that as soon as practicable after the closing of its initial Business Combination, it shall use its best efforts to file with the Securities and Exchange Commission a registration statement for the registration, under the Act, of the shares of Common Stock issuable upon exercise of the Warrants, and it shall use its best efforts to take such action as is necessary to register or qualify for sale, in those states in which the Warrants were initially offered by the Company and in those states where holders of Warrants then reside, the shares of Common Stock issuable upon exercise of the Warrants, to the extent an exemption is not available. The Company will use its best efforts to cause the same to become effective and to maintain the effectiveness of such registration statement, and a current prospectus relating thereto, until the expiration of the Warrants in accordance with the provisions of this Agreement. If any such registration statement has not been declared effective by the 90th day following the closing of the Business Combination, holders of the Warrants shall have the right, during the period beginning on the 91st day after the closing of the Business Combination and ending upon such registration statement being declared effective by the Securities and Exchange Commission, and during any other period when the Company shall fail to have maintained an effective registration statement covering the shares of Common Stock issuable upon exercise of the Warrants, to exercise such Warrants on a "cashless basis" as determined in accordance with Section 3.3.1 (d). The Company shall provide the Warrant Agent with an opinion of counsel for the Company (which shall be an outside law firm with securities law experience) stating that (i) the exercise of the Warrants on a cashless basis in accordance with this Section 7.4 is not required to be registered under the Act and (ii) the shares of Common Stock issued upon such exercise will be freely tradable under U.S. federal securities laws by anyone who is not an affiliate (as such term is defined in Rule 144 under the Act) of the Company and, accordingly, will not be required to bear a restrictive legend. For the avoidance of any doubt, unless and until all of the Warrants have been exercised on a cashless basis, the Company shall continue to be obligated to comply with its registration obligations under the first three sentences of this Section 7.4. The provisions of this Section 7.4 may not be modified, amended, or deleted without the prior written consent of the Representative.

8. Concerning the Warrant Agent and Other Matters.

8.1. Payment of Taxes. The Company will from time to time promptly pay all taxes and charges that may be imposed upon the Company or the Warrant Agent in respect of the issuance or delivery of shares of Common Stock upon the exercise of Warrants, but the Company shall not be obligated to pay any transfer taxes in respect of the Warrants or such shares of Common Stock.

8.2. Resignation, Consolidation, or Merger of Warrant Agent.

8.2.1. Appointment of Successor Warrant Agent. The Warrant Agent, or any successor to it hereafter appointed, may resign its duties and be discharged from all further duties and liabilities hereunder after giving sixty (60) days' notice in writing to the Company. If the office of the Warrant Agent becomes vacant by resignation or incapacity to act or otherwise, the Company shall appoint in writing a successor Warrant Agent in place of the Warrant Agent. If the Company shall fail to make such appointment within a period of thirty (30) days after it has been notified in writing of such resignation or incapacity by the Warrant Agent or by the holder of the Warrant (who shall, with such notice, submit his Warrant for inspection by the Company), then the holder of any Warrant may apply to the Supreme Court of the State of New York for the County of New York for the appointment of a successor Warrant Agent at the Company's cost. Any successor Warrant Agent, whether appointed by the Company or by such court, shall be a corporation organized and existing under the laws of the State of New York, in good standing and having its principal office in the Borough of Manhattan, City and State of New York, and authorized under such laws to exercise corporate trust powers and subject to supervision or examination by federal or state authority. After appointment, any successor Warrant Agent shall be vested with all the authority, powers, rights, immunities, duties, and obligations of its predecessor Warrant Agent with like effect as if originally named as Warrant Agent hereunder, without any further act or deed; but if for any reason it becomes necessary or appropriate, the predecessor Warrant Agent shall execute and deliver, at the expense of the Company, an instrument transferring to such successor Warrant Agent all the authority, powers, and rights of such predecessor Warrant Agent hereunder; and upon request of any successor Warrant Agent the Company shall make, execute, acknowledge, and deliver any and all instruments in writing for more fully and effectually vesting in and confirming to such successor Warrant Agent all such authority, powers, rights, immunities, duties, and obligations.

8.2.2. Notice of Successor Warrant Agent. In the event a successor Warrant Agent shall be appointed, the Company shall give notice thereof to the predecessor Warrant Agent and the transfer agent for the shares of Common Stock not later than the effective date of any such appointment.

8.2.3. Merger or Consolidation of Warrant Agent. Any corporation into which the Warrant Agent may be merged or with which it may be consolidated or any corporation resulting from any merger or consolidation to which the Warrant Agent shall be a party shall be the successor Warrant Agent under this Agreement without any further act.

8.3. Fees and Expenses of Warrant Agent.

8.3.1. Remuneration. The Company agrees to pay the Warrant Agent reasonable remuneration for its services as such Warrant Agent hereunder and will reimburse the Warrant Agent upon demand for all expenditures that the Warrant Agent may reasonably incur in the execution of its duties hereunder.

8.3.2. Further Assurances. The Company agrees to perform, execute, acknowledge, and deliver or cause to be performed, executed, acknowledged, and delivered all such further and other acts, instruments, and assurances as may reasonably be required by the Warrant Agent for the carrying out or performing of the provisions of this Agreement.

8.4. Liability of Warrant Agent.

8.4.1. Reliance on Company Statement. Whenever in the performance of its duties under this Agreement, the Warrant Agent shall deem it necessary or desirable that any fact or matter be proved or established by the Company prior to taking or suffering any action hereunder, such fact or matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a statement signed by the Chief Executive Officer or Chairman of the Board of Directors of the Company and delivered to the Warrant Agent. The Warrant Agent may rely upon such statement for any action taken or suffered in good faith by it pursuant to the provisions of this Agreement.

8.4.2. Indemnity. The Warrant Agent shall be liable hereunder only for its own fraud, gross negligence, willful misconduct or bad faith. The Company agrees to indemnify the Warrant Agent and save it harmless against any and all liabilities, including judgments, costs and reasonable counsel fees, for anything done or omitted by the Warrant Agent in the execution of this Agreement except as a result of the Warrant Agent's fraud, gross negligence, willful misconduct, or bad faith.

8.4.3. Exclusions. The Warrant Agent shall have no responsibility with respect to the validity of this Agreement or with respect to the validity or execution of any Warrant (except its countersignature thereof; nor shall it be responsible for any breach by the Company of any covenant or condition contained in this Agreement or in any Warrant; nor shall it be responsible to make any adjustments required under the provisions of Section 4 hereof or responsible for the manner, method, or amount of any such adjustment or the ascertaining of the existence of facts that would require any such adjustment; nor shall it by any act hereunder be deemed to make any representation or warranty as to the authorization or reservation of any shares of Common Stock to be issued pursuant to this Agreement or any Warrant or as to whether any shares of Common Stock will, when issued, be valid and fully paid and nonassessable.

8.5. Acceptance of Agency. The Warrant Agent hereby accepts the agency established by this Agreement and agrees to perform the same upon the terms and conditions herein set forth and among other things, shall account promptly to the Company with respect to Warrants exercised and concurrently account for, and pay to the Company, all monies received by the Warrant Agent for the purchase of shares of Common Stock through the exercise of Warrants.

9. Miscellaneous Provisions.

9.1. Successors. All the covenants and provisions of this Agreement by or for the benefit of the Company or the Warrant Agent shall bind and inure to the benefit of their respective successors and assigns.

9.2. Notices. Any notice, statement or demand authorized by this Agreement to be given or made by the Warrant Agent or by the holder of any Warrant to or on the Company shall be sufficiently given when so delivered if by hand or overnight delivery or if sent by certified mail or private courier service within five (5) days after deposit of such notice, postage prepaid, addressed (until another address is filed in writing by the Company with the Warrant Agent), as follows:

Legato Merger Corp.
777 Third Avenue, 37th Floor
New York, New York 10017
Attn: David D. Sgro

Any notice, statement or demand authorized by this Agreement to be given or made by the holder of any Warrant or by the Company to or on the Warrant Agent shall be sufficiently given when so delivered if by hand or overnight delivery or if sent by certified mail or private courier service within five days after deposit of such notice, postage prepaid, addressed (until another address is filed in writing by the Warrant Agent with the Company), as follows:

Continental Stock Transfer & Trust Company
1 State Street
New York, New York 10004
Attn: Compliance Department

with a copy in each case to:

Graubard Miller
The Chrysler Building
405 Lexington Avenue, 11th Floor
New York, New York 10174
Attn: David Alan Miller, Esq.

and

Loeb & Loeb LLP
345 Park Avenue
New York, NY 10154
Attn: Mitchell S. Nussbaum, Esq.

and

EarlyBirdCapital, Inc.
366 Madison Avenue, 8th Floor
New York, NY 10017
Attn: Steven Levine

9.3. Applicable Law. The validity, interpretation, and performance of this Agreement and of the Warrants shall be governed in all respects by the laws of the State of New York, without giving effect to conflicts of law principles that would result in the application of the substantive laws of another jurisdiction. The Company hereby agrees that any action, proceeding or claim against it arising out of or relating in any way to this Agreement shall be brought and enforced in the courts of the State of New York or the United States District Court for the Southern District of New York. The Company hereby waives any objection that such courts represent an inconvenient forum. Notwithstanding the foregoing, the provisions of this paragraph are not binding on holders of Warrants and will not apply to suits brought to enforce any liability or duty created by the Act or the Exchange Act or any other claim for which the federal district courts of the United States of America are the sole and exclusive forum. Any process or summons to be served upon the Company may be served by transmitting a copy thereof by registered or certified mail, return receipt requested, postage prepaid, addressed to it at the address set forth in Section 9.2 hereof. Such mailing shall be deemed personal service and shall be legal and binding upon the Company in any action, proceeding or claim.

9.4. Persons Having Rights under this Agreement. Nothing in this Agreement expressed and nothing that may be implied from any of the provisions hereof is intended, or shall be construed, to confer upon, or give to, any person or corporation other than the parties hereto and the registered holders of the Warrants and, for the purposes of Sections 7.4, 9.4 and 9.8 hereof, the Representative, any right, remedy, or claim under or by reason of this Warrant Agreement or of any covenant, condition, stipulation, promise, or agreement hereof. The Representative shall be deemed to be a third-party beneficiary of this Agreement with respect to Sections 7.4, 9.4 and 9.8 hereof. All covenants, conditions, stipulations, promises, and agreements contained in this Warrant Agreement shall be for the sole and exclusive benefit of the parties hereto (and the Representative with respect to the Sections 7.4, 9.4 and 9.8 hereof) and their successors and assigns and of the registered holders of the Warrants.

9.5. Examination of the Warrant Agreement. A copy of this Agreement shall be available at all reasonable times at the office of the Warrant Agent in the Borough of Manhattan, City and State of New York, for inspection by the registered holder of any Warrant. The Warrant Agent may require any such holder to submit his Warrant for inspection by it.

9.6. Counterparts. This Agreement may be executed in any number of original or facsimile counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

9.7. Effect of Headings. The section headings herein are for convenience only and are not part of this Agreement and shall not affect the interpretation thereof.

9.8 Amendments. This Agreement may be amended by the parties hereto without the consent of any registered holder for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained herein or adding or changing any other provisions with respect to matters or questions arising under this Agreement as the parties may deem necessary or desirable and that the parties deem shall not adversely affect the interest of the registered holders. All other modifications or amendments, including any amendment to increase the Warrant Price or shorten the Exercise Period, shall require the written consent or vote of the registered holders of (i) a majority of the then outstanding Public Warrants if such modification or amendment is being undertaken prior to, or in connection with, the consummation of a Business Combination or (ii) a majority of the then outstanding Warrants if such modification or amendment is being undertaken after the consummation of a Business Combination. Notwithstanding the foregoing, the Company may lower the Warrant Price or extend the duration of the Exercise Period pursuant to Sections 3.1 and 3.2, respectively, without the consent of the registered holders. The provisions of this Section 9.8 may not be modified, amended or deleted without the prior written consent of the Representative.

9.9 Trust Account Waiver. The Warrant Agent acknowledges and agrees that it shall not make any claims or proceed against the trust account established by the Company in connection with the Public Offering (as more fully described in the Registration Statement) ("Trust Account"), including by way of set-off, and shall not be entitled to any funds in the Trust Account under any circumstance. In the event that the Warrant Agent has a claim against the Company under this Agreement, the Warrant Agent will pursue such claim solely against the Company and not against the property held in the Trust Account.

9.10 Severability. This Agreement shall be deemed severable, and the invalidity or unenforceability of any term or provision hereof shall not affect the validity or enforceability of this Agreement or of any other term or provision hereof. Furthermore, in lieu of any such invalid or unenforceable term or provision, the parties hereto intend that there shall be added as a part of this Agreement a provision as similar in terms to such invalid or unenforceable provision as may be possible and be valid and enforceable.

[signature page follows]

IN WITNESS WHEREOF, this Agreement has been duly executed by the parties hereto as of the day and year first above written.

LEGATO MERGER CORP.

By: /s/ David D. Sgro
Name: David D. Sgro
Title: Chief Executive Officer

CONTINENTAL STOCK TRANSFER & TRUST COMPANY

By: /s/ Erika Young
Name: Erika Young
Title: Vice President

[Signature Page to Warrant Agreement]

Exhibit 10.1

INVESTMENT MANAGEMENT TRUST AGREEMENT

This Investment Management Trust Agreement (this "Agreement") is made as of January 19, 2021 by and between Legato Merger Corp. (the "Company") and Continental Stock Transfer & Trust Company ("Trustee").

WHEREAS, the Company's registration statements on Form S-l, File No. 333-248997 and on Form S-1MEF, File No. 333-252240 (together, the "Registration Statement") and prospectus ("Prospectus") for the initial public offering of the Company's units ("Units"), each of which consists of one share of the Company's common stock, par value $0.0001 per share ("Common Stock") and one warrant, each warrant entitling the holder to purchase one share of Common Stock (such initial public offering referred to as the "IPO") has been declared effective as of the date hereof ("Effective Date") by the Securities and Exchange Commission (capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Registration Statement);

WHEREAS, the Company has entered into an Underwriting Agreement ("Underwriting Agreement") with EarlyBirdCapital, Inc. as representative (the "Representative") of the several underwriters ("Underwriters") named therein;

WHEREAS, as described in the Prospectus, and in accordance with the Company's Amended and Restated Certificate of Incorporation, $205,000,000 ($235,750,000 if the over-allotment option is exercised in full) of the proceeds from the IPO and a simultaneous private placement of Units will be delivered to the Trustee to be deposited and held in a segregated trust account located at all times in the United States (the "Trust Account") for the benefit of the Company and the holders of the Common Stock included in the Units issued in the IPO as hereinafter provided (the proceeds to be delivered to the Trustee and any interest subsequently earned thereon will be referred to herein as the "Property": the stockholders for whose benefit the Trustee shall hold the Property will be referred to as the "Public Stockholders," and the Public Stockholders and the Company will be referred to together as the "Beneficiaries"): and

WHEREAS, the Company and the Trustee desire to enter into this Agreement to set forth the terms and conditions pursuant to which the Trustee shall hold the Property.

IT IS AGREED:

1. Agreements and Covenants of Trustee. The Trustee hereby agrees and covenants to:

(a) Hold the Property in trust for the Beneficiaries in accordance with the terms of this Agreement in the Trust Account established by the Trustee initially at J.P. Morgan Chase Bank, N.A. (or at another U.S. chartered commercial bank with consolidated assets of $100 billion or more) in the United States, maintained by Trustee, and at a brokerage institution selected by the Company that is reasonably satisfactory to the Trustee;

(b) Manage, supervise, and administer the Trust Account subject to the terms and conditions set forth herein;

(c) In a timely manner, upon the written instruction of the Company, either (i) invest and reinvest the Property in United States "government securities" within the meaning of Section 2(a)(16) of the Investment Company Act of 1940, as amended (the "Investment Company Act"), having a maturity of 185 days or less, and/or in any open ended investment company registered under the Investment Company Act that holds itself out as a money market fund selected by the Company meeting the conditions of paragraph (d) of Rule 2a-7 promulgated under the Investment Company Act, which invest only in direct U.S. government treasury obligations or (ii) cause the brokerage institution referred to in 1(a) above to place the Property in a cash demand deposit account; it being understood that unless the Company instructs the Trustee to do either of the foregoing, the Trust Account will earn no interest while account funds are uninvested awaiting the Company's instructions hereunder and the Trustee may earn bank credits or other consideration during such periods;

(d) Collect and receive, when due, all principal and income arising from the Property, which shall become part of the "Property," as such term is used herein;

(e) Promptly notify the Company and the Representative of all communications received by it with respect to any Property requiring action by the Company;

(f) Supply any necessary information or documents as may be requested by the Company in connection with the Company's preparation of its tax returns;

(g) Participate in any plan or proceeding for protecting or enforcing any right or interest arising from the Property if, as, and when instructed by the Company to do so;

(h) Render to the Company monthly written statements of the activities of and amounts in the Trust Account reflecting all receipts and disbursements of the Trust Account;

(i) Commence liquidation of the Trust Account only after and promptly after receipt of, and only in accordance with, the terms of a letter from the Company ("Termination Letter"), in a form substantially similar to that attached hereto as either Exhibit A or Exhibit B, as applicable, signed on behalf of the Company and, in the case of a Termination Letter in a form substantially similar to that attached hereto as Exhibit A, jointly acknowledged and agreed to by the Representative, and complete the liquidation of the Trust Account and distribute the Property in the Trust Account only as directed in the Termination Letter and the other documents referred to therein; provided, however, that in the event that a Termination Letter has not been received by the Trustee within the period of time (the "Last Date") provided in the Company's Amended and Restated Certificate of Incorporation, as the same may be amended from time to time (the "Certificate of Incorporation"), the Trust Account shall be liquidated in accordance with the procedures set forth in the Termination Letter attached as Exhibit B hereto and distributed to the Public Stockholders as of the Last Date; and

(j) Upon receipt of a letter (an "Amendment Notification Letter") in the form of Exhibit C, signed on behalf of the Company by an authorized officer, distribute to Public Stockholders who exercised their redemption rights in connection with an amendment to Article Sixth of the Company's Amended and Restated Certificate of Incorporation (an "Amendment") an amount equal to the pro rata share of the Property relating to the Common Stock for which such Public Stockholders have exercised redemption rights in connection with such Amendment.

2. Limited Distributions of Income from Trust Account.

(a) Upon written request from the Company, which may be given from time to time in a form substantially similar to that attached hereto as Exhibit D, the Trustee shall distribute to the Company the amount of interest income earned on the Trust Account requested by the Company to cover any income or other tax obligation owed by the Company or liquidation expenses not to exceed $100,000.

(b) The limited distributions referred to in Section 2(a). above shall be made only from income collected on the Property. Except as provided in Section 2(a). above, no other distributions from the Trust Account shall be permitted except in accordance with Sections l(i) or l(j) hereof.

3. Agreements and Covenants of the Company. The Company agrees and covenants to:

(a) Give all instructions to the Trustee hereunder in writing, signed by any one of the Company's authorized officers. The Trustee shall be entitled to rely on such written instructions from the Company confirmed by telephone instruction from a person which the Trustee in good faith believes to be given by any one of the persons authorized above to give written instructions;

(b) Subject to the provisions of Section 5 of this Agreement, hold the Trustee harmless and indemnify the Trustee from and against any and all expenses, including reasonable counsel fees and disbursements, or losses suffered by the Trustee in connection with any claim, potential claim, action, suit, or other proceeding brought against the Trustee which in any way arises out of or relates to this Agreement, the services of the Trustee hereunder, or the Property or any income earned from investment of the Property, except for expenses and losses resulting from the Trustee's gross negligence, fraud, or willful misconduct. Promptly after the receipt by the Trustee of notice of demand or claim or the commencement of any action, suit, or proceeding, pursuant to which the Trustee intends to seek indemnification under this paragraph, it shall notify the Company in writing of such claim (hereinafter referred to as the "Indemnified Claim"). The Trustee shall have the right to conduct and manage the defense against such Indemnified Claim, provided, that the Trustee shall obtain the consent of the Company with respect to the selection of counsel, which consent shall not be unreasonably withheld. The Trustee may not agree to settle any Indemnified Claim without the prior written consent of the Company, which consent shall not be unreasonably withheld. The Company may participate in such action with its own counsel;

(c) Pay the Trustee an initial acceptance fee, an annual fee, and a transaction processing fee for each disbursement made pursuant to Section 2(a) as set forth on Schedule A hereto, which fees shall be subject to modification by the parties from time to time. It is expressly understood that the Property shall not be used to pay such fees and further agreed that any fees owed to the Trustee shall be deducted by the Trustee pursuant to Section l(i) solely in connection with the consummation of a business combination (a "Business Combination"). The Company shall pay the Trustee the initial acceptance fee and first year's fee at the consummation of the IPO and thereafter on the anniversary of the Effective Date;

(d) In connection with any vote of the Company's stockholders regarding a Business Combination, provide to the Trustee an affidavit or certificate of a firm regularly engaged in the business of soliciting proxies and/or tabulating stockholder votes verifying the vote of the Company's stockholders regarding such Business Combination;

(e) In the event that the Company directs the Trustee to commence liquidation of the Trust Account pursuant to Section l(i), the Company agrees that it will not direct the Trustee to make any payments that are not specifically authorized by this Agreement;

(f) If the Company has an Amendment approved by its stockholders, provide the Trustee with an Amendment Notification Letter in the form of Exhibit C providing instructions for the distribution of funds to Public Stockholders who exercise their redemption rights in connection with such Amendment; and

(g) Provide the Representative with a copy of any Termination Letter, Amendment Notification Letter, and/or any other correspondence that it issues to the Trustee with respect to any proposed withdrawal from the Trust Account promptly after such issuance.

4. Limitations of Liability. The Trustee shall have no responsibility or liability to:

(a) Take any action with respect to the Property, other than as directed in Sections 1 and 2 hereof, and the Trustee shall have no liability to any party except for liability arising out of its own gross negligence, fraud or willful misconduct;

(b) Institute any proceeding for the collection of any principal and income arising from, or institute, appear in, or defend any proceeding of any kind with respect to, any of the Property unless and until it shall have received instructions from the Company given as provided herein to do so and the Company shall have advanced or guaranteed to it funds sufficient to pay any expenses incident thereto;

(c) Change the investment of any Property, other than in compliance with Section 1(c);

(d) Refund any depreciation in principal of any Property;

(e) Assume that the authority of any person designated by the Company to give instructions hereunder shall not be continuing unless provided otherwise in such designation, or unless the Company shall have delivered a written revocation of such authority to the Trustee;

(f) The other parties hereto or to anyone else for any action taken or omitted by it, or any action suffered by it to be taken or omitted, in good faith and in the exercise of its own best judgment (provided, that with respect to its duties under Sections l(i), l(j), and 2(a) above, the Trustee shall take no action except as set forth in written instructions from the Company, confirmed by telephone, in accordance with Section 3(a)), except for its gross negligence, fraud or willful misconduct. The Trustee may rely conclusively and shall be protected in acting upon any order, notice, demand, certificate, opinion, or advice of counsel (including counsel chosen by the Trustee), statement, instrument, report, or other paper or document (not only as to its due execution and the validity and effectiveness of its provisions, but also as to the truth and acceptability of any information therein contained) which is believed by the Trustee, in good faith, to be genuine and to be signed or presented by the proper person or persons (provided, that with respect to its duties under Sections l(i), l(j), and 2(a) above, the Trustee shall take no action except as set forth in written instructions from the Company, confirmed by telephone, in accordance with Section 3(a)) The Trustee shall not be bound by any notice or demand, or any waiver, modification, termination, or rescission of this Agreement or any of the terms hereof, unless evidenced by a written instrument delivered to the Trustee signed by the proper party or parties and, if the duties or rights of the Trustee are affected, unless it shall give its prior written consent thereto;

(g) Verify the correctness of the information set forth in the Registration Statement or to confirm or assure that any Business Combination consummated by the Company or any other action taken by it is as contemplated by the Registration Statement;

(h) File local, state, and/or federal tax returns or information returns with any taxing authority on behalf of the Trust Account or deliver payee statements to the Company documenting the taxes, if any, payable by the Company or the Trust Account, relating to the income earned on the Property;

(i) Pay any taxes on behalf of the Trust Account (it being expressly understood that the Property shall not be used to pay any such taxes and that such taxes, if any, shall be paid by the Company from funds not held in the Trust Account or released to it under Section 2(a) hereof);

(j) Imply obligations, perform duties, inquire, or otherwise be subject to the provisions of any agreement or document other than this agreement and that which is expressly set forth herein; or

(k) Verify calculations, qualify, or otherwise approve Company requests for distributions pursuant to Sections l(i), l(j), and 2(a) above.

5. Trust Account Waiver. The Trustee has no right of set-off or any right, title, interest or claim of any kind ("Claim") to, or to any monies in, the Trust Account, and hereby irrevocably waives any Claim to, or to any monies in, the Trust Account that it may have now or in the future. In the event the Trustee has any Claim against the Company under this Agreement, including, without limitation, under Section 3(b) or Section 3(c) hereof, the Trustee shall pursue such Claim solely against the Company and its assets outside the Trust Account and not against the Property or any monies in the Trust Account.

6. Termination. This Agreement shall terminate as follows:

(a) If the Trustee gives written notice to the Company that it desires to resign under this Agreement, the Company shall use its reasonable efforts to locate a successor trustee during which time the Trustee shall act in accordance with this Agreement. At such time that the Company notifies the Trustee that a successor trustee has been appointed by the Company and has agreed to become subject to the terms of this Agreement, the Trustee shall transfer the management of the Trust Account to the successor trustee, including but not limited to the transfer of copies of the reports and statements relating to the Trust Account, whereupon this Agreement shall terminate; provided, however, that, in the event that the Company does not locate a successor trustee within ninety (90) days of receipt of the resignation notice from the Trustee, the Trustee may submit an application to have the Property deposited with any court in the State of New York or with the United States District Court for the Southern District of New York and upon such deposit, the Trustee shall be immune from any liability whatsoever; or

(b) At such time that the Trustee has completed the liquidation of the Trust Account in accordance with the provisions of Section l(i) hereof, and distributed the Property in accordance with the provisions of the Termination Letter, this Agreement shall terminate except with respect to Section 3(b) and Section 5.

7. Miscellaneous.

(a) The Company and the Trustee will each restrict access to confidential information relating to funds being transferred to or from the Trust Account to authorized persons. Each party must notify the other party immediately if it has reason to believe

unauthorized persons may have obtained access to such information, or of any change in its authorized personnel. In executing funds transfers, the Trustee will rely upon all information supplied to it by the Company, including account names, account numbers, and all other identifying information relating to a beneficiary, beneficiary's bank, or intermediary bank. Except for any liability arising out of the Trustee's gross negligence, fraud, or willful misconduct, the Trustee shall not be liable for any loss, liability, or expense resulting from any error in the information supplied to it or funds transferred based on such information.

(b) This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of New York, without giving effect to conflicts of law principles that would result in the application of the substantive laws of another jurisdiction. The parties hereto consent to the jurisdiction and venue of any state or federal court located in the City of New York, Borough of Manhattan, for purposes of resolving any disputes hereunder. As to any claim, cross-claim, or counterclaim in any way relating to this Agreement, each party waives the right to trial by jury.

(c) This Agreement may be executed in several original or facsimile counterparts, each one of which shall constitute an original, and together shall constitute but one instrument.

(d) This Agreement contains the entire agreement and understanding of the parties hereto with respect to the subject matter hereof. Except for Sections l(i) and l(j) (which sections may not be modified, amended or deleted without the affirmative vote of a majority of the then outstanding shares of Common Stock of the Company; provided that no such amendment will affect any Public Stockholder who has otherwise indicated his, her or its election to redeem his, her or its shares of Common Stock in connection with a vote sought to amend this Agreement), this Agreement or any provision hereof may only be changed, amended or modified by a writing signed by each of the parties hereto; provided, however, that no such change, amendment or modification may be made without the prior written consent of the Representative. The Trustee may require from Company counsel an opinion as to the propriety of any proposed amendment.

(e) Any notice, consent or request to be given in connection with any of the terms or provisions of this Agreement shall be in writing and shall be sent by express mail or similar private courier service, by certified mail (return receipt requested), by hand delivery, by email or by facsimile transmission:

if to the Trustee, to:

Continental Stock Transfer & Trust Company
1 State Street, 30th floor
New York, New York 10004
Attn: Francis Wolf and Celeste Gonzalez
Email: fwolf@continentalstock.com
Email: cgonzalez@continentalstock.com

if to the Company, to:

Legato Merger Corp.
777 Third Avenue, 37th Floor
New York, New York 10017
Attn: David D. Sgro, Chief Executive Officer
E-mail: dsgro@crescendopartners.com

in either case with a copy (which copy shall not constitute notice) to:

EarlyBirdCapital, Inc.
366 Madison Avenue, 8th Floor
New York, NY 10017
Attn: Steven Levine
E-mail: slevine@ebccap.com

and

Graubard Miller
The Chrysler Building
405 Lexington Avenue
New York, New York 10174
Attn: David Alan Miller, Esq.
E-mail: dmiller@graubard.com

and

Loeb & Loeb LLP
345 Park Avenue
New York, NY 10154
Attn: Mitchell S. Nussbaum, Esq.
E-mail: mnussbaum@loeb.com

(f) This Agreement may not be assigned by the Trustee without the prior consent of the Company.

(g) Each of the Trustee and the Company hereby represents that it has the full right and power and has been duly authorized to enter into this Agreement and to perform its respective obligations as contemplated hereunder.

(h) Each of the Company and the Trustee hereby acknowledge that the Representative is a third party beneficiary of this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have duly executed this Investment Management Trust Agreement as of the date first written above.

CONTINENTAL STOCK TRANSFER & TRUST COMPANY, as Trustee

By: /s/ Francis Wolf
Name: Francis Wolf
Title: Vice President

LEGATO MERGER CORP.

By: /s/ David D. Sgro
Name: David D. Sgro
Title: Chief Executive Officer

SCHEDULE A

Fee Item	Time and method of payment	Amount
Initial acceptance fee	Initial closing of IPO by wire transfer	$ 3,500.00
Annual fee	First year, initial closing of IPO by wire transfer; thereafter on the anniversary of the effective date of the IPO by wire transfer or check	$ 10,000.00
Transaction processing fee for disbursements to Company under Section 2	Billed to Company following disbursement made to Company under Section 2	$ 250.00
Paying Agent services as required pursuant to section l(i) and l(j)	Billed to Company upon delivery of service pursuant to section l(i) and l(j)	Prevailing rates

EXHIBIT A

[Letterhead of Company]

[Insert date]

Continental Stock Transfer & Trust Company
1 State Street, 30th floor
New York, New York 10004
Attn: Francis Wolf and Celeste Gonzalez

Re: Trust Account Termination Letter

Dear Mr. Wolf and Ms. Gonzalez:

Pursuant to Section l(i) of the Investment Management Trust Agreement between Legato Merger Corp. ("Company") and Continental Stock Transfer & Trust Company, dated as of January 19, 2021 ("Trust Agreement"), this is to advise you that the Company has entered into an agreement with [ ] to consummate a business combination ("Business Combination") on or about **[insert date].** The Company shall notify you at least 72 hours in advance of the actual date of the consummation of the Business Combination ("Consummation Date"). Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Trust Agreement.

In accordance with the terms of the Trust Agreement, we hereby authorize you to liquidate the Trust Account investments and to transfer the proceeds to the Trust Account at J.P. Morgan Chase Bank, N.A. to the effect that, on the Consummation Date, all of the funds held in the Trust Account will be immediately available for transfer to the account or accounts that the Company shall direct on the Consummation Date. It is acknowledged and agreed that while the funds are on deposit in the trust account awaiting distribution, the Company will not earn any interest or dividends.

On the Consummation Date (i) counsel for the Company shall deliver to you written notification that the Business Combination has been consummated and (ii) the Company shall deliver to you (a) a certificate by the Chief Executive Officer, which verifies the vote of the Company's stockholders in connection with the Business Combination if a vote is held and (b) joint written instructions from the Company and the Representative with respect to the transfer of the funds held in the Trust Account ("Instruction Letter"). You are hereby directed and authorized to transfer the funds held in the Trust Account immediately upon your receipt of the counsel's letter and the Instruction Letter, in accordance with the terms of the Instruction Letter. In the event that certain deposits held in the Trust Account may not be liquidated by the Consummation Date without penalty, you will notify the Company of the same and the Company shall direct you as to whether such funds should remain in the Trust Account and distributed after the Consummation Date to the Company. Upon the distribution of all the funds in the Trust Account pursuant to the terms hereof, your obligations under the Trust Agreement shall be terminated.

In the event that the Business Combination is not consummated on the Consummation Date described in the notice thereof and we have not notified you on or before the original Consummation Date of a new Consummation Date, then upon receipt by the you of written instructions from the Company, the funds held in the Trust Account shall be reinvested as provided in the Trust Agreement on the business day immediately following the Consummation Date as set forth in the notice.

Very truly yours,

LEGATO MERGER CORP.

By: _____
Name: David D. Sgro
Title: Chief Executive Officer

AGREED TO AND ACKNOWLEDGED BY

EARLYBIRDCAPITAL, INC.

By: _____

11/14

EXHIBIT B

[Letterhead of Company]

[Insert date]

Continental Stock Transfer & Trust Company
1 State Street, 30th floor
New York, New York 10004
Attn: Francis Wolf and Celeste Gonzalez

Re: Trust Account Termination Letter

Dear Mr. Wolf and Ms. Gonzalez:

Pursuant to Section 1(i) of the Investment Management Trust Agreement between Legato Merger Corp. ("Company") and Continental Stock Transfer & Trust Company, dated as of January 19, 2021 ("Trust Agreement"), this is to advise you that the Company has been unable to effect a Business Combination with a Target Company within the time frame specified in the Company's Amended and Restated Certificate of Incorporation, as described in the Company's prospectus relating to its IPO. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Trust Agreement.

In accordance with the terms of the Trust Agreement, we hereby authorize you to liquidate the Trust Account and to transfer the total proceeds of the Trust to the Trust Operating Account at J.P. Morgan Chase Bank, N.A. to await distribution to the Public Stockholders. The Company has selected [, 20] as the effective date for the purpose of determining when the Public Stockholders will be entitled to receive their share of the liquidation proceeds. It is acknowledged that while the funds are on deposit in the Trust Operating Account awaiting distribution, the Company will not earn any interest or dividends. You agree to be the Paying Agent of record and in your separate capacity as Paying Agent, to distribute said funds directly to the Public Stockholders in accordance with the terms of the Trust Agreement and the Amended and Restated Certificate of Incorporation of the Company. Upon the distribution of all the funds in the Trust Account, your obligations under the Trust Agreement shall be terminated.

Very truly yours,

LEGATO MERGER CORP.

By: _____
Name: David D. Sgro
Title: Chief Executive Officer

cc: EarlyBirdCapital, Inc.

EXHIBIT C

[Letterhead of Company]

[Insert date]

Continental Stock Transfer & Trust Company
1 State Street, 30th floor
New York, New York 10004
Attn: Francis Wolf and Celeste Gonzalez

Re: Trust Account Amendment Notification Letter

Dear Mr. Wolf and Ms. Gonzalez:

Reference is made to the Investment Management Trust Agreement between Legato Merger Corp. ("Company") and Continental Stock Transfer & Trust Company, dated as of January 19, 2021 ("Trust Agreement"). Capitalized words used herein and not otherwise defined shall have the meanings ascribed to them in the Trust Agreement.

Pursuant to Section l(j) of the Trust Agreement, this is to advise you that the Company has sought an Amendment. Accordingly, in accordance with the terms of the Trust Agreement, we hereby authorize you to liquidate a sufficient portion of the Trust Account and to transfer $ of the total proceeds of the Trust to the Trust Account at [●] to await distribution to the Public Stockholders that have requested conversion of their shares in connection with such Amendment. The remaining funds shall be reinvested by you as previously instructed.

Very truly yours,

LEGATO MERGER CORP.

By: _____
Name: David D. Sgro
Title: Chief Executive Officer

cc: EarlyBirdCapital, Inc.

EXHIBIT D

[Letterhead of Company]

[Insert date]

Continental Stock Transfer & Trust Company
1 State Street, 30th floor
New York, New York 10004
Attn: Francis Wolf and Celeste Gonzalez

Re: Trust Account Withdrawal Letter

Dear Mr. Wolf and Ms. Gonzalez:

Pursuant to Section 2(a) of the Investment Management Trust Agreement between Legato Merger Corp. ("Company") and Continental Stock Transfer & Trust Company, dated as of January 19, 2021 ("Trust Agreement"), the Company hereby requests that you deliver to the Company [$] of the interest income earned on the Property as of the date hereof. The Company needs such funds to pay for its [income or other tax obligations] [dissolution and liquidation expenses, which expenses will not exceed $100,000].

In accordance with the terms of the Trust Agreement, you are hereby directed and authorized to transfer (via wire transfer) such funds promptly upon your receipt of this letter to the Company's operating account at:

[WIRE INSTRUCTION INFORMATION]

LEGATO MERGER CORP.

By: _____
Name: David D. Sgro
Title: Chief Executive Officer

cc: EarlyBirdCapital, Inc.

Exhibit 10.2

Legato Merger Crop.
777 Third Avenue, 37th Floor
New York, New York 10017

January 19, 2021

Crescendo Advisors II, LLC
777 Third Avenue, 37th Floor
New York, New York 10017

Ladies and Gentlemen:

This letter will confirm our agreement that, commencing on the effective date (the ***"Effective Date")*** of the registration statement (the ***"Registration Statement")*** for the initial public offering (the ***"IPO")*** of securities of Legato Merger Corp, (the ***"Company'')*** and continuing until the earlier of (i) the consummation by the Company of an initial business combination or (ii) the Company's liquidation (in each case as described in the Registration Statement) (such earlier date hereinafter referred to as the ***"Termination Date"),*** Crescendo Advisors II, LLC shall make available to the Company certain office space and administrative and support services as may be required by the Company from time to time, situated at 777 Third Avenue, 37th Floor, New York, New York 10017 (or any successor location). In exchange therefore, the Company shall pay Crescendo Advisors II, LLC the sum of $15,000 per month on the Effective Date and continuing monthly thereafter until the Termination Date. Crescendo Advisors II, LLC hereby agrees that it does not have any right, title, interest or claim of any kind in or to any monies that may be set aside in a trust account (the ***"Trust Account***') to be established upon the consummation of the IPO (the ***"Claim")*** and hereby waives any Claim it may have in the future as a result of, or arising out of, any negotiations, contracts or agreements with the Company and will not seek recourse against the Trust Account for any reason whatsoever.

[Signature Page Follows]

Very truly yours,

LEGATO MERGER CORP.

By: /s/ David D. Sgro
Name: David D. Sgro
Title: Chief Executive Officer

AGREED TO AND ACCEPTED BY:

CRESCENDO ADVISORS II, LLC

By: /s/ Eric Rosenfeld
Name: Eric Rosenfeld
Title: CEO

[Signature Page to Administrative Services Agreement]

Exhibit 10.3

SUPPORT AGREEMENT

This Support Agreement (this "Agreement") is made as of May 24, 2021, by and between 1295908 B.C. Ltd., a company organized under the laws of the Province of British Columbia (the "Company") and the undersigned SPAC shareholders (the "Voting Parties" and each a "Voting Party").

WHEREAS, contemporaneously with the execution and delivery of this Agreement, SPAC and the Company have entered into an Agreement and Plan of Merger (as amended or modified from time to time, the "Merger Agreement"), pursuant to which, among other things, on the terms and conditions set forth therein, at the Effective Time, Merger Sub will merge with and into SPAC (the "Merger"), with SPAC surviving as a direct, wholly-owned subsidiary of the Company. Capitalized terms used and not defined herein shall have the respective meanings assigned to them in the Merger Agreement.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt, sufficiency and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

1. Definitions. As used herein, the following terms shall have the following meanings:

(a) "Voting Shares" shall mean all securities of SPAC beneficially owned (as such term is defined in Rule 13d-3 under the Exchange Act, excluding shares of stock underlying unexercised warrants, but including any shares of stock acquired upon exercise of such warrants) ("Beneficially Owned") by any Voting Party, including any and all securities of SPAC acquired and held in such capacity subsequent to the date hereof.

(b) "Family Member" means with respect to any Person, such Person's spouse, ancestors, descendants (whether by blood, marriage or adoption) or spouse of a descendant of such Person, brothers and sisters (whether by blood, marriage or adoption) and inter vivos or testamentary trusts of which only such Person and his spouse, ancestors, descendants (whether by blood, marriage or adoption), brothers and sisters (whether by blood, marriage or adoption) are beneficiaries.

(c) "Permitted Transfer" means a Transfer of Voting Shares by a Voting Party (a) to any Family Member of such Voting Party, (b) to any Affiliate of such Voting Party, (c) to any Affiliate of any Family Member of such Voting Party, (d) to any of such Voting Party's related investment funds or vehicles controlled or managed by such Voting Party or Affiliate of such Voting Party, (d) to any other Voting Party to the extent that such Voting Party transferee agrees in a written instrument with the Company (which may be an amendment or joinder to the Lockup Agreement if agreed by the Company) to the same restrictions on transfer following Closing with respect to such transferred Voting Shares as would have been applicable to such Voting Shares prior to such transfer, and (e) with the prior consent of the Company, which shall not be unreasonably withheld, conditioned, or delayed, by private sales made at or prior to the consummation of the Merger at prices no greater than the price at which the SPAC Founder Shares were originally purchased.

2. Representations and Warranties of the Voting Parties. Each Voting Party on its own behalf hereby represents and warrants to the other parties hereto, severally and not jointly, with respect to such Voting Party and such Voting Party's ownership of its Voting Shares set forth on Annex A hereto as follows:

(a) Authority. If Voting Party is a legal entity it is duly organized, validly existing and, to the extent such concept is applicable, in good standing under the applicable law of the jurisdiction of its organization, and Voting Party has all requisite power and authority to enter into this Agreement, to perform fully Voting Party's obligations hereunder and to consummate the transactions contemplated hereby. If Voting Party is a natural person, Voting Party has the legal capacity to enter into this Agreement. If Voting Party is a legal entity, this Agreement has been duly authorized by all necessary action, executed and delivered by Voting Party. This Agreement constitutes a valid and binding obligation of Voting Party enforceable in accordance with its terms, except as enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general principles of equity (regardless of whether considered in a proceeding in equity or at law).

(b) No Consent. No consent, approval or authorization of, or designation, declaration or filing with, any Governmental Entity or other Person on the part of Voting Party is required in connection with the execution, delivery and performance of this Agreement. If Voting Party is a natural person, no consent of such Voting Party's spouse is necessary under any "community property" or other laws for the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby. If Voting Party is a trust, no consent of any beneficiary is required for the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby.

(c) No Conflicts. Neither the execution and delivery of this Agreement, nor the consummation of the Transactions, including the transactions contemplated hereby, nor Voting Party's compliance with the terms hereof and performance of his, her or its obligations hereunder, will, directly or indirectly (i) violate, conflict with or result in a breach of, or constitute a default (with or without notice or lapse of time or both) under any provision of, Voting Party's organizational documents (as applicable), any trust agreement, loan or credit agreement, note, bond, mortgage, indenture, lease or other agreement, instrument, permit, concession, franchise, license, judgment, order, notice, decree, statute, law, ordinance, rule or regulation applicable to Voting Party or to Voting Party's property or assets (including the Voting Shares) that would reasonably be expected to prevent or delay the consummation of the Transactions or that would reasonably be expected to prevent Voting Party from fulfilling its obligations under this Agreement or (ii) result in the creation or imposition of any Lien upon the Voting Shares.

(d) Ownership of Shares. Voting Party (i) Beneficially Owns its Voting Shares free and clear of all Liens (except for any such Lien that may be imposed pursuant to this Agreement, the Merger Agreement and the transactions contemplated hereby and thereby, any applicable restrictions on transfer under applicable U.S. state or federal securities or "blue sky" law) and (ii) has the sole power to vote or caused to be voted its Voting Shares. Except pursuant hereto and pursuant to, (A) the Subscription Agreements, dated on or about July 30, 2020, by and between SPAC and the Voting Parties and (B) the Letter Agreements, dated as of January 19, 2021, by and among SPAC and the Voting Parties, as of the date hereof, there are no options, warrants or other rights, agreements, arrangements or commitments of any character to which Voting Party is a party relating to the pledge, acquisition, disposition, transfer or voting of Voting Shares prior to the consummation of the Transactions and there are no voting trusts or voting agreements with respect to the Voting Shares. Other than the Voting Shares set forth on Annex A hereto, as of the date hereof, Voting Party does not Beneficially Own any Voting Shares or any options, warrants or other rights to acquire any additional shares of common stock, par value $0.0001 per share, of SPAC ("SPAC Common Stock") or any security exercisable for or convertible into shares of SPAC Common Stock.

(e) No Litigation. There is no Legal Proceeding pending against, or, to the knowledge of Voting Party, threatened against, Voting Party that would reasonably be expected to materially impair or materially adversely affect the ability of Voting Party to perform Voting Party's obligations hereunder, to consummate the Transactions, including the transactions contemplated by this Agreement, or that would reasonably be expected to prevent or delay the consummation of the Transactions.

(f) Sophistication. Voting Party is a sophisticated shareholder and has adequate information concerning the business and financial condition of SPAC and the Company to make an informed decision regarding this Agreement and the other transactions contemplated by the Transaction Agreements and has independently and based on such information as the Voting Party has deemed appropriate, made its own analysis and decision to enter into this Agreement, without reliance upon SPAC, the Company, any of their Affiliates or any of the respective Representatives of the foregoing. Voting Party acknowledges that SPAC and the Company have not made and do not make any representation or warranty, whether express or implied, of any kind or character except as expressly set forth in this Agreement. Voting Party acknowledges that the agreements contained herein with respect to the Voting Shares Beneficially Owned by Voting Party are irrevocable.

3. Agreement to Vote Shares. Each Voting Party shall, solely in his, her or its capacity as a SPAC Stockholder, during the term of this Agreement vote or cause to be voted all Voting Shares that he, she or it Beneficially Owns, at every meeting of the stockholders of SPAC at which such matters are considered and at every adjournment or postponement thereof: (i) in favor of the SPAC Transaction Proposals; and (ii) against (A) any proposal or offer from any Person (other than the Company or any of its Affiliates) concerning a SPAC Business Combination or the adoption of any agreement to enter into a SPAC Business Combination; and (B) any action, proposal, transaction or agreement that could reasonably be expected to materially impede, interfere with, delay, discourage, adversely affect or inhibit the timely consummation of the Transactions or the fulfillment of SPAC's obligations under the Merger Agreement or change in any manner the voting rights of any class of shares of SPAC (including any amendments to SPAC's certificate of incorporation or bylaws other than in connection with the Transactions).

4. No Voting Trusts or Other Arrangement. Each Voting Party agrees that, during the term of this Agreement, Voting Party will not, and will not permit any entity under Voting Party's control to, deposit any Voting Shares in a voting trust, grant any proxies with respect to the Voting Shares or subject any of the Voting Shares to any arrangement with respect to the voting of the Voting Shares. Each Voting Party hereby revokes any and all previous proxies and attorneys in fact with respect to the Voting Shares.

5. Transfer and Encumbrance. Each Voting Party agrees that, during the term of this Agreement, Voting Party will not, directly or indirectly, transfer (including by operation of law), sell, offer, exchange, assign, pledge or otherwise dispose of or encumber ("Transfer") any of his, her or its Voting Shares or enter into any contract, option or other agreement with respect to, or consent to, a Transfer of, any of his, her or its Voting Shares or Voting Party's voting or economic interest therein, except a Permitted Transfer; provided, however, as a precondition to such Permitted Transfer, the transferee shall agree in a writing, reasonably satisfactory in form and substance to SPAC and the Company, to be bound by all of the terms of this Agreement. Any attempted Transfer (other than a Permitted Transfer) of Voting Shares or any interest therein in violation of this Section 5 shall be null and void.

6. Appraisal and Dissenters' Rights. Each Voting Party hereby (i) waives, and agrees not to assert or perfect, any rights of appraisal or rights to dissent from the Transactions that Voting Party may have by virtue of ownership of the Voting Shares and (ii) agrees not to commence or participate in any claim, derivative or otherwise, against SPAC relating to the negotiation, execution or delivery of this Agreement or the Merger Agreement or the consummation of the Transactions, including any claim (A) challenging the validity of, or seeking to enjoin the operation of, any provision of this Agreement or (B) alleging a breach of any fiduciary duty of the board of directors of SPAC in connection with this Agreement, the Merger Agreement or the Transactions.

7. Redemption Rights. Each Voting Party agrees not to exercise any right to redeem any Voting Shares Beneficially Owned as of the date hereof or acquired and held in such capacity subsequent to the date hereof.

8. Acquisition of Additional Shares. In the event that, during the term of this Agreement, (a) any Voting Shares are issued to a Voting Party pursuant to any stock dividend, stock split, recapitalization, reclassification, combination or exchange of Voting Shares or otherwise, (b) a Voting Party purchases or otherwise acquires beneficial ownership of any Voting Shares or (c) a Voting Party acquires the right to vote or share in the voting of any Voting Shares (collectively the "New Securities"), then such New Securities acquired or purchased by such Voting Party shall be subject to the terms of this Agreement to the same extent as if they constituted the Voting Shares owned by such Voting Party as of the date hereof.

9. Termination. This Agreement shall automatically terminate upon the earliest to occur of (i) the Effective Time, (ii) the date on which the Merger Agreement is terminated in accordance with its terms, and (iii) the effective date of a written agreement executed and delivered by the Company and each Voting Party terminating this Agreement. Upon termination of this Agreement, no party shall have any further obligations or liabilities under this Agreement; provided, that nothing in this Section 9 shall relieve any party of liability for any willful breach of this Agreement occurring prior to termination.

10. No Agreement as Director or Officer. Each Voting Party is signing this Agreement solely in its capacity as a SPAC Stockholder. No Voting Party makes any agreement or understanding in this Agreement in such Voting Party's capacity (or in the capacity of any Affiliate, partner or employee of Voting Party) as a director or officer of SPAC (if Voting Party holds such office). Nothing in this Agreement will limit or affect any actions or omissions taken by a Voting Party in his, her or its capacity as a director or officer of SPAC, and no actions or omissions taken in any Voting Party's capacity as a director or officer shall be deemed a breach of this Agreement. Nothing in this Agreement will be construed to prohibit, limit or restrict a Voting Party from exercising his or her fiduciary duties as an officer or director to SPAC or its equityholders. Voting Party shall not be responsible for the actions of SPAC or the board of directors of SPAC (or any committee thereof) or any officers, directors (in their capacity as such), employees and professional advisors of SPAC and Voting Party makes no representations or warranties with respect to the actions of any of the foregoing.

11. Specific Enforcement. Monetary damages would not adequately compensate an injured party for the breach of this Agreement by any party hereto and, accordingly, this Agreement shall be specifically enforceable, in addition to any other remedy to which such injured party is entitled at law or in equity, and any breach of this Agreement shall be the proper subject of a temporary or permanent injunction or restraining order. Further, each party hereto waives any claim or defense that there is an adequate remedy at law for such breach or threatened breach or an award of specific performance is not an appropriate remedy for any reason at law or equity and agrees that a party's rights would be materially and adversely affected if the obligations of the other parties under this Agreement were not carried out in accordance with the terms and conditions hereof.

12. Entire Agreement; Amendments; Waivers. This Agreement and the Merger Agreement supersede all prior agreements, written or oral, among the parties hereto with respect to the subject matter hereof and contain the entire agreement among the parties with respect to the subject matter hereof. For the avoidance of doubt, this Agreement is not intended to supersede the voting agreements as among SPAC and the Voting Parties contained in (i) the Letter Agreements, dated as of January 19, 2021, by and among SPAC and the Voting Parties and (ii) the Subscription Agreements, dated on or about July 30, 2020, by and between SPAC and the Voting Parties. Any provision of this Agreement may be amended or waived if, but only if, such amendment or waiver is in writing and is signed, in the case of an amendment, by each party to this Agreement, or, in the case of a waiver, by the party against whom the waiver is to be effective. No waiver of any provisions hereof by either party shall be deemed a waiver of any other provisions hereof by such party, nor shall any such waiver be deemed a continuing waiver of any provision hereof by such party.

13. Notices. All notices, requests, claims, demands, and other communications hereunder shall be in writing and shall be deemed to have been given (a) when delivered by hand (with written confirmation of receipt), (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested), (c) on the date sent by e-mail of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient, or (d) on the next Business Day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be addressed as follows (or at such other address for a party as shall be specified in a notice given in accordance with this Section 13):

If to the Company, to:

Algoma Steel Inc.
105 West Street
Sault Ste. Marie, Ontario P6A 7B4
Attention: John Naccarato
Email: john.naccarato@algoma.com

If to a Voting Party, to the addresses set forth on Annex A.

14. Miscellaneous.

(a) *Governing Law; Consent to Jurisdiction.* This Agreement and any action, suit, dispute, controversy or claim arising out of this Agreement, or the validity, interpretation, breach or termination of this Agreement, shall be governed by and construed in accordance with the laws of the State of Delaware without the application of principles of conflicts of law that would result in the application of the laws of another jurisdiction. Each of the parties irrevocably consents to the exclusive jurisdiction and venue of the Chancery Court of the State of Delaware, or if such court declines jurisdiction, then to any federal court located in Wilmington, Delaware and, in either case, any appellate court therefrom in connection with any matter based upon or arising out of this Agreement, agrees that process may be served upon them in any manner authorized by the laws of the State of Delaware for such Person and waives and covenants not to assert or plead any objection which they might otherwise have to such manner of service of process. Each party may do so only if he, she or it hereby waives, and shall not assert as a defense in any legal dispute, that: (i) such Person is not personally subject to the jurisdiction of the above named courts for any reason; (ii) such Legal Proceeding may not be brought or is not maintainable in such court; (iii) such Person's property is exempt or immune from execution; (iv) such Legal Proceeding is brought in an inconvenient forum; or (v) the venue of such Legal Proceeding is improper. Each party hereby agrees not to commence or prosecute any such action, claim, cause of action or suit other than before one of the above-named courts, nor to make any motion or take any other action seeking or intending to cause the transfer or removal of any such action, claim, cause of action or suit to any court other than one of the above-named courts, whether on the grounds of inconvenient forum or otherwise. Each party hereby consents to service of process in any such proceeding in any manner permitted by Delaware law, and further consents to service of process by nationally recognized overnight courier service guaranteeing overnight delivery, or by registered or certified mail, return receipt requested, at its address specified pursuant to Section 13. Notwithstanding the foregoing in this Section 14(a), any party may commence any action, claim, cause of action or suit in a court other than the above-named courts solely for the purpose of enforcing an order or judgment issued by one of the above-named courts.

(b) *Waiver of Jury Trial.* TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW WHICH CANNOT BE WAIVED, EACH OF THE PARTIES MAY DO SO ONLY IF HE, SHE OR IT IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT TO TRIAL BY JURY ON ANY CLAIMS OR COUNTERCLAIMS ASSERTED IN ANY LEGAL DISPUTE RELATING TO THIS AGREEMENT AND FOR ANY COUNTERCLAIM RELATING THERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING. IF THE SUBJECT MATTER OF ANY SUCH LEGAL DISPUTE IS ONE IN WHICH THE WAIVER OF JURY TRIAL IS PROHIBITED, NO PARTY SHALL ASSERT IN SUCH LEGAL DISPUTE A NONCOMPULSORY COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT. FURTHERMORE, NO PARTY SHALL SEEK TO CONSOLIDATE ANY SUCH LEGAL DISPUTE WITH A SEPARATE ACTION OR OTHER LEGAL PROCEEDING IN WHICH A JURY TRIAL CANNOT BE WAIVED.

(c) *Severability.* In the event that any term, provision, covenant or restriction of this Agreement, or the application thereof, is held to be illegal, invalid or unenforceable under any present or future Applicable Law: (a) such provision will be fully severable; (b) this Agreement will be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof; (c) the remaining provisions of this Agreement will remain in full force and effect and will not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom; and (d) in lieu of such illegal, invalid or unenforceable provision, there will be added automatically as a part of this Agreement a legal, valid and enforceable provision as similar in terms of such illegal, invalid or unenforceable provision as may be possible.

(d) *Counterparts; Electronic Execution.* This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same document and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties, it being understood that all parties need not sign the same counterpart. Delivery by electronic transmission to counsel for the other parties of a counterpart executed by a party shall be deemed to meet the requirements of the previous sentence.

(e) *Titles and Headings.* The titles, captions and table of contents in this Agreement are for reference purposes only, and shall not in any way define, limit, extend or describe the scope of this Agreement or otherwise affect the meaning or interpretation of this Agreement.

(f) *Assignment; Successors and Assigns; No Third Party Rights.* No party may assign, directly or indirectly, including by operation of law, either this Agreement or any of its rights, interests, or obligations hereunder without the prior written approval of the other parties. Subject to the first sentence of this Section 14(f), this Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective successors and permitted assigns.

(g) *No Ownership Interests.* Except as provided in this Agreement, nothing contained in this Agreement shall be deemed to vest in the Company any direct or indirect ownership or incidence of ownership of or with respect to any Voting Shares. Except as provided in this Agreement, all rights, ownership and economic benefits relating to the Voting Shares shall remain vested in and belong to the Voting Parties. Nothing in this Agreement shall be interpreted as creating or forming a "group" with any other Person for purposes of Rule 13d-5(b)(l) of the Exchange Act or any other similar provision of applicable law.

(h) *Expenses.* All fees, costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such fees, costs and expenses.

(i) *Further Assurances.* Each party hereto shall execute and deliver such additional documents as may be necessary or desirable to effect the Transactions, on the terms and subject to the conditions set forth in the Transaction Agreements, including this Agreement and the Merger Agreement.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Support Agreement as of the date first written above.

THE COMPANY:

1295908 B.C. LTD.

By: _____
Name:
Title:

[*Signature Page to Support Agreement*]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Support Agreement as of the date first written above.

[INDIVIDUAL/ENTITY]

By: _____
[Signature]

Name: _____
[Print Name of Signatory]

Title: _____
[Print Title of Signatory]

[*Signature Page to Support Agreement*]

Annex A
Voting Interests

Name	Address	Voting Interests		Unexercised Warrants
		SPAC Founders Shares	SPAC Shares underlying SPAC Private Units	SPAC Shares issuable upon exercise of SPAC Warrants underlying SPAC Private Units
Eric Rosenfeld	c/o Legato Merger Corp. 777 Third Avenue, 37th Floor New York, NY 10017	2,054,792	36,794	36,794
David Sgro	c/o Legato Merger Corp. 777 Third Avenue, 37th Floor New York, NY 10017	383,765	0	0
Eric S. Rosenfeld 2017 Trust No. 1	c/o Legato Merger Corp. 777 Third Avenue, 37th Floor New York, NY 10017 Attn: David Sgro, Trustee	127,922	0	0
Eric S. Rosenfeld 2017 Trust No. 2	c/o Legato Merger Corp. 777 Third Avenue, 37th Floor New York, NY 10017 Attn: David Sgro, Trustee	764,120	5,460	5,460
De Jong & Co.	70 Distillery Lane, Suite 4004 Toronto, Ontario M5A 0E3 Canada Attn: Louis DeJong	40,000	20,000	20,000
Brian Pratt	5950 Berkshire Lane, Suite 800 Dallas, TX 75225	1,233,334	170,000	170,000
Pratt Grandchildren's Irrevocable Trust U/A/D July 30, 2020	c/o Brian Pratt 5950 Berkshire Lane, Suite 800 Dallas, TX 75225	300,000	50,000	50,000
Adam Jaffe	525 E 11th Street, Apt 6B New York, NY 10009	28,801	646	646
Triple J Holdings II, LLC	2 Gedney Way Chappaqua, NY 10514 Attn: Adam Semler	53,333	12,000	12,000
White Star Partners, LP	200 Crescent Court, Suite 1450 Dallas, TX 75201 Attn: D. Blair Baker	53,333	12,000	12,000

The Mont Blanc Investment Corporation	c/o John Ing 115 Hillside Ave West Toronto, Ontario M5P 1G6 Canada	73,333	22,000	22,000
Craig Martin	930 S El Molino Ave Pasadena, CA 91106	83,333	27,000	27,000
Gregory Monahan	43 Christie Hill Road Darien, CT 06820	414,350	3,225	3,225
Stephen Lack	55 Waugh Drive, Suite 1130 Houston, TX 77007	20,000	10,000	10,000
TAH Capital, LLC	2620 N. Dundee Street Tampa, FL 33629-7517 Attn: Thomas Harrington	60,000	30,000	30,000
Jeremy SG Fowden & Louise E. Fowden	100 First Ave Nth #3003 St. Petersburg, FL 33701	50,000	25,000	25,000
Arbutus Family Holdings Ltd.	2294 West King Edward Ave Vancouver, BC V6L 3B8 Canada Attn: Kelly Edmison	20,000	10,000	10,000
Ancora Merlin LP	6060 Parkland Blvd, Suite 200 Cleveland, OH 44124 Attn: Ryan Hummer	5,533	2,158	2,158
Ancora Merlin Institutional LP	6060 Parkland Blvd, Suite 200 Cleveland, OH 44124 Attn: Ryan Hummer	61,134	23,842	23,842
Ancora Catalyst LP	6060 Parkland Blvd, Suite 200 Cleveland, OH 44124 Attn: Ryan Hummer	4,733	1,846	1,846
Ancora Catalyst Institutional LP	6060 Parkland Blvd, Suite 200 Cleveland, OH 44124 Attn: Ryan Hummer	61,934	24,154	24,154
TOTAL		**5,893,750**	**486,125**	**486,125**

Exhibit 10.4

SUBSCRIPTION AGREEMENT

This SUBSCRIPTION AGREEMENT (this "Subscription Agreement") is entered into this day of , 2021, by and among 1295908 B.C. Ltd., a company organized under the laws of the Province of British Columbia, Canada (the "Issuer"), Legato Merger Corp., a Delaware corporation ("Legato"), and [ ], a [ ] ("Subscriber").

WHEREAS, concurrently with the execution and delivery of this Subscription Agreement, the Issuer entered into an Agreement and Plan of Merger (as the same may be amended or supplemented from time to time in accordance with its terms, the "Merger Agreement"), by and among the Issuer, Algoma Merger Sub, Inc., a Delaware corporation and a direct, wholly-owned subsidiary of the Issuer ("Merger Sub"), and Legato, pursuant to which, among other things, (i) the Issuer will amend and restate its articles of incorporation, complete a stock split and change its name to "Algoma Steel Group Inc."; (ii) Merger Sub will merge with and into Legato (the "Merger"), with Legato continuing as the surviving company and as a wholly-owned subsidiary of the Issuer; and (iii) all of the issued and outstanding shares of common stock, par value $0.0001 per share, of Legato (the "Common Stock"), will be cancelled and exchanged for the right to receive the Issuer's common shares (the "Common Shares") and all of the issued and outstanding warrants to purchase shares of Common Stock at an exercise price of $11.50 per share will to be assigned to, and assumed by, the Issuer and become warrants to purchase Common Shares at an exercise price of $11.50 per share;

WHEREAS, in connection with the Merger, on the terms and subject to the conditions set forth in this Subscription Agreement, Subscriber desires to subscribe for and purchase from the Issuer and the Issuer desires to issue and sell to the Subscriber, substantially concurrently with, or immediately following, the closing of the Merger (the "Closing") and on the date the Closing occurs (the "Closing Date"), the number of Issuer's Common Shares set forth on the signature page hereto (such Common Shares, the "Acquired Shares") for a purchase price of $10.00 per share (the "Share Purchase Price"), or the aggregate purchase price set forth on the signature page hereto (the "Purchase Price"); and

WHEREAS, certain other investors (each such investor, an "Other Subscriber") that are either institutional "accredited investors" (as such term is defined in Rule 501 under the U.S. Securities Act of 1933, as amended (the "Securities Act,")) or otherwise eligible investors outside of the United States (within the meaning of Regulation S under the Securities Act ("Regulation S")), have entered into subscription agreements with the Issuer substantially similar to this Subscription Agreement, pursuant to which such Other Subscribers have agreed to subscribe for and purchase, and the Issuer has agreed to issue and sell to such Other Subscribers, on the Closing Date, a total, when combined with the Acquired Shares, of at least 10,000,000 Common Shares at the Share Purchase Price (the "Other Subscription Agreements"), for aggregate gross proceeds to the Issuer, when combined with the Purchase Price, of at least $100,000,000.

NOW, THEREFORE, in consideration of the foregoing and the mutual representations, warranties and covenants, and subject to the conditions, herein contained, and intending to be legally bound hereby, the parties hereto hereby agree as follows:

1. Subscription. Subject to the terms and conditions hereof, Subscriber hereby agrees to subscribe for and purchase, and the Issuer hereby agrees to issue and sell to Subscriber, upon the payment of the Purchase Price, the Acquired Shares (such subscription and issuance, the "Subscription"). The undersigned understands and agrees that the undersigned's subscription for the Acquired Shares shall be deemed to be accepted by the Issuer only when this Subscription Agreement is signed by a duly authorized person by or on behalf of the Issuer. In the event of the termination of this Subscription Agreement in accordance with the terms hereof, this Subscription Agreement shall be null and void and have no force or effect.

2. Closing.

(a) Subject to the satisfaction or waiver (in writing) of the conditions set forth in Section 2(d), (e) and (f) (other than those conditions that by their nature are to be satisfied at the Subscription Closing, but without affecting the requirement that such conditions be satisfied or waived at the Subscription Closing), the closing of the Subscription contemplated hereby (the "Subscription Closing") is contingent upon the substantially concurrent consummation of the Closing and the Subscription Closing, both of which shall occur on the Closing Date. Not less than four (4) business days prior to the date on which the Issuer reasonably expects the Closing to occur (the "Scheduled Closing Date"), the Issuer shall provide written notice (which may be via email) to Subscriber of the Scheduled Closing Date (the "Closing Notice"), which Closing Notice shall contain the Issuer's wire instructions for an escrow account ("Escrow Account") established by the Issuer with a third-party escrow agent appointed by the Issuer, which may be the transfer agent for the Common Stock or the Common Shares (the "Escrow Agent"), for the purpose of receiving the Purchase Price from Subscriber in advance of the Subscription Closing.

(b) At least three (3) business days prior to the Scheduled Closing Date, Subscriber shall deliver the Purchase Price to the Escrow Account by wire transfer of United States dollars in immediately available funds. If this Subscription Agreement is terminated prior to the Closing or the Subscription Closing does not occur on the Scheduled Closing Date (or any permitted delay thereof) and all or any portion of the Purchase Price has been delivered to the Escrow Account, then promptly (but in no event longer than two (2) business days thereafter) after such termination or failure of the Subscription Closing to occur, the Issuer will instruct the Escrow Agent to promptly (but in no event longer than two (2) business days thereafter) return such funds to Subscriber.

(c) On the Closing Date and as soon as practicable following the Closing, subject to the satisfaction or waiver (in writing) of the conditions set forth in Section 2(d), (e) and (f) (other than those conditions that by their nature are to be satisfied at Subscription Closing, but without affecting the requirement that such conditions be satisfied or waived at the Subscription Closing), if Subscriber has delivered the Purchase Price to the Escrow Account, the Issuer shall deliver the Acquired Shares to Subscriber in book-entry form, and when delivered the Acquired Shares shall be fully paid, non-assessable and free and clear of any liens or other restrictions whatsoever (other than those arising under applicable securities laws), in the name of Subscriber, or a nominee or custodian designated by Subscriber, in each case, in accordance with Subscriber's delivery instructions. Each book entry for the Acquired Shares shall contain a notation, and each certificate (if any) evidencing the Acquired Shares shall be stamped or otherwise imprinted with a legend, in substantially the following form:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION, AND MAY NOT BE REOFFERED, SOLD, ASSIGNED, PLEDGED, ENCUMBERED, TRANSFERRED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR AN EXEMPTION THEREFROM.

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [INSERT THE DATE THAT IS FOUR MONTHS AND ONE DAY AFTER THE CLOSING DATE.]

(d) The Subscription Closing shall be subject to the satisfaction on the Closing Date, or the waiver (in writing) by each of the parties hereto, of each of the following conditions:

(i) no suspension of the qualification of the Acquired Shares for offering or sale or trading in any jurisdiction, or initiation or threatening of any proceedings for any of such purposes, shall have occurred;

(ii) no governmental authority shall have enacted, issued, promulgated, enforced or entered any judgment, order, law, rule or regulation (whether temporary, preliminary or permanent) which is then in effect and has the effect of making consummation of the transactions contemplated hereby illegal or otherwise preventing or prohibiting consummation of the transactions contemplated hereby, and no governmental authority shall have instituted or threatened in writing a proceeding seeking to impose any such prevention or prohibition; and

(iii) (a) all conditions precedent to the closing of the Merger contained in the Merger Agreement shall have been satisfied (as determined by the parties to the Merger Agreement and other than those conditions that may only be satisfied at the Closing, but subject to satisfaction of such conditions as of the Closing) or waived (other than those conditions that by their nature are to be satisfied at Closing, but without affecting the requirement that such conditions be satisfied or waived at Closing) and (b) the Subscription Closing shall be scheduled to occur substantially concurrently with the Closing and on the Closing Date.

(e) The obligations of Subscriber at the Closing shall be subject to the satisfaction on the Closing Date, or the waiver by Subscriber, of each of the following conditions:

(i) all representations and warranties of each of the Issuer and Legato contained in Section 3 and Section 4, respectively, shall be true and correct in all material respects (other than representations and warranties that are qualified by "Issuer Material Adverse Effect" or "Legato Material Adverse Effect" (each as defined below), which representations and warranties shall be true in all respects) at and as of the Closing Date, unless they specifically speak as of an earlier date, in which case they shall be true and correct in all material respects as of such earlier date (other than representations and warranties that are qualified by "Issuer Material Adverse Effect" or "Legato Material Adverse Effect," which representations and warranties shall be true in all respects as of such earlier date);

(ii) the Issuer shall have performed, satisfied and complied with all covenants, agreements and conditions required by this Subscription Agreement to be performed, satisfied or complied with by it at or prior to the Closing, except where the failure of such performance or compliance would not or would not reasonably be expected to prevent, materially delay, or materially impair the ability of the Issuer to consummate the Closing and the Subscription Closing; and

(iii) no amendment, modification or waiver of the Merger Agreement shall have occurred that materially and adversely affects the economic benefits that Subscriber would receive under this Subscription Agreement without having received Subscriber's prior written consent (which consent shall not be unreasonably withheld, conditioned or delayed).

(f) The obligations of the Issuer at the Closing shall be subject to the satisfaction on the Closing Date, or the waiver by the Issuer, of each of the following conditions:

(i) all representations and warranties of Subscriber contained in Section 5 shall be true and correct at and as of the Closing Date; and

(ii) Subscriber shall have performed, satisfied and complied with all covenants, agreements and conditions required by this Subscription Agreement to be performed, satisfied or complied with by it at or prior to the Closing, except where the failure of such performance or compliance would not or would not reasonably be expected to prevent, materially delay, or materially impair the ability of Subscriber to consummate the Subscription Closing.

(g) At the Subscription Closing, the parties hereto shall execute and deliver such additional documents and take such additional actions as the parties reasonably may deem to be practical and necessary in order to consummate the Subscription as contemplated by this Subscription Agreement.

(h) In the event that the Merger is re-structured where a new entity will become the successor public company following the Merger whose securities are issued in consideration of or in exchange for the Issuer's or Legato's securities (the "Successor"), then as a condition to consummating the Merger, the Successor will agree in writing to be bound by the terms of this Subscription Agreement that apply to the Issuer after the Closing, and any references in this Subscription Agreement to the Acquired Shares will include any equity securities of the Successor that are issued in consideration of or exchange for the Acquired Shares.

3. Issuer Representations and Warranties. The Issuer represents and warrants to the Subscriber, as of the date hereof and as of the Closing Date, that:

(a) The Issuer has been duly incorporated and is validly existing as a corporation under the laws of British Columbia, with corporate power and authority to own, lease and operate its properties and conduct its business as presently conducted and to enter into, deliver and perform its obligations under this Subscription Agreement.

(b) As of the Closing Date, the Acquired Shares will be duly authorized and, when issued and delivered to Subscriber against full payment for the Acquired Shares in accordance with the terms of this Subscription Agreement, the Acquired Shares will be validly issued, fully paid and non-assessable and will not have been issued in violation of or subject to any statutory or contractual preemptive or similar rights.

(c) This Subscription Agreement, the Other Subscription Agreements and the Merger Agreement (collectively, the "Transaction Documents") have been duly authorized, executed and delivered by the Issuer and are enforceable against the Issuer in accordance with their respective terms, except as may be limited or otherwise affected by (i) bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or other laws relating to or affecting the rights of creditors generally, and (ii) principles of equity, whether considered at law or equity.

(d) As of immediately prior to the Closing and after the stock split, the authorized share capital of the Issuer will consist of an unlimited number of Common Shares, of which 75,000,000 Common Shares will be issued and outstanding, and an unlimited number of preference shares in the capital of the Issuer (the "Preference Shares"), of which no Preferred Shares will be issued and outstanding. As of immediately prior to the Closing, all of the issued and outstanding Common Shares will have been duly authorized and validly issued and will be fully paid and non-assessable and have not been issued in violation of any preemptive or similar rights. Each Common Share will have been issued in compliance in all material respects with applicable law and the Issuer's organizational documents (as in effect at the time of such issuance).

(e) The execution and delivery by the Issuer of the Transaction Documents, and the performance by the Issuer of its obligations under the Transaction Documents, including the issuance and sale of the Acquired Shares and the consummation of the other transactions contemplated hereby, do not and will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, or result in the creation or imposition of any lien, charge or encumbrance upon any of the property or assets of the Issuer pursuant to the terms of (i) any indenture, mortgage, deed of trust, loan agreement, lease, license or other agreement or instrument to which the Issuer is a party or by which the Issuer is bound or to which any of the property or assets of the Issuer is subject; (ii) the organizational documents of the Issuer; or (iii) any statute or any judgment, order, rule or regulation of any court or governmental agency or body, domestic or foreign, having jurisdiction over the Issuer, its subsidiaries or any of its properties, except, in the case of clauses (i) and (iii), for conflicts, breaches, violations, defaults, liens or encumbrances that would not result in an Issuer Material Adverse Effect. As used in this Subscription Agreement, "Issuer Material Adverse Effect" means any change, event, state of facts, development or occurrence that, individually or in the aggregate: (a) has had, or would reasonably be expected to have, a materially adverse effect on the business, assets, financial condition or results of operations of the Issuer and its subsidiaries, taken as a whole; or (b) that would materially affect the validity of the Acquired Shares or the legal authority of the Issuer to comply in all material respects with the terms of this Subscription Agreement.

(f) There are no securities or instruments issued by or to which the Issuer is a party containing anti-dilution or similar provisions that will be triggered by the issuance of (i) the Acquired Shares, (ii) the Common Shares to be issued pursuant to any Other Subscription Agreement or (iii) any securities to be issued pursuant to the Merger Agreement, in each case, that have not been or will not be validly waived on or prior to the Closing Date.

(g) The Issuer is not in default or violation (and no event has occurred which, with notice or the lapse of time or both, would constitute a default or violation) of any term, condition or provision of (i) the organizational documents of the Issuer, (ii) any loan or credit agreement, note, bond, mortgage, indenture, lease or other agreement, permit, franchise or license to which the Issuer is now a party or by which the Issuer's properties or assets are bound or (iii) any statute or any judgment, order, rule or regulation of any court or governmental agency or body, domestic or foreign, having jurisdiction over the Issuer or any of its properties, except, in the case of clauses (ii) and (iii), for defaults or violations that would not result in an Issuer Material Adverse Effect.

(h) The Issuer is not required to obtain any consent, waiver, authorization or order of, give any notice to, or make any filing or registration with, any court or other federal, state, provincial, local or other governmental authority, self-regulatory organization or other person in connection with the execution, delivery and performance by the Issuer of this Subscription Agreement (including, without limitation, the issuance of the Acquired Shares), other than (i) filings required by applicable securities laws, (ii) the filings required in accordance with Section 11(o), (iii) those required by The Nasdaq Capital Market ("Nasdaq") and the Toronto Stock Exchange (the "TSX"), and (iv) the failure of which to obtain would not result in an Issuer Material Adverse Effect.

(i) As of the Closing, the issued and outstanding Common Shares will be registered pursuant to Section 12(b). of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and will be listed for trading on Nasdaq and the TSX. There is no suit, action, proceeding or investigation pending or, to the knowledge of the Issuer, threatened against the Issuer by Nasdaq, the Securities and Exchange Commission (the "SEC"), the TSX or the applicable securities commission or securities regulatory authority in each of the provinces and territories of Canada (the "Canadian Securities Regulators"), as applicable, with respect to any intention by such entity to deregister the Common Shares, or prohibit or terminate the listing of the Common Shares, on Nasdaq or the TSX, as applicable.

(j) Assuming the accuracy of Subscriber's representations and warranties set forth in Section 5, no registration under the Securities Act is required for the offer and sale of the Acquired Shares by the Issuer to Subscriber in the manner contemplated by this Subscription Agreement.

(k) Neither the Issuer nor any person acting on its behalf has engaged or will engage in any form of general solicitation or general advertising (within the meaning of Regulation D of the Securities Act) in connection with any offer or sale of the Acquired Shares.

(l) The Issuer has not entered into any side letter or similar agreement with any Other Subscriber in connection with such Other Subscriber's direct or indirect investment in the Issuer and no Other Subscription Agreement includes terms and conditions that are materially more advantageous to any such Other Subscriber than Subscriber hereunder.

(m) Except for transaction fees payable to Jefferies Group LLC in connection with the Merger, fees otherwise contemplated by the Merger Agreement and placement fees payable to EarlyBirdCapital, Inc. in its capacity as placement agent for the offer and sale of the Acquired Shares (in such capacity, the "Placement Agent"), the Issuer has not paid, and is not obligated to pay, any brokerage, finder's or other commission or similar fee in connection with its issuance and sale of the Acquired Shares, including, for the avoidance of doubt, any fee or commission payable to any shareholder or affiliate of the Issuer.

4. Legato Representations and Warranties. Legato represents and warrants to the Subscriber, as of the date hereof and as of the Closing Date, that:

(a) Legato has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Delaware, with corporate power and authority to own, lease and operate its properties and conduct its business as presently conducted and to enter into, deliver and perform its obligations under this Subscription Agreement.

(b) The Transaction Documents have been duly authorized, executed and delivered by Legato and are enforceable against Legato in accordance with their respective terms, except as may be limited or otherwise affected by (i) bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or other laws relating to or affecting the rights of creditors generally, and (ii) principles of equity, whether considered at law or equity.

(c) The execution and delivery by Legato of the Transaction Documents, and the performance by Legato of its obligations under the Transaction Documents, including the consummation of the other transactions contemplated hereby, do not and will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, or result in the creation or imposition of any lien, charge or encumbrance upon any of the property or assets of Legato pursuant to the terms of (i) any indenture, mortgage, deed of trust, loan agreement, lease, license or other agreement or instrument to which Legato is a party or by which Legato is bound or to which any of the property or assets of Legato is subject; (ii) the organizational documents of Legato; or (iii) any statute or any judgment, order, rule or regulation of any court or governmental agency or body, domestic or foreign, having jurisdiction over Legato or any of its properties, except, in the case of clauses (i) and (iii), for conflicts, breaches, violations, defaults, liens or encumbrances that would not result in a Legato Material Adverse Effect. As used in this Subscription Agreement, "Legato Material Adverse Effect" means any change, event, state of facts, development or occurrence that, individually or in the aggregate has had, or would reasonably be expected to have, a materially adverse effect on the business, assets, financial condition or results of operations of Legato.

(d) Legato is not in default or violation (and no event has occurred which, with notice or the lapse of time or both, would constitute a default or violation) of any term, condition or provision of (i) the organizational documents of Legato, (ii)any loan or credit agreement, note, bond, mortgage, indenture, lease or other agreement, permit, franchise or license to which Legato is now a party or by which Legato's properties or assets are bound or (iii) any statute or any judgment, order, rule or regulation of any court or governmental agency or body, domestic or foreign, having jurisdiction over Legato or any of its properties, except, in the case of clauses (ii) and (iii), for defaults or violations that would not result in a Legato Material Adverse Effect.

(e) Legato is not required to obtain any consent, waiver, authorization or order of, give any notice to, or make any filing or registration with, any court or other federal, state, provincial, local or other governmental authority, self-regulatory organization or other person in connection with the execution, delivery and performance by Legato of this Subscription Agreement, other than (i) filings required by applicable securities laws, (ii) the filings required in accordance with Section 11(o), (iii) those required by Nasdaq and the TSX, including with respect to obtaining shareholder approval, and (iv) the failure of which to obtain would not result in a Legato Material Adverse Effect.

(f) As of the date hereof, the authorized capital stock of Legato consists of (i) 60,000,000 shares of Common Stock, par value $0.0001 per share and (ii) 1,000,000 preference shares, par value $0.0001 per share (the "Preference Shares"). As of the date hereof: (i) 30,307,036 shares of Common Stock are issued and outstanding, (ii) no Preference Shares are issued and outstanding, and (iii) 24,179,000 warrants, each entitling the holder thereof to purchase one share of Common Stock at an exercise price of $11.50 per share, are issued and outstanding. As of the date hereof and as of the Closing, Legato had and will have no outstanding liabilities other than those reflected on its most recent balance sheet included in the SEC Documents (as defined below).

(g) Legato has not received any written communication from a governmental entity that alleges that Legato is not in compliance with or is in default or violation of any applicable law, except where such non-compliance, default or violation would not result in a Legato Material Adverse Effect.

(h) Legato has not entered into any side letter or similar agreement with any Other Subscriber in connection with such Other Subscriber's direct or indirect investment in the Issuer and no Other Subscription Agreement includes terms and conditions that are materially more advantageous to any such Other Subscriber than Subscriber hereunder.

(i) Legato has made available to Subscriber (including via the SEC's EDGAR system) a copy of each form, report, statement, schedule, prospectus, proxy, registration statement and other document, if any, filed by Legato with the SEC since its initial registration of the shares of Common Stock (the "SEC Documents"), which SEC Documents, as of their respective filing dates, complied in all material respects with the requirements of the Exchange Act applicable to the SEC Documents and the rules and regulations of the SEC promulgated thereunder applicable to the SEC Documents. None of the SEC Documents filed under the Exchange Act (except to the extent that information contained in any SEC Document has been superseded by a later timely filed SEC Document) contained, when filed, any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; *provided,* that, with respect to information about the Issuer or any of its affiliates included in the joint proxy statement/prospectus to be filed by the Issuer and Legato with respect to the Merger, the representation and warranty in this sentence is made to Legato's knowledge. The financial statements of Legato included in the SEC Documents comply in all material respects with applicable accounting requirements and the rules and regulations of the SEC with respect thereto as in effect at the time of filing and fairly present in all material respects the financial position of Legato as of and for the dates thereof and the results of operations and cash flows for the periods then ended, subject, in the case of unaudited statements, to normal, year-end audit adjustments, and further subject to Legato's need to restate any previously filed financial statement contained within an SEC Document in order to account for its warrants as liabilities as required by recent SEC guidance. Legato has timely filed each report, statement, schedule, prospectus, and registration statement that Legato was required to file with the SEC since its inception. There are no material outstanding or unresolved comments in comment letters from the Staff of the SEC with respect to any of the SEC Documents.

(j) Except for such matters that would not result in a Legato Material Adverse Effect, there is no (i) proceeding pending, or, to the knowledge of Legato, threatened against Legato or (ii) judgment, decree, injunction, ruling or order of any governmental entity or arbitrator outstanding against Legato.

(k) Except for transaction fees payable to Cassel Salpeter & Co., LLC in connection with the Merger, fees otherwise contemplated by the Merger Agreement and placement fees payable to the Placement Agent, Legato has not paid, and is not obligated to pay, any brokerage, finder's or other commission or similar fee in connection with its issuance and sale of the Acquired Shares, including, for the avoidance of doubt, any fee or commission payable to any shareholder or affiliate of Legato.

5. Subscriber Representations and Warranties. Subscriber represents and warrants to the Issuer and Legato, as of the date hereof and as of the Closing Date, that:

(a) Subscriber has been duly organized and is validly existing in good standing under the laws of its jurisdiction of organization, with the requisite entity power and authority to enter into, deliver and perform its obligations under this Subscription Agreement.

(b) This Subscription Agreement has been duly authorized, executed and delivered by Subscriber. This Subscription Agreement is enforceable against Subscriber in accordance with its terms, except as may be limited or otherwise affected by (i) bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or other laws relating to or affecting the rights of creditors generally, and (ii) principles of equity, whether considered at law or equity.

(c) The execution and delivery by Subscriber of this Subscription Agreement, and the performance by Subscriber of its obligations under this Subscription Agreement, including the purchase of the Acquired Shares and the consummation of the other transactions contemplated hereby, will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, or result in the creation or imposition of any lien, charge or encumbrance upon any of the property or assets of Subscriber pursuant to the terms of (i) any indenture, mortgage, deed of trust, loan agreement, lease, license or other agreement or instrument to which Subscriber is a party or by which Subscriber is bound or to which any of the property or assets of Subscriber is subject; (ii) the organizational documents of Subscriber; or (iii) any statute or any judgment, order, rule or regulation of any court or governmental agency or body, domestic or foreign, having jurisdiction over Subscriber or any of Subscriber's properties that would reasonably be expected to have a Subscriber Material Adverse Effect or materially affect the legal authority of Subscriber to comply in all material respects with this Subscription Agreement, except, in the cases of clauses (i) and (iii), as would not result in a Subscriber Material Adverse Effect. As used herein, "Subscriber Material Adverse Effect" means any change, event, state of facts, development or occurrence relating to Subscriber that, individually or in the aggregate, would prevent or materially delay or impede the consummation of the Subscription Closing or that materially affects the legal authority of Subscriber to comply with the terms of this Subscription Agreement.

(d) Subscriber is:

(i) in the United States and (a) is a "qualified institutional buyer" (as defined in Rule 144A under the Securities Act) or an institutional "accredited investor" (within the meaning of Rule 501(a) under the Securities Act), in each case, satisfying the applicable requirements set forth on Schedule A, (b) is acquiring the Acquired Shares only for its own account and not for the account of others, or if Subscriber is subscribing for the Acquired Shares as a fiduciary or agent for one or more investor accounts, each owner of such account is a "qualified institutional buyer" or "accredited investor" (each as defined above) and Subscriber has full investment discretion with respect to each such account, and the full power and authority to make the acknowledgements, representations and agreements herein on behalf of each owner of each such account and (c) is not acquiring the Acquired Shares with a view to, or for offer or sale in connection with, any distribution thereof in violation of the Securities Act or any other applicable securities laws. Subscriber has completed Schedule A following the signature page hereto and the information contained therein is accurate and complete. Subscriber is not an entity formed for the specific purpose of acquiring the Acquired Shares; or

(ii) not in the United States and (a) is not subscribing for the Acquired Shares for the account of or benefit of a person in the United States, (b) was not offered the Acquired Shares in the United States, (c) the buy order for Subscriber's Acquired Shares was not originated in the United States and Subscriber did not execute or deliver this Subscription Agreement in the United States, (d) has no intention to distribute either directly or indirectly any of the Acquired Shares in the United States and will not offer, sell or otherwise transfer, directly or indirectly, any of the Acquired Shares to, or for the account or benefit of, a person in the United States except pursuant to registration under the Securities Act and the securities laws of all applicable states or available exemptions therefrom and (e) did not receive the offer to purchase the Acquired Shares as a result of, nor will it engage in, any "directed selling efforts" (as defined in Regulation S). If Subscriber is in Canada it is (a) an "accredited investor" as defined in National Instrument 45-106 Prospectus Exemptions ("NI 45-106") and (b) is not a person created or used solely to purchase or hold securities as an "accredited investor" as defined in NI 45-106, and it has completed Schedule B (and, if applicable, Schedule B-1) following the signature page hereto and the information contained therein is accurate and complete.

(e) Subscriber understands that the Acquired Shares are being offered (i) in the United States in a transaction not involving any public offering within the meaning of Section 4(a)(2) of the Securities Act or (ii) in "offshore transactions" within the meaning of Regulation S and that the offer and sale of the Acquired Shares have not been registered under the Securities Act. Subscriber understands that the Acquired Shares may not be resold, transferred, pledged or otherwise disposed of by Subscriber absent an effective registration statement under the Securities Act, except (i) to the Issuer or a subsidiary thereof, (ii) to non-U.S. persons pursuant to offers and sales that occur outside the United States within the meaning of, and in compliance with, Regulation S, (iii) pursuant to Rule 144 under the Securities Act, provided that all of the applicable conditions thereof have been met or (iv) pursuant to another applicable exemption from the registration requirements of the Securities Act, and that any certificates or book-entry records representing the Acquired Shares shall contain a legend to such effect; *provided* that, if any Acquired Shares are being sold in accordance with Regulation S, the legend may be removed by providing to the transfer agent for the Acquired Shares a declaration in the form attached hereto as Schedule C. Subscriber acknowledges that the Acquired Shares will not be eligible for resale pursuant to Rule 144A promulgated under the Securities Act. Subscriber understands and agrees that the Acquired Shares will be subject to transfer restrictions and, as a result of these transfer restrictions, Subscriber may not be able to readily resell the Acquired Shares and may be required to bear the financial risk of an investment in the Acquired Shares for an indefinite period of time. Subscriber acknowledges that it has been advised to consult legal counsel prior to making any offer, resale, pledge or transfer of any of the Acquired Shares.

(f) Subscriber understands and agrees that Subscriber is purchasing the Acquired Shares directly from the Issuer. Subscriber further acknowledges that there have been no representations, warranties, covenants and agreements made to Subscriber by the Issuer, Legato, the Placement Agent or any of their respective officers, directors, employees, shareholders, affiliates or agents expressly or by implication, other than the representations, warranties, covenants and agreements made solely by the Issuer or solely by Legato included in this Subscription Agreement.

(g) Subscriber's acquisition and holding of the Acquired Shares will not constitute or result in a non-exempt prohibited transaction under section 406 of the Employee Retirement Income Security Act of 1974, as amended, section 4975 of the Internal Revenue Code of 1986, as amended (the "Code"), or any applicable similar law.

(h) In making its decision to subscribe for and purchase the Acquired Shares, Subscriber has relied solely upon its own independent investigation. Without limiting the generality of the foregoing, Subscriber has not relied on any statements or other information provided by the Placement Agent concerning the Issuer or the Acquired Shares or the offer and sale of the Acquired Shares. Subscriber acknowledges and agrees that Subscriber has received such information as Subscriber deems necessary in order to make an investment decision with respect to the Acquired Shares, including with respect to the Issuer and the Merger. Subscriber and Subscriber's professional advisors have had the full opportunity to review documentation, ask such questions, receive answers and obtain such information as Subscriber and its professional advisors have deemed necessary to make an investment decision with respect to the Acquired Shares. Subscriber acknowledges that certain information provided by the Issuer was based on projections, and such projections were prepared based on assumptions and estimates that are inherently uncertain and are subject to a wide variety of significant business, economic and competitive risks and uncertainties that could cause actual results to differ materially from those contained in the projections.

(i) Subscriber became aware of this offering of the Acquired Shares solely by means of direct contact between Subscriber and the Issuer, Legato or the Placement Agent, and the Acquired Shares were offered to Subscriber solely by direct contact between Subscriber and the Issuer, Legato or the Placement Agent. Subscriber did not become aware of this offering of the Acquired Shares, nor were the Acquired Shares offered to Subscriber, by any other means. Subscriber acknowledges that the Acquired Shares (i) were not offered by any form of general solicitation or general advertising and (ii) are not being offered in a manner involving a public offering under, or in a distribution in violation of, the Securities Act, or any other applicable securities laws.

(j) Subscriber acknowledges that it is aware that there are substantial risks incident to the purchase and ownership of the Acquired Shares. Subscriber has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Acquired Shares, and Subscriber has sought such accounting, legal and tax advice as Subscriber has considered necessary to make an informed investment decision.

(k) Subscriber acknowledges and agrees that neither the Placement Agent nor any affiliate of the Placement Agent has provided Subscriber with any information or advice with respect to the Acquired Shares nor is such information or advice necessary or desired. Subscriber acknowledges that the Placement Agent and its representatives (i) have not made any representation as to the Issuer or the quality of the Acquired Shares, (ii) may have acquired non-public information with respect to the Issuer which Subscriber agrees need not be provided to it, (iii) have made no independent investigation with respect to the Issuer or the Acquired Shares or the accuracy, completeness or adequacy of any information supplied to Subscriber by the Issuer, (iv) have not acted as Subscriber's financial advisor or fiduciary in connection with the issue and purchase of the Acquired Shares and (v) have not prepared a disclosure or offering document in connection with the offer and sale of the Acquired Shares.

(l) Alone, or together with its professional advisor, Subscriber acknowledges that it has adequately analyzed and fully considered the risks of an investment in the Acquired Shares and determined that the Acquired Shares are a suitable investment for Subscriber and that Subscriber is able at this time and in the foreseeable future to bear the economic risk of a total loss of Subscriber's investment in the Issuer. Subscriber acknowledges that the Subscriber may suffer a total loss, and lose all of its investment in the Acquired Shares.

(m) Subscriber understands and agrees that none of the SEC, any Canadian Securities Regulator or any other securities regulatory authority has passed upon or endorsed the merits of the Acquired Shares or made any findings or determination as to the fairness of an investment in the Acquired Shares.

(n) Subscriber is not (i) a person or entity named on the List of Specially Designated Nationals and Blocked Persons, the Executive Order 13599 List, the Foreign Sanctions Evaders List, or the Sectoral Sanctions Identification List, each of which is administered by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") (collectively "OFAC Lists"), (ii) owned or controlled by, or acting on behalf of, a person, that is named on an OFAC List, (iii) organized, incorporated, established, located, resident or born in, or a citizen, national, or the government, including any political subdivision, agency, or instrumentality thereof, of, Cuba, Iran, North Korea, Syria, the Crimea region of Ukraine, or any other country or territory embargoed or subject to substantial trade restrictions by the United States, (iv) a Designated National as defined in the Cuban Assets Control Regulations, 31 C.F.R. Part 515 or (v) a non-U.S. shell bank or providing banking services indirectly to a non-U.S. shell bank. Subscriber represents that if it is a financial institution subject to the Bank Secrecy Act (31 U.S.C. section 5311 et seq.) (the "BSA"), as amended by the USA PATRIOT Act of 2001 (the "PATRIOT Act"), and its implementing regulations (collectively, the "BSA/PATRIOT Act"), that Subscriber maintains policies and procedures reasonably designed to comply with applicable obligations under the BSA/PATRIOT Act. Subscriber also represents that, to the extent required, it maintains policies and procedures reasonably designed to ensure compliance with OFAC-administered sanctions programs, including for the screening of its investors against the OFAC Lists. Subscriber further represents and warrants that, to the extent required, it maintains policies and procedures reasonably designed to ensure that the funds held by Subscriber and used to purchase the Acquired Shares were legally derived.

(o) If Subscriber is an employee benefit plan that is subject to Title I of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), a plan, an individual retirement account or other arrangement that is subject to section 4975 of the Code or an employee benefit plan that is a governmental plan (as defined in section 3(32) of ERISA), a church plan (as defined in section 3(33) of ERISA), a non-U.S. plan (as described in section 4(b)(4) of ERISA) or other plan that is not subject to the foregoing but may be subject to provisions under any other federal, state, local, non-U.S. or other laws or regulations that are similar to such provisions of ERISA or the Code (collectively, "Similar Laws"), or an entity whose underlying assets are considered to include "plan assets" of any such plan, account or arrangement (each, a "Plan") subject to the fiduciary or prohibited transaction provisions of ERISA or section 4975 of the Code, then Subscriber represents and warrants that (i) neither the Issuer, nor any of its respective affiliates (the "Transaction Parties") has acted as the Plan's fiduciary, or has been relied on for advice, with respect to its decision to acquire and hold the Acquired Shares, and none of the Transaction Parties shall at any time be relied upon as the Plan's fiduciary with respect to any decision to acquire, continue to hold or transfer the Acquired Shares; (ii) the decision to invest in the Acquired Shares has been made at the recommendation or direction of an "independent fiduciary" ("Independent Fiduciary") within the meaning of U.S. Code of Federal Regulations 29 C.F.R. section 2510.3 21 (c), as amended from time to time (the "Fiduciary Rule") who is (A) independent of the Transaction Parties; (B) is capable of evaluating investment risks independently, both in general and with respect to particular transactions and investment strategies (within the meaning of the Fiduciary Rule); (C) is a fiduciary (under ERISA and/or section 4975 of the Code) with respect to Subscriber's investment in the Acquired Shares and is responsible for exercising independent judgment in evaluating the investment in the Acquired Shares; and (D) is aware of and acknowledges that (I) none of the Transaction Parties is undertaking to provide impartial investment advice, or to give advice in a fiduciary capacity, in connection with the purchaser's or transferee's investment in the Acquired Shares, and (II) the Transaction Parties have a financial interest in the purchaser's investment in the Acquired Shares on account of the fees and other remuneration they expect to receive in connection with transactions contemplated hereunder.

(p) As of the date of this Subscription Agreement Subscriber does not have, and during the thirty (30) day period immediately prior to the date of this Subscription Agreement Subscriber has not entered into, any "put equivalent position" as such term is defined in Rule 16a-1 under the Exchange Act or Short Sale positions with respect to the securities of Legato. For purposes of this Subscription Agreement, "Short Sales" shall mean all "short sales" as defined in Rule 200 promulgated under Regulation SHO under the Exchange Act, and all types of direct and indirect stock pledges (other than pledges in the ordinary course of business as part of prime brokerage arrangements), forward sale contracts, options, puts, calls, swaps and similar arrangements (including on a total return basis), and sales and other transactions through non-U.S. broker dealers or foreign regulated brokers.

(q) Subscriber has (or has commitments to have), and at the Closing will have, sufficient funds to pay the Purchase Price pursuant to Section 2 (b)(i),

6. Additional Subscriber Agreement. Subscriber hereby agrees that, from the date of this Subscription Agreement, neither Subscriber nor any person or entity acting on behalf of Subscriber or pursuant to any understanding with Subscriber will engage in any Short Sales with respect to securities of Legato prior to the Closing; *provided, however,* that for purposes of this Section 6 only, the definition of "Short Sales" shall not include options, puts and calls (which shall expressly be permitted). Notwithstanding the foregoing, nothing herein shall prohibit other entities under common management with Subscriber that have no knowledge of this Subscription Agreement or of Subscriber's participation in the transactions contemplated hereby (including Subscriber's controlled affiliates and/or affiliates) from entering into any Short Sales.

7. Registration Rights

(a) In the event that the Acquired Shares are not registered in connection with the Closing, the Issuer agrees that, as soon as practicable (but in any case no later than thirty (30) calendar days after the Closing Date) (the "Filing Deadline"), it will file with the SEC (at its sole cost and expense) a registration statement registering the resale of the Acquired Shares (the "Registration Statement"), and it shall use its commercially reasonable efforts to have the Registration Statement declared effective as soon as practicable after the filing thereof, but no later than the earlier of (i) ninety (90) calendar days after the Closing if the SEC notifies the Issuer that it will "review" the Registration Statement and (ii) ten (10) business days after the Issuer is notified (orally or in writing, whichever is earlier) by the SEC that the Registration Statement will not be "reviewed" or will not be subject to further review (the "Effectiveness Deadline"). The Issuer agrees to cause such Registration Statement, or another shelf registration statement that includes the Acquired Shares, to remain effective until the earliest of (i) the first (1st) anniversary of the Subscription Closing, (ii) the date on which Subscriber ceases to hold any Acquired Shares issued pursuant to this Subscription Agreement, or (iii) on the first date on which Subscriber is able to sell all of its Acquired Shares issued pursuant to this Subscription Agreement (or shares received in exchange therefor) under Rule 144 within 90 days without limitation as to the amount of such securities that may be sold and without the requirement for the Issuer to be in compliance with the current public information requirement under Rule 144. Subscriber agrees to disclose its ownership to the Issuer upon request to assist it in making the determination described above. The Issuer may amend the Registration Statement so as to convert the Registration Statement to a Registration Statement on Form F-3 (or Form S-3, if applicable) at such time after the Issuer becomes eligible to use such Form F-3 (or Form S-3, if applicable). Subscriber acknowledges and agrees that the Issuer may suspend the use of any such Registration Statement if it determines (a) that the use of such Registration Statement would require the inclusion of financial statements that are unavailable for issue for reasons beyond the Issuer's control, or (b) that in order for such Registration Statement not to contain a material misstatement or omission, an amendment thereto would be needed to include information that would at that time not otherwise be required in a current, quarterly, or annual report under the Exchange Act; *provided,* that (I) the Issuer shall not so delay filing or so suspend the use of the Registration Statement on more than three (3) occasions or for a period of more than sixty (60) consecutive days or more than a total of one hundred-twenty (120) calendar days, in each case in any three hundred sixty (360)-day period, (II) the Issuer shall have a bona fide business purpose for not making such information public and (III) the Issuer shall use commercially reasonable efforts to make such Registration Statement available for the sale by Subscriber of such securities as soon as practicable thereafter. The Issuer's obligations to include the Acquired Shares issued pursuant to this Subscription Agreement (or shares issued in exchange therefor) for resale in the Registration Statement are contingent upon Subscriber furnishing in writing to the Issuer such information regarding Subscriber, the securities of the Issuer held by Subscriber and the intended method of disposition of such Acquired Shares, which shall be limited to non-underwritten public offerings, as shall be reasonably requested by the Issuer to effect the registration of such Acquired Shares, and shall execute such documents in connection with such registration as the Issuer may reasonably request that are customary of a selling shareholder in similar situations; *provided, however,* that Subscriber shall not in connection with the foregoing be required to execute any lock-up or similar agreement or otherwise be subject to any contractual restriction on the ability to transfer the Acquired Shares. The Issuer will provide a draft of the Registration Statement to Subscriber for review at least two (2) business days in advance of filing the Registration Statement. So long as Subscriber delivers to the Issuer a completed questionnaire (which shall include representations and warranties as to relevant matters), Subscriber shall not be identified as a statutory underwriter in the Registration Statement unless in response to a comment or request from the staff of the SEC or another regulatory agency; *provided, however,* that if the SEC requests that Subscriber be identified as a statutory underwriter in the Registration Statement, Subscriber will have an opportunity to withdraw from the Registration Statement. For purposes of clarification, any failure by the Issuer to file the Registration Statement by the Filing Deadline or to effect such Registration Statement by the Effectiveness Deadline shall not otherwise relieve the Issuer of its obligations to file or effect the Registration Statement set forth in this Section 7. For purposes of this Section 7, "Acquired Shares" includes any other equity security of the Issuer issued or issuable with respect to the Acquired Shares by way of share split, dividend, distribution, recapitalization, merger, exchange, replacement or similar event or otherwise.

(b) The Issuer shall advise Subscriber within three (3) business days (email being sufficient) (at the Issuer's expense): (i) when a Registration Statement or any post-effective amendment thereto has become effective; (ii) of the issuance by the SEC of any stop order suspending the effectiveness of any Registration Statement or the initiation of any proceedings for such purpose; (iii) of the receipt by the Issuer of any notification with respect to the suspension of the qualification of the Acquired Shares included therein for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose; and (iv) subject to the provisions in this Subscription Agreement, of a suspension pursuant to Section 7(a) or the occurrence of any event that requires the making of any changes in any Registration Statement or prospectus so that, as of such date, the statements therein are not misleading and do not omit to state a material fact required to be stated therein or necessary to make the statements therein (in the case of a prospectus, in the light of the circumstances under which they were made) not misleading (provided that any such notice pursuant to this Section 7(b) shall solely provide that the use of the Registration Statement or prospectus has been suspended without setting forth the reason for such suspension and shall not contain any material non-public information regarding the Issuer). The Issuer shall use its commercially reasonable efforts to obtain the withdrawal of any order suspending the effectiveness of any Registration Statement as soon as reasonably practicable. Upon the occurrence of any event contemplated in clauses (i) through (iv) above, except for such times as the Issuer is permitted hereunder to suspend, and has suspended, the use of a prospectus forming part of a Registration Statement, the Issuer shall use its commercially reasonable efforts to as soon as reasonably practicable prepare a post-effective amendment to such Registration Statement or a supplement to the related prospectus, or file any other required document so that, as thereafter delivered to purchasers of the Acquired Shares included therein, such prospectus will not include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. Subscriber agrees that it will promptly discontinue offers and sales of the Acquired Shares using a Registration Statement until Subscriber receives copies of a supplemental or amended prospectus that corrects the misstatement(s) or omission(s) referred to above in clause (iv) and receives notice that any post-effective amendment has become effective or unless otherwise notified by the Issuer that it may resume such offers and sales (which notice shall not contain any material non-public information regarding the Issuer). If so directed by the Issuer, Subscriber will deliver to the Issuer or, in Subscriber's sole discretion destroy, all copies of the prospectus covering the Acquired Shares in Subscriber's possession; *provided, however,* that this obligation to deliver or destroy all copies of the prospectus covering the Acquired Shares shall not apply (x) to the extent Subscriber is required to retain a copy of such prospectus in order to comply with applicable legal, regulatory, self-regulatory or professional requirements or in accordance with a bona fide pre-existing document retention policy or (y) to copies stored electronically on archival servers as a result of automatic data back-up.

(c) For as long as Subscriber holds Acquired Shares, the Issuer will use commercially reasonable efforts to file all reports necessary to enable the undersigned to resell the Acquired Shares pursuant to the Registration Statement and, when Rule 144 of the Securities Act becomes available to Subscriber, Rule 144 of the Securities Act. In connection with any sale, assignment, transfer or other disposition of the Acquired Shares by Subscriber pursuant to Rule 144 or pursuant to any other exemption under the Securities Act such that the Acquired Shares held by Subscriber become freely tradable and upon compliance by Subscriber with the requirements of this Subscription Agreement, if requested by Subscriber, the Issuer shall use commercially reasonable efforts to cause the Issuer's transfer agent to remove any restrictive legends related to the book entry account holding such Acquired Shares and make a new, unlegended entry for such book entry Acquired Shares sold or disposed of without restrictive legends within two (2) trading days of any such request therefor from Subscriber; *provided,* that the Issuer and the transfer agent have timely received from Subscriber customary representations and other documentation reasonably acceptable to the Issuer and the transfer agent in connection therewith. Subject to receipt from Subscriber by the Issuer and the transfer agent of customary representations and other documentation reasonably acceptable to the Issuer and the transfer agent in connection therewith, including, if required by the transfer agent, an opinion of the Issuer's counsel, in a form reasonably acceptable to the transfer agent, to the effect that the removal of such restrictive legends in such circumstances may be effected under the Securities Act, Subscriber may request that the Issuer shall remove any legend from the book-entry position evidencing its Acquired Shares following the earliest of such time as such Acquired Shares (i) have been or are about to be sold or transferred pursuant to an effective registration statement, (ii) have been or are about to be sold pursuant to Rule 144 or (iii) are eligible for resale under Rule 144(b)(1) or any successor provision without the requirement for the Issuer to be in compliance with the current public information requirement under Rule 144 and without volume or manner-of-sale restrictions applicable to the sale or transfer of such Acquired Shares. If restrictive legends are no longer required for such Acquired Shares pursuant to the foregoing, the Issuer shall, in accordance with the provisions of this section and within two (2) trading days of any request therefor from Subscriber accompanied by such customary and reasonably acceptable representations and

other documentation referred to above establishing that restrictive legends are no longer required, deliver to the transfer agent irrevocable instructions that the transfer agent shall make a new, unlegended entry for such book entry Acquired Shares. The Issuer shall be responsible for the fees of its transfer agent and all Depository Trust Company or CDS Clearing and Depository Services Inc. fees associated with such issuance.

(d) Indemnification.

(i) The Issuer agrees to indemnify and hold harmless, to the extent permitted by law, Subscriber, its directors, and officers, employees, and agents, and each person who controls Subscriber (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) and each affiliate of Subscriber (within the meaning of Rule 405 under the Securities Act) from and against any and all losses, claims, damages, liabilities and expenses (including, without limitation, any reasonable attorneys' fees and expenses incurred in connection with defending or investigating any such action or claim) caused by any untrue or alleged untrue statement of a material fact contained in any Registration Statement, prospectus included in any Registration Statement or preliminary prospectus or any amendment thereof or supplement thereto or any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as and to the extent, but only to the extent, the same are caused by or contained in any information regarding Subscriber furnished in writing to the Issuer by or on behalf of Subscriber expressly for use therein.

(ii) Subscriber agrees, severally and not jointly with any person that is a party to the Other Subscription Agreements, to indemnify and hold harmless the Issuer, its directors and officers and agents and employees and each person who controls the Issuer (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act) against any losses, claims, damages, liabilities and expenses (including, without limitation, reasonable attorneys' fees) resulting from any untrue statement of a material fact contained in the Registration Statement, or any form of prospectus or preliminary prospectus or any amendment thereof or supplement thereto or any omission of a material fact required to be stated therein (in the case of any prospectus, or any form of prospectus or preliminary prospectus or supplement thereto, in light of the circumstances under which they were made) or necessary to make the statements therein not misleading, but only to the extent that such untrue statement or omission is contained in any information or affidavit so furnished in writing by Subscriber expressly for use therein. In no event shall the liability of Subscriber be greater in amount than the dollar amount of the net proceeds received by Subscriber upon the sale of the Acquired Shares purchased pursuant to this Subscription Agreement giving rise to such indemnification obligation.

(iii) Any person entitled to indemnification herein shall (1) give prompt written notice to the indemnifying party of any claim with respect to which it seeks indemnification (provided that the failure to give prompt notice shall not impair any person's right to indemnification hereunder to the extent such failure has not materially prejudiced the indemnifying party) and, (2) unless in such indemnified party's reasonable judgment a conflict of interest between such indemnified and indemnifying parties exists with respect to such claim, permit such indemnifying party to assume the defense of such claim with counsel reasonably satisfactory to the indemnified party. If such defense is assumed, the indemnifying party shall not be subject to any liability for any settlement made by the indemnified party without its consent (but such consent shall not be unreasonably withheld, conditioned or delayed). An indemnifying party who is not entitled to, or elects not to assume the defense of a claim shall not be obligated to pay the fees and expenses of more than one counsel for all parties indemnified by such indemnifying party with respect to such claim, unless in the reasonable judgment of legal counsel to any indemnified party a conflict of interest exists between such indemnified party and any other of such indemnified parties with respect to such claim. No indemnifying party shall, without the consent of the indemnified party, consent to the entry of any judgment or enter into any settlement which cannot be settled in all respects by the payment of money (and such money is so paid by the indemnifying party pursuant to the terms of such settlement) or which settlement includes a statement or admission of fault and culpability on the part of such indemnified party or which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability in respect to such claim or litigation.

(iv) The indemnification provided for under this Subscription Agreement shall remain in full force and effect regardless of any investigation made by or on behalf of the indemnified party or any officer, director, employee, agent, affiliate or controlling person of such indemnified party and shall survive the transfer of the Acquired Shares purchased pursuant to this Subscription Agreement.

(v) If the indemnification provided under this Section 7(d) from the indemnifying party is unavailable or insufficient to hold harmless an indemnified party in respect of any losses, claims, damages, liabilities and expenses referred to herein, then the indemnifying party, in lieu of indemnifying the indemnified party, shall contribute to the amount paid or payable by the indemnified party as a result of such losses, claims, damages, liabilities and expenses in such proportion as is appropriate to reflect the relative fault of the indemnifying party and the indemnified party, as well as any other relevant equitable considerations. The relative fault of the indemnifying party and indemnified party shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact, was made by, or relates to information supplied by, such indemnifying party or indemnified party, and the indemnifying party's and indemnified party's relative intent, knowledge, access to information and opportunity to correct or prevent such action. The amount paid or payable by a party as a result of the losses or other liabilities referred to above shall be deemed to include, subject to the limitations set forth above, any legal or other fees, charges or expenses reasonably incurred by such party in connection with any investigation or proceeding. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution pursuant to this Section 7(d) from any person who was not guilty of such fraudulent misrepresentation. In no event shall the liability of Subscriber be greater in amount than the dollar amount of the net proceeds received by Subscriber upon the sale of the Acquired Shares purchased pursuant to this Subscription Agreement giving rise to such contribution obligation.

8. Stock Exchange Listings. The Issuer shall use reasonable best efforts to cause the Acquired Shares to be approved for listing on Nasdaq, subject to official notice of issuance, and conditionally approved for listing on the TSX, subject only to fulfillment of customary conditions following the Closing Date, in each case as promptly as practicable after the date of the Merger Agreement, and in any event on or prior to the Closing Date.

9. Termination. This Subscription Agreement shall terminate and be void and of no further force and effect, and all rights and obligations of the parties hereunder shall terminate without any further liability on the part of any party in respect thereof, upon the earlier to occur of (a) such date and time as the Merger Agreement is terminated in accordance with the terms therein, (b) upon the mutual written agreement of each of the parties hereto to terminate this Subscription Agreement, (c) if any of the conditions to Closing set forth in Section 2(d), (e) or (f) are not satisfied on or prior to the Closing Date and, as a result thereof, the transactions contemplated hereby are not consummated on the Closing Date or (d) at the election of Subscriber, on December 31, 2021, if the Merger has not occurred by such date; *provided,* that nothing herein will relieve any party from liability for any willful breach hereof prior to the time of termination, and each party will be entitled to any remedies at law or in equity to recover out-of-pocket losses, liabilities or damages arising from such breach. The Issuer and Legato shall promptly notify Subscriber of the termination of the Merger Agreement after the termination of such agreement.

10. Trust Account Waiver. Subscriber acknowledges that Legato is a blank check company with the powers and privileges to effect a merger, asset acquisition, reorganization or similar business combination involving the Issuer and one or more businesses or assets. Subscriber further acknowledges that, as described in Legato's prospectus relating to its initial public offering dated January 19, 2021 (the "Prospectus"), available at www.sec.gov, substantially all of Legato's assets consist of the cash proceeds of the Legato's initial public offering and a private placement of its securities, and substantially all of those proceeds have been deposited in a trust account (the "Trust Account") for the benefit of Legato, its public shareholders and the underwriters of Legato's initial public offering. Except with respect to interest earned on the funds held in the Trust Account that may be released to Legato to pay its tax obligations, if any, the cash in the Trust Account may be disbursed only for the purposes set forth in the Prospectus. For and in consideration of Legato entering into this Subscription Agreement, the receipt and sufficiency of which are hereby acknowledged, Subscriber, on behalf of itself and its representatives, hereby irrevocable waives any and all right, title and interest, or any claim of any kind they have or may have in the future arising out of this Subscription Agreement, in or to any monies held in the Trust Account, and agrees not to seek recourse against the Trust Account as a result of, or arising out of, this Subscription Agreement; *provided, however,* that nothing in this Section 10 shall be deemed to limit any Subscriber's right, title, interest or claim to the Trust Account by virtue of such Subscriber's record or beneficial ownership of securities of Legato acquired by any means other than pursuant to this Subscription Agreement, including but not limited to any redemption right with respect to any such securities of Legato.

11. Miscellaneous.

(a) Subscriber acknowledges that Legato, the Issuer, the Placement Agent and others will rely on the acknowledgments, understandings, agreements, representations and warranties contained in this Subscription Agreement. Prior to the Closing, Subscriber agrees to promptly notify the Issuer and Legato if any of the acknowledgments, understandings, agreements, representations and warranties made by Subscriber as set forth herein are no longer accurate in all material respects. Subscriber further acknowledges and agrees that the Placement Agent is a third-party beneficiary of the representations and warranties of Subscriber contained in Section 5.

(b) Each of Legato, the Issuer and Subscriber is entitled to rely upon this Subscription Agreement and is irrevocably authorized to produce this Subscription Agreement or a copy hereof to any interested party in any administrative or legal proceeding or official inquiry with respect to the matters covered hereby to the extent required by law or by regulatory bodies.

(c) Notwithstanding anything to the contrary in this Subscription Agreement, prior to the Closing, this Subscription Agreement shall not be assigned (whether pursuant to a merger, by operation of law or otherwise), by any party without the prior express written consent of the other parties hereto; *provided,* that Subscriber may assign its rights and obligations under this Subscription Agreement to one or more of its affiliates (including other investment funds or accounts managed or advised by the investment manager who acts on behalf of Subscriber or an affiliate thereof); *provided, farther,* that (i) prior to such assignment, any such assignee shall agree in writing to be bound by the terms hereof and (ii) no such assignment shall relieve Subscriber of its obligations hereunder if any such assignee fails to perform its obligations hereunder.

(d) The representations and warranties made by each party in this Subscription Agreement, as well as covenants to be performed by a party prior to the Subscription Closing, shall survive for a period of six months following the Closing (the "Survival Period") and thereafter no party shall have any right to bring any claim of any kind with respect to a breach of any such representation, warranty or covenant; *provided, however,* if a party has notified the other parties in writing of an alleged breach of any such representation, warranty or covenant prior to the expiration of the Survival Period, such party's right to bring a claim in respect of such breach shall survive indefinitely. All covenants to be performed by a party following the Subscription Closing shall survive until performed.

(e) Legato and the Issuer may request from Subscriber such additional information as Legato and the Issuer may reasonably deem necessary to evaluate the eligibility of Subscriber to acquire the Acquired Shares, and Subscriber shall provide such information as may be reasonably requested.

(f) This Subscription Agreement may not be modified, waived or terminated except by an instrument in writing, signed by the party against whom enforcement of such modification, waiver, or termination is sought.

(g) This Subscription Agreement constitutes the entire agreement, and supersedes all other prior agreements, understandings, representations and warranties, both written and oral, among the parties, with respect to the subject matter hereof.

(h) Except as otherwise provided herein, this Subscription Agreement shall be binding upon, and inure to the benefit of the parties hereto and their heirs, executors, administrators, successors, legal representatives, and permitted assigns, and the agreements, representations, warranties, covenants and acknowledgments contained herein shall be deemed to be made by, and be binding upon, such heirs, executors, administrators, successors, legal representatives and permitted assigns.

(i) If any provision of this Subscription Agreement shall be invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions of this Subscription Agreement shall not in any way be affected or impaired thereby and shall continue in full force and effect.

(j) This Subscription Agreement may be executed and delivered in two (2) or more counterparts (including by electronic means, such as facsimile, .pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000), all of which shall be considered one and the same agreement and shall become effective when signed by each of the parties and delivered to the other parties, it being understood that all parties need not sign the same counterpart.

(k) Each party shall pay all of its own expenses in connection with this Subscription Agreement and the transactions contemplated hereby.

(l) At any time, the Issuer and Legato may (a) extend the time for the performance of any obligation or other act of Subscriber, (b) waive any inaccuracy in the representations and warranties of Subscriber contained herein or in any document delivered by Subscriber pursuant hereto and (c) waive compliance with any agreement of Subscriber or any condition to its own obligations contained herein. At any time, Subscriber may (a) extend the time for the performance of any obligation or other act of the Issuer or Legato, (b) waive any inaccuracy in the representations and warranties of the Issuer or Legato contained herein or in any document delivered by the Issuer or Legato pursuant hereto and (c) waive compliance with any agreement of the Issuer or Legato or any condition to its own obligations contained herein. Any such extension or waiver shall only be valid if set forth in an instrument in writing signed by the party or parties to be bound thereby.

(m) Any notice or communication required or permitted hereunder shall be in writing and either delivered personally, emailed or telecopied, sent by overnight mail via a reputable overnight carrier, or sent by certified or registered mail, postage prepaid, and shall be deemed to be given and received (a) when so delivered personally, (b) upon receipt of an appropriate electronic answerback or confirmation when so delivered by telecopy (to such number specified below or another number or numbers as such person may subsequently designate by notice given hereunder), (c) when sent, with no mail undeliverable or other rejection notice, if sent by email, or (d) five (5) business days after the date of mailing to the address below or to such other address or addresses as such person may hereafter designate by notice given hereunder:

(i) if to Subscriber, to such address or addresses set forth on the signature page hereto;

(ii) if to Legato, to:

Legato Merger Corp.
777 Third Avenue, 37th Floor
New York, New York 10017
Attn: David D. Sgro
Email: dsgro@crescendopartners.com

with a required copy to (which copy shall not constitute notice):

Graubard Miller
405 Lexington Avenue
New York, New York 10174
Attn: David Alan Miller
Jeffrey Gallant
Email: dmiller@graubard.com
jgallant@graubard.com;

(iii) if to the Issuer, to

Algoma Steel Inc.
105 West Street
Sault Ste. Marie, Ontario P6A 7B4
Attn: John Naccarato
Email: john.naccarato@algoma.com

with required copies to (which copies shall not constitute notice)

Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas
New York, New York 10019
Attn: Adam M. Givertz
Email: agivertz@paulweiss.com

Goodmans LLP
Bay Adelaide Centre – West Tower
333 Bay Street, Suite 3400
Toronto, Ontario M5H 2S7
Attn: Robert Chadwick
Michael Partridge
Email: rchadwick@goodmans.ca
mpartridge@goodmans.ca; and

(iv) if to the Placement Agent, to:

EarlyBirdCapital, Inc.

366 Madison Avenue
New York, New York 10017
Attn: Steven Levine
Email: slevine@ebcap.com

(n) This Subscription Agreement, and any claim or cause of action hereunder based upon, arising out of or related to this Subscription Agreement (whether based on law, in equity, in contract, in tort or any other theory) or the negotiation, execution, performance or enforcement of this Subscription Agreement, shall be governed by and construed in accordance with the Laws of the State of New York, without giving effect to the principles of conflicts of law thereof that would result in the application of the laws of another jurisdiction.

THE PARTIES HERETO IRREVOCABLY SUBMIT TO THE EXCLUSIVE JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK, THE SUPREME COURT OF THE STATE OF NEW YORK AND THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA LOCATED IN THE STATE OF NEW YORK SOLELY IN RESPECT OF THE INTERPRETATION AND ENFORCEMENT OF THE PROVISIONS OF THIS SUBSCRIPTION AGREEMENT AND THE DOCUMENTS REFERRED TO IN THIS SUBSCRIPTION AGREEMENT AND IN RESPECT OF THE TRANSACTIONS CONTEMPLATED HEREBY, AND HEREBY WAIVE, AND AGREE NOT TO ASSERT, AS A DEFENSE IN ANY ACTION, SUIT OR PROCEEDING FOR INTERPRETATION OR ENFORCEMENT HEREOF OR ANY SUCH DOCUMENT THAT IS NOT SUBJECT THERETO OR THAT SUCH ACTION, SUIT OR PROCEEDING MAY NOT BE BROUGHT OR IS NOT MAINTAINABLE IN SAID COURTS OR THAT VENUE THEREOF MAY NOT BE APPROPRIATE OR THAT THIS SUBSCRIPTION AGREEMENT OR ANY SUCH DOCUMENT MAY NOT BE ENFORCED IN OR BY SUCH COURTS, AND THE PARTIES HERETO IRREVOCABLY AGREE THAT ALL CLAIMS WITH RESPECT TO SUCH ACTION, SUIT OR PROCEEDING SHALL BE HEARD AND DETERMINED BY SUCH A NEW YORK STATE OR FEDERAL COURT. THE PARTIES HEREBY CONSENT TO AND GRANT ANY SUCH COURT JURISDICTION OVER THE PERSON OF SUCH PARTIES AND OVER THE SUBJECT MATTER OF SUCH DISPUTE AND AGREE THAT MAILING OF PROCESS OR OTHER PAPERS IN CONNECTION WITH SUCH ACTION, SUIT OR PROCEEDING IN THE MANNER PROVIDED IN SECTION ll(m) OR IN SUCH OTHER MANNER AS MAY BE PERMITTED BY LAW SHALL BE VALID AND SUFFICIENT SERVICE THEREOF.

EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS SUBSCRIPTION AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS SUBSCRIPTION AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (I) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER; (II) SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THE FOREGOING WAIVER; (III) SUCH PARTY MAKES THE FOREGOING WAIVER VOLUNTARILY AND (IV) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS SUBSCRIPTION AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVER AND CERTIFICATIONS IN THIS SECTION 11(n).

(o) Legato shall, by 9:00 a.m., New York City time, on the first (1st) business day immediately following the date of this Subscription Agreement, issue one or more press releases or file with the SEC a Current Report on Form 8-K (collectively, the "Disclosure Document") disclosing all material terms of the transactions contemplated hereby, the Merger, and any other material, nonpublic information that Legato or the Issuer has provided (or that has been provided on their behalf) to Subscriber at any time prior to the filing of the Disclosure Document. From and after the issuance of the Disclosure Document, to Legato's and the Issuer's knowledge, Subscriber shall not be in possession of any material, nonpublic information received from Legato, the Issuer or any of their officers, directors or employees, and Subscriber shall no longer be subject to any confidentiality or similar obligations under any current agreement, whether written or oral, with Legato, the Issuer, the Placement Agent or any of their respective affiliates, relating to the transactions contemplated hereby. Notwithstanding anything in this Subscription Agreement to the contrary, Legato and the Issuer shall not publicly disclose the name of Subscriber or any of its affiliates, or include the name of Subscriber or any of its affiliates in any press release or in any filing with the SEC or any regulatory agency or trading market, without the prior written consent of Subscriber, except (i) as required by the U.S. federal securities law in connection with the Registration Statement, (ii) in a press release or marketing materials of Legato in connection with the Merger and (iii) to the extent such disclosure is required by applicable law, at the request of the Staff of the SEC, any Canadian Securities Regulator or regulatory agency, or under the regulations of Nasdaq or the TSX, in which case Legato or the Issuer shall provide Subscriber with prior written notice of such disclosure permitted under subclauses (ii) and (iii).

(p) Subscriber acknowledges that it is not relying upon, and has not relied upon, any statement, representation or warranty made by any person, firm or corporation (including, without limitation, the Placement Agent, any of its affiliates or any control persons, officers, directors, employees, partners, agents or representatives of any of the foregoing), other than the representations and warranties of the Issuer and Legato expressly contained in Section 3 and Section 4, respectively, of this Subscription Agreement, in making its investment or decision to invest in the Issuer. Subscriber acknowledges and agrees that none of (a) any other investor pursuant to this Subscription Agreement or any Other Subscription Agreement (including the investor's respective affiliates or any control persons, officers, directors, employees, partners, agents or representatives of any of the foregoing) or (b) the Placement Agent, its affiliates or any control persons, officers, directors, employees, partners, agents or representatives of any of the foregoing, in each case, absent their own gross negligence, fraud or willful misconduct, shall have any liability to Subscriber, or to any other investor, pursuant to, arising out of or relating to this Subscription Agreement or any Other Subscription Agreement, the negotiation hereof or thereof or its subject matter, or the transactions contemplated hereby or thereby, including, without limitation, with respect to any action heretofore or hereafter taken or omitted to be taken by any of them in connection with the purchase of the Acquired Shares or with respect to any claim (whether in tort, contract or otherwise) for breach of this Subscription Agreement or in respect of any written or oral representations made or alleged to be made in connection herewith, as expressly provided herein, or for any actual or alleged inaccuracies, misstatements or omissions with respect to any information or materials of any kind furnished by Legato, the Issuer, the Placement Agent or any Non-Party Affiliate concerning Legato, the Issuer, the Placement Agent, any of their controlled affiliates, this Subscription Agreement or the transactions contemplated hereby. For purposes of this Subscription Agreement, "Non-Party Affiliates" means each former, current or future officer, director, employee, partner, member, manager, direct or indirect equityholder or affiliate of Legato, the Issuer, the Placement Agent or any of Legato's, the Issuer's or the Placement Agent's controlled affiliates or any family member of the foregoing.

(q) The words "hereof," "herein," "hereinafter," "hereunder," and "hereto" and words of similar import refer to this Subscription Agreement as a whole and not to any particular section or subsection of this Subscription Agreement and reference to a particular section of this Subscription Agreement will include all subsections thereof, unless, in each case, the context otherwise requires. Unless otherwise indicated the words "include," "includes" and "including" when used herein shall be deemed in each case to be followed by the words "without limitation." Except where otherwise indicated, all references to currency amounts in this Subscription Agreement, including the schedules hereto, shall mean United States dollars and references to "C$" shall mean Canadian dollars. Each of the parties cooperated in the drafting and preparation of this Subscription Agreement and, therefore, waive the application of any law, regulation, holding or rule of construction providing that ambiguities in an agreement or other document will be construed against the party drafting such agreement or document.

[*Signature pages follow.*]

IN WITNESS WHEREOF, Subject to the terms and conditions set forth in this Subscription Agreement, Subscriber hereby irrevocably subscribes for the number of Common Shares set forth below at a price of $10.00 per Common Share.

SUBSCRIBER:

[Name of Subscriber]

By: _____
Name:
Title:

Date: , 2021

Name of Subscriber:

_____
(Please print. Please indicate name and capacity of person signing above)

_____
Name in which securities are to be registered (if different):
Email Address:

Subscriber's EIN: _____

Address:

_____

_____

Attn: _____

Telephone No.: _____

Facsimile No.: _____

Number of Common Shares subscribed for at a price of $10.00 per Common Shares: [ ]

Purchase Price: $[ ]

You must pay the Purchase Price by wire transfer of United States dollars in immediately available funds to the account specified by the Issuer in the Closing Notice.

[Signature page to Subscription Agreement]

Number of Acquired Shares subscribed for and Aggregate Purchase Price as of , 2021, accepted and agreed to as of this day of , 2021, by:

1295908 B.C. LTD.

By: _____
Name:
Title:

LEGATO MERGER CORP.

By: _____
Name:
Title:

SCHEDULE A

ELIGIBILITY REPRESENTATIONS OF SUBSCRIBER

This Schedule must be completed by Subscriber and forms a part of the Subscription Agreement to which it is attached. Capitalized terms used and not otherwise defined in this Schedule have the meanings given to them in the Subscription Agreement. Subscriber must check the applicable box in either Part A or Part B below and the applicable box in Part C below.

A. QUALIFIED INSTITUTIONAL BUYER STATUS (Please check the applicable subparagraphs):

☐ Subscriber is a "qualified institutional buyer" (as defined in Rule 144A under the Securities Act (a "QIB")).

☐ Subscriber is subscribing for the Acquired Shares as a fiduciary or agent for one or more investor accounts, and each owner of such accounts is a QIB.

*** OR ***

B. INSTITUTIONAL ACCREDITED INVESTOR STATUS
(Please check the applicable subparagraphs):

Subscriber is an institutional "accredited investor" (within the meaning of Rule 501(a) under the Securities Act) and has checked below the box(es) for the applicable provision under which Subscriber qualifies as such:

☐ Subscriber is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, a corporation, Massachusetts or similar business trust, or partnership that was not formed for the specific purpose of acquiring the securities of the Issuer being offered in this offering, with total assets in excess of $5,000,000.

☐ Subscriber is a "private business development company" as defined in Section 202(a)(22) of the Investment Advisers Act of 1940.

☐ Subscriber is a "bank" as defined in Section 3(a)(2) of the Securities Act.

☐ Subscriber is a "savings and loan association" or other institution as defined in Section 3(a)(5)(A) of the Securities Act, whether acting in its individual or fiduciary capacity.

☐ Subscriber is a broker or dealer registered pursuant to Section 15 of the Exchange Act.

☐ Subscriber is an "insurance company" as defined in Section 2(a)(13) of the Securities Act.

☐ Subscriber is an investment company registered under the Investment Company Act of 1940.

☐ Subscriber is a "business development company" as defined in Section 2(a)(48) of the Investment Company Act of 1940.

☐ Subscriber is a "Small Business Investment Company" licensed by the U.S. Small Business Administration under either Section 301(c) or (d) of the Small Business Investment Act of 1958.

☐ Subscriber is a plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, and such plan has total assets in excess of $5,000,000.

☐ Subscriber is an employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974 if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such act, which is one of the following.

☐ A bank;

☐ A savings and loan association;

☐ A insurance company; or

☐ A registered investment adviser.

☐ Subscriber is an employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974 with total assets in excess of $5,000,000.

☐ Subscriber is an employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974 that is a self-directed plan with investment decisions made solely by persons that are accredited investors.

☐ Subscriber is a trust with total assets in excess of $5,000,000, not formed for the specific purpose of acquiring the securities offered by the Issuer in this offering, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii) under the Securities Act.

*** AND ***

C. AFFILIATE STATUS

(Please check the applicable box)

SUBSCRIBER:

☐ is:

☐ is not:

an “affiliate” (as defined in Rule 144 under the Securities Act) of the Issuer or acting on behalf of an affiliate of the Issuer.

SCHEDULE B
Canadian Accredited Investor Certificate

Upon execution of this Canadian Accredited Investor Certificate by the Subscriber, this Canadian Accredited Investor Certificate shall be incorporated into and form a part of the Subscription Agreement. For purposes hereof, certain definitions are included below for convenience.

In addition to the covenants, representations and warranties contained in the Subscription Agreement, the undersigned Subscriber represents, warrants and certifies to the Issuer that the Subscriber is purchasing as principal and qualifies to purchase under National Instrument 45-106 *Prospectus Exemptions* **("NI 45-106"),** Section 73.3 of the *Securities Act* (Ontario), or otherwise, by reason of the fact that the Subscriber falls into one or more of the subparagraphs set out below, the Subscriber having initialed the applicable subparagraph or subparagraphs, and is:

I. If the Subscriber is not an individual, is subscribing for C$150,000 or more and is an entity not created or used solely to purchase or hold securities, please complete **Section I – Minimum C$150.000 Investment** below.

II. If the Subscriber does not meet the requirements of Section I but is an Accredited Investor, please make the appropriate selection under **Section II – Accredited Investor** below.

(a) All purchasers who are individuals and make a selection under paragraphs (j), (k) or (l) of Section I must also provide a signed Risk Acknowledgement Form (attached as Schedule B-l hereto).

III. If none of the above applies, please make the appropriate selection under **Section 4 – Employees, Officers, Directors and Consultants** below.

I. MINIMUM C$150,000 INVESTMENT

(a) A non-individual purchaser purchasing securities having an acquisition cost of not less than C$ 150,000 paid in cash and was not created or used solely to purchase or hold securities in reliance on the exemption from the dealer registration requirement or prospectus requirement available under section 2.10 of NI 45-106;

II. ACCREDITED INVESTOR

(a) a Canadian financial institution, or a Schedule III bank (or in Ontario, a bank listed in Schedule I, II, or III of the Bank Act (Canada));

(b) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada);

(c) a subsidiary of any person referred to in paragraphs (a) or (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary;

(d) a person registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer;

(e) an individual registered under the securities legislation of a jurisdiction of Canada as a representative of a person referred to in paragraph (d);

(e.1) an individual formerly registered under the securities legislation of a jurisdiction of Canada, other than an individual formerly registered solely as a representative of a limited market dealer under one or both of the *Securities Act* (Ontario) or the *Securities Act* (Newfoundland and Labrador);

(f) the Government of Canada or a jurisdiction of Canada, or any crown corporation, agency or wholly owned entity of the Government of Canada or a jurisdiction of Canada;

(g) a municipality, public board or commission in Canada or a metropolitan community, school board, the Comite de gestion de la taxe scolaire de l'ile de Montreal or an intermunicipal management board in Quebec;

(h) a national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or an agency of that government;

(i) a pension fund that is regulated by either the Office of the Superintendent of Financial Institutions (Canada) or a pension commission or similar regulatory authority of a jurisdiction of Canada;

(j) an individual who, either alone or with a spouse,[1] beneficially owns financial assets[2] having an aggregatei realizable value that before taxes, but net of any related liabilities[2] **("Net Financial Assets"),** exceeds C$1,000,000;

Note: if the Subscriber chooses to select this category, please complete the Risk Acknowledgement Form for Accredited Investors who are Individuals at Schedule B-1 hereto

(j.1) an individual who beneficially owns financial assets[3] having an aggregate realizable value that, before taxes but net of any related liabilities[3] **("Net Financial Assets"),** exceeds C$5,000,000;

(k) an individual whose net income before taxes **("Net Income")** exceeded C$200,000 in each of the two most recent calendar years or whose net income before taxes combined with that of a spouse[4] exceeded C$300,000 in each of the two most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year,

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1 For the purposes of this certificate, the term **"spouse"** means an individual who (i) is married to another individual and is not living separate and apart within the meaning of the *Divorce Act* (Canada) from the other individual, (ii) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender, or (iii) in Alberta, is an individual referred to in paragraph (i) or (ii) above, or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta).

2 For the purposes of this certificate, **"Financial Assets"** means cash, securities, or any contract of insurance or deposit or evidence thereof that is not a security for the purposes of securities legislation, and (ii) **"Related Liabilities"** means liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets and liabilities that are secured by financial assets.

3 For the purposes of this certificate, **"Financial Assets"** means cash, securities, or any contract of insurance or deposit or evidence thereof that is not a security for the purposes of securities legislation, and (ii) **"Related Liabilities"** means liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets and liabilities that are secured by financial assets.

4 For the purposes of this certificate, the term **"spouse"** means an individual who (i) is married to another individual and is not living separate and apart within the meaning of the *Divorce Act* (Canada) from the other individual, (ii) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender, or (iii) in Alberta, is an individual referred to in paragraph (i) or (ii) above, or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta).

Note: if the Subscriber chooses to select this category, please complete the Risk Acknowledgement Form for Accredited Investors who are Individuals at Schedule B-1 hereto

(l) an individual who, either alone or with a spouse[5], has net assets[6] of at least C$5,000,00 0;

Note: if the Subscriber chooses to select this category, please complete the Risk Acknowledgement Form for Accredited Investors who are Individuals at Schedule B-1 hereto

(m) a person, other than an individual or investment fund, that has net assets of at least C$5,000,000 as shown on its most recently prepared financial statements;

(n) an investment fund that distributes or has distributed its securities only to;

(i) a person that is or was an accredited investor at the time of the distribution;

(ii) a person that acquires or acquired securities in the circumstances referred to in sections 2.10 of NI 45-106 [*Minimum amount investment*], and 2.19 of NI 45-106 [*Additional investment in investment funds*], or

(iii) a person described in paragraph (i) or (ii) that acquires or acquired securities under section 2.18 of NI 45-106 [*Investment fund reinvestment*]',

(o) an investment fund that distributes or has distributed securities under a prospectus in a jurisdiction of Canada for which the regulator, or, in Quebec, the securities regulatory authority has issued a receipt;

(p) a trust company or trust corporation registered or authorized to carry on business under the Trust and Loan *Companies Act* (Canada) or under comparable legislation in a jurisdiction of Canada or foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be;

(q) a person acting on behalf of a fully managed account[7] managed by that person, if that person is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction;

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5 For the purposes of this certificate, the term **"spouse"** means an individual who (i) is married to another individual and is not living separate and apart within the meaning of the *Divorce Act* (Canada) from the other individual, (ii) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender, or (iii) in Alberta, is an individual referred to in paragraph (i) or (ii) above, or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta).

6 For the purposes of this question, **"net assets"** means the value of the total assets of the purchaser less the value of the total liabilities.

7 A **"fully managed account"** means an account of a client for which a person makes the investment decisions if that person has full discretion to trade in securities for the account without requiring the client's express consent to a transaction.

(r) a registered charity under the Income Tax Act (Canada) that, in regard to the trade, has obtained advice from an eligibility adviser or an adviser registered under the securities legislation of the jurisdiction of the registered charity to give advice on the securities being traded;

(s) an entity organized in a foreign jurisdiction that is analogous to any of the entities referred to in paragraphs (a) to (d) or paragraph (i) in form and function;

(t) a person in respect of which all of the owners of interests, direct, indirect or beneficial, except the voting securities required by law to be owned by directors, are persons that are accredited investors;

Note: if the Subscriber chooses to select this category, please complete the following:

I, , am an authorized signatory of above the Subscriber and confirm that all owners of interest of the Subscriber are Accredited Investors and the Subscriber has done the necessary investigations to verify that fact.

(u) an investment fund that is advised by a person registered as an adviser or a person that is exempt from registration as an adviser;

(v) a person that is recognized or designated by the securities regulatory authority or, except in Ontario and Quebec, the regulator as an accredited investor; or

(w) a trust established by an accredited investor for the benefit of the accredited investor's family members of which a majority of the trustees are accredited investors and all of the beneficiaries are the accredited investor's spouse, a former spouse of the accredited investor or a parent, grandparent, brother, sister, child or grandchild of that accredited investor, of that accredited investor's spouse or of that accreted investor's former spouse.

III. EMPLOYEES, OFFICERS, DIRECTORS AND CONSULTANTS

(a) an employee, executive officer, director or consultant of the Issuer;

(b) an employee, executive officer, director or consultant of a related entity of the Issuer; or

(c) a permitted assign of a person referred to in paragraphs (a) or (b).

The representations, warranties, statements and certifications made in this Certificate are true and accurate as of the date of this Certificate and will be true and accurate as of the Closing and the Subscriber acknowledges that this certificate is incorporated into and forms part of the subscription agreement to which it is attached. If any such representation, warranty, statement or certification becomes untrue or inaccurate prior to the Closing, the undersigned Subscriber shall give the Issuer immediate written notice thereof.

DATED , 2021.

Name of Subscriber
[Please print]

Witness
(if Subscriber is an individual)

Signature of Subscriber
or Authorized Signatory of Subscriber

Name of Witness
[Please print]

Name and Office of Authorized Signatory of Subscriber
[Please print]

Address of Subscriber

Definitions

In this Canadian Accredited Investor Certificate, the following definitions are included for convenience:

"affiliate" means an issuer connected with another issuer because

(a) one of them is the subsidiary of the other, or

(b) each of them is controlled by the same person;

"director" means

(a) a member of the board of directors of a company or an individual who performs similar functions for a company; and

(b) with respect to a person that is not a company, an individual who performs functions similar to those of a director of a company;

"executive officer" means, for an issuer, an individual who is

(a) a chair, vice-chair or president,

(b) a vice-president in charge of a principal business unit, division or function including sales, finance or production, or

(c) performing a policy-making function in respect of the issuer;

“financial assets” means

(a) cash,

(b) securities, or

(c) a contract of insurance, a deposit or an evidence of a deposit that is not a security for the purposes of securities legislation

“foreign jurisdiction” means a country other than Canada or a political subdivision of a country other than Canada;

“jurisdiction” means a province or territory of Canada except when used in the term foreign jurisdiction;

“permitted assign” means, for a person that is an employee, executive officer, director or consultant of an issuer or of a related entity of the issuer,

(a) a trustee, custodian, or administrator acting on behalf of, or for the benefit of the person,

(b) a holding entity of the person,

(c) an RRSP or RRIF of the person,

(d) a spouse of the person,

(e) a trustee, custodian, or administrator acting on behalf of, or for the benefit of the spouse of the person,

(f) a holding entity of the spouse of the person, or

(g) an RRSP or RRIF of the spouse of the person;

“person” includes

(a) an individual,

(b) a corporation,

(c) a partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not, and

(d) an individual or other person in that person’s capacity as a trustee, executor, administrator or personal or other legal representative;

“related entity” means, for an issuer, a person that controls or is controlled by the issuer or that is controlled by the same person that controls the issuer;

“Schedule III bank” means an authorized foreign bank named in Schedule III of the *Bank Act* (Canada);

“spouse” means, an individual who,

(a) is married to another individual and is not living separate and apart within the meaning of the *Divorce Act* (Canada), from the other individual;

(b) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender; or

(c) in Alberta, is an individual referred to in paragraph (a) or (b), or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta);

"subsidiary" means an issuer that is controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary; and

"voting security" means any security which:

(a) is not a debt security; and

(b) carries a voting right either under all circumstances or under some circumstances that have occurred and are continuing.

SCHEDULE B-l

FORM 45-106F9
Risk Acknowledgement Form for Accredited Investors who are Individuals

WARNING!
This investment is risky. Don't invest unless you can afford to lose all the money you pay for this investment

SECTION 1 TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER

1. About your investment

Type of securities: Common Shares

Issuer: (the **"Issuer")**

Purchased from: the Issuer

SECTIONS 2 TO 4 TO BE COMPLETED BY THE PURCHASER

2. Risk acknowledgement

This investment is risky. Initial that you understand that: **Your initials**

Risk of loss – You could lose your entire investment of C$. [*Instruction: Insert the total Canadian dollar amount of the investment.*]

Liquidity risk – You may not be able to sell your investment quickly – or at all.

Lack of information – You may receive little or no information about your investment.

Lack of advice – You will not receive advice from the salesperson about whether this investment is suitable for you unless the salesperson is registered. The salesperson is the person who meets with, or provides information to, you about making this investment. To check whether the salesperson is registered, go to www.aretheyregistered.ca.

3. Accredited investor status

You must meet at least **one** of the following criteria to be able to make this investment. Initial the statement that applies to you. (You may initial more than one statement.) The person identified in section 6 is responsible for ensuring that you meet the definition of accredited investor. That person, or the salesperson identified in section 5, can help you if you have questions about whether you meet these criteria. Your initials

- Your net income before taxes was more than C$200,000 in each of the 2 most recent calendar years, and you expect it to be more than C$200,000 in the current calendar year. (You can find your net income before taxes on your personal income tax return.)
- Your net income before taxes combined with your spouse's was more than C$300,000 in each of the 2 most recent calendar years, and you expect your combined net income before taxes to be more than C$300,000 in the current calendar year.
- Either alone or with your spouse, you own more than C$1 million in cash and securities, after subtracting any debt related to the cash and securities.
- Either alone or with your spouse, you have net assets worth more than C$5 million. (Your net assets are your total assets (including real estate) minus your total debt.)

4. Your name and signature

By signing this form, you confirm that you have read this form and you understand the risks of making this investment as identified in this form.

First and last name (please print):

Signature: Date:

SECTION 5 TO BE COMPLETED BY THE SALESPERSON

5. Salesperson information

[Instruction: The salesperson is the person who meets with, or provides information to, the purchaser with respect to making this investment. That could include a representative of the issuer, a registrant or a person who is exempt from the registration requirement.]

First and last name of salesperson (please print):

Telephone: Email:

Name of firm (if registered):

SECTION 6 TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER

6. For more information about this investment

For investment in a non-investment fund

[Issuer]; [Address].

For more information about prospectus exemptions, contact your local securities regulator. You can find contact information at www.securities-administrators.ca.

Form instructions

1. The information in sections 1, 5 and 6 must be completed before the purchaser completes and signs the form.
2. The purchaser must sign this form. Each of the purchaser and the issuer or selling security holder must receive a copy of this form signed by the purchaser. The issuer or selling security holder is required to keep a copy of this form for 8 years after the distribution.

SCHEDULE C
FORM OF DECLARATION FOR REMOVAL OF LEGEND

To: [ ]

The undersigned (a) acknowledges that the sale of securities of (the **"Issuer")** to which this declaration relates is being made in reliance on Rule 904 of Regulation S **("Regulation S")** under the United States Securities Act of 1933, as amended (the **"U.S. Securities Act"),** and (b) certifies that (1) it is not (i) an "affiliate" (as defined in Rule 405 under the U.S. Securities Act) of the Issuer, (ii) a "distributor" as defined in Regulation S or (iii) an affiliate of a distributor, (2) the offer of such securities was not made to a person in the United States and either (A) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believe that the buyer was outside the United States, or (B) the transaction was executed on or through the facilities of the Toronto Stock Exchange or another designated offshore securities market and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States, (3) neither the seller nor any affiliate of the seller nor any person acting on any of their behalf has engaged or will engage in any "directed selling efforts" in the United States in connection with the offer and sale of such securities, (4) the sale is bona fide and not for the purpose of "washing off" the resale restrictions imposed because the securities are "restricted securities" (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act), (5) the seller does not intend to replace the securities sold in reliance on Rule 904 of the U.S. Securities Act with fungible unrestricted securities, and (6) the contemplated sale is not a transaction, or part of a series of transactions which, although in technical compliance with Regulation S, is part of a plan or scheme to evade the registration provisions of the U.S. Securities Act. Terms used herein have the meanings given to them by Regulation S.

Dated:

By: _____
Name:
Title:

SCHEDULE D
SCHEDULE OF TRANSFERS

Subscriber's Subscription was in the amount of Acquired Shares. The following transfers of a portion of the Subscription have been made:

Date of Transfer or Reduction	Transferee	Number of Transferee Acquired Shares Transferred or Reduced	Subscriber Revised Subscription Amount

Schedule D as of , 20 , accepted and agreed to as of this day of , 20 by:

1295908 B.C. LTD.

By: _____
Name:
Title:

LEGATO MERGER CORP.

By: _____
Name:
Title:

Signature of Subscriber:

_____

By: _____
Name:
Title:

Exhibit 10.5

Lock-Up Agreement

May 24, 2021

1295908 B.C. Ltd.
105 West Street
Sault Ste. Marie, Ontario P6A 7B4
Attention: John Naccarato
Email: john.naccarato@algoma.com

RE: Lock-Up Agreement (this "Agreement")

Ladies and Gentlemen:

Reference is made to that certain Agreement and Plan of Merger (the "Merger Agreement"), dated as of May 24, 2021, by and among 1295908 B.C. Ltd., a company organized under the laws of the Province of British Columbia (the "Company"), Algoma Merger Sub, Inc., a Delaware corporation and a direct, wholly-owned subsidiary of the Company ("Merger Sub"), and Legato Merger Corp., a Delaware corporation ("SPAC"). pursuant to which, among other things, on the terms and conditions set forth therein, at the Effective Time, Merger Sub will merge with and into SPAC (the "Merger"), with SPAC surviving as a direct, wholly-owned subsidiary of the Company. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Merger Agreement.

In connection with the Merger, and for good and valuable consideration receipt of which is hereby acknowledged, the undersigned hereby agrees as follows:

1. Definitions. As used in this Agreement, the following terms shall have the following meanings:

(a) "Affiliate" of any particular Person means any other Person directly or indirectly controlling, controlled by or under common control with such Person, where "control" means the possession, directly or indirectly, of the power to direct the management and policies of a Person whether through the ownership of voting securities, its capacity as a sole or managing member, by contract or otherwise, as defined in Rule 405 promulgated under the Securities Act of 1933, as amended.

(b) "Beneficially Own" has the meaning set forth in Rule 13d-3 promulgated under the Exchange Act.

(c) "Common Shares" means the common shares, without par value, of the Company.

(d) "Controlled Entity" means, as to any Person, (a) any corporation more than fifty percent (50%) of the outstanding voting shares or stock (as applicable) of which is owned by such Person or such Person's Family Members or Affiliates, (b) any trust, whether or not revocable, of which such Person or such Person's Family Members or Affiliates are the sole beneficiaries, (c) any partnership of which such Person or an Affiliate of such Person is the managing partner or in which such Person or such Person's Family Members or Affiliates hold partnership interests representing at least fifty percent (50%) of such partnership's capital and profits and (d) any limited liability company of which such Person or an Affiliate of such Person is the manager or managing member or in which such Person or such Person's Family Members or Affiliates hold membership interests representing at least fifty percent (50%) of such limited liability company's capital and profits.

(e) "Exchange Act" means the Securities Exchange Act of 1934, as amended.

(f) "Equity Securities" means, with respect to any Person, all of the shares of capital stock or equity of (or other ownership or profit interests in) such Person, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock or equity of (or other ownership or profit interests in) such Person, all of the securities convertible into or exchangeable for shares of capital stock or equity of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares or equity (or such other interests), restricted stock awards, restricted stock units, equity appreciation rights, phantom equity rights, profit participation and all of the other ownership or profit interests of such Person (including partnership or member interests therein), whether voting or nonvoting.

(g) "Family Member" means with respect to any Person, such Person's spouse, ancestors, descendants (whether by blood, marriage or adoption) or spouse of a descendant of such Person, brothers and sisters (whether by blood, marriage or adoption) and inter vivos or testamentary trusts of which only such Person and his spouse, ancestors, descendants (whether by blood, marriage or adoption), brothers and sisters (whether by blood, marriage or adoption) are beneficiaries.

(h) "Founder Holders" means each of David Sgro, Eric S. Rosenfeld, and Brian Pratt, and each of their Affiliates.

(i) "Lock-Up Shares" means (i) with respect to the Pre-Closing Holder, the Common Shares held by such Pre-Closing Holder as of immediately following the Closing (excluding, for the avoidance of doubt, any Earnout Shares issued pursuant to the Merger Agreement), (ii) with respect to the SPAC Holders, the Common Shares issuable to the SPAC Holders as Merger Consideration in respect of SPAC Founder Shares and (iii) with respect to the Founder Holders, the Common Shares issuable to the Founder Holders in respect of SPAC Founder Shares and SPAC Private Units and the Company Warrants held by the Founder Holders assumed by the Company.

(j) "Permitted Transferee" means with respect to any Person, (a) any Family Member of such Person, (b) any Affiliate of such Person, (c) any Affiliate of any Family Member of such Person, (d) any Controlled Entity of such Person, (e) any direct or indirect holder of Equity Securities of such Person pursuant to a distribution of Lock-Up Shares, and (f) any of such Person's related investment funds or vehicles controlled or managed by such Person or Affiliate of such Person.

(k) "Pre-Closing Holder" means Algoma Steel Intermediate Parent S.a r.l., a societe a responsabilite limitee (SARL) organized under the laws of the Grand Duchy of Luxembourg, its Permitted Transferees, and each other Person who signs a joinder to this Agreement.

(l) "Securityholder" means a Pre-Closing Holder or Founder Holder.

(m) "SPAC Holders" means the holders of SPAC Founder Shares who are not Founder Holders.

(n) "Transfer" means, when used as a noun, any voluntary or involuntary transfer, sale, pledge or hypothecation or other disposition by the Transferor (whether by operation of Law or otherwise) and, when used as a verb, the Transferor voluntarily or involuntarily, transfers, sells, pledges or hypothecates or otherwise disposes of (whether by operation of Law or otherwise), or enters into any contract, option, or other arrangement or understanding with respect to the foregoing, including, in each case, (a) the establishment or increase of a put equivalent position or liquidation with respect to, or decrease of a call equivalent position within the meaning of Section 16 of the Exchange Act with respect to, any security or (b) entry into any swap or other arrangement that transfers to another Person, in whole or in part, any of the economic consequences of ownership of any security, whether any such transaction is to be settled by delivery of such securities, in cash or otherwise. The terms "Transferee," "Transferor," "Transferred," and other forms of the word "Transfer" shall have the correlative meanings.

2. Lock-Up.

(a) The undersigned, in its capacity as a Pre-Closing Holder or a Founder Holder, as the case may be, agrees, severally, and not jointly, not to effect any Transfer, or make a public announcement of any intention to effect such Transfer, of any Lock-Up Shares Beneficially Owned or otherwise held by such Person during the applicable Lock-Up Period (as defined below); provided, that such restrictions shall not apply to (i) the filing of a registration statement or Canadian prospectus covering the Lock-Up Shares and any disclosures in connection with such regarding possible Transfers of the Lock-Up Shares following the Lock-Up Period or (ii) Transfers (A) permitted pursuant to Article 3, (B) by any Pre-Closing Holder following the Pre-Closing Holder Lock-Up Period or (C) by any Founder Holder following the Founder Holder Lock-Up Period.

(b) The "Pre-Closing Holder Lock-Up Period" shall be the period commencing on the Closing Date and continuing until the earliest to occur of (i) the date that is six (6) months after the Closing Date, (ii) the date on which the closing share price of Common Shares equals or exceeds $12.50 per share (as adjusted for share splits, share dividends, reorganizations, recapitalizations and the like) for any 20 trading days within any 30-trading day period following the Closing Date or (iii) the date on which the Company completes a Change of Control. The "Founder Holder Lock-Up Period" shall be the period commencing on the Closing Date and continuing until the earliest to occur of (i) the date that is twelve (12) months after the Closing Date, (ii) the date on which the closing share price of Common Shares equals or exceeds $12.50 per share (as adjusted for share splits, share dividends, reorganizations, recapitalizations and the like) for any 20 trading days within any 30-trading day period following the Closing Date or (iii) the date on which the Company completes a Change of Control. "Lock-Up Period" means with respect to any Pre-Closing Holder (including any Person who succeeds to such Pre-Closing Holder's rights under this Agreement pursuant to Article 3), the Pre-Closing Holder Lock-Up Period, and with respect to any Founder Holder (including any Person who succeeds to such Founder Holder's rights under this Agreement pursuant to Article 3), the Founder Holder Lock-Up Period.

(c) During the applicable Lock-Up Period, any purported Transfer of Lock-Up Shares other than in accordance with this Agreement shall be null and void, and the Company shall refuse to recognize any such Transfer for any purpose.

(d) The undersigned acknowledges and agrees that, notwithstanding anything to the contrary contained in this Agreement, the Equity Securities in the Company Beneficially Owned by such Person shall remain subject to any restrictions on Transfer under Applicable Law, including all applicable holding periods under the Securities Act and other rules of the SEC.

(e) During the Lock-Up Period, stop transfer orders shall be placed against the Lock-Up Shares and each certificate or book entry position statement evidencing any Lock-Up Shares shall be stamped or otherwise imprinted with a legend in substantially the following form, in addition to any other applicable legends:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO RESTRICTIONS ON TRANSFER SET FORTH IN A LOCK-UP AGREEMENT, DATED AS OF 24,2021, BY AND AMONG THE ISSUER OF SUCH SECURITIES (THE "ISSUER"). THE ISSUER'S SECURITY HOLDER NAMED THEREIN AND CERTAIN OTHER PARTIES NAMED THEREIN. A COPY OF SUCH LOCK-UP AGREEMENT WILL BE FURNISHED WITHOUT CHARGE BY THE ISSUER TO THE HOLDER HEREOF UPON WRITTEN REQUEST."

3. Permitted Transfers. Notwithstanding anything to the contrary contained in this Agreement, the restrictions set forth in paragraph 2 shall not apply to:

(i) Transfers to any of the undersigned's Permitted Transferees, upon written notice to the Company;

(ii) in the case of an entity, Transfers by virtue of the laws of the state of the entity's organization and the entity's organizational documents upon dissolution of the entity;

(iii) in the case of an individual, (a) Transfers by virtue of laws of descent and distribution upon death of the individual; or (b) Transfers pursuant to a qualified domestic relations order, in connection with a divorce settlement, or as a bona fide gift or gifts or to a trust the beneficiaries of which are exclusively the undersigned or the undersigned's Family Members;

(iv) transactions relating to Common Shares or other securities convertible into or exercisable or exchangeable for Common Shares acquired in open market transactions after the Closing;

(v) the exercise of stock options or warrants to purchase Common Shares or the vesting of stock awards of Common Shares and any related transfer of Common Shares to the Company in connection therewith (x) deemed to occur upon the "cashless" or "net" exercise of such options or warrants or (y) for the purpose of paying the exercise price of such options or warrants or for paying taxes due as a result of the exercise of such options or warrants, the vesting of such options, warrants or stock awards, or as a result of the vesting of such Common Shares, it being understood that all Common Shares received upon such exercise, vesting or transfer will remain subject to the restrictions of this Agreement during the Lock-Up Period;

(vi) Transfers to the Company to satisfy tax withholding obligations pursuant to the Company equity incentive plans or arrangements, it being understood that all Common Shares for which such withholding was paid will be subject to the restrictions of this Agreement during the Lock-Up Period;

(vii) Transfers to the Company pursuant to any contractual arrangement in effect at the Closing that provides for the repurchase by the Company or forfeiture of the Securityholder's Common Shares or other securities convertible into or exercisable or exchangeable for Common Shares in connection with the termination of the Securityholder's service to the Company; or

(viii) the entry, by the Securityholder, at any time after the Closing, of any trading plan providing for the sale of Common Shares by the Securityholder, which trading plan meets the requirements of Rule 10b5-l(c) under the Exchange Act, *provided, however,* that such plan does not provide for, or permit, the sale of any Common Shares during the Lock-Up Period and no public announcement or filing is voluntarily made or required regarding such plan during the Lock-Up Period.

provided, that in connection with any Transfer of such Lock-Up Shares pursuant to clauses (i), (ii), or (iii). above, the restrictions and obligations contained in Article 2 and this Article 3 will continue to apply to such Lock-Up Shares after any Transfer of such Lock-Up Shares, the Transferee in such Transfer shall be treated as a party to this Agreement (with the same rights and obligations as the Transferor) for all purposes of this Agreement and the Company may require, at the time of and as a condition to such Transfer, such Transferee to become a party to this Agreement by executing and delivering a signed joinder agreement, prepared by the Company.

4. Representations and Warranties.

(a) The undersigned hereby represents and warrants that the undersigned has full power and authority to enter into this Agreement. All authority herein conferred or agreed to be conferred and any obligations of the undersigned shall be binding upon the successors, assigns, heirs or personal representatives of the undersigned.

(b) The undersigned hereby represents and warrants that it now has, or when the Common Shares are issued, will have and, except as contemplated by this Agreement, throughout the Lock-Up Period will have, good and marketable title to its Lock-Up Shares, free and clear of all liens, encumbrances, and claims that could impact the ability of the undersigned to comply with the foregoing restrictions.

5. Miscellaneous.

(a) Notwithstanding anything to the contrary contained herein, if the Merger Agreement (other than the provisions thereof that survive termination) shall terminate or be terminated prior to the Closing, the undersigned shall be released from all obligations under this Agreement. The undersigned understands that the Company and SPAC are proceeding with the Transactions in reliance upon this Agreement.

(b) This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective permitted successors and assigns. This Agreement and all obligations of the undersigned are personal to the undersigned and may not be transferred or delegated by the undersigned at any time without the prior written consent of the Company. The Company may freely assign any or all of its rights under this Agreement, in whole or in part, to any successor entity by Change of Control without obtaining the consent or approval of the undersigned. Nothing contained in this Agreement or in any instrument or document executed by any party in connection with the transactions contemplated hereby shall create any rights in, or be deemed to have been executed for the benefit of, any person or entity that is not a party hereto or thereto or a successor or permitted assign of such a party.

(c) This Agreement and any claim, controversy or dispute arising under or related to this Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to the conflict of laws principles thereof.

(d) Whenever possible, each provision of this Agreement will be interpreted in such a manner as to be effective and valid under Applicable Law, but if any term or other provision of this Agreement is held to be invalid, illegal or unenforceable under Applicable Law, all other provisions of this Agreement shall remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision of this Agreement is invalid, illegal or unenforceable under Applicable Law, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties hereto as closely as possible in an acceptable manner in order that the transactions contemplated hereby are consummated as originally contemplated to the greatest extent possible.

(e) This Agreement may be amended, modified, or waived only with the written consent of the Company and the Persons holding a majority of the Lock-Up Shares; *provided* that (i) no such amendment, modification or waiver that would adversely affect a Securityholder in a manner that is different from any other Securityholder shall be effective against such Securityholder without the prior written consent of such Securityholder and (ii) if any amendment, modification, waiver or release of this Agreement provides any Securityholder with rights superior to the rights provided to other Securityholders, such amendment, modification or waiver shall provide such rights to all holders of Lock-Up Shares. No failure or delay by a party in exercising any right hereunder shall operate as a waiver thereof. No waivers of or exceptions to any term, condition, or provision of this Agreement, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of any such term, condition, or provision.

(f) This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same agreement. The words "execution," "signed," "signature," and words of like import in this Agreement or in any other certificate, agreement or document related to this Agreement shall include images of manually executed signatures transmitted by facsimile or other electronic format (including, "pdf", "tif " or "jpg") and other electronic signatures (including, DocuSign and AdobeSign). The use of electronic signatures and electronic records (including, any contract or other record created, generated, sent, communicated, received, or stored by electronic means) shall be of the same legal effect, validity and enforceability as a manually executed signature or use of a paper-based record-keeping system to the fullest extent permitted by applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the Delaware Uniform Electronic Transactions Act and any other Applicable Law. Minor variations in the form of the signature page, including footers from earlier versions of this Agreement or any such other document, shall be disregarded in determining the party's intent or the effectiveness of such signature.

[Signature Pages Follow]

Agreed and Acknowledged:

1295908 B.C. LTD.

By: _____
Name:
Title:

[*Signature Page to Lock-Up Agreement*]

ALGOMA STEEL INTERMEDIATE PARENT S.A.R.L.

By: _____
Name:
Title:

[*Signature Page to Lock-Up Agreement*]

Very truly yours,

If an individual, please sign here:

Signature:

Print Name: _____

If a corporation, a limited partnership or other legal entity, please sign here:

Legal Name:

_____

By: _____
Name:
Title:

[*Signature Page to Lock-Up Agreement*]

Exhibit 10.6

EXECUTION VERSION

REVOLVING CREDIT AGREEMENT

among

ALGOMA STEEL INTERMEDIATE HOLDINGS INC.,

ALGOMA STEEL INC.,

CERTAIN SUBSIDIARIES OF ALGOMA STEEL INC.
FROM TIME TO TIME PARTY HERETO,

VARIOUS LENDERS

and

WELLS FARGO CAPITAL FINANCE CORPORATION CANADA,

as ADMINISTRATIVE AGENT and as COLLATERAL AGENT

Dated as of November 30, 2018

WELLS FARGO CAPITAL FINANCE CORPORATION CANADA,
BANK OF MONTREAL, BARCLAYS BANK PLC,
GOLDMAN SACHS BANK USA, JPMORGAN CHASE BANK, N.A., TORONTO BRANCH,
as JOINT LEAD ARRANGERS and JOINT BOOK RUNNERS

BARCLAYS BANK PLC and JPMORGAN CHASE BANK, N.A., TORONTO BRANCH,
as CO-DOCUMENTATION AGENTS

BANK OF MONTREAL and GOLDMAN SACHS BANK USA,
as CO-SYNDICATION AGENTS

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SCHEDULES:

EXHIBITS:

REVOLVING CREDIT AGREEMENT, dated as of November 30, 2018, among ALGOMA STEEL INTERMEDIATE HOLDINGS INC., a corporation incorporated under the laws of the Province of British Columbia ("Holdings"), ALGOMA STEEL INC. (f/k/a 1076318 B.C. LTD.), a corporation incorporated under the laws of the Province of British Columbia (the "Borrower"), the Subsidiary Guarantors party hereto from time to time, the Lenders party hereto from time to time, and WELLS FARGO CAPITAL FINANCE CORPORATION CANADA, as Administrative Agent and Collateral Agent. All capitalized terms used herein and defined in Section 1.01 are used herein as therein defined.

W I T N E S S E T H:

WHEREAS, as of November 9, 2015 (the "Filing Date"), Essar Steel Algoma Inc., a corporation amalgamated under the laws of Canada ("ESAI"), Essar Steel Algoma Inc. USA, a corporation established under the laws of Delaware ("Algoma USA") and certain of their subsidiaries (the "Subsidiary Debtors" and, collectively with ESAI and Algoma USA, each, a "Debtor" and collectively, the "Debtors") were applicants in proceedings (collectively, the "CCAA Proceedings") in the Ontario Superior Court of Justice (Commercial List) (the "CCAA Court") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") and debtors and debtors-in-possession in proceedings (collectively with the CCAA Proceedings, the "Bankruptcy Proceedings") in the Bankruptcy Court for the District of Delaware (the "Chapter 15 Court" and, together with the CCAA Court, collectively, the "Bankruptcy Courts" and each, a "Bankruptcy Court");

WHEREAS, in connection with the Bankruptcy Proceedings, (x) the Debtors, in consultation with their advisors and certain key stakeholders, developed a sale and investment solicitation process (the "SISP") to solicit interest in and opportunities for a sale, restructuring or recapitalization of the Debtors' business and the SISP was approved by the CCAA Court on February 10, 2016 and (y) pursuant to that certain Amended and Restated Restructuring Support Agreement dated as of August 15, 2017 by and among certain "Consenting Lenders" and "Consenting Noteholders" (each as defined therein) (collectively, together with any of their respective Affiliates, funds, partnerships or other co-investment vehicles managed, advised or controlled thereby, the "Consenting Creditors") under the Prepetition Term Loan Credit Facility and the Prepetition 9.5% Notes Indenture, respectively, party thereto (together with all schedules, documents and exhibits contained therein, as amended, supplemented, modified or waived, the "Restructuring Support Agreement"), the parties thereto agreed to support a restructuring transaction for the Debtors' business pursuant to the SISP and subject to the terms set forth in the Restructuring Support Agreement;

WHEREAS, (x) pursuant to the Asset Purchase Agreement dated as of July 20, 2018 (together with the exhibits and schedules thereto, and as amended, supplemented, otherwise modified, or consented to or waived, the "Acquisition Agreement") by and among ESAI, Algoma USA (together with ESAI in such capacities, collectively, the "Sellers") and the Borrower, the Borrower will, directly or indirectly through one or more Wholly-Owned Subsidiaries, purchase from the Sellers (the "Acquisition") the "Purchased Assets" (as defined in the Acquisition Agreement), which constitute a substantial portion of the property and assets

owned by the Sellers and used in connection with the Sellers' business of integrated steel production, including the production of certain raw steel inputs, steelmaking, and the sale and distribution of steel products (the "Acquired Business") and (y) the CCAA Court has approved the terms and conditions of the Acquisition Agreement;

WHEREAS, in connection with the New PortLP Transactions referred to below, the New PortLP Cash Consideration (as defined below) will be applied to the partial repayment of the loans and other obligations outstanding under that certain credit agreement dated November 14, 2014 (as amended, restated or revised from time to time prior to the Closing Date, the "GIP Credit Agreement") among Port of Algoma, Inc. ("Old PortCo"), as borrower, Algoma Port Holding Company Inc., as guarantor, the investors identified therein and Deutsche Bank Trust Company Americas as administrative agent and collateral agent (collectively, the "GIP Credit Agreement Payment");

WHEREAS, the Borrower will, indirectly through Algoma Docks Limited Partnership, a newly formed and Wholly-Owned Subsidiary of the Borrower that is an Ontario limited partnership ("New PortLP"), purchase from Old PortCo, certain port assets in respect of the cargo port facility located at Sault Ste. Marie, together with the port lease related thereto, for a total consideration of approximately $173,000,000 comprised of (i) approximately $100,000,000 in cash upon the closing of the Acquisition (the "New PortLP Cash Consideration") and (ii) new take-back paper in an aggregate principal amount of $73,000,000 under the New PortLP Facility and, contemporaneously therewith, the port lease will be amended and restated (as amended and restated, the "New PortLP Head Lease") and New PortLP will enter into a new sublease (as amended, supplemented or otherwise modified from time to time, the "New PortLP Sublease", and together with the New PortLP Head Lease, collectively, the "New PortLP Leases") with the Borrower pursuant to which New PortLP will sublease the port lands and the port assets to the Borrower in exchange for rent payments sufficient to fund New PortLP's obligations under the New PortLP Facility (collectively, the "New PortLP Transactions");

WHEREAS, to consummate the Transactions, the Borrower has requested that (a) pursuant to the terms of the Backstop Commitment Letter (as defined in the Restructuring Support Agreement) (the "Backstop Commitment Letter"), Consenting Creditors, together with any financial institutions or other institutional lenders party to the Term Loan Credit Agreement as of the Closing Date, extend credit in the form of initial term loans in an original aggregate principal amount equal to $285,000,000 and (b) the Lenders establish Revolving Loan Commitments to extend revolving credit hereunder in an original aggregate committed principal amount of $250,000,000 and for the Permitted Initial Revolving Credit Event Purposes on the Closing Date, in each case, subject to increase as provided herein or therein; and

WHEREAS, subject to and upon the terms and conditions set forth herein, the Lenders are willing to make available to the Borrower the Credit Facilities provided for herein.

NOW, THEREFORE, IT IS AGREED:

SECTION 1. Definitions and Accounting Terms.

1.01. Defined Terms. As used in this Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"ABL Facility Priority Collateral" shall mean "ABL Facility Priority Collateral" as defined in the ABL Intercreditor Agreement.

"ABL Hedge Letter Agreement" shall mean a letter agreement substantially in the form of Exhibit K, or in such other form reasonably satisfactory to the Administrative Agent, duly executed by the applicable counterparty to the Lender Hedging Agreement, the Borrower, the Administrative Agent and, in any event, acknowledged by the Borrower pursuant to which such Person (i) appoints the Collateral Agent as its agent under the applicable Credit Documents and (ii) agrees to be bound by the provisions of Section 13.03, Section 13.06, the ABL Intercreditor Agreement and each Security Document as if it were a Lender.

"ABL Intercreditor Agreement" shall mean that certain intercreditor agreement, dated as of the Closing Date, by and among the Borrower, the other Guarantors party thereto, the Collateral Agent, the Term Loan Collateral Agent and the lenders under the CapEx Facilities from time to time that are secured by a Lien on the Collateral (or the collateral representative in respect thereof), substantially in the form of Exhibit O-1.

"ABL Hedge Provider" shall mean any Person (other than the Borrower) that is party to a Lender Hedging Agreement.

"Acceptable Intercreditor Agreement" means the ABL Intercreditor Agreement, a Market Intercreditor Agreement, or another intercreditor agreement that is reasonably satisfactory to the Administrative Agent, the Swingline Lender and the Issuing Lender.

"Account" shall mean any and all assets which constitute "accounts," as such term is defined (x) in the case of a U.S. Credit Party, in the UCC as in effect on the date hereof in the State of New York and (y) in the case of a Canadian Credit Party, in the PPSA as in effect on the date hereof, and (in either case) in which the relevant Person now or hereafter has rights.

"Acquired Business" has the meaning assigned to such term in the recitals to this Agreement.

"Account Debtor" shall mean any Person who may become obligated to another Person under, with respect to, or on account of, an Account.

"Acquired Indebtedness" shall mean Indebtedness (1) of a Person or any of its Subsidiaries existing at the time such Person becomes a Restricted Subsidiary, (2) assumed in connection with the acquisition of assets from a Person, in each case whether or not Incurred by such Person in connection with such Person becoming a Restricted Subsidiary of the Borrower or

such acquisition or (3) of a Person at the time such Person merges or amalgamates with or into or consolidates or otherwise combines with the Borrower or any Restricted Subsidiary. Acquired Indebtedness shall be deemed to have been Incurred, with respect to clause (1) of the preceding sentence, on the date such Person becomes a Restricted Subsidiary and, with respect to clause (2) of the preceding sentence, on the date of consummation of such acquisition of assets and, with respect to clause (3) of the preceding sentence, on the date of the relevant merger, amalgamation, consolidation or other combination.

"Acquisition" has the meaning assigned to such term in the recitals to this Agreement.

"Acquisition Agreement" has the meaning assigned to such term in the recitals to this Agreement.

"Activation Notice" shall have the meaning provided in Section 8.02.

"Additional Incremental Tranche" has the meaning assigned to such term in Section 2.14(a).

"Additional Revolving Loan Commitments" means any Revolving Loan Commitment added or extended hereunder pursuant to Sections 2.14 or 2.15 or refinancing or replacement commitment pursuant to Section 14.12(e).

"Additional Revolving Facility" means any revolving credit facility added or extended hereunder pursuant to Sections 2.14 or 2.15 or refinancing or replacement revolving credit facility pursuant to Section 14.12(e).

"Additional Lender" means any Lender with an Additional Revolving Loan Commitment or any Additional Revolving Loans.

"Additional Revolving Loans" means any Loan made or extended hereunder pursuant to Sections 2.14 or 2.15 or refinancing or replacement revolving loan pursuant to Section 14.12(e).

"Adjustable Applicable Commitment Fee Percentage" shall have the meaning provided in the definition of "Applicable Commitment Fee Percentage".

"Adjustable Applicable Margin" shall have the meaning provided in the definition of "Applicable Margin".

"Administrative Agent" shall mean Wells Fargo, in its capacity as Administrative Agent for the Lenders hereunder and under the other Credit Documents, and shall include any successor to the Administrative Agent appointed pursuant to Section 13.09.

"Administrative Questionnaire" shall mean the lender information form provided by any Lender to the Administrative Agent in form and substance satisfactory to the Administrative Agent.

"Affiliate" shall mean, when used with respect to a specified Person, another person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"Affiliate Transaction" shall have the meaning provided in Section 11.06.

"Agent Extraordinary Advances" shall have the meaning provided in Section 2.18(d).

"Agents" shall mean and include the Administrative Agent and the Collateral Agent.

"Agent's Accounts" shall mean the Deposit Accounts of the Administrative Agent for payments in the Available Currencies, as identified on Schedule 1.01(b) to this Agreement (or such other Deposit Accounts of the Administrative Agent that have been designated as such, in writing, by the Administrative Agent, to the Borrower and the Lenders).

"Agreement" shall mean this Revolving Credit Agreement.

"Algoma USA" has the meaning assigned to such term in the recitals to this Agreement.

"Anti-Corruption Laws" shall mean The United States Foreign Corrupt Practices Act of 1977 (Pub. L. No. 95 213, §§101 104), as amended, the UK Bribery Act of 2010, the Corruption of Foreign Public Officials Act (Canada), as amended, and all other applicable laws and regulations or ordinances concerning or relating to bribery, money laundering or corruption in any jurisdiction in which any Credit Party or any of its Subsidiaries or Affiliates is located or is doing business.

"Anti-Money Laundering Laws" shall mean all applicable laws or regulations in any jurisdiction in which any Credit Party or its Subsidiaries or Affiliates is located or is doing business that relates to money laundering, and predicate crime to money laundering or any financial record keeping and reporting requirements related thereto.

"Applicable Commitment Fee Percentage" shall mean, (a) with respect to the Initial Revolving Loan Commitments, (x) initially, a percentage per annum equal to 0.375% and (y) from and after each Start Date (commencing with the Start Date that occurs after March 31, 2019) to and including the applicable End Date (hereinafter, the "Adjustable Applicable Commitment Fee Percentage"), a percentage per annum as set forth below opposite the Historical Utilized Commitment for such Start Date, as reasonably determined by the Administrative Agent; and (b) with respect to any Tranche of Additional Revolving Loan Commitments, the rate or rates per annum specified in the applicable Refinancing Amendment, Incremental Facility Amendment or Extension Amendment:

Level	Historical Utilized Commitment	Applicable Commitment Fee Percentage
I	Less than 50% of the Total Initial Revolving Loan Commitment as then in effect	0.375%
II	Greater than or equal to 50% of the Total Initial Revolving Loan Commitment as then in effect	0.25%

The Historical Utilized Commitment used in the determination of the Adjustable Applicable Commitment Fee Percentage shall be determined based on the delivery of a certificate of the Borrower (each, a "Quarterly Pricing Certificate") by an Authorized Officer of the Borrower to the Administrative Agent (with a copy to be sent by the Administrative Agent to each Lender) on or before the fifth Business Day following the last day of each Fiscal Quarter of each Fiscal Year, which certificate shall set forth the calculation of the Historical Utilized Commitment for the Fiscal Quarter ended immediately prior to the relevant Start Date and the Adjustable Applicable Commitment Fee Percentage which shall be thereafter applicable (until the same is changed or ceases to apply as set forth below). Such Adjustable Applicable Commitment Fee Percentage so determined shall apply from the relevant Start Date to and including the applicable End Date. Notwithstanding anything to the contrary contained above in this definition, (i) at all times during which there shall exist any Event of Default, the Adjustable Applicable Commitment Fee Percentage shall be maintained at Level I, and (ii) if a Quarterly Pricing Certificate is not delivered when due, the Adjustable Applicable Commitment Fee Percentage shall be maintained at Level I for the Start Date immediately preceding the date on which such Quarterly Pricing Certificate was required to have been delivered until the date on which such Quarterly Pricing Certificate is delivered.

"Applicable Law" shall mean, in relation to a Person, all federal, provincial, state, regional, county, municipal, foreign and international statutes, acts, codes, ordinances, decrees,

treaties, rules, regulations, municipal by-laws, judicial or arbitral or administrative or ministerial or departmental or regulatory judgments, orders, decisions, rulings or awards or any provisions of the foregoing, including general principles of common and civil law and equity, and all policies, practices and guidelines of any Governmental Authority binding on the Person referred to in the context in which such word is used (including, in the case of tax matters, any accepted practice or application or official interpretation of any relevant taxation authority applicable to such Person).

"Applicable Margin" shall mean (a) with respect to the Initial Revolving Facility, initially, a percentage per annum equal to (i) in the case of Initial Revolving Loans maintained as (A) Base Rate Loans, 0.50%, (B) LIBOR Loans, 1.50%, (C) Canadian Prime Rate Loans, 0.50% and (D) Canadian CDOR Rate Loans, 1.50% and (ii) in the case of Swingline Loans maintained as (A) Base Rate Loans, 0.50% and (B) Canadian Prime Rate Loans, 0.50%; and from and after each Start Date (commencing with the Start Date that occurs after March 31, 2019) to and including the applicable End Date, the Applicable Margins for such Loans (hereinafter, the "Adjustable Applicable Margins") shall be a percentage per annum set forth below opposite the Excess Availability for such Start Date, as reasonably determined by the Administrative Agent; and (b) with respect to any Tranche of Additional Revolving Facility, the rate or rates per annum specified in the applicable Refinancing Amendment, Incremental Facility Amendment or Extension Amendment:

Level	Historical Excess Availability	Initial Revolving Loans Maintained as Eurodollar Rate Loans and Canadian CDOR Rate Loans	Initial Revolving Loans and Swing Line Loans Maintained as Base Rate Loans and Canadian Prime Rate Loans
I	Greater than 66.7% of the Total Initial Revolving Loan Commitment as then in effect	1.50%	0.50%
II	Less than or equal to 66.7% of the Total Initial Revolving Loan Commitment but greater than 33% of the Total Revolving Loan Commitment as then in effect	1.75%	0.75%

Level	Historical Excess Availability	Initial Revolving Loans Maintained as Eurodollar Rate Loans and Canadian CDOR Rate Loans	Initial Revolving Loans and Swing Line Loans Maintained as Base Rate Loans and Canadian Prime Rate Loans
III	Less than or equal to 33% of the Total Initial Revolving Loan Commitment as then in effect	2.00%	1.00%

The Historical Excess Availability used in a determination of Adjustable Applicable Margins shall be determined based on the delivery of a Quarterly Pricing Certificate of the Borrower by an Authorized Officer of the Borrower to the Administrative Agent (with a copy to be sent by the Administrative Agent to each Lender) on or before the fifth Business Day following the last day of each Fiscal Quarter of each Fiscal Year, which certificate shall set forth the calculation of the Historical Excess Availability for the Fiscal Quarter immediately prior to the relevant Start Date and the Adjustable Applicable Margin which shall be thereafter applicable (until same is changed or ceases to apply as set forth below). The Adjustable Applicable Margins so determined shall apply, except as set forth in the immediately succeeding sentence, from the relevant Start Date to and including the applicable End Date. Notwithstanding anything to the contrary contained above in this definition, (i) at all times during which there shall exist any Event of Default, the Adjustable Applicable Margins shall be maintained at Level III, and (ii) if a Quarterly Pricing Certificate is not delivered when due, the Adjustable Applicable Margin shall be maintained at Level III for the Start Date immediately preceding the date on which such Quarterly Pricing Certificate was required to have been delivered until the date on which such Quarterly Pricing Certificate is delivered.

"Appraised Value" means the net appraised recovery value of the Inventory as set forth in the Borrower's stock ledger (expressed as a percentage of the cost of such Inventory) as reasonably determined from time to time by reference to the most recent appraisal received by the Collateral Agent in accordance with Section 8.04.

"Appropriate Lender" shall mean, at any time, with respect to any Credit Facility, a Lender that has a Revolving Loan Commitment with respect to such Credit Facility or holds a Loan of the applicable Tranche at such time.

"Asset Disposition" shall mean (a) the sale, conveyance, transfer, license, sub-license or other disposition, whether in a single transaction or a series of related transactions, of property, rights or assets (including by way of a Sale and Leaseback Transaction) of the Borrower or any of its Restricted Subsidiaries, (in each case other than Capital Stock of the Borrower) (each referred to in this definition as a "disposition") or (b) the issuance or sale of Capital Stock of any Restricted Subsidiary (other than Disqualified Stock of Restricted Subsidiaries issued in compliance with Section 11.04 or directors' qualifying shares and shares

issued to foreign nationals as required under Applicable Law), whether in a single transaction or a series of related transactions, in each case, other than:

(1) a disposition by a Restricted Subsidiary to the Borrower or by the Borrower or a Restricted Subsidiary to a Restricted Subsidiary; provided that the aggregate amount of all dispositions by a Credit Party to a Restricted Subsidiary that is a Non-Guarantor Subsidiary, when combined with (i) the aggregate amount of Investments made in Non-Guarantor Subsidiaries (or Persons that will not become Subsidiary Guarantors) pursuant to clause (1) of the definition of Permitted Investments and (ii) the aggregate principal amount of Indebtedness owing by any Non-Guarantor Subsidiary to a Credit Party outstanding pursuant to Section 11.04(b)(3), shall not exceed $10,000,000;

(2) a disposition of cash, Cash Equivalents or Investment Grade Securities;

(3) a disposition of inventory or other assets in the ordinary course of business (including allowing any registrations or any applications for registrations of any intellectual property rights to lapse or go abandoned in the ordinary course of business);

(4) a disposition of obsolete, surplus, worn out, uneconomical, negligible or surplus property, equipment or other assets or property, equipment or other assets that are no longer used or useful in the conduct of the business of the Borrower and its Restricted Subsidiaries;

(5) transactions permitted under Section 11.02;

(6) an issuance of Capital Stock by a Restricted Subsidiary to the Borrower or to another Restricted Subsidiary or as part of or pursuant to an equity incentive or compensation plan approved by the Board of Directors;

(7) any dispositions of Capital Stock, properties or assets in a single transaction or series of related transactions with a Fair Market Value not to exceed, in any Fiscal Year, $15,000,000, which amounts if not used in any Fiscal Year may be carried forward to succeeding Fiscal Years (until so applied);

(8) any Restricted Payment that is permitted to be made, and is made, under and the making of any Permitted Payment or Permitted Investment or, solely for purposes of clause (3) of the first paragraph under Section 11.08, asset sales, the proceeds of which are used to make such Restricted Payments or Permitted Investments;

(9) dispositions in connection with Permitted Liens;

(10) dispositions of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements;

(11) the licensing or sub-licensing of intellectual property or other general intangibles and licenses, sub-licenses, leases or subleases of other property, in each case, in the ordinary course of business;

(12) foreclosure, condemnation or any similar action with respect to any property or other assets;

(13) the sale or discount (with or without recourse, and on customary or commercially reasonable terms and for credit management purposes) of accounts receivable or notes receivable arising in the ordinary course of business, or the conversion or exchange of accounts receivable for notes receivable;

(14) any disposition of Capital Stock, Indebtedness or other securities of an Unrestricted Subsidiary;

(15) any disposition of Capital Stock of a Restricted Subsidiary pursuant to an agreement or other obligation with or to a Person (other than the Borrower or a Restricted Subsidiary) from whom such Restricted Subsidiary was acquired, or from whom such Restricted Subsidiary acquired its business and assets (having been newly formed in connection with such acquisition), made as part of such acquisition and in each case comprising all or a portion of the consideration in respect of such sale or acquisition;

(16) (i) dispositions of property to the extent that such property is exchanged for credit against the purchase price of similar replacement property that is promptly purchased, (ii) dispositions of property to the extent that the proceeds of such disposition are promptly applied to the purchase price of such replacement property (which replacement property is actually promptly purchased) and (iii) to the extent allowable under Section 1031 of the Code, any exchange of like property (excluding any boot thereon) for use in a Similar Business;

(17) the disposition of an account receivable in connection with the collection or compromise thereof in the ordinary course of business;

(18) any financing transaction with respect to property constructed, acquired, replaced, repaired or improved (including any reconstruction, refurbishment, renovation and/or development of real property) by the Borrower or any Restricted Subsidiary after the Closing Date, including Sale and Leaseback Transactions permitted pursuant to clause (25) of this definition and asset securitizations, permitted by this Agreement;

(19) dispositions of Investments in joint ventures or similar entities to the extent required by, or made pursuant to customary buy/sell arrangements between, the parties to such joint venture set forth in joint venture arrangements and similar binding arrangements;

(20) any surrender or waiver of contract rights or the settlement, release or surrender of contract, tort or other claims of any kind;

(21) the unwinding of any Hedging Obligations pursuant to its terms;

(22) the surrender or waiver of any contractual rights and the settlement or waiver of any contractual or litigation claims in each case in the ordinary course of business;

(23) any swap of assets in exchange for services or other assets in the ordinary course of business of comparable or greater value of usefulness to the business as determined in good faith by the Borrower;

(24) dispositions of non-core assets (including Capital Stock) acquired in any acquisition or other Investment permitted hereunder, including such dispositions (x) made to obtain the approval of any anti-trust authority or otherwise necessary or advisable in the good faith determination of the Borrower to consummate any acquisition or other Investment permitted hereunder or (y) made to comply with an order of any agency or state authority or other Governmental Authority or any Applicable Law;

(25) dispositions that constitute (or are made in order to effectuate) Sale and Leaseback Transactions so long as either (a) the resulting Indebtedness, if any, is permitted by Section 11.04(a) or Section 11.04(b)(7) or (b)(i) such Sale and Leaseback Transaction is made in exchange for cash consideration (provided that the cash consideration requirements set forth in the last paragraph of Section 11.08 shall apply in determining whether or not the cash consideration requirements in this clause are satisfied) and (ii) the aggregate Fair Market Value of the assets sold subject to all Sale and Leaseback Transactions under this clause (b) shall not exceed $15,000,000;

(26) dispositions of assets that do not constitute Collateral having a Fair Market Value of not more than, in any Fiscal Year, $5,000,000, which amounts if not used in any Fiscal Year may be carried forward to subsequent Fiscal Years (until so applied);

(27) dispositions constituting any part of a Permitted Reorganization and/or an IPO Reorganization Transaction;

(28) dispositions contemplated on the Closing Date and described on Schedule 9.08 hereto; and

(29) additional dispositions so long as, on a Pro Forma Basis, the Payment Conditions are satisfied.

In the event that an Asset Disposition meets the criteria of more than one of the types of Asset Dispositions (at the time made or at a later date), the Borrower in its sole discretion may divide, classify or from time to time reclassify all or any portion of such Asset Disposition in any manner that complies with this definition and such Asset Disposition shall be treated as having been made pursuant only to the clause or clauses of the definition of Asset Disposition to which such Asset Disposition has been classified or reclassified; provided that (X) upon delivery of any financial statements pursuant to Section 10.01(b) or (c) following the initial incurrence or making of any such reclassifiable item, if such reclassifiable item could, based on such financial statements, have been incurred or made in reliance on any "ratio-based" or Payment Conditions basket or exception, such reclassifiable item shall automatically be reclassified as having been incurred or made under the applicable provisions of such "ratio-based" or Payment Conditions basket or exception, as applicable (in each case, subject to any other applicable provision of such "ratio-based" or Payment Conditions basket or exception, as applicable) and (Y) a disposition need not be permitted solely by reference to one category or clause of this definition but may instead be permitted in part under any combination thereof or under any other available exception; provided, however, that the foregoing shall not apply to clause (28) of this definition.

"Asset Disposition Threshold Amount" shall mean with respect to any Asset Disposition, properties or assets with a Fair Market Value in excess of (i) with respect to any such single Asset Disposition, $5,000,000 and (ii) with respect to one or more such Asset Dispositions during any Fiscal Year period, $10,000,000.

"Assignment and Assumption Agreement" shall mean an Assignment and Assumption Agreement substantially in the form of Exhibit I (appropriately completed).

"Associate" shall mean (i) any Person engaged in a Similar Business of which the Borrower or its Restricted Subsidiaries are the legal and beneficial owners of between 20% and 50% of all outstanding Voting Stock and (ii) any joint venture entered into by the Borrower or any Restricted Subsidiary of the Borrower.

"Authorized Officer" shall mean, with respect to (i) delivering the Notice of Borrowing, Notices of Conversion/Continuation and similar notices, any person or persons that has or have been authorized by the Board of Directors of the Borrower to deliver such notices pursuant to this Agreement, (ii) delivering financial information and officer's certificates pursuant to this Agreement, the chief financial officer, vice president, finance, the treasurer or the principal accounting officer of the Borrower, and (iii) any other matter in connection with this Agreement or any other Credit Document, any officer (or a Person or Persons who is duly authorized to represent any such entity) of the Borrower or other Credit Party, as applicable.

"Availability" shall mean, at any time, the lesser of (i) the Borrowing Base at such time and (ii) the Total Revolving Loan Commitment at such time.

"Available Currency" shall mean U.S. Dollars and Canadian Dollars.

"Available Equity Amount" means, at any time, an amount equal to, without duplication:

(a) the sum of:

(i) $25,000,000; *plus*

(ii) [reserved]; *plus*

(iii) the amount of any cash capital contributions or other cash proceeds of any issuance of Capital Stock (other than any amounts (x) constituting a Cure Amount, an Excluded Contribution or proceeds of an issuance of Disqualified Stock, (y) received from the Borrower or any Restricted Subsidiary or (z) consisting of the proceeds of any loan or advance constituting an Investment made pursuant to Section 11.03(a)) received as cash equity by the Borrower, plus the Fair Market Value of Cash Equivalents, marketable securities or other property received by the Borrower as a capital contribution or in return for any issuance of Capital Stock (other than any amounts (x) constituting a Cure Amount, an Excluded Contribution or proceeds of any issuance of Disqualified Stock or (y) received from the Borrower or any Restricted Subsidiary), in each case, during the period from and including the day immediately following the Closing Date through and including such time; plus

(iv) the aggregate principal amount of any Indebtedness or Disqualified Stock, in each case, of the Borrower or any Restricted Subsidiary issued after the Closing Date (other than Indebtedness or such Disqualified Stock issued to the Borrower or any Restricted Subsidiary), which has been converted into or exchanged for Capital Stock of the Borrower, any Restricted Subsidiary or any Parent Entity that does not constitute Disqualified Stock, together with the Fair Market Value of any cash or Cash Equivalents and the Fair Market Value of any property or assets received by the Borrower or such Restricted Subsidiary upon such exchange or conversion, in each case, during the period from and including the day immediately following the Closing Date through and including such time; plus

(v) the net proceeds received by the Borrower or any Restricted Subsidiary during the period from and including the day immediately following the Closing Date through and including such time in connection with the disposition to any Person (other than the Borrower or any Restricted Subsidiary) of any Investment made pursuant to Section 11.03(a); plus

(vi) to the extent not already reflected as a return of capital with respect to such Investment for purposes of determining the amount of such Investment, the proceeds received by the Borrower or any Restricted Subsidiary during the period from and including the day immediately following the Closing Date through and including such time in connection with cash returns, cash profits, cash distributions and similar cash amounts, including cash principal repayments of loans and interest payments on loans, in each case received in respect of any Investment made after the Closing Date pursuant to Section 11.03(a) or, without duplication, otherwise received by the Borrower or any Restricted Subsidiary from an Unrestricted Subsidiary (including any proceeds received on account of any issuance of Capital Stock by any Unrestricted Subsidiary (other than solely on account of the issuance of Capital Stock to the Borrower or any Restricted Subsidiary)); plus

(vii) an amount equal to the sum of (A) the amount of any Investments by the Borrower or any Restricted Subsidiary pursuant to Section 11.03(a) in any Unrestricted Subsidiary that has been re-designated as a Restricted Subsidiary, (B) the amount of any Investments by the Borrower or any Restricted Subsidiary pursuant to Section 11.03(a) in any Unrestricted Subsidiary or any joint venture that is not a Restricted Subsidiary that has been merged, consolidated or amalgamated with or into, or is liquidated, wound up or dissolved into, the Borrower or any Restricted Subsidiary and (C) the Fair Market Value of the property or assets of any Unrestricted Subsidiary or any joint venture that is not a Restricted Subsidiary that have been transferred, conveyed or otherwise distributed to the Borrower or any Restricted Subsidiary, in each case, during the period from and including the day immediately following the Closing Date through and including such time; plus

(viii) the amount of any Declined Proceeds (as defined in the Term Loan Credit Agreement or any other Term Loan Facility); minus

(b) an amount equal to the aggregate amount of Restricted Payments made pursuant to Section 11.03(a) after the Closing Date and prior to such time or contemporaneously therewith;

provided that, in no event shall the aggregate amount of Restricted Payments made with the Available Equity Amount pursuant to Section 11.03(a) exceed $10,000,000 in any Fiscal Year (subject to permitted carry-forward of unused amounts thereunder to succeeding Fiscal Years).

"Available RDP Capacity Amount" means the amount of Restricted Debt Payments that may be made at the time of determination pursuant to Section 11.03(b)(17)(ii) minus the amount of the Available RDP Capacity Amount utilized by the Borrower or any Restricted Subsidiary to make Investments pursuant to clause (23) of the definition of Permitted Investments.

"Available RP Capacity Amount" means the amount of Restricted Payments that may be made at the time of determination pursuant to Section 11.03(b)(6), (b)(10) and (b)(17)(i) minus the aggregate amount of the Available RP Capacity Amount utilized by the Borrower or any Restricted Subsidiary to make (a) Investments pursuant to clause (23) of the definition of Permitted Investments and (b) Restricted Debt Payments pursuant to Section 11.03(b)(17)(C).

"Backstop Commitment Letter" has the meaning assigned to such term in the recitals to this Agreement.

"Bail-In Action" means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

"Bail-In Legislation" means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council

of the European Union, the implementing law for such EEA Member Country from time to time that is described in the EU Bail-In Legislation Schedule.

"Banking Services Product Amount" has the meaning assigned to such term in the definition of "Obligations".

"Banking Services Product Reserve" shall mean, at any time, the Reserve that may be established by the Administrative Agent from time to time in its Permitted Discretion in respect of Cash Management Obligations and Hedging Obligations, which shall not exceed the aggregate Banking Services Product Amounts in respect of such Obligations at such time.

"Bankruptcy Code" shall have the meaning provided in Section 12.01(e).

"Bankruptcy Courts" has the meaning assigned to such term in the recitals to this Agreement.

"Base Rate" shall mean, the greatest of (a) the Federal Funds Rate *plus* ½%, (b) the LIBOR Rate (which rate shall be calculated based upon an Interest Period of one month and shall be determined on a daily basis), *plus* 1.00%, and (c) the rate of interest announced, from time to time, within Wells Fargo at its principal office in San Francisco as its "prime rate", with the understanding that the "prime rate" is one of Wells Fargo's base rates (not necessarily the lowest of such rates) and serves as the basis upon which effective rates of interest are calculated for those loans making reference thereto and is evidenced by the recording thereof after its announcement in such internal publications as Wells Fargo may designate (and, if any such announced rate is below zero, then the rate determined pursuant to this clause (c) shall be deemed to be zero).

"Base Rate Loan" shall mean each (i) each Swingline Loan and (ii) each other Loan designated or deemed designated as such by the Borrower at the time of the incurrence thereof or conversion thereto.

"Beneficial Ownership Certification" shall mean a certification regarding beneficial ownership as required by the Beneficial Ownership Regulation.

"Beneficial Ownership Regulation" shall mean 31 C.F.R. § 1010.230.

"Benefit Plan" shall mean any of (a) an "employee benefit plan" (as defined in ERISA) that is subject to Title I of ERISA, (b) a "plan" as defined in and subject to Section 4975 of the Code or (c) any Person whose assets include (for purposes of ERISA Section 3(42) or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such "employee benefit plan" or "plan".

"BIA" shall mean the Bankruptcy and Insolvency Act (Canada) as such legislation now exists or may from time to time hereafter be amended, modified, recodified, supplemented or replaced, together with all rules, regulations and interpretations thereunder or related thereto.

"Blocked Accounts" shall have the meaning provided in Section 8.02(b).

"Board of Directors" shall mean, with respect to any Person, (i) in the case of any corporation (including, for the avoidance of doubt, any company incorporated under the laws of Canada or any province or territory thereof), the board of directors of such Person, (ii) in the case of any limited liability company or *société en commandite par actions* (SCA), the board of managers of such Person, (iii) in the case of any partnership, the Board of Directors of the general partner of such person and (iv) in any other case or where the foregoing may not be applicable, the functional equivalent of the foregoing.

"Board of Governors" means the Board of Governors of the Federal Reserve System of the United States (or any successor).

"Bona Fide Debt Fund" means any debt fund, investment vehicle, regulated bank entity or unregulated lending entity engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of business and which is managed, sponsored or advised by any Person controlling, controlled by or under common control with (a) any competitor of the Borrower and/or any of its Subsidiaries or (b) any Affiliate of such competitor, but, in each case, with respect to which no personnel involved with any investment in such Person or the management, control or operation of such Person (i) makes, has the right to make or participates with others in making any investment decisions with respect to such Person or (ii) has access to any information (other than information that is publicly available) relating to Holdings, the Borrower or its subsidiaries or any entity that forms a part of any of their respective businesses; it being understood and agreed that the term "Bona Fide Debt Fund" shall not include any Person that is separately identified to the Lead Arrangers or the Administrative Agent in accordance with clause (a)(i) or (a)(ii) of the definition of "Disqualified Lender" or any reasonably identifiable Affiliate of any such Person on the basis of such Affiliate's name.

"Borrower" shall have the meaning provided in the first paragraph of this Agreement.

"Borrowing" shall mean the borrowing of one Type of Loan of any class or single Tranche denominated in a single available currency by a Borrower from all the Lenders having Revolving Loan Commitments of the respective Tranche (or from the Swingline Lender in the case of Swingline Loans) on a given date (or resulting from a conversion or conversions on such date) having in the case of LIBOR Loans and Canadian CDOR Rate Loans, as applicable, the same Interest Period; provided that Base Rate Loans or Canadian Prime Rate Loans incurred pursuant to Section 2.10(a) shall be considered part of the related Borrowing of LIBOR Loans.

"Borrowing Base" shall mean, as of any date of calculation subject to adjustment as provided below, the U.S. Dollar Equivalent of the amount equal to the sum of, without duplication:

i. 85.0% of the Eligible Accounts of the Borrower and each Borrowing Base Guarantor, plus

ii. the lesser of (a) 75.0% the Value of Eligible Inventory consisting of raw materials and (b) 85.0% the Net Recovery Cost Percentage multiplied by the Value of Eligible Inventory consisting of raw materials, plus

iii. the lesser of (a) 75.0% the Value of Eligible Inventory consisting of work in process and (b) 85.0% the Net Recovery Cost Percentage multiplied by the Value of Eligible Inventory consisting of work in process, plus

iv. the lesser of (a) 80.0% the Value of Eligible Inventory consisting of finished goods and (b) 85.0% the Net Recovery Cost Percentage multiplied by the Value of Eligible Inventory consisting of finished goods, plus

v. the least of (a) 75.0% the Value of Eligible Inventory consisting of bulk sales Inventory (including by-products and supplies), (b) 85.0% the Net Recovery Cost Percentage multiplied by the Value of Eligible Inventory consisting of bulk sales Inventory (including by-products and supplies) and (c) $10,000,000 in the aggregate, plus

vi. 100% of the Qualified Cash of the Credit Parties, taken as a whole, in an aggregate amount not to exceed $10,000,000, minus

vii. subject to Section 2.17, any Reserves established from time to time by the Administrative Agent in its Permitted Discretion.

For any purpose under any Credit Documents requiring the determination of the Borrowing Base, such Borrowing Base shall be the Borrowing Base as set forth in the most recently delivered Borrowing Base Certificate delivered to the Administrative Agent in accordance with Section 6.20 or 8.04(b); provided that, subject to Section 2.17:

(a) on any date of determination of the Borrowing Base, all of the Accounts owned by the Borrower and each Borrowing Base Guarantor, as applicable, and reflected in the most recent Borrowing Base Certificate delivered by the Borrower to the Administrative Agent shall be Eligible Accounts for the purposes of this Agreement, except any Accounts to which any of the applicable exclusionary criteria or in the definition of Eligible Accounts applies;

(b) on any date of determination of the Borrowing Base, each category of Inventory of the Borrower and each Borrowing Base Guarantor, as applicable, and reflected in the most recent Borrowing Base Certificate delivered by the Borrower to the Administrative Agent shall be Eligible Inventory for the purposes of this Agreement, except any Inventory to which any of the exclusionary criteria or in the definition of Eligible Inventory applies; and

(c) in connection with any Subject Acquisition, the Borrower may submit a Borrowing Base Certificate reflecting a calculation of the Borrowing Base that includes the Eligible Accounts and Eligible Inventory acquired in connection

with such Subject Acquisition (the "Acquired Eligible Accounts" and the "Acquired Eligible Inventory", respectively) and, from and after the date on which such Subject Acquisition is consummated (the "Acquisition Date"), the Borrowing Base hereunder shall be calculated giving effect thereto; provided further that prior to the completion of a field examination and inventory appraisal with respect to such Acquired Eligible Accounts and Acquired Eligible Inventory, such adjustment to the Borrowing Base shall be limited to the lesser of (1) 5% of the total Borrowing Base and (2) from the Acquisition Date and for each subsequent Borrowing Base Certificate that is required to be delivered after the Acquisition Date and (I) prior to the date that is ninety days after the Acquisition Date, the sum of (x) 70% of such Acquired Eligible Accounts plus (y) 70% of the lesser of (i) the book value of such Acquired Eligible Inventory and (ii) the estimated Appraised Value (determined in a manner consistent with the most recent inventory appraisal provided to the Administrative Agent) of such Acquired Eligible Inventory and (II) thereafter, the Borrowing Base shall not include such assets until the applicable field examination and inventory appraisal has been completed with respect to such assets.

Subject to Section 2.17, the Administrative Agent shall have the right (but not the obligation) to review such computations and if, in its Permitted Discretion, such computations have not been calculated in accordance with the terms of this Agreement, the Administrative Agent shall have the right to correct any such errors in such manner it shall determine in its Permitted Discretion.

Notwithstanding the foregoing, but subject to Section 2.17, the Administrative Agent reserves the right (but not the obligation), at any time and from time to time after the Closing Date, to adjust the criteria set forth in the definition of Eligible Accounts and Eligible Inventory and to establish new criteria with respect to Eligible Accounts and Eligible Inventory in its Permitted Discretion subject to the approval of the Supermajority Lenders in the case of adjustments or new criteria which, when compared to such criteria as provided herein on the Closing Date have the effect of increasing the amount of the Borrowing Base. The Administrative Agent shall provide the Borrower with notice (which may be provided verbally to an Authorized Officer of the Borrower) of any such changes which adversely affects the amount of the Borrowing Base and will explain the reasons for such change and discuss any mitigating factors with the Borrower; provided, however, the decision of the Administrative Agent on such change shall be binding so long as it is made in accordance with Section 2.17 and on the basis of the exercise of its Permitted Discretion.

"Borrowing Base Certificate" shall mean an officer's certificate from the Borrower, substantially in the form of (or in such other form as may, from time to time, be mutually agreed upon by the Borrower and the Administrative Agent), and containing the information prescribed by, Exhibit P, delivered to the Administrative Agent setting forth the Borrower's calculation of the Borrowing Base.

"Borrowing Base Guarantor" shall mean any Wholly-Owned Subsidiary of the Borrower which (i) is a Subsidiary Guarantor organized under the laws of the United States or any state thereof or the District of Columbia or under the laws of Canada or of any Canadian province or territory, (ii) is able at the time it becomes a Borrowing Base Guarantor to prepare all collateral reports in a comparable manner to the Borrower's reporting procedures and (iii) has executed and delivered to the Administrative Agent such joinder agreements to the Guaranty, contribution and set-off agreements and other Security Documents as the Administrative Agent has reasonably requested so long as the Administrative Agent has received and approved, in its reasonable discretion, (x) a collateral field exam and appraisal of such Wholly-Owned Subsidiary reasonably acceptable to the Administrative Agent and (y) all UCC and PPSA search results necessary to confirm the Collateral Agent's First Priority Lien on all of such Borrowing Base Guarantor's personal property constituting Collateral, subject to Permitted Liens.

"Business Day" shall mean (i) for all purposes other than as covered by clause (ii) below, any day except Saturday, Sunday and any day which shall be in Toronto, Ontario or New York, New York, a legal holiday or a day on which banking institutions are authorized or required by law or other government action to close, and (ii) with respect to all notices and determinations in connection with, and payments of principal and interest on, LIBOR Loans, any day which is a Business Day described in clause (i) above and which is also a day for trading by and between banks in U.S. dollar deposits in the London interbank market.

"Calculation Period" shall mean, with respect to any Specified Transactions or any other event expressly required to be calculated on a Pro Forma Basis pursuant to the terms of this Agreement, the Test Period most recently ended prior to the date of such Specified Transaction or other event for which financial statements have been delivered to the Administrative Agent pursuant to Section 10.01(b) or (c), as applicable.

"Canadian CDOR Rate" shall mean for any borrowing of Canadian CDOR Rate Loans on any date of determination, the arithmetic average rate per annum as reported on the Reuters Screen CDOR Page (or any successor page or such other page or commercially available service displaying Canadian interbank bid rates for Canadian Dollar bankers' acceptances as the Administrative Agent may designate from time to time, or if no such substitute service is available, the rate quoted by a Schedule I bank under the *Bank Act* (Canada) selected by the Administrative Agent at which such bank is offering to purchase Canadian Dollar bankers' acceptances) as of approximately 10:15 a.m. Eastern (Toronto) time on the date of commencement of the requested Interest Period (as adjusted by the Administrative Agent after 10:15 a.m. to reflect any error in any posted rate or in the posted average annual rate subsequently identified by Reuters or such other financial report service), for a term, and in an amount, comparable to the Interest Period and the amount of the CDOR Rate Loan requested by Borrower (and, if any such reported rate is below zero, then the rate determined pursuant to this clause shall be deemed to be zero). Notwithstanding the foregoing, if such rate is not available at such time for any reason and such circumstances are unlikely to be temporary, then the "Canadian CDOR Rate" for such Interest Period shall be (x) a comparable successor or alternative interbank rate for deposits in Canadian Dollars that is, at such time, broadly accepted by the syndicated loan market in lieu of the "Canadian CDOR Rate" and is reasonably acceptable to the Borrower and the Administrative Agent or (y) alternatively, the provisions of

Section 2.10(b) shall apply. Each determination of the Canadian CDOR Rate shall be made by the Administrative Agent and shall be conclusive in the absence of manifest error.

"Canadian CDOR Rate Loans" shall mean each Canadian Dollar Denominated Loan (other than a Swingline Loan or an Extraordinary Advance) designated as such by the Borrower at the time of the incurrence thereof or conversion thereto.

"Canadian Credit Party" shall mean Holdings, the Borrower and each Subsidiary Guarantor that is a Canadian Restricted Subsidiary of Holdings and is not an Excluded Subsidiary.

"Canadian Dollar Denominated Loans" shall mean each Canadian Dollar Denominated Revolving Loan and each Canadian Dollar Denominated Swingline Loan.

"Canadian Dollar Denominated Revolving Loans" shall mean each Revolving Loan denominated in Canadian Dollars at the time of the incurrence thereof.

"Canadian Dollar Denominated Swingline Loans" shall mean each Swingline Loan denominated in Canadian Dollars at the time of the incurrence thereof.

"Canadian Dollars" or "Can$" shall mean the freely transferable lawful money of Canada.

"Canadian Insolvency Laws" shall mean any of the BIA, the CCAA and the Winding-Up and Restructuring Act (Canada) and any other applicable insolvency or other similar law of Canada, including any corporate or other law of any applicable jurisdiction permitting a debtor to obtain a stay or a compromise of the claims of its creditors against it.

"Canadian Pledge Agreement" shall mean that certain Canadian pledge agreement, dated as of the Closing Date, entered into by each Canadian Credit Party, pledging all of the Equity Interests (other than Excluded Assets) in any Canadian Restricted Subsidiary of the Borrower, in the form of Exhibit E-2.

"Canadian Prime Rate" shall mean, for any day, the rate of interest per annum expressed on the basis of a 365 or 366-day year equal to the highest of (a) the "prime rate" for Canadian Dollar commercial loans made in Canada as reported by Thomson Reuters under Reuters Instrument Code <CAPRIME=> on the "CA Prime Rate (Domestic Interest Rate) – Composite Display" page (or any successor page or such other commercially available service or source (including the Canadian Dollar "prime rate" announced by a Schedule I bank under the *Bank Act* (Canada)) as the Administrative Agent may designate from time to time) or (b) the Canadian CDOR Rate for a one month interest period as determined on such day plus 0.50%.

"Canadian Prime Rate Loans" shall mean (a) each Canadian Dollar Denominated Swingline Loan and (b) each Canadian Dollar Denominated Revolving Loan during the period which it bears interest at a rate determined by reference to the Canadian Prime Rate.

"Canadian Restricted Subsidiary" shall mean, at any time, any direct or indirect Canadian Subsidiary of Holdings that is not then an Unrestricted Subsidiary; provided that upon the occurrence of any such Unrestricted Subsidiary ceasing to be an Unrestricted Subsidiary, such Canadian Subsidiary shall be included in the definition of "Canadian Restricted Subsidiary."

"Canadian Security Agreement" shall mean the Canadian Security Agreement dated as of the Closing Date and entered into by each Canadian Credit Party as of such date, substantially in the form of Exhibit E-1.

"Canadian Subsidiary" of any Person shall mean any Subsidiary of such Person incorporated or organized or resident in Canada or any province or territory thereof

"CapEx Facilities" shall mean, collectively, those capital expenditure credit facilities provided to the Borrower pursuant to (i) the Ontario CapEx Facility, (ii) the Federal CapEx Facility and (iii) (x) the SIF CapEx Facility and (y) the SIF Grant Facility.

"CapEx Facilities Documents" shall mean the "Loan Documents" or "Canada Documents" (or any similar term) as defined in any CapEx Facility.

"Capital Expenditures" shall mean, for any period, the aggregate of, without duplication, (a) all expenditures (whether paid in cash or accrued as liabilities and including capitalized research and development costs and capitalized software expenditures) by the Borrower and its Restricted Subsidiaries during such period that, in conformity with IFRS, are or are required to be included as additions during such period to property, plant or equipment reflected in the consolidated balance sheet of the Borrower and its Restricted Subsidiaries and (b) Capitalized Lease Obligations Incurred by the Borrower and its Restricted Subsidiaries during such period.

"Capitalized Lease Obligations" of any Person shall mean an obligation that is required to be classified and accounted for as a capitalized lease for financial reporting purposes on the basis of IFRS (but subject to Section 1.07(b)). The amount of Indebtedness represented by such obligation will be the capitalized amount of such obligation at the time any determination thereof is to be made as determined on the basis of IFRS, and the Stated Maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date such lease may be terminated without penalty.

"Capital Stock" of any Person shall mean any and all shares of, rights to purchase, warrants, options or depositary receipts for, or other equivalents of or partnership or other interests in (however designated), equity of such Person, including any Preferred Stock, but excluding any debt securities convertible into such equity.

"Captive Insurance Subsidiary" shall mean any Restricted Subsidiary of the Borrower that is subject to regulation as an insurance company (or any Restricted Subsidiary thereof).

"Cash Equivalents" shall mean:

(1) (a) United States Dollars, Euro, or any national currency of any member state of the European Union or Canada; or (b) any other foreign currency held by the Borrower and the Restricted Subsidiaries in the ordinary course of business;

(2) securities issued or directly and fully Guaranteed or insured by the United States or Canadian governments, a member state of the European Union or, in each case, or any agency or instrumentality of the foregoing (*provided* that the full faith and credit obligation of such country or such member state is pledged in support thereof), having maturities of not more than two years from the date of acquisition;

(3) certificates of deposit, time deposits, eurodollar time deposits, overnight bank deposits or bankers' acceptances having maturities of not more than one year from the date of acquisition thereof issued by any lender or by any bank or trust company (a) whose commercial paper is rated at least "A-2" or the equivalent thereof by S&P or at least "P-2" or the equivalent thereof by Moody's (or if at the time neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) or (b) (in the event that the bank or trust company does not have commercial paper which is rated) having combined capital and surplus in excess of $250,000,000;

(4) repurchase obligations for underlying securities of the types described in clauses (2), (3) and (7) entered into with any bank meeting the qualifications specified in clause (3) above;

(5) commercial paper rated at least (i) "A-1" or higher by S&P or "P-1" or higher by Moody's (or, if at the time, neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization selected by the Borrower) maturing within two years after the date of creation thereof or (ii) "A-2" or higher by S&P or "P-2" or higher by Moody's (or, if at the time, neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization selected by the Borrower) maturing within one year after the date of creation thereof, or, in each case, if no rating is available in respect of the commercial paper, the issuer of which has an equivalent rating in respect of its long-term debt;

(6) marketable short-term money market and similar securities having a rating of at least "P-2" or "A-2" from either S&P or Moody's, respectively (or, if at the time, neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization selected by the Borrower) and in each case maturing within 24 months after the date of creation or acquisition thereof;

(7) readily marketable direct obligations issued by any state, province, commonwealth or territory of the United States of America or Canada or any political subdivision, taxing authority or public instrumentality thereof, in each case, having one of the two highest ratings categories by S&P or Moody's (or, if at the time, neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization selected by the Borrower) with maturities of not more than two years from the date of acquisition;

(8) readily marketable direct obligations issued by any foreign government or any political subdivision, taxing authority or public instrumentality thereof, in each case, having one of the two highest ratings categories obtainable by S&P or Moody's (or, if at the time, neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization selected by the Borrower) with maturities of not more than two years from the date of acquisition;

(9) Investments with average maturities of 12 months or less from the date of acquisition in money market funds rated within the three highest ratings categories by S&P or Moody's (or, if at the time, neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization selected by the Borrower);

(10) with respect to any Non-U.S. Subsidiary: (i) obligations of the national government of the country in which such Non-U.S. Subsidiary maintains its chief executive office and principal place of business provided such country is a member of the Organization for Economic Cooperation and Development, in each case maturing within one year after the date of investment therein, (ii) certificates of deposit of, bankers acceptance of, or time deposits with, any commercial bank which is organized and existing under the laws of the country in which such Non-U.S. Subsidiary maintains its chief executive office and principal place of business provided such country is a member of the Organization for Economic Cooperation and Development, and whose short-term commercial paper rating from S&P is at least "A-1" or the equivalent thereof or from Moody's is at least "P-1" or the equivalent thereof (any such bank being an "*Approved Non-U.S. Bank*"), and in each case with maturities of not more than 270 days from the date of acquisition and (iii) the equivalent of demand deposit accounts which are maintained with an Approved Non-U.S. Bank;

(11) Indebtedness or Preferred Stock issued by Persons with a rating of (i) "A" or higher from S&P or "A-2" or higher from Moody's (or, if at the time, neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization selected by the Borrower) with maturities of 24 months or less from the date of acquisition, or (ii) "A-" or higher from S&P or "A-3" or higher from Moody's (or, if at the time, neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized

Statistical Rating Organization selected by the Borrower) with maturities of 12 months or less from the date of acquisition;

(12) bills of exchange issued in the United States, Canada, a member state of the European Union or Japan eligible for rediscount at the relevant central bank and accepted by a bank (or any dematerialized equivalent);

(13) [Reserved]; and

(14) interests in any investment company, money market, enhanced high yield fund or other investment fund which invests 90% or more of its assets in instruments of the types specified in clauses (1) through (13) above.

Notwithstanding the foregoing, Cash Equivalents shall include amounts denominated in currencies other than those set forth in clause (1) above, provided that such amounts are converted into any currency listed in clause (1) as promptly as practicable and in any event within 10 Business Days following the receipt of such amounts.

"Cash Management Obligations" shall mean all present and future obligations of the Borrower and the Subsidiary Guarantors under or with respect to Treasury Services Agreements.

"Cash Management Services" shall mean any of the following to the extent not constituting a line of credit (other than an overnight draft facility that is not in default): automated clearing house transfers of funds, treasury, depository, credit or debit card, purchasing card, and/or cash management services, including controlled disbursement services, overdraft facilities, foreign exchange facilities and currency management services, deposit and other accounts, merchant services, netting services, check drawing services, automated payment services (including depository, overdraft, controlled disbursement, ACH transactions, return items and interstate depository network services), cash pooling services and any arrangements or services similar to any of the foregoing and/or otherwise in connection with cash management and deposit accounts.

"Cash Management System" shall have the meaning provided in Section 8.02.

"CCAA" has the meaning assigned to such term in the recitals to this Agreement.

"CCAA Court" has the meaning assigned to such term in the recitals to this Agreement.

"Change in Law" means the occurrence after the date of this Agreement of: (a) the adoption or effectiveness of any law, rule, regulation, judicial ruling, judgment or treaty, (b) any change in any law, rule, regulation, judicial ruling, judgment or treaty or in the administration, interpretation, implementation or application by any Governmental Authority of any law, rule, regulation, guideline or treaty, or (c) the making or issuance by any Governmental Authority of any request, rule, guideline or directive, whether or not having the force of law;

provided, that notwithstanding anything in this Agreement to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith, and (ii) all requests, rules, guidelines or directives concerning capital adequacy promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities shall, in each case, be deemed to be a "Change in Law," regardless of the date enacted, adopted or issued.

"Change of Control" shall mean (i) Holdings shall at any time cease to own, directly or indirectly, 100% of the Equity Interests of the Borrower (or any Successor Company that has complied with the requirements of Section 11.02(a)) or (ii) the acquisition by any Person or group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act as in effect on the Closing Date) (but excluding (x) any Plan of such Person and its Subsidiaries and/or any Person acting in its capacity as the trustee, agent or other fiduciary or administrator of any such Employee Benefit Plan and (y) one or more Permitted Holders), of Equity Interests representing more than 35% of the total voting power of all of the outstanding voting Equity Interests of Holdings and such percentage of the total voting power of all of the outstanding voting Equity Interests of Holdings is sufficient to elect or appoint a majority of the Board of Directors of Holdings.

"Charge" means any fee, loss, charge, expense, cost, accrual or reserve of any kind.

"Chattel Paper" shall mean any and all assets which constitute "chattel paper," as such term is defined (x) in the case of a U.S. Credit Party, in the UCC as in effect on the date hereof in the State of New York and (y) in the case of a Canadian Credit Party, in the PPSA as in effect on the date hereof, and (in either case) in which the relevant Person now or hereafter has rights.

"Closing Date" shall mean the date on which the conditions specified in Section 6 are satisfied (or waived in accordance with Section 14.12).

"Closing Date Material Adverse Effect" shall have the meaning assigned to the term "Material Adverse Effect" in the Acquisition Agreement as in effect on the Closing Date (it being understood that capitalized terms used in such definition and defined in the Acquisition Agreement shall have the meanings ascribed to such terms in the Acquisition Agreement as in effect on the Closing Date).

"Code" shall mean the Internal Revenue Code of 1986.

"Collateral" shall mean all property (whether real or personal) with respect to which any security interests have been granted (or purported to be granted) pursuant to any Security Document, including all Pledge Agreement Collateral, all Security Agreement Collateral and all Mortgaged Properties; provided that, for the avoidance of doubt, "Collateral" shall not include any Excluded Assets.

"Collateral Agent" shall mean the Administrative Agent acting as collateral agent for the Secured Parties pursuant to the Security Documents.

"Collection Account" shall have the meaning provided in Section 8.02(c).

"Commitment Commission" shall have the meaning provided in Section 4.01(a).

"Collateral and Guarantee Requirement" means, at any time, subject to (x) the applicable limitations set forth in this Agreement and/or any other Credit Document (including any Acceptable Intercreditor Agreement) and (y) the time periods (and extensions thereof) set forth in Sections 10.12 and 10.18, the requirement that:

(a) the Collateral Agent shall have received (i) a Joinder Agreement or such comparable documentation to become a Subsidiary Guarantor, (ii) a joinder agreement to each applicable Security Document, substantially in the form annexed thereto or, in the case of a Foreign Subsidiary, execute a security agreement compatible with the laws of such Foreign Subsidiary's jurisdiction in form and substance reasonably satisfactory to the Administrative Agent, (iii) the certificates, if any, representing all of the Equity Interests of the applicable Restricted Subsidiary (other than any such Equity Interests constituting Excluded Assets), together with undated stock powers or other appropriate instruments of transfer executed and delivered in blank by a duly authorized officer of the holder(s) of such Equity Interests, and all intercompany notes owing from such Restricted Subsidiary to any Credit Party together with instruments of transfer executed and delivered in blank by a duly authorized officer of the applicable Credit Party, (iv) if the Restricted Subsidiary required to comply with the requirements set forth in this definition pursuant to Section 10.12 owns registrations of or applications for U.S. or Canadian patents, U.S. or Canadian trademarks and/or U.S. or Canadian copyrights and/or Canadian Industrial Designs that constitute Collateral, intellectual property security agreements for filing with the United States Patent and Trademark Office and United States Copyright Office and Canadian Intellectual Property Office, as applicable, (v) a completed Perfection Certificate, (vi) UCC or PPSA financing statements or financing change statements in appropriate form for filing in such jurisdictions as the Collateral Agent may reasonably request, (vii) an executed joinder to any Acceptable Intercreditor Agreement that is then applicable in substantially the form attached as an exhibit thereto, (viii) such other documents or instruments, or evidence of such other actions taken, in each case as reasonably requested to cause the Lien created by the applicable Security Document to be duly perfected to the extent required by such Security Document in accordance with all applicable Requirements of Law and Perfection Requirements and (ix) to the extent reasonably requested by the Administrative Agent, customary legal opinions, board resolutions and officers' certificates in each case consistent with those delivered on the Closing Date under Section 6 or from time to time pursuant to Section 10.12; and

(b) the Administrative Agent shall have received with respect to each Mortgaged Property:

(i) a Mortgage encumbering each Mortgaged Property in favor of the Collateral Agent, for the benefit of the Secured Parties, duly executed and acknowledged by each

Credit Party that is the owner of or holder of any interest in such Mortgaged Property, and registered as a First Priority (subject to each Acceptable Intercreditor Agreement than extant) Mortgage in the registry office where each such Mortgaged Property is situated, and such financing statements and any other instruments necessary to grant a mortgage lien under the laws of any applicable jurisdiction, all of which shall be in form and substance reasonably satisfactory to Collateral Agent;

(ii) such consents, approvals, amendments, supplements, memoranda of leases, or other instruments as required by the Collateral Agent, acting reasonably, to consummate the Transactions in order for the owner or holder of the fee or leasehold interest constituting such Mortgaged Property to grant the Lien contemplated by the Mortgage with respect to such Mortgaged Property, if applicable;

(iii) a policy of title insurance insuring the Lien of such Mortgage as a valid First Priority (subject to each Acceptable Intercreditor Agreement than extant) Mortgage Lien, subject only to Permitted Liens, on the Mortgaged Property in an amount reasonably acceptable to the Collateral Agent (not to exceed the Fair Market Value of such Mortgaged Property) and which policy (each, a "Mortgage Policy") shall (A) be issued by the Title Company, (B) to the extent necessary, include such reinsurance arrangements (with provisions for direct access, if necessary) as shall be reasonably acceptable to the Collateral Agent, (C) have been supplemented by such endorsements, to the extent not included in the standard coverage, as shall be reasonably requested by the Collateral Agent, and (D) contain no exceptions to title other than Permitted Liens, all of which shall be in form and substance reasonably satisfactory to the Collateral Agent;

(iv) evidence reasonably acceptable to the Collateral Agent of payment by the Borrower of all Mortgage Policy premiums, mortgage and similar taxes and other costs and expenses required for the registration of the Mortgages and issuance of the Title Policies referred to above;

(v) copies of all Leases generating annual rent in excess of $500,000 in which the Borrower or any Subsidiary holds the lessor's interest or other agreements relating to possessory interests, if any; and

(vi) if requested by the Collateral Agent, evidence that each Credit Party shall have made all notifications, registrations and filings, to the extent required by, and in accordance with, all Governmental Real Property Disclosure Requirements applicable to such Mortgaged Property, if any.

Notwithstanding any provision of any Credit Document to the contrary, if any mortgage tax or similar tax or charge is owed on the entire amount of the Obligations evidenced hereby in connection with the delivery of a mortgage or UCC and/or PPSA fixture filing pursuant to clause (b) above, then, to the extent permitted by, and in accordance with, applicable Requirements of Law, the amount of such mortgage tax or similar tax or charge shall be calculated based on the lesser of (x) the amount of the Obligations allocated to the applicable Mortgaged Property and (y) the Fair Market Value of the applicable Mortgaged Property at the

time the Mortgage is entered into and determined in a manner reasonably acceptable to Administrative Agent and the Borrower.

"Commitments" means any Revolving Loan Commitment or any Additional Revolving Loan Commitment.

"Commodity Exchange Act" shall mean the Commodity Exchange Act (7 U.S.C.§ 1 et seq.).

"Company" shall mean any corporation, limited liability company, partnership or other business entity (or the adjectival form thereof, where appropriate).

"Company Competitor" means any competitor of Holdings, the Borrower, the Sellers with respect to the Acquired Business and/or any of their respective subsidiaries.

"Compliance Period" shall mean any period (x) commencing on the date on which Excess Availability is less than the greater of (i) 10% of Availability and (ii) $20,000,000 and (y) ending on the first date thereafter on which Excess Availability has been equal to or greater than the greater of (i) 10% of Availability and (ii) $20,000,000 in either case for thirty (30) consecutive days.

"Concentration Account" shall have the meaning provided in Section 8.02(c).

"Concentration Account Bank" shall have the meaning provided in Section 8.02(c).

"Confidential Information Memorandum" shall mean that Confidential Information Memorandum dated November 5, 2018, relating to the Borrower and its Subsidiaries and the Transactions.

"Connection Income Taxes" shall mean Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

"Consenting Creditors" has the meaning assigned to such term in the recitals to this Agreement.

"Consolidated Cash Interest Expense" shall mean, for any period, Consolidated Interest Expense for such period, excluding any amount not payable in cash for such period.

"Consolidated Debt Service Charges" means, for any period, the sum, without duplication, of the amounts determined for the Borrower and its Restricted Subsidiaries on a consolidated basis equal to: (i) Consolidated Cash Interest Expense plus (ii) the aggregate amount of all Dividends or distributions on or in respect of the Borrower's or any Restricted Subsidiary's Capital Stock paid in cash in respect of Disqualified Stock.

"Consolidated Depreciation and Amortization Expense" shall mean, with respect to any Person for any period, the total amount of depreciation and amortization expense, including the amortization of deferred financing fees or costs, capitalized expenditures, customer acquisition costs and incentive payments, conversion costs and contract acquisition costs, the amortization of original issue discount resulting from the issuance of Indebtedness at less than par and amortization of favorable or unfavorable lease assets or liabilities, of such Person and its Restricted Subsidiaries for such period on a consolidated basis and otherwise determined in accordance with IFRS.

"Consolidated EBITDA" shall mean, with respect to any Person for any period, the Consolidated Net Income of such Person for such period:

(1) increased (without duplication) by:

(a) provision for taxes based on income or profits or capital, including state, franchise and similar taxes and foreign withholding taxes of such Person paid or accrued during such period, including any penalties and interest relating to any tax examinations, deducted (and not added back) in computing Consolidated Net Income; *plus*

(b) Consolidated Debt Service Charges of such Person for such period, in each case, to the extent the same were deducted (and not added back) in calculating such Consolidated Net Income (including (x) net losses or any Hedging Obligations or other derivative instruments entered into for the purpose of hedging interest rate, currency or commodities risk, (y) bank fees and (z) costs of surety bonds in connection with financing activities, plus amounts excluded from the definition of "Consolidated Interest Expense" pursuant to clauses (t) through (z) in clause (1) thereof), including (i) fees and expenses paid to the Administrative Agent in connection with its services hereunder, (ii) other bank, administrative agency (or trustee) and financing fees (including rating agency fees and other fees in respect of any Term Loan Facility) and (iii) commissions, discounts and other fees and charges owed with respect to revolving commitments, letters of credit, bank guarantees, bankers' acceptances or any similar facilities or financing and hedging agreements; *plus*

(c) Consolidated Depreciation and Amortization Expense of such Person for such period to the extent the same were deducted (and not added back) in computing Consolidated Net Income; *plus*

(d) any expenses or charges (other than depreciation or amortization expense) related to any Equity Offering, Permitted Investment, acquisition, disposition, recapitalization or the incurrence of Indebtedness permitted to be incurred by this Agreement (including a refinancing thereof) (whether or not successful), including (i) such fees, expenses or charges related to the CapEx Facilities, the New PortLP Facility, this Agreement and any

Term Loan Facility, and (ii) any amendment or other modification of the Credit Documents, the Term Loan Facility Documents, the CapEx Facilities and the New PortLP Facility, in each case, deducted (and not added back) in computing Consolidated Net Income; *plus*

(e) the amount of any restructuring charge or reserve, integration cost or other business optimization expense or cost that is deducted (and not added back) in such period in computing Consolidated Net Income, including any one-time costs incurred in connection with acquisitions or divestitures after the Closing Date, and costs related to the closure and/or consolidation of facilities and to exiting lines of business; provided that, from and after the fourth full Fiscal Quarter occurring after the Closing Date, the aggregate amount added to or included in Consolidated EBITDA pursuant to this clause (e) shall not, for any Test Period, exceed $20,000,000 in any such Test Period; *plus*

(f) any other non-cash charges, write-downs (in the case of inventory, not exceeding $20,000,000 in any twelve month fiscal period), expenses, losses or items reducing Consolidated Net Income for such period including any impairment charges or the impact of purchase accounting (excluding (i) any such non-cash charge, write-down or item to the extent it represents an accrual or reserve for a cash expenditure for a future period and (ii) any amortization attributable to any prepaid expense that was paid in cash in a prior period) or other items classified by the Borrower as special items less other non-cash items of income increasing Consolidated Net Income (excluding any such non-cash item of income to the extent it represents a receipt of cash in any future period) not to exceed $20,000,000 per annum; *plus*

(g) the amount of any minority interest expense consisting of Restricted Subsidiary income attributable to minority equity interests of third parties in any non-wholly owned Restricted Subsidiary; *plus*

(h) [Reserved]; *plus*

(i) any costs or expense incurred by the Borrower or a Restricted Subsidiary pursuant to any management equity plan or stock option plan or any other management or employee benefit plan or agreement or any stock subscription or shareholder agreement, to the extent that such cost or expenses are funded with cash proceeds contributed to the capital of the Borrower or net cash proceeds of an issuance of Capital Stock (other than Disqualified Stock) of the Borrower solely to the extent that such net cash proceeds are excluded from the calculation set forth in Section 11.03(a); *plus*

(j) cash receipts (or any netting arrangements resulting in reduced cash expenditures) not representing Consolidated EBITDA or Consolidated Net Income in any period to the extent non-cash gains relating to such income were deducted in the calculation of Consolidated EBITDA pursuant to clause (2) below for any previous period and not added back; *plus*

(k) any net loss included in the Consolidated Net Income attributable to non-controlling interests pursuant to the application of Accounting Standards Codification Topic 810-10-45 ("*Topic 810*"); *plus*

(l) realized foreign exchange losses resulting from the impact of foreign currency changes on the valuation of assets or liabilities on the balance sheet of the Borrower and its Restricted Subsidiaries; *plus*

(m) net realized losses from Hedging Obligations or embedded derivatives that require similar accounting treatment and the application of Accounting Standard Codification Topic 815 and related pronouncements; *plus*

(n) pro forma adjustments, including pro forma "run rate" cost savings, operating expense reductions, operational improvements and synergies (collectively, "Expected Cost Savings") (net of actual amounts realized) (1) that are reasonably identifiable, factually supportable and projected by the Borrower in good faith to result from actions that have been taken or with respect to which substantial steps have been taken or are expected to be taken (in the good faith determination of such Person) or (2) that have been identified to the Administrative Agent prior to the Closing Date (including by inclusion in the Acquisition Agreement, any financial model, confidential information memorandum or quality of earnings or similar report or analysis) related to (x) the Transactions and (y) any permitted asset sale, acquisition (including the commencement of activities constituting a business line), combination, Investment, Disposition (including the termination or discontinuance of activities constituting a business line), operating improvement, restructuring, cost savings initiative, any similar initiative (including the effect of increased pricing in customer contracts, the renegotiation or renewal of contracts and other arrangements or efficiencies from the shifting of production of one or more products from one manufacturing facility to another) and/or specified transaction, in each case prior to, on or after the Closing Date (any such operating improvement, restructuring, cost savings initiative or similar initiative or specified transaction, a "Cost Saving Initiative") (in each case, calculated on a Pro Forma Basis as though such Expected Cost Savings and/or Cost Saving Initiative had been realized in full on the first day of such period); provided that the results of such Expected Cost Savings and/or Cost Saving Initiatives are projected by the Borrower in good faith to result from actions that have been taken or with respect to which steps have been taken or expected to be taken (in the good faith

determination of the Borrower) within 18 months after (i) with respect to the Transactions, the Closing Date and (ii) with respect to any Cost Saving Initiative, the date of any such operating improvement, restructuring, cost savings initiative or similar initiative or specified transaction; provided, further that the aggregate amount added to or included in Consolidated EBITDA pursuant to this clause (n) shall not, for any Test Period, exceed an amount equal to 20% of Consolidated EBITDA for such Test Period, calculated after giving effect to any such add-backs or inclusion;

(2) decreased (without duplication) by: (a) non-cash gains increasing Consolidated Net Income of such Person for such period, excluding any non-cash gains to the extent they represent the reversal of an accrual or reserve for a potential cash item that reduced Consolidated EBITDA in any prior period and any non-cash gains with respect to cash actually received in a prior period so long as such cash did not increase Consolidated EBITDA in such prior period; *plus* (b) realized foreign exchange income or gains resulting from the impact of foreign currency changes on the valuation of assets or liabilities on the balance sheet of the Borrower and its Restricted Subsidiaries; *plus* (c) any net realized income or gains from Hedging Obligations or embedded derivatives that require similar accounting treatment and the application of Accounting Standards Codification Topic 815 and related pronouncements; *plus* (d) any net income included in Consolidated Net Income attributable to non-controlling interests pursuant to the application of Topic 810; *plus* (e) interest income and income/gains related to taxes; and

(3) increased or decreased (without duplication) by, as applicable, any adjustments resulting from the application of Accounting Standards Codification Topic 460 or any comparable regulation.

Notwithstanding anything to the contrary herein, it is agreed that for the purpose of calculating the Consolidated Total Leverage Ratio and the Fixed Charge Coverage Ratio for any Test Period that includes (i) the Fiscal Quarter of the Borrower ended December 31, 2017, Consolidated EBITDA for such Fiscal Quarter shall be deemed to be $24,100,000,[1] (ii) the Fiscal Quarter of the Borrower ended March 31, 2018, Consolidated EBITDA for such Fiscal Quarter shall be deemed to be $37,600,000[2], (iii) the Fiscal Quarter of the Borrower ended June 30, 2018, Consolidated EBITDA for such Fiscal Quarter shall be deemed to be $92,300,000[3] and

[1] To be the US-dollar equivalent of Can$30,800,000 as of the Closing Date.
[2] To be the US-dollar equivalent of Can$48,100,000 as of the Closing Date.
[3] To be the US-dollar equivalent of Can$118,100,000 as of the Closing Date.

(iv) the Fiscal Quarter of the Borrower ended September 30, 2018, Consolidated EBITDA for such Fiscal Quarter shall be deemed to be $98,700,000.[4]

"Consolidated Indebtedness" shall mean, as at any date of determination, the aggregate amount of all Indebtedness in respect of Indebtedness for borrowed money, Capitalized Lease Obligations, Purchase Money Obligations, Indebtedness evidenced by notes, bonds or similar instruments, unreimbursed drawings under letters of credit, Disqualified Stock and Preferred Stock, in each case, of the Borrower and its Restricted Subsidiaries on a consolidated basis (in each case, including any interest, fees or dividends paid in kind); provided that, the amount of any Indebtedness outstanding as of any date shall be (a) the accreted value thereof in the case of any Indebtedness issued with original issue discount and (b) the principal amount of Indebtedness, or liquidation preference thereof, in the case of any other Indebtedness; provided, further that "Consolidated Indebtedness" shall be calculated (for all purposes hereunder, including as a component of the definition of Consolidated Total Leverage Ratio, and any applications of such definitions) (i) net of the Unrestricted Cash Amount, (ii) to exclude any obligation, liability or indebtedness of such Person if, upon or prior to the maturity thereof, such Person has irrevocably deposited with the proper Person in trust or escrow the necessary funds (or evidences of indebtedness) for the payment, redemption or satisfaction of such obligation, liability or indebtedness, and thereafter such funds and evidences of such obligation, liability or indebtedness or other security so deposited are not included in the calculation of the Unrestricted Cash Amount and (iii) to exclude obligations under any Derivative Transaction or under any Indebtedness that is non-recourse to the Borrower and its Restricted Subsidiaries. For the avoidance of doubt, for purposes of determining the permissibility of any action, change, transaction or event that by the terms of the Credit Documents requires a calculation of any financial ratio or financial test (including the Consolidated Total Leverage Ratio) required to be satisfied as a condition to the Incurrence of any Indebtedness, the proceeds of any Indebtedness being Incurred in reliance on such ratio shall not be netted (but the Borrower may give pro forma effect to the repayment of any Indebtedness to be repaid with such proceeds).

"Consolidated Interest Expense" shall mean, with respect to any Person for any period, without duplication, the sum of:

(1) consolidated interest expense of such Person and its Restricted Subsidiaries for such period, to the extent such expense was deducted (and not added back) in computing Consolidated Net Income (including (a) amortization of original issue discount or premium resulting from the issuance of Indebtedness at less than par, (b) all commissions, discounts and other fees and charges owed with respect to letters of credit or bankers acceptances, (c) non-cash interest payments (but excluding any non-cash interest expense attributable to the movement in the mark to market valuation of any Hedging Obligations or other derivative instruments pursuant to IFRS), (d) the interest component of Capitalized Lease Obligations,

[4] To be the US-dollar equivalent of Can$126,300,000 as of the Closing Date.

and (e) net payments, if any, pursuant to interest rate Hedging Obligations with respect to Indebtedness, and excluding (s) any interest in relation to pension obligations and other post-employment obligations and benefits, (t) penalties and interest relating to taxes, (u) any additional cash interest owing pursuant to any registration rights agreement, (v) accretion or accrual of discounted liabilities other than Indebtedness, (w) any expense resulting from the discounting of any Indebtedness in connection with the application of purchase accounting in connection with any acquisition, (x) amortization of deferred financing fees, debt issuance costs, commissions, fees and expenses, (y) any expensing of bridge, commitment and other financing fees and (z) interest with respect to Indebtedness of any parent of such Person appearing upon the balance sheet of such Person solely by reason of push-down accounting under IFRS; plus

(2) consolidated capitalized interest of such Person and its Restricted Subsidiaries for such period, whether paid or accrued; less

(3) other than in connection with the calculation of Consolidated EBITDA, interest income for such period.

"Consolidated Net Income" shall mean, with respect to any Person for any period, the net income (loss) of such Person and its Restricted Subsidiaries for such period determined on a consolidated basis for such period taken as a single accounting period determined in accordance with IFRS; provided, however, that there will not be included in such Consolidated Net Income:

(1) subject to the limitations contained in clause (3) below, any net income (loss) of any Person if such Person is not a Restricted Subsidiary, except that Consolidated Net Income will be increased by the aggregate amount of dividends, distributions or other payments made in cash or Cash Equivalents (or converted into cash or Cash Equivalents) actually distributed by such Person to the Borrower or any other Restricted Subsidiary;

(2) [reserved];

(3) any net gain (or loss) realized upon the sale or other disposition of any asset (including pursuant to any Sale and Leaseback Transaction) or disposed operations of the Borrower or any Restricted Subsidiaries which is not sold or otherwise disposed of in the ordinary course of business (as determined in good faith by an Officer or the Board of Directors of the Borrower);

(4) (i) any extraordinary, exceptional, unusual or nonrecurring gain, loss, charge or expense (including relating to the Transaction Expenses), or (ii) any charges, expenses or reserves in respect of any restructuring, redundancy or severance expense;

(5) the cumulative effect of a change in accounting principles (effected by way of either a cumulative effect adjustment or as a retroactive application, in each case, in accordance with IFRS);

(6) any (i) non-cash compensation charge or expense arising from any grant of stock, stock options or other equity based awards and any non-cash deemed finance charges in respect of any pension liabilities or other provisions and (ii) income (loss) attributable to deferred compensation plans or trusts;

(7) all deferred financing costs written off and premiums paid or other expenses incurred directly in connection with any early extinguishment of Indebtedness and any net gain (loss) from any write-off, forgiveness or early extinguishment of Indebtedness;

(8) any unrealized gains or losses in respect of any Hedging Obligations or any ineffectiveness recognized in earnings related to qualifying hedge transactions or the fair value of changes therein recognized in earnings for derivatives that do not qualify as hedge transactions, in each case, in respect of any Hedging Obligations;

(9) any unrealized foreign currency translation or transaction gains or losses in respect of Indebtedness of any Person denominated in a currency other than the functional currency of such Person and any unrealized foreign exchange gains or losses relating to translation of assets and liabilities denominated in foreign currencies;

(10) any unrealized foreign currency translation or transaction gains or losses in respect of Indebtedness or other obligations of the Borrower or any Restricted Subsidiary owing to the Borrower or any Restricted Subsidiary;

(11) any purchase accounting effects including adjustments to inventory, property and equipment, software and other intangible assets and deferred revenue in component amounts required or permitted by IFRS and related authoritative pronouncements (including the effects of such adjustments pushed down to the Borrower and the Restricted Subsidiaries), as a result of any consummated acquisition, or the amortization or write-off of any amounts thereof (including any write-off of in process research and development);

(12) any goodwill or other intangible asset impairment charge or write-off;

(13) any after-tax effect of income (loss) from the early extinguishment or cancellation of Indebtedness or any Hedging Obligations or other derivative instruments;

(14) accruals and reserves that are established within twelve (12) months after the Closing Date that are so required to be established as a result of the Transactions in accordance with IFRS;

(15) any net unrealized gains and losses resulting from Hedging Obligations or embedded derivatives that require similar accounting treatment and the application of Accounting Standards Codification Topic 815 and related pronouncements;

(16) any deferred tax expense associated with tax deductions or net operating losses arising as a result of the Transaction, or the release of any valuation allowances related to such item; and

(17) to the extent covered by insurance and actually reimbursed, or, so long as the Borrower has made a determination that there exists reasonable evidence that such amount will in fact be reimbursed by the insurer and only to the extent that such amount is (A) not denied by the applicable carrier in writing within 180 days and (B) in fact reimbursed within 365 days of the date of such evidence (with a deduction for any amount so added back to the extent not so reimbursed within 365 days), expenses with respect to liability or casualty events or business interruption.

In addition, to the extent not already included in the calculation of Consolidated Net Income of such Person and its Restricted Subsidiaries, notwithstanding anything to the contrary in the foregoing, Consolidated Net Income shall (i) exclude any expenses and charges that are reimbursed by indemnification or other reimbursement provisions in connection with any investment or any sale, conveyance, transfer or other disposition of assets permitted hereunder and (ii) include the proceeds of business interruption insurance in an amount representing the earnings for the applicable period that such proceeds are intended to replace (whether or not received so long as the Borrower in good faith expects to receive such proceeds within the next four fiscal quarters (with a deduction in the applicable future period for any amount so added back to the extent not so received within the next four fiscal quarters)).

"Consolidated Total Assets" shall mean the total assets of the Borrower and its Restricted Subsidiaries on a consolidated basis, as shown on the most recent balance sheet of the Borrower delivered pursuant to Section 10.01(b) or (c); provided that for the period prior to the time any such statements are so delivered pursuant to Section 10.01(b) or (c), the financial statements delivered on the Closing Date pursuant to Section 6.12.

"Consolidated Total Leverage Ratio" shall mean, on any date of determination, the ratio of (x) Consolidated Indebtedness on such date to (y) Consolidated EBITDA for the Calculation Period, as applicable, most recently ended on or prior to such date.

"Construction Claims" shall mean the prepetition claims of third-party contractors to ESAI in connection with services provided to ESAI with respect to the Acquired Business prior to the Filing Date in an aggregate principal amount not to exceed Can$6,000,000.

"Construction Claims Account(s)" shall mean a reserve account or accounts designated in writing by the Borrower to the Administrative Agent held by the CCAA Court-appointed Monitor of the Sellers in respect of the Construction Claims.

"Contingent Obligation" shall mean, with respect to any Person, any obligation of such Person guaranteeing in any manner, whether directly or indirectly, any operating lease, dividend or other obligation that does not constitute Indebtedness ("primary obligations") of any other Person (the "primary obligor"), including any obligation of such Person, whether or not contingent:

(1) to purchase any such primary obligation or any property constituting direct or indirect security therefor;

(2) to advance or supply funds:

(a) for the purchase or payment of any such primary obligation; or

(b) to maintain the working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; or

(3) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation against loss in respect thereof.

"Control" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ownership of voting securities, by contract or otherwise, and the terms "Controlling" and "Controlled" shall have meaning correlative thereto.

"Control Agreement" shall have the meaning provided to such term in the applicable Security Agreement.

"Cortland" shall mean Cortland Capital Market Services LLC and its successors.

"Court" shall mean the Ontario Superior Court of Justice (Commercial List).

"Credit Document Obligations" shall mean obligations of Borrower and the other Credit Parties from time to time arising under or in respect of the due and punctual payment of (i) the principal of and premium, if any, and interest (including interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding at the rate provided for herein, regardless of whether allowed or allowable in such proceeding) on the Loans, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise and (ii) all other monetary obligations, including fees, costs, expenses and indemnities, whether primary, secondary, direct, contingent, fixed or otherwise (including monetary obligations incurred during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), of Borrower and the other Credit Parties under this Agreement and the other Credit Documents.

"Credit Documents" shall mean collectively (i) each Initial Credit Document and (ii) each Acceptable Intercreditor Agreement executed and delivered after the Closing Date, any Extension Amendment, any Refinancing Amendment, any Incremental Facility Amendment and,

after the execution and delivery thereof pursuant to the terms of this Agreement, each Note, and each other Security Document executed after the Closing Date, any amendment or joinder to this Agreement and any other document or instrument designated by the Borrower and the Administrative Agent as a "Credit Document".

"Credit Event" shall mean the making of any Loan or the issuance, amendment, extension or renewal of any Letter of Credit or Reimbursement Undertaking (other than any amendment, extension or renewal that does not increase the maximum Stated Amount of such Letter of Credit or Reimbursement Undertaking).

"Credit Facilities" means the Initial Revolving Facility and any Additional Revolving Facility.

"Credit Party" shall mean Holdings, the Borrower and each Subsidiary Guarantor.

"Cure Amount" has the meaning specified in Section 12.03.

"Cure Expiration Date" has the meaning specified in Section 12.03.

"Cure Notice" has the meaning specified in Section 12.03.

"Cure Right" has the meaning specified in Section 12.03.

"DB Plan" shall mean each Plan that is a defined benefit pension plan or which contains a defined benefit pension provision and is contributed to, or is required to be contributed to, by a Credit Party and that is or is required to be registered under the PBA, provided for greater certainty that the WRAP Pension Plan shall not be considered a DB Plan under this Agreement until such time that the WRAP Pension Plan has been assumed by the Borrower in accordance with the applicable Pension Matters Documents.

"Debtor Relief Laws" means the Bankruptcy Code, the Canadian Insolvency Laws, and all other liquidation, conservatorship, bankruptcy, general assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization or similar debtor relief laws of the U.S., Canada or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

"Default" shall mean any event, act or condition which with notice or lapse of time, or both, would constitute an Event of Default.

"Default Rate" shall mean an interest rate equal to (after as well as before judgment), (a) with respect to any overdue principal or interest for any Initial Revolving Loan, the applicable interest rate for such Initial Revolving Loan plus 2.00% per annum and (b) with respect to any other overdue amount, the interest rate applicable to Initial Revolving Loans that are Base Rate Loans plus 2.00% per annum, in each case, to the fullest extent permitted by Applicable Law.

"Defaulting Lender" shall mean any Lender that (a) has failed to perform any of its funding obligations hereunder, including in respect of its Loans or participations in respect of Letters of Credit or Swingline Loans or Extraordinary Advances within three (3) Business Days of the date required to be funded by it hereunder, unless such Lender notifies the Administrative Agent in writing that such failure is the result of such Lender's good faith determination that a condition precedent to funding (specifically identified and including the particular default, if any) has not been satisfied, (b) has notified the Borrower or the Administrative Agent that it does not intend to comply with its funding obligations (unless such Lender notifies the Administrative Agent in writing that such failure is the result of such Lender's good faith determination that a condition precedent to funding (specifically identified and including the particular default, if any) has not been satisfied) or has made a public statement to that effect with respect to its funding obligations hereunder or under other agreements generally in which it commits to extend credit, (c) has failed, within three Business Days after reasonable request by the Administrative Agent, to confirm in a manner satisfactory to the Administrative Agent that it will comply with its funding obligations (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such confirmation by the Administrative Agent), (d) after the date of this Agreement, has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under the Bankruptcy Code or any other debtor relief law or having become the subject of a Bail-in Action, (ii) had a receiver, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or a custodian appointed for it, (iii) taken any action in furtherance of, or indicated its consent to, approval of or acquiescence in any such proceeding or appointment; provided that no Lender shall be a Defaulting Lender solely by virtue of (x) the ownership or acquisition by a Governmental Authority of any Equity Interest in that Lender or any direct or indirect parent company thereof so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender, (y) the occurrence of any of the events described in clause (d)(i), (d)(ii) or (d)(iii) of this definition which in each case has been dismissed or terminated prior to the date of this Agreement or (z) in the case of a solvent Person, the precautionary appointment of an administrator, guardian, custodian or other similar official by a Governmental Authority under or based on the law of the country where such Person is subject to home jurisdiction supervision if Applicable Law requires that such appointment not be publicly disclosed, provided, in any such case, where such action does not result in or provide such Lender with immunity from the jurisdiction of courts within the U.S. or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender.

"Defaulting Lender Rate" means (a) for the first three days from and after the date the relevant payment is due, the Base Rate or the Canadian Prime Rate, as applicable, and (b) thereafter, the interest rate then applicable to Revolving Loans that are Base Rate Loans or Canadian Prime Rate Loans, as applicable (inclusive of the Applicable Margin).

"Deposit Account" shall mean a demand, time, savings, passbook or like account with a bank, savings and loan association, credit union or like organization; provided that Deposit Account shall not include any Excluded Account.

"Designated Account" means (a) with respect to deposits in Canadian Dollars, account #04362-1003045 maintained with Royal Bank of Canada and (b) with respect to deposits in U.S. Dollars, account #04362-4001616 maintained with Royal Bank of Canada (or, in each case, such other Deposit Account of the Borrower that has been designated as such, in writing, by Borrower to the Administrative Agent).

"Designated Non-Cash Consideration" means the Fair Market Value of non-cash consideration received by the Borrower or any Restricted Subsidiary in connection with any Asset Disposition pursuant to Section 11.08 that is designated as Designated Non-Cash Consideration pursuant to a certificate of an Authorized Officer of the Borrower, setting forth the basis of such valuation (which amount will be reduced by the amount of cash or Cash Equivalents received in connection with a subsequent sale or conversion of such Designated Non-Cash Consideration to cash or Cash Equivalents).

"Designated Preferred Stock" shall mean, with respect to the Borrower, Preferred Stock (other than Disqualified Stock) (a) that is issued for cash (other than to the Borrower or a Subsidiary of the Borrower or an employee stock ownership plan or trust established by the Borrower or any such Subsidiary for the benefit of their employees to the extent funded by the Borrower or such Subsidiary) and (b) that is designated as "Designated Preferred Stock" pursuant to an Officer's Certificate of the Borrower at or prior to the issuance thereof, the Net Available Cash of which are excluded from the calculation set forth in Section 11.03(a).

"Dilution" means, as of any date of determination, a percentage, based upon the experience of the immediately prior 12 months, that is the result of dividing the Dollar amount of (a) bad debt write-downs, discounts, advertising allowances, credits, or other dilutive items with respect to Borrowers' Accounts during such period, by (b) Borrowers' billings with respect to Accounts during such period.

"Dilution Reserve" means, as of any date of determination, an amount sufficient to reduce the advance rate against Eligible Accounts to the extent by which Dilution is in excess of 5%.

"DIP Facility" shall mean that certain Amended and Restated Senior Secured, Priming and Superpriority Debtor-in-Possession Credit Agreement, dated as of November 9, 2015, and as amended and restated as of November 13, 2015, further amended and restated as of September 30, 2016, and amended January 31, 2017, March 31, 2017, July 21, 2017, March 23, 2018, July 31, 2018 and as of September 28, 2018, among ESAI, as borrower, certain affiliates of ESAI party thereto, the lenders referred to therein, Deutsche Bank AG New York Branch, as administrative agent and as collateral agent and the other parties thereto, as further amended, supplemented or otherwise modified from time to time prior to the Closing Date.

"Disinterested Director" shall mean, with respect to any Affiliate Transaction, a member of the Board of Directors of the Borrower having no material direct or indirect financial interest in or with respect to such Affiliate Transaction. A member of the Board of Directors of the Borrower shall be deemed not to have such a financial interest by reason of such member's holding Capital Stock of the Borrower or any options, warrants or other rights in respect of such Capital Stock.

"Disqualified Lenders" shall mean:

(a) (i) any Person identified as such in writing by or on behalf of the Borrower to the Lead Arrangers prior to November 21, 2018, (ii) any Affiliate of any Person described in clause (i) above that is reasonably identifiable as an Affiliate of such Person on the basis of such Affiliate's name and (iii) any other Affiliate of any Person described in clause (i) above that is identified by the Borrower in a written notice to the Lead Arrangers (if prior to the Closing Date) or to the Administrative Agent (if after the Closing Date) (in each case with respect to clause (a)(ii) and (a)(iii) of this paragraph, other than Bona Fide Debt Funds (other than any such Bona Fide Debt Fund that was designated as a Disqualified Lending Institution pursuant to clause (a)(i) of this paragraph)) (each such person described in clauses (i) through (iii) above, a "Disqualified Lending Institution"); and

(b) (i) any Person that is or becomes a Company Competitor and/or any Affiliate of any Company Competitor (other than any Affiliate that is a Bona Fide Debt Fund) and is identified by the Borrower (or its attorneys) as such in writing to the Lead Arrangers (if prior to the Closing Date) or to the Administrative Agent (if after the Closing Date), (ii) any Affiliate of any Person described in clause (i) above that is reasonably identifiable as an Affiliate of such person on the basis of such Affiliate's name and (iii) any other Affiliate of any Person described in clause (i) above that is identified by the Borrower in a written notice to the Lead Arrangers (if prior to the Closing Date) or to the Administrative Agent (if after the Closing Date) (in each case with respect to clause (b)(ii) and (b)(iii) of this paragraph, other than Bona Fide Debt Funds (other than any such Bona Fide Debt Fund that was designated as a Disqualified Lending Institution pursuant to clause (a)(i) above)));

it being understood and agreed that no written notice delivered pursuant to clauses (a)(iii), (b)(i) and/or (b)(iii) above shall apply retroactively to disqualify any Person that has previously acquired an assignment or participation interest in any Loans if such Person was not a Disqualified Lender at the time of such assignment or granting of such participation interest.

"Disqualified Stock" shall mean any Capital Stock which, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable), or upon the happening of any event, (a) matures (excluding any maturity as the result of an optional redemption by the issuer thereof) or is mandatorily redeemable (other than for Qualified Capital Stock), pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof (other than for Qualified Capital Stock), in whole or in part, on or prior to 91 days following the Latest Maturity Date, at the time such Capital Stock is issued (it being understood that if any such redemption is in part, only such part coming into effect on or prior to 91 days following the Latest Maturity Date at the time such Capital Stock is issued shall constitute

Disqualified Stock), (b) is or becomes convertible into or exchangeable (unless at the sole option of the issuer thereof) for (i) debt securities or (ii) any Capital Stock that would constitute Disqualified Stock, in each case at any time on or prior to 91 days following the Latest Maturity Date at the time such Capital Stock is issued, (c) contains any mandatory repurchase obligation or any other repurchase obligation at the option of the holder thereof (other than for Qualified Capital Stock), in whole or in part, which may come into effect on or prior to 91 days following the Latest Maturity Date at the time such Capital Stock is issued (it being understood that if any such repurchase obligation is in part, only such part coming into effect on or prior to 91 days following such Latest Maturity Date at the time such Capital Stock is issued shall constitute Disqualified Stock) or (d) provides for the scheduled payments of dividends in cash on or prior to 91 days following the Latest Maturity Date at the time such Capital Stock is issued; provided, however, that any Capital Stock that would not constitute Disqualified Stock but for provisions thereof giving holders thereof (or the holders of any security into or for which such Capital Stock is convertible, exchangeable or exercisable) the right to require the issuer thereof to redeem such Capital Stock upon the occurrence of a change in control, Qualifying IPO or any disposition occurring on or prior to 91 days following the Latest Maturity Date at the time such Capital Stock is issued shall not constitute Disqualified Stock if such Capital Stock provides that the issuer thereof will not redeem any such Capital Stock pursuant to such provisions prior to the Termination Date.

Notwithstanding the preceding sentence, (A) if such Capital Stock is issued pursuant to any plan for the benefit of directors, officers, employees, members of management, managers, independent contractors or consultants or by any such plan to such directors, officers, employees, members of management, managers, independent contractors or consultants, in each case in the ordinary course of business of Holdings, the Borrower or any Restricted Subsidiary, such Capital Stock shall not constitute Disqualified Stock solely because it may be required to be repurchased by the issuer thereof in order to satisfy applicable statutory or regulatory obligations and (B) no Capital Stock held by any future, current or former director, officer, employee, member of management, manager, independent contractor or consultant (or any Immediate Family Member or transferee of any of the foregoing) of Holdings, the Borrower or any Restricted Subsidiary or Parent Entity shall be considered Disqualified Stock because such stock is redeemable or subject to repurchase pursuant to any management equity subscription agreement, stock option, stock appreciation right or other stock award agreement, stock ownership plan, put agreement, stockholder agreement or similar agreement that may be in effect from time to time.

"Domestic Foreign Holdco" means any Subsidiary of a U.S. Subsidiary that has no material assets other than the Capital Stock and/or Indebtedness of one or more Foreign Subsidiaries, IP Rights related to such Foreign Subsidiaries, Cash or Cash Equivalents and other incidental assets related thereto.

"Dividend" with respect to any Person shall mean that such Person has declared or paid a dividend or returned any equity capital to the holders of its Equity Interests or authorized or made any other distribution, payment or delivery of property (other than common stock of such Person) or cash to the holders of its Equity Interests as such, or redeemed, retired, purchased or otherwise acquired, directly or indirectly, for consideration any of its Equity

Interests outstanding (or any options or warrants issued by such Person with respect to its Equity Interests), or set aside any funds for any of the foregoing purposes, or shall have permitted any of its Subsidiaries to purchase or otherwise acquire for consideration any of the Equity Interests of such Person outstanding (or any options or warrants issued by such Person with respect to its Equity Interests). Without limiting the foregoing, "Dividends" with respect to any Person shall also include all payments made or required to be made by such Person with respect to any stock appreciation rights, plans, equity incentive or achievement plans or any similar plans or setting aside of any funds for the foregoing purposes.

"Dollar Amount" shall mean, at any time:

(a) with respect to any Loan denominated in U.S. Dollars (including, with respect to any Swingline Loan or Extraordinary Advance, any funded participation therein), the aggregate principal amount thereof then outstanding (or in which such participation is held);

(b) with respect to any Loan denominated in Canadian Dollars, the aggregate principal amount thereof then outstanding in Canadian Dollars, converted to U.S. Dollars in accordance with Sections 1.03 and 1.04; and

(c) with respect to any Obligation under any Letter of Credit or Reimbursement Undertaking (or any risk participation therein), (A) if denominated in U.S. Dollars, the aggregate amount thereof and (B) if denominated in Canadian Dollars, the aggregate amount thereof converted to U.S. Dollars in accordance with Sections 1.03 and 1.04.

"Dominion Period" shall mean any period commencing after a Dominion Trigger Event has occurred and prior to a Dominion Recovery Event.

"Dominion Recovery Event" shall mean that (a) Specified Excess Availability is greater than or equal to the greater of (i) 12.5% of Availability and (ii) $25,000,000, in each case of clause (i) or clause (ii), for thirty (30) consecutive calendar days and (y) no Specified Event of Default has occurred and is continuing during such thirty (30) consecutive calendar day period.

"Dominion Trigger Event" shall mean that (a) Specified Excess Availability is less than the greater of (i) 12.5% of Availability and (ii) $25,000,000, in each case of clause (i) or clause (ii), for five consecutive Business Days or (y) a Specified Event of Default has occurred and is continuing.

"Drawing" shall have the meaning provided in Section 3.05(b).

"EEA Financial Institution" means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"EEA Member Country" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"EEA Resolution Authority" means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"ECP" shall have the meaning set forth in the definition of Excluded Swap Obligation.

"Eligible Accounts" shall mean each Account created by the Borrower or a Borrowing Base Guarantor, as applicable, and reflected in the most recent Borrowing Base Certificate delivered to the Administrative Agent pursuant to Section 8.04(b) and that are not excluded as ineligible by virtue of one or more of the excluding criteria set forth below; provided that such criteria may be revised from time to time by the Administrative Agent in its Permitted Discretion, except to the extent any such revision would result in any of the criteria set forth below being less restrictive than as set forth herein, in which case such revision shall be subject to the approval of the Supermajority Lenders. In determining the amount to be included, Eligible Accounts shall be calculated net of customer deposits, unapplied cash, bonding subrogation rights to the extent not cash collateralized, any and all returns, accrued rebates, discounts (which may, at the Administrative Agent's option, be calculated on shortest terms), credits, allowances or sales or excise taxes of any nature at any time issued, owing, claimed by Account Debtors, granted, outstanding or payable in connection with such Accounts at such time. Eligible Accounts shall not include any of the following:

(1) any Account in which the Collateral Agent, on behalf of the Secured Parties, does not have a valid, perfected First Priority Lien;

(2) any Account that is not owned by the Borrower or a Borrowing Base Guarantor;

(3) any Account due from an Account Debtor that is not domiciled in Canada or the United States and (if not a natural person) organized under the laws of Canada or the United States or any political subdivision thereof (except to the extent insured by credit insurance in form and substance satisfactory to the Administrative Agent or secured by a letter of credit which has been duly assigned to the Collateral Agent and for which the Collateral Agent has all documentation which it reasonably believes to be required to support a drawing thereon);

(4) any Account that is payable in any currency other than U.S. Dollars or Canadian Dollars;

(5) any Account that does not arise from the sale of goods or the performance of services by the Borrower or any Borrowing Base Guarantor in the ordinary course of its business;

(6) any Account that does not comply with all material applicable Requirements of Law, including all laws, rules, regulations and orders of any Governmental Authority;

(7) any Account (x) upon which the right of the Borrower or any Borrowing Base Guarantor, as applicable, to receive payment is not absolute or is contingent upon the fulfillment of any condition whatsoever unless such condition is satisfied or (y) as to which the Borrower or any Borrowing Base Guarantor, as applicable, is not able to bring suit or otherwise enforce its remedies against the Account Debtor through judicial or administrative process or (z) that represents a progress billing consisting of an invoice for goods sold or used or services rendered pursuant to a contract under which the Account Debtor's obligation to pay that invoice is subject to the Borrower's or Borrowing Base Guarantor's, as applicable, completion of further performance under such contract or is subject to the equitable lien of a surety bond issuer;

(8) to the extent that any defense, counterclaim, setoff or dispute is asserted as to such Account, it being understood that the amount of any such defense, counterclaim, setoff or dispute shall be disclosed to the Administrative Agent and that the remaining balance of the Account shall be eligible;

(9) any Account that is not a true and correct statement of bona fide indebtedness incurred in the amount of the Account for goods sold to or services rendered and accepted by the applicable Account Debtor;

(10) any Account with respect to which an invoice or other electronic transmission constituting a request for payment, reasonably acceptable to the Administrative Agent in form and substance, has not been sent on a timely basis to the applicable Account Debtor according to the normal invoicing and timing procedures of the Borrower or Borrowing Base Guarantor, as applicable;

(11) any Account that arises from a sale to any director, officer or other employee or Affiliate of the Borrower or any Borrowing Base Guarantor, or to any entity that has any common officer or director with the Borrower or any Borrowing Base Guarantor, provided that the Administrative Agent may, from time to time in the exercise of its Permitted Discretion, upon request of the Borrower approve the inclusion of Accounts from Affiliates which are not Subsidiaries of the Borrower if the Borrower has provided sufficient current financial information to support a decision and demonstrated to their reasonable satisfaction that the sales to such Affiliates comply with the terms of Section 11.06;

(12) to the extent the Borrower or any Subsidiary thereof is liable for any reason for goods sold or services rendered by the applicable Account Debtor to the Borrower or any Subsidiary but only to the extent of the potential offset;

(13) any Account that arises with respect to goods that are delivered on a bill-and-hold, cash-on-delivery basis or placed on consignment, guaranteed sale or other terms by reason of which the payment by the Account Debtor is or may be conditional (except sales made

in the ordinary course of business which permit the return of defective goods or goods that do not otherwise conform to specifications);

(14) any Account that is in default; provided that, without limiting the generality of the foregoing, an Account shall be deemed in default upon the occurrence of any of the following:

(1) any Account not paid within 90 days following its original invoice date or that is more than 60 days past due according to its original terms of sale; or

(2) the Account Debtor obligated upon such Account suspends business, makes a general assignment for the benefit of creditors or fails to pay its debts generally as them come due; or

(3) a petition is filed by or against any Account Debtor obligated upon such Account under any bankruptcy law or any other federal, state or foreign (including any provincial) receivership, insolvency relief or other law or laws for the relief of debtors;

(15) any Account that is the obligation of an Account Debtor (other than an individual) if 50% or more of the amount (or the U.S. Dollar Equivalent of an Account denominated in a currency other than U.S. Dollars) of all Accounts owing by that Account Debtor are ineligible under the other criteria set forth in this definition of "Eligible Accounts";

(16) any Account as to which any of the representations or warranties in the Credit Documents are untrue;

(17) to the extent such Account is evidenced by a judgment, instrument or Chattel Paper;

(18) [Reserved];

(19) that portion of any Account (1) in respect of which there has been, or should have been, established by the Borrower or any Borrowing Base Guarantor a contra account, whether in respect of contractual allowances with respect to such Account, audit adjustment, anticipated discounts or otherwise, or (2) which is due from an Account Debtor to whom the Borrower or any Borrowing Base Guarantor owes a trade payable, but only to the extent of such trade payable or (3) which the Borrower or any Borrowing Base Guarantor knows is subject to the exercise by an Account Debtor of any right of rescission, set-off, recoupment, counterclaim or defense;

(20) any Account on which the Account Debtor is a Governmental Authority, for which additional notices or consents are required in order to perfect the Collateral Agent's Lien on such Accounts, unless such notices have been given or consents obtained;

(21) Accounts due from an Account Debtor to the extent that such Accounts in the aggregate amount exceed 15 % (such percentage, as applied to a particular Account Debtor, being subject to reduction by the Administrative Agent, in each case in its Permitted Discretion, if the creditworthiness of such Account Debtor deteriorates or is otherwise unacceptable to the Administrative Agent) of all Eligible Accounts due to the Borrower and the Borrowing Base Guarantors at such time, but only to the extent such excess is over 15% ;

(22) Accounts with respect to which (i) the goods giving rise to such Account have not been shipped to the Account Debtor and title to the goods has not been passed to the Account Debtor or the goods have been shipped to the Account Debtor with shipping terms of FOB destination and the goods have not been received by the Account Debtor (including pre-billing Accounts arising from sales of slag, coal and tar), (ii) the services giving rise to such Account have not been performed by the Borrower and the Borrowing Base Guarantors or (iii) the Account otherwise does not represent a final sale;

(23) any Account that would be classified as "Non-Trade" in the consolidated financial statements of the Borrower prepared in accordance with IFRS; or

(24) any Account that has not been invoiced and has not been billed to the applicable Account Debtor.

"Eligible Inventory" shall mean all of the Inventory owned by the Borrower and each Borrowing Base Guarantor, as applicable, and reflected in the most recent Borrowing Base Certificate delivered to the Administrative Agent pursuant to Sections 6.20 or 8.04(b) and that are not excluded as ineligible by virtue of one or more of the excluding criteria set forth below; provided that such criteria may be revised from time to time by the Administrative Agent in its Permitted Discretion, except to the extent any such revision would result in any of the criteria set forth below being less restrictive than as set forth herein, in which case such revision shall be subject to the approval of the Supermajority Lenders. Eligible Inventory shall not include any Inventory of the Borrower or any Borrowing Base Guarantor that:

(1) the Collateral Agent, on behalf of the Secured Parties, does not have a valid, perfected First Priority Lien on such Inventory;

(2) (1) is stored at a location which is not owned by the Borrower or a Borrowing Base Guarantor and where the aggregate value of Inventory exceeds the U.S. Dollar Equivalent of $500,000, unless either (x) a Landlord Access Agreement has been delivered to the Collateral Agent, or (y) Reserves reasonably satisfactory to the Administrative Agent have been established with respect thereto or (2) is stored with a bailee or warehouseman where the aggregate value of Inventory exceeds the U.S. Dollar Equivalent of $500,000 unless either (x) an acknowledged bailee waiver letter which is in form and substance satisfactory to the Administrative Agent has been received by the Collateral Agent or (y) Reserves reasonably satisfactory to the Administrative Agent have been established with respect thereto, (3) is located at an owned location subject to a mortgage in favor of a lender other than the Collateral Agent or the Term Loan Collateral Agent where the aggregate value of Inventory exceeds the U.S. Dollar Equivalent of $500,000 unless either (x) mortgagee waiver which is in form and substance

satisfactory to the Administrative Agent has been delivered to the Collateral Agent or (y) Reserves reasonably satisfactory to the Administrative Agent have been established with respect thereto, or (4) is stored at any third party location where the aggregate value of Inventory is less than the U.S. Dollar Equivalent of $500,000;

(3) is placed on consignment, unless a valid consignment agreement which is reasonably satisfactory to the Administrative Agent is in place with respect to such Inventory;

(4) is covered by a negotiable document of title, unless such document has been delivered to the Collateral Agent with all necessary endorsements, free and clear of all Liens except those in favor of the Collateral Agent and the other Secured Parties and landlords, carriers, bailees and warehousemen if clause (2) above has been complied with;

(5) is to be returned to suppliers;

(6) is obsolete, unsalable, shopworn, seconds, damaged or unfit for sale;

(7) other than bulk sales inventory (including by-products and supplies), consists of display items, samples or packing or shipping materials, or replacement parts;

(8) is not of a type held for sale in the ordinary course of the Borrower's or any Borrowing Base Guarantor's, as applicable, business;

(9) breaches any of the representations or warranties pertaining to Inventory set forth in the Credit Documents;

(10) consists of Hazardous Material or goods that can be transported or sold only with licenses that are not readily available;

(11) is not covered by casualty insurance maintained as required by Section 10.03;

(12) is subject to any licensing arrangement the effect of which would be to limit the ability of the Collateral Agent, or any Person selling the Inventory on behalf of the Collateral Agent, to sell such Inventory in enforcement of the Collateral Agent's Liens, without further consent or payment to the licensor or other;

(13) is of a type which has not been appraised in accordance with Section 8.04(II);

(14) consists of by-product consumables;

(15) is subject to capitalized depreciation costs, up to the amount thereof; or

(16) is in transit with common carriers; provided that (x) an unlimited amount of Inventory in transit within Canada or the United States of America from an owned or leased location of the Borrower or a Borrowing Base Guarantor to an owned or leased location of the

Borrower or another Borrowing Base Guarantor may be included as Eligible Inventory provided such Inventory is not in-eligible under any other provision of this definition of "Eligible Inventory" and (y) up to $10,000,000 of Availability for Inventory in transit from vendors and suppliers may be included as Eligible Inventory so long as, in the case of this clause (y):

(i) such common carriers are not Affiliates of the applicable vendor or supplier,

(ii) title to such Inventory has passed to the Borrower or a Borrowing Base Guarantor,

(iii) such Inventory is insured against types of loss, damage, hazards, and risks, and in amounts, reasonably satisfactory to Administrative Agent in its Permitted Discretion and the Administrative Agent shall have received a copy of the certificate of marine cargo insurance in connection therewith in which it has been named as an additional insured and loss payee in a manner acceptable to the Administrative Agent,

(iv) with respect to Inventory in transit for more than fourteen (14) days, (x) such Inventory is the subject of a negotiable bill of lading governed by the laws of a province of Canada or any state of the United States of America and the Administrative Agent shall have received (1) confirmation that the bill is issued in the name of the Borrower or a Borrowing Base Guarantor and consigned to the order of the Administrative Agent, and an acceptable agreement has been executed with the Borrower's or a Borrowing Base Guarantor's customs broker, in which the customs broker agrees that it holds the negotiable bill as agent for the Administrative Agent and has granted the Administrative Agent access to the Inventory, (2) confirmation that the Borrower or a Borrowing Base Guarantor has paid for the goods, and (3) an estimate from the Borrower of the customs duties and customs fees associated with the Inventory in order to establish an appropriate Reserve; or (y) such Inventory is located in Canada or the United States and the Administrative Agent shall have received a duly executed bailee waiver letter, in form and substance satisfactory to the Administrative Agent from the applicable customs broker, carrier or freight forwarder for such Inventory; and

(v) such Inventory is not in-eligible under any other provision of this definition of "Eligible Inventory".

"Eligible Transferee" shall mean and include (a) any Lender, (b) a commercial bank, an insurance company, a finance company, a financial institution, any fund that invests in loans or any other "accredited investor" (as defined in Regulation D of the Securities Act) or (c) any Affiliate of any Lender, but, in each case, excluding Disqualified Lenders, Holdings, the Borrower and their respective Subsidiaries and any natural person.

"End Date" shall mean, in respect of any Start Date, the last day of the Fiscal Quarter in which such Start Date occurred.

"Environment" shall mean air, surface water and groundwater (including potable water, navigable water and wetlands), the land surface and subsurface strata, natural resources, and as additionally defined in any Environmental Law, and it includes the natural environment.

"Environmental Claim" shall mean any written claim, notice, demand, order, action, suit, proceeding or other written communication alleging or imposing liability or responsibility for or an obligation with respect to any investigation, remediation, mitigation, removal, cleanup, Response, corrective action, damages to natural resources, personal injury, property damage, fines, penalties or costs resulting from, related to or arising out of (i) the presence, Release or threatened Release in or into the Environment of Hazardous Materials at any location, including any adverse effects thereon; or (ii) any violation or alleged violation of any Environmental Law, and shall include any claim seeking damages, contribution, indemnification, cost recovery, compensation or injunctive relief resulting from, related to or arising out of the presence, Release or threatened Release of Hazardous Materials.

"Environmental Law" shall mean the common law and any and all foreign or domestic, federal, provincial, municipal, territorial or state (or any subdivision of any of them) treaties, laws, statutes, ordinances, regulations, rules, decrees, certificates, approvals, permits, licenses, orders, judgments, consent orders, consent decrees, codes or other binding requirements of any Governmental Authority relating to protection of the Environment, the protection of human health (as related to the exposure to Hazardous Materials and any adverse effect thereon), the Release or threatened Release of Hazardous Materials and any adverse effects thereon, natural resources or natural resource damages and any and all Environmental Permits.

"Environmental Permit" shall mean any permit, license, approval, certificate, registration, notification, exemption, consent or other authorization required by or from a Governmental Authority under Environmental Law.

"Equipment" shall have the meaning assigned to such term in the Security Agreements.

"Equity Interests" shall mean, with respect to any person, any and all shares, interests, participations or other equivalents, including membership interests (however designated, whether voting or nonvoting), of equity of such Person, including, if such Person is a partnership, partnership interests (whether general or limited) and any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of property of, such partnership, whether outstanding on the date hereof or issued after the Closing Date, but excluding debt securities convertible or exchangeable into such equity.

"Equity Offering" shall mean (x) a sale of Capital Stock of the Borrower (other than Disqualified Stock) other than offerings registered on Form S-8 (or any successor form) under the Securities Act or any similar offering in other jurisdictions, or (y) the sale of Capital Stock or other securities, the proceeds of which are contributed to the equity (other than through the issuance of Disqualified Stock or any amount designated a Cure Amount or through an Excluded Contribution) of the Borrower or any of its Restricted Subsidiaries.

"ERISA" shall mean the U.S. Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations promulgated thereunder.

"ERISA Affiliate" shall mean any Person that for purposes of Title I or Title IV of ERISA or Section 412 of the Code would be deemed at any relevant time to be a single employer or otherwise aggregated with Holdings or any of its Subsidiaries under Section 414(b) or (c) of the Code or Section 4001 of ERISA.

"ERISA Plan" shall mean any "employee benefit plan" as defined in Section 3(3) of ERISA subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA.

"ESAI" has the meaning assigned to such term in the recitals to this Agreement.

"EU Bail-In Legislation Schedule" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

"Event of Default" shall have the meaning provided in Section 12.

"Excess Availability" shall mean, as of any date of determination, the amount by which (a) Availability at such time exceeds (b) the Total Utilization of Revolving Commitments at such time.

"Exchange Act" shall mean the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder, as amended.

"Excluded Accounts" shall mean (a) accounts used exclusively as payroll accounts, employee benefit accounts, withholding tax and other fiduciary accounts, escrow accounts in respect of arrangements with non-affiliated third parties, accounts used exclusively as customs accounts, any account holding solely sales tax or other tax payments, any accounts holding cash solely as cash collateral subject to Liens permitted under the Credit Documents and accounts held by non-Credit Parties and (b) checking or other demand deposit accounts with an average monthly balance of less than $2,000,000, not to exceed $ 5,000,000 in the aggregate at any time for all such accounts that are Excluded Accounts pursuant to this clause (b).

"Excluded Assets" means each of the following (with each capitalized terms used in this definition and not defined herein having the meaning ascribed thereto in the UCC or the PPSA, as applicable):

(a) any asset (including any contract, instrument, lease, license, permit, agreement or other document, or any property or other right subject thereto (including pursuant to a purchase money security interest, capital lease or similar arrangement or, in the case of after-acquired property, pre-existing secured Indebtedness not incurred in anticipation of the acquisition by the Credit Party of such property)) the grant or perfection of a security interest in which would (i) constitute a violation of a restriction in favor of a third party (other than a Credit

Party or a Restricted Subsidiary) or result in the abandonment, invalidation or unenforceability of any right or assets of the relevant Credit Party, (ii) result in a breach, termination (or a right of termination) or default under any such contract, instrument, lease, license, permit, agreement or other document (including pursuant to any "change of control" or similar provision) unless and until any relevant consent has been obtained (there being no requirement pursuant to any Credit Document to obtain any consent in respect thereof from any Person that is not also a Credit Party or Restricted Subsidiary) or (iii) permit any Person (other than any Credit Party or a Restricted Subsidiary) to amend any rights, benefits and/or obligations of the relevant Credit Party or Restricted Subsidiary in respect of such relevant asset or permit such Person to require any Credit Party or any subsidiary of the Borrower to take any action materially adverse to the interests of such subsidiary or Credit Party; provided, however, that any such asset will only constitute an Excluded Asset under clause (i) or clause (ii) above to the extent such violation or breach, termination (or right of termination) or default would not be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the UCC (or any successor provision or provisions) or Section 40(4) of the PPSA of the Province of Ontario or equivalent in any other province or territory in Canada (or any successor provision or provisions) or any equivalent provision or provisions of any relevant jurisdiction or any other applicable Requirement of Law; provided, further, that any such asset shall cease to constitute an Excluded Asset at such time as the condition causing such violation, breach, termination (or right of termination) or default or right to amend or require other actions no longer exists and to the extent severable, the security interest granted under the applicable Security Document shall attach immediately to any portion of such right that does not result in any of the consequences specified in clauses (i) through (iii) above,

(b) the Capital Stock of any (i) Captive Insurance Subsidiary, (ii) Unrestricted Subsidiary, (iii) broker-dealer subsidiary, (iv) not-for-profit subsidiary, (v) any Person that is not a Wholly-Owned Restricted Subsidiary, (vi) Immaterial Subsidiary and/or (vii) special purpose entity used for any securitization facility,

(c) any intent-to-use U.S. trademark application prior to the filing of a "Statement of Use," "Amendment to Allege Use" with respect thereto, only to the extent, if any, that, and solely during the period, if any, in which, the grant of a security interest therein may impair the validity or enforceability, or result in the voiding of, such intent-to-use trademark application or any registration issuing therefrom under Applicable Law,

(d) any asset or property (including Capital Stock), the grant or perfection of a security interest in which would (A) require any governmental or regulatory consent, approval, license or authorization that has not been obtained (there being no requirement under any Credit Document to obtain the consent, approval, license or authorization of any Governmental Authority or other Person (other than any Credit Party), including no requirement to comply with the Federal Assignment of Claims Act, the Financial Administration Act (Canada) or any similar statute), (B) be prohibited or restricted by applicable Requirements of Law (including enforceable anti-assignment provisions of applicable Requirements of Law), except, in the case of the foregoing clause (A) and this clause (B), to the extent such prohibition would be rendered ineffective under applicable anti-assignment provisions of the UCC or any equivalent provision or provisions under the PPSA or of any relevant jurisdiction notwithstanding such prohibition,

(C) trigger termination of any contract pursuant to a "change of control" or similar provision or (D)reasonably be expected to result in material adverse tax or adverse regulatory consequences to any Credit Party or any of its Restricted Subsidiaries or Parent Entities as determined by the Borrower in good faith,

(e) (i) except to the extent a security interest therein can be perfected by the filing of an "all-assets" UCC-1 financing statement or an "all present and after-acquired property" financing statement under the PPSA, any leasehold interest that is not a Material Real Estate Asset and (ii) any Real Property that is not a Material Real Estate Asset,

(f) any Margin Stock,

(g) any equity interest of any Foreign Subsidiary of any U.S. Subsidiary or Domestic Foreign Holdco in excess of 65% of the equity interest of such Foreign Subsidiary or Domestic Foreign Holdco, as applicable,

(h) (i) any Letter-of-Credit-Right (other than to the extent a security interest in such Letter-of-Credit-Right can be perfected solely by filing an "all-assets" UCC financing statement or an "all present and after-acquired property" financing statement under the PPSA) and (ii) Commercial Tort Claims that are not Material Commercial Tort Claims,

(i) any cash or Cash Equivalents except (1) to the extent constituting ABL Facility Priority Collateral and (2) cash and Cash Equivalents representing identifiable proceeds of other Collateral, a security interest in which (in the case of this clause (2)) can be perfected solely through the filing of an "all-assets" UCC financing statement or an "all present and after-acquired property" PPSA financing statement,

(j) any Deposit Account or commodity or securities account (including any securities entitlement and any related asset) except (1) to the extent constituting ABL Facility Priority Collateral and (2) to the extent a security interest therein can be perfected solely through the filing of an "all assets" UCC financing statement or a financing statement under the PPSA; it being understood that the exception in this clause (2) does not apply to cash or Cash Equivalents other than cash and Cash Equivalents representing identifiable proceeds of other Collateral as referred to in the preceding clause (i),

(k) any motor vehicle, airplane or other asset subject to a certificate of title (other than to the extent a security interest therein can be perfected solely by filing an "all assets" UCC financing statement or an "all present and after-acquired property" financing statement under the PPSA and without the requirement to list any VIN, serial or similar number),

(l) any governmental or regulatory lease, license or state, province or local franchise, charter, consent, permit, tenure, mineral claim or authorization to the extent the granting of a security interest therein is prohibited or restricted thereby or by applicable Requirements of Law; provided, however, that any such asset will only constitute an Excluded Asset under this clause (l) to the extent such prohibition or restriction would not be rendered

ineffective pursuant to applicable anti-assignment provisions of the UCC or the PPSA of any relevant jurisdiction,

(m) Excluded Accounts,

(n) any assets of an Excluded Subsidiary that is not a Credit Party,

(o) the Construction Claims Account(s) and all cash and cash equivalents (including any securities entities and any related asset) held therein,

(p) the last day of the term of any lease or any agreement to lease, and

(q) any asset with respect to which the Administrative Agent and the relevant Credit Party have determined in good faith that the cost, burden, difficulty or consequence (including any effect on the ability of the relevant Credit Party to conduct its operations and business in the ordinary course of business) of obtaining or perfecting a security interest therein outweighs, or is excessive in light of, the benefit of a security interest to the relevant Secured Parties afforded thereby.

"Excluded Contribution" shall mean the aggregate amount of cash or Cash Equivalents or the Fair Market Value of other property or assets received by the Borrower or any Restricted Subsidiary after the Closing Date from: (1) contributions in respect of Qualified Capital Stock (other than any amounts or other assets received from the Borrower or any of its Restricted Subsidiaries), and (2) the sale of Qualified Capital Stock of the Borrower or any of its Restricted Subsidiaries (other than (x) to the Borrower or any Restricted Subsidiary of the Borrower or (y) pursuant to any management equity plan or stock option plan or any other management or employee benefit plan), in each case, which are (x) excluded from the calculation of amounts available for Restricted Payments under the Available Equity Amount pursuant to Section 11.03(a) and (y) designated as an Excluded Contribution pursuant to an Officer's Certificate of the Borrower on the date such capital contributions are made or the date such Capital Stock is sold, as the case may be.

"Excluded Subsidiary" shall mean any Subsidiary (other than any additional Guarantor) that is (a) an Unrestricted Subsidiary, (b) not Wholly-Owned directly or indirectly by the Borrower, (c) an Immaterial Subsidiary that is designated as such by the Borrower, (d) a Subsidiary that is prohibited or restricted by Applicable Law, from providing a Guaranty, or which would require a governmental (including regulatory) or third party consent, approval, license or authorization to provide a Guaranty (including under any financial assistance, corporate benefit, thin capitalization, capital maintenance, liquidity maintenance or similar legal principles) for so long as the applicable prohibition or restriction is in effect and unless such consent has been received, it being understood that Holdings and its subsidiaries shall have no obligation to obtain any such consent, approval, license or authorization, (e) a Subsidiary that is prohibited from providing a Guaranty by any contractual obligation in existence on the Closing Date or, in the case of any newly acquired Subsidiary, in existence at the time of acquisition thereof (as long as, in the case of any such contractual obligation, such contractual obligation was not entered into in contemplation of such person becoming a Subsidiary), (f) any special

purpose entity (including a special purpose securitization vehicle or entity), (g) not for profit subsidiaries, (h) Captive Insurance Subsidiaries, (i) any Subsidiary for which the provision of a Guaranty would result in material adverse tax consequences as reasonably determined by the Borrower and the Administrative Agent, (j) (x) any Domestic Foreign Holdco or any Subsidiary of a U.S. Subsidiary that has no material assets other than the Capital Stock and/or Indebtedness of one or more Domestic Foreign Holdcos, (y) any Foreign Subsidiary of any U.S. Subsidiary and any Subsidiary that is a direct or indirect Subsidiary thereof, or (z) any direct or indirect Subsidiary of a Domestic Foreign Holdco Domestic Subsidiary, (k) any subsidiary acquired pursuant to a Permitted Acquisition or other Investment permitted by this Agreement that has assumed secured Indebtedness not incurred in contemplation of such Permitted Acquisition or other Investment and any Restricted Subsidiary thereof that guarantees such secured Indebtedness, in each case to the extent the terms of such secured Indebtedness prohibit such subsidiary from becoming a Guarantor and (l) any other Subsidiary with respect to which, as reasonably determined by the Borrower and the Administrative Agent, the cost or other consequences of providing a Guaranty shall be excessive in view of the benefits to be obtained by the Secured Parties therefrom; provided that if a Subsidiary executes the Subsidiary Guaranty as a "Subsidiary Guarantor", then it shall not constitute an "Excluded Subsidiary" (unless released from its obligations under the Subsidiary Guaranty as a "Subsidiary Guarantor" in accordance with the terms hereof and thereof); provided further, that no Subsidiary of the Borrower shall be an Excluded Subsidiary if such Subsidiary is not an "Excluded Subsidiary" (or comparable term) for the purposes of the Term Loan Facility, the CapEx Facilities, any Material Indebtedness and any Permitted Refinancing Indebtedness in respect of the foregoing (with respect to a Permitted Refinancing of Material Indebtedness, which Permitted Refinancing also constitutes Material Indebtedness).

"Excluded Swap Obligation" shall mean, with respect to any Subsidiary Guarantor, any Swap Obligation if, and to the extent that, all or a portion of the Guaranty of such Subsidiary Guarantor of, or the grant by such Subsidiary Guarantor of a security interest to secure, such Swap Obligation (or any Guaranty thereof) is or becomes illegal or unlawful under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Subsidiary Guarantor's failure for any reason to constitute an "eligible contract participant" as defined in the Commodity Exchange Act and the regulations thereunder (each, an "ECP") at the time the Guaranty of such Subsidiary Guarantor or the grant of such security interest becomes effective with respect to such Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such Guaranty or security interest is or becomes illegal.

"Excluded Taxes" shall mean any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office, located in the jurisdiction imposing such Tax (or any political subdivision

thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Borrower under Section 2.13) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 5.04, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient's failure to comply with Section 5.04(f), (d) withholdings imposed under FATCA, and (e) Taxes imposed by reason of the Recipient or any other Person who receives a payment being a Person (i) with whom a Credit Party was not dealing at arm's-length for purposes of the Income Tax Act (Canada) at the time of making such payment and so long as an Event of Default has not occurred and is continuing at that time, or (ii) that is a "specified shareholder" (as defined in subsection 18(5) of the Income Tax Act (Canada)) of the Borrower or does not deal at arm's length (for the purposes of the Income Tax Act (Canada)) with such a "specified shareholder".

"Executive Order" shall have the meaning provided in Section 9.20.

"Existing Indebtedness" shall mean the Indebtedness set forth on Schedule 11.04.

"Extended Commitment" shall have the meaning provided in Section 2.15(a)(i).

"Extended Loan" shall have the meaning provided in Section 2.15(a)(i) and shall include each Revolving Loan and each Swingline Loan pursuant to an Extended Commitment.

"Extended Loan Maturity Date" means, with respect to any Extended Loan or Extended Commitment, the agreed upon date occurring after the Revolving Loan Maturity Date as specified in the applicable Extension Amendment.

"Extension" has the meaning specified in Section 2.15(a).

"Extension Amendment" means an amendment to this Agreement that is reasonably satisfactory to the Administrative Agent (to the extent required by Section 2.15) and the Borrower, executed by each of (a) the Borrower, (b) the Administrative Agent and (c) each Lender that has accepted the applicable Extension Offer pursuant hereto and in accordance with Section 2.15.

"Extension Offer" has the meaning specified in Section 2.15(a).

"Extraordinary Advances" shall have the meaning provided in Section 2.18(c).

"Facing Fee" shall have the meaning provided in Section 4.01(c).

"Fair Market Value" shall mean, with respect to any asset (including any Equity Interests of any Person), the price at which a willing buyer, not an Affiliate of the seller, and a willing seller who does not have to sell, would agree to purchase and sell such asset, as

determined in good faith by the Borrower or, pursuant to a specific delegation of authority by the Board of Directors of the Borrower, a designated Authorized Officer, of the Borrower, or the Subsidiary of the Borrower selling such asset.

"FATCA" shall mean Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreements entered into pursuant to current Section 1471(b)(1) of the Code (or any amended or successor version described above) and any fiscal or regulatory legislation, rules or practices pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities and implementing such Sections of the Code.

"Federal CapEx Facility" shall mean that certain amended and restated contribution agreement to be dated after the Closing Date among the Borrower, as recipient, Holdings and the other guarantors party thereto, and Her Majesty the Queen in Right of Canada, as represented by the Minister responsible for the Federal Economic Development Agency for Southern Ontario, providing for capital expenditure credit facilities in an initial aggregate principal amount of Can$60,000,000.

"Federal Funds Rate" shall mean, for any period, a fluctuating interest rate per annum equal to, for each day during such period to the weighted average of the rates on overnight Federal Funds transactions with members of the Federal Reserve System, as published on the next succeeding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations for such day on such transactions received by the Administrative Agent from three Federal Funds brokers of recognized standing selected by it (and, if any such rate is below zero, then the rate determined pursuant to this definition shall be deemed to be zero).

"Fee Letter" means that certain ABL Facility Fee Letter, dated as of November 21, 2018, by and among the Borrower, the Administrative Agent and the Lead Arrangers.

"Fees" shall mean all amounts payable pursuant to or referred to in Section 4.01.

"Filing Date" has the meaning assigned to such term in the recitals to this Agreement.

"Financial Covenant" shall have the meaning provided in Section 11.13.

"First Priority" shall mean, with respect to any Lien purported to be created on any Collateral pursuant to any Security Document, that such Lien is prior in right to any other Lien thereon, other than any Permitted Liens applicable to such Collateral which as a matter of law (and giving effect to any actions taken pursuant to the last paragraph of Section 11.01) have priority over the respective Liens on such Collateral created pursuant to the relevant Security Document (it being understood that the Term Loan Administrative Agent shall have prior Liens on the Term Loan Priority Collateral).

"Fiscal Month" means a fiscal month of the Borrower.

"Fiscal Quarter" shall mean, for any Fiscal Year, (i) the fiscal period commencing on April 1 of such Fiscal Year and ending on June 30 of such Fiscal Year, (ii) the fiscal period commencing on July 1 of such Fiscal Year and ending on September 30 of such Fiscal Year, (iii) the fiscal period commencing on October 1 of such Fiscal Year and ending on December 31 of such Fiscal Year and (iv) the fiscal period commencing on January 1 of such Fiscal Year and ending on March 31 of such Fiscal Year, in each case subject to Section 10.08.

"Fiscal Year" shall mean, subject to Section 10.08, the fiscal year of the Borrower ending March 31 of each calendar year.

"Fixed Amounts" has the meaning assigned to such term in Section 1.07(d).

"Flood Hazard Property" means any Mortgaged Property located in the United States in an area designated by the Federal Emergency Management Agency as having special flood or mud slide hazards.

"Flood Insurance Laws" means, collectively, (i) the National Flood Insurance Act of 1968, (ii) the Flood Disaster Protection Act of 1973, (iii) the National Flood Insurance Reform Act of 1994, (iv) the Flood Insurance Reform Act of 2004 and (v) the Biggert–Waters Flood Insurance Reform Act of 2012, each as now or hereafter in effect or any successor statute thereto, and in each case, together with all statutory and regulatory provisions consolidating, amending, replacing, supplementing, implementing or interpreting any of the foregoing, as amended or modified from time to time.

"Fixed Charge Coverage Ratio" shall mean the ratio as of the last day of any Fiscal Quarter of (i) Consolidated EBITDA for the four-Fiscal Quarter period then ending minus the sum of (a) Capital Expenditures (excluding, without duplication Capital Expenditures, to the extent financed with proceeds of dispositions, any equity proceeds, capital stock, or long-term Indebtedness (other than with proceeds of Revolving Loans and Swingline Loans)) during such period plus (b) the aggregate amount of Taxes on the overall net income of the Borrower and its Restricted Subsidiaries and actually paid in cash during such period (net of Tax refunds received in cash in such period) to (ii) Fixed Charges for such four-Fiscal Quarter period.

"Fixed Charges" shall mean, with respect to any Person for any period, the sum of:

(1) Consolidated Debt Service Charges (including any cash items as are included in clause (1)(b) of the definition of Consolidated EBITDA) of such Person for such period, but in any event: (A) excluding (to the extent such items have not been added back in the calculation of Consolidated EBITDA) (i) fees and expenses associated with the Transactions and any annual agency fees payable in connection with the Credit Documents, (ii) non-recurring and/or non-cash costs associated with obtaining, or breakage costs in respect of, any Hedging Agreement or any other derivative instrument other than any interest rate Hedging

Agreement or interest rate derivative instrument with respect to Indebtedness, (iii) fees and expenses associated with any dispositions, acquisitions, Investments, issuances of Capital Stock or Indebtedness (in each case, whether or not consummated), (iv) amortization, accretion or accrual of deferred financing fees, original issue discount, debt issuance costs, discounted liabilities, commissions, fees and expenses, and (v) any expense arising from any bridge, commitment, structuring and/or other financing fee (including agency and trustee fees) and (B) net of cash interest income for such period; plus

(2) required pension payments for the immediately succeeding four-Fiscal Quarter period that are not expensed in the calculation of Consolidated Net Income or Consolidated EBITDA; plus

(3) the aggregate amount of scheduled principal payments in respect of Indebtedness for borrowed money of the Borrower and its Restricted Subsidiaries paid or payable in cash during such period (other than payments made by the Borrower or any Restricted Subsidiary to the Borrower or any Restricted Subsidiary and in any case, excluding any purchase price adjustment, intercompany Indebtedness, the reimbursement of any trade letters of credit and the payment of any Indebtedness at the maturity thereof); plus

(4) all cash Dividends or other distributions (excluding items eliminated in consolidations) on any series of Capital Stock of the Borrower during such period made pursuant to Section 11.03(a); plus

(5) without duplication of (4), solely for purposes of calculating whether the Payment Conditions have been satisfied, all other cash Dividends or other distributions (excluding items eliminated in consolidations) on any series of Capital Stock of the Borrower during such period.

"Foreign Subsidiary" of any Person shall mean any Subsidiary of such Person that is not a U.S. Subsidiary.

"Funded Debt" shall mean all Indebtedness of the Borrower and the Restricted Subsidiaries for borrowed money that (x) by its terms matures more than one year from the date of its Incurrence by the Borrower or such Restricted Subsidiaries or (y) matures within one year from such date but that (in the case of this clause (y)) is renewable or extendable, at the option of the Borrower or any Restricted Subsidiary, to a date more than one year from the date of its creation or arises under a revolving credit or similar agreement that obligates the lender or lenders thereunder to extend credit during a period of more than one year from such date (including all amounts of such Funded Debt required to be paid or prepaid within one year from the date of its creation).

"Governmental Authority" shall mean the government of Canada or the United States or any other nation, or of any political subdivision thereof, whether state, provincial, territorial, regional, county, municipal or local, and any agency, authority, instrumentality,

regulatory body, ministry, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"Government Official" shall mean any officer or employee of any Governmental Authority.

"Governmental Real Property Disclosure Requirements" shall mean any Requirement of Law of any Governmental Authority requiring notification of the buyer, lessee, mortgagee, assignee or other transferee of any Real Property, facility, establishment or business, or notification, registration or filing to or with any Governmental Authority, in connection with the sale, lease, mortgage, assignment or other transfer (including any transfer of control) of any Real Property, facility, establishment or business, of the actual or threatened presence or Release in or into the Environment, or the use, disposal or handling of Hazardous Material on, at, under or near the Real Property, facility, establishment or business to be sold, leased, mortgaged, assigned or transferred.

"Great Lakes Reserve" shall mean a Reserve that may be imposed by the Administrative Agent in its Permitted Discretion based on certain liquidation expenses related to a potential orderly sale of Eligible Inventory during the period in each calendar year when the Great Lakes are generally frozen and not navigable, to be in an amount not to exceed (i) $10,000,000 as of December 1 and for the remainder of the month of December, (ii) $7,500,000 as of January 1 and for the remainder of the month of January, (iii) $5,000,000 as of February 1 and for the remainder of the month of February, (iv) $2,500,000 as of March 1 and for the remainder of the month of March, and (v) 0$ as of April 1 and for the remaining months in such calendar year .

"Guarantee" shall mean any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any other Person, including any such obligation, direct or indirect, contingent or otherwise, of such Person:

(1) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness of such other Person (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take-or-pay or to maintain financial statement conditions or otherwise); or

(2) entered into primarily for purposes of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part);

provided, however, that the term "Guarantee" will not include endorsements for collection or deposit in the ordinary course of business. The term "Guarantee" used as a verb has a corresponding meaning.

"Guaranteed Obligations" shall have the meaning assigned to such term in Section 15.01.

"Guarantors" shall mean Holdings, the Borrower (other than with respect to its Obligations) and each other Subsidiary Guarantor, it being understood that any guarantor under the Term Loan Facility, the CapEx Facilities, any other Material Indebtedness or any Permitted Refinancing Indebtedness in respect of the foregoing (with respect to a Permitted Refinancing of Material Indebtedness, which Permitted Refinancing also constitutes Material Indebtedness) shall be required to become a Guarantor hereunder.

"Guaranty" shall mean the guaranty issued pursuant to Section 15 by Holdings, the Borrower (other than with respect to its Obligations) and the Subsidiary Guarantors.

"Hazardous Materials" shall mean the following: hazardous substances; toxic substances; polychlorinated biphenyls ("PCBs") or any substance, element or compound containing PCBs; asbestos or any asbestos-containing materials in any form or condition; radon or any other radioactive materials including any source, special nuclear or by-product material; petroleum, crude oil or any fraction thereof; and any other pollutant, deleterious substance, contaminant, chemical, waste of any nature, material, compound, constituent, derivative, element or substance regulated under any Environmental Laws .

"Hedging Agreement" shall mean any swap, cap, collar, forward purchase or similar agreements or arrangements dealing with interest rates, currency exchange rates or commodity prices, either generally or under specific contingencies entered into for the purposes of hedging Borrower's exposure to interest or exchange rates, loan credit exchanges, security or currency valuations or commodity prices.

"Hedging Obligations" shall mean obligations under or with respect to Hedging Agreements.

"Historical Excess Availability" shall mean an amount equal to (x) the sum of each day's Excess Availability during the most recently ended Fiscal Quarter divided by (y) the number of days in such Fiscal Quarter.

"Historical Utilized Commitments" shall mean, on any date of determination, (i) an amount equal to the sum of each day's Total Utilization of Revolving Commitments during the most recently ended Fiscal Quarter divided by (ii) the number of days in such Fiscal Quarter.

"Holdings" shall have the meaning provided in the first paragraph of this Agreement.

"Holdings Reorganization Transaction" means (a) the contribution by Holdings of 100% of the Equity Interests of the Borrower to a newly formed domestic "shell" company owned or controlled by the Permitted Holders or (b) the merger, amalgamation or other consolidation of Holdings with another Person that after giving effect thereto shall hold 100% of the Equity Interests of the Borrower, in each case, so long as, contemporaneously therewith (as applicable) (i) New Holdings delivers to the Administrative Agent any new certificate issued (if any) to evidence the contributed Equity Interests of the Borrower and grants a security interest in such Equity Interests in favor of the Administrative Agent pursuant to the Security Agreement or

a joinder thereto in a form reasonably satisfactory to the Administrative Agent and (ii) New Holdings assumes the Guaranty provided by Holdings and all other obligations of Holdings under this Agreement and each of the other Credit Documents to which Holdings is a party pursuant to a supplement hereto or thereto that is reasonably acceptable to the Administrative Agent.

"Hourly Pension Plan" means the Essar Steel Algoma Inc. Pension Plan for Hourly Employees (Canada Revenue Agency and Financial Services Commission of Ontario Registration No. 1079904).

"IFRS" shall mean International Financial Reporting Standards as in effect from time to time; provided that determinations in accordance with IFRS for purposes of Sections 5 and 11, including defined terms as used therein, and for all purposes of determining the Fixed Charge Coverage Ratio or the Consolidated Total Leverage Ratio, are subject (to the extent provided therein) to Section 1.07 and Section 14.07(b).

"Immaterial Subsidiary" shall mean, as of any date, each Restricted Subsidiary of the Borrower that (i) has not guaranteed any other Indebtedness of the Borrower and (ii)(x) has total assets together with all other Immaterial Subsidiaries (other than Unrestricted Subsidiaries) (as determined in accordance with IFRS) of less than 2.50% of the Consolidated Total Assets of the Borrower (measured, at the end of the most recent fiscal period for which internal financial statements are available) and (y) "earnings before interest, taxes, depreciation and amortization" (calculated in a manner consistent with the definition of "Consolidated EBITDA"), together with all other Immaterial Subsidiaries (other than Unrestricted Subsidiaries) of less than 2.50% of the Consolidated EBITDA of the Borrower (measured for the most recently ended four consecutive fiscal quarters for which internal consolidated financial statements are available), in each case measured on a pro forma basis giving effect to any acquisitions or depositions of companies, division or lines of business since such balance sheet date or the start of such four quarter period, as applicable, and on or prior to the date of acquisition of such Subsidiary; provided, that if internal financial statements are not available, this definition shall be applied based on the financial statements delivered (1) pursuant to Section 10.01(b) or (c) or (2) at all times prior to the delivery of financial statements pursuant to Section 10.01(b) or (c), pursuant to Section 6.12.

"Immediate Family Member" means, with respect to any individual, such individual's child, stepchild, grandchild or more remote descendant, parent, stepparent, grandparent, spouse, former spouse, domestic partner, former domestic partner, sibling or step-sibling (and any linear descendant thereof), mother-in-law, father-in-law, son-in-law and daughter-in-law (including adoptive relationships), any trust, partnership or other bona fide estate-planning vehicle the only beneficiaries of which are any of the foregoing individuals, any of the foregoing individual's (including the initial individual's) estate (or an executor or administrator acting on its behalf), heirs or legatees or any private foundation or fund that is controlled by any of the foregoing individuals or any donor-advised fund of which any such individual is the donor.

"Increased Incremental Tranche" has the meaning assigned to such term in Section 2.14(a).

"Incremental Cap" means, at any time:

(a) $25,000,000, *plus*

(b) the amount by which the Borrowing Base exceeds the Total Revolving Loan Commitment at such time, *plus*

(c) the amount of any optional permanent reductions of any Revolving Loan Commitment in accordance with Section 2.13 or 4.02;

provided that any Incremental Revolving Facility may be incurred under one or more of clauses (a) through (c) of this definition as selected by the Borrower in its sole discretion.

" Incremental Commitment" has the meaning assigned to such term in Section 2.14(a).

"Incremental Equivalent Debt" has the meaning assigned to such term in the Term Loan Credit Agreement (as in effect on the date hereof but regardless of whether in effect on the relevant date of determination).

"Incremental Facility Amendment" means an amendment to this Agreement that is reasonably satisfactory to the Administrative Agent (solely for purposes of giving effect to Section 2.14) and the Borrower executed by each of (a) Holdings and the Borrower, (b) the Administrative Agent and (c) each Lender that agrees to provide all or any portion of the Incremental Revolving Facility being incurred pursuant thereto and in accordance with Section 2.14.

"Incremental Increase" has the meaning assigned to such term in Section 2.14(a).

"Incremental Lender" has the meaning assigned to such term in Section 2.14(b).

"Incremental Loan" has the meaning assigned to such term in Section 2.14(a).

"Incremental Revolving Facility" has the meaning assigned to such term in Section 2.14(a).

"Incur" shall mean issue, create, assume, enter into any Guaranty of, incur, extend or otherwise become liable for; provided, however, that any Indebtedness or Capital Stock of a Person existing at the time such Person becomes a Restricted Subsidiary (whether by merger, amalgamation, consolidation, acquisition or otherwise) will be deemed to be Incurred by such Restricted Subsidiary at the time it becomes a Restricted Subsidiary and the terms "Incurred" and "Incurrence" have meanings correlative to the foregoing and any Indebtedness hereunder or pursuant to any other revolving credit or similar facility shall only be "Incurred" at the time any funds are borrowed hereunder or thereunder.

"Incurrence-Based Amounts" has the meaning assigned to such term in Section 1.07(d).

"Indebtedness" shall mean, with respect to any Person on any date of determination (without duplication):

(1) the principal of indebtedness of such Person for borrowed money;

(2) the principal of obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;

(3) all reimbursement obligations of such Person in respect of letters of credit, bankers' acceptances or other similar instruments (the amount of such obligations being equal at any time to the aggregate then undrawn and unexpired amount of such letters of credit or other instruments plus the aggregate amount of drawings thereunder that have been reimbursed) (except to the extent such reimbursement obligations relate to trade payables and such obligations are satisfied within 30 days of Incurrence);

(4) the principal component of all obligations of such Person to pay the deferred and unpaid purchase price of property (except trade payables and in each case excluding (a) any earn out obligation or purchase price adjustment until such obligation (I) becomes a liability on the balance sheet of such Person (excluding the footnotes thereto) in accordance with IFRS and (II) has not been paid within 60 days after becoming due and payable following expiration of any dispute resolution mechanics set forth in the applicable agreement governing the applicable transaction, (b) any such obligations incurred under ERISA or under any employee consulting agreements, (c) accrued expenses, trade accounts payable, accruals for payroll and other liabilities accrued in the ordinary course of business (including on an intercompany basis) and (d) liabilities associated with customer prepayments and deposits), which purchase price is due more than one year after the date of placing such property in service or taking final delivery and title thereto;

(5) Capitalized Lease Obligations of such Person;

(6) the principal component of all obligations, or liquidation preference, of such Person with respect to any Disqualified Stock or, with respect to any Person, any Preferred Stock (including, in each case, any accrued dividends);

(7) the principal component of all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; *provided*, *however*, that the amount of such Indebtedness will be the lesser of (a) the Fair Market Value of such asset at such date of determination and (b) the amount of such Indebtedness of such other Persons;

(8) Guarantees by such Person of the principal component of Indebtedness of other Persons to the extent Guaranteed by such Person; and

(9) to the extent not otherwise included in this definition, net obligations of such Person under Hedging Obligations (the amount of any such obligations to be equal at any time to the net payments under such agreement or arrangement giving rise to such obligation that would be payable by such Person at the termination of such agreement or arrangement); *provided* that in no event shall any Hedging Obligations be deemed "Indebtedness" for any calculation of the Consolidated Total Leverage Ratio or any other financial ratio under this Agreement.

The amount of Indebtedness of any Person at any time in the case of a revolving credit or similar facility shall be the total amount of funds borrowed and then outstanding. The amount of any Indebtedness outstanding as of any date shall be (a) the accreted value thereof in the case of any Indebtedness issued with original issue discount and (b) the principal amount of Indebtedness, or liquidation preference thereof, in the case of any other Indebtedness. Notwithstanding anything herein to the contrary, the term "Indebtedness" shall not include, and shall be calculated without giving effect to, (x) the effects of Accounting Standards Codification Topic 815 and related interpretations to the extent such effects would otherwise increase or decrease an amount of Indebtedness for any purpose hereunder as a result of accounting for any embedded derivatives created by the terms of such Indebtedness (it being understood that any such amounts that would have constituted Indebtedness hereunder but for the application of this proviso shall not be deemed an incurrence of Indebtedness hereunder), (y) the effects of Statement of Financial Accounting Standards No. 133 and related interpretations to the extent such effects would otherwise increase or decrease an amount of Indebtedness for any purpose hereunder as a result of accounting for any embedded derivative created by the terms of such Indebtedness (it being understood that any such amounts that would have constituted Indebtedness hereunder but for the application of this proviso shall not be deemed to be an incurrence of Indebtedness hereunder) and (z) Indebtedness of any Parent Entity appearing on the balance sheet of the Borrower or any of its Subsidiaries solely by reason of push-down accounting under IFRS.

Notwithstanding the above provisions, in no event shall the following constitute Indebtedness:

(i) Contingent Obligations Incurred in the ordinary course of business;

(ii) Cash Management Services;

(iii) in connection with the purchase by the Borrower or any Restricted Subsidiary of any business, any post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing; *provided*, *however*, that, at the time of closing, the amount of any

such payment is not determinable and, to the extent such payment thereafter becomes fixed and determined, the amount is paid in a timely manner;

(iv) for the avoidance of doubt, any obligations in respect of workers' compensation claims, early retirement or termination obligations, pension fund obligations or contributions or similar claims, obligations or contributions or social security or wage Taxes; or

(v) any obligations with respect to trade payables.

"Indebtedness to be Refinanced" shall have the meaning provided in Section 6.08(a).

"Indemnified Person" shall have the meaning provided in Section 14.01(a).

"Indemnified Taxes" shall mean (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of a Credit Party under any Credit Document and (b) to the extent not otherwise described in preceding clause (a), Other Taxes.

"Independent Financial Advisor" shall mean an investment banking or accounting firm of international standing or any third party appraiser of international standing; provided, however, that such firm or appraiser is not an Affiliate of the Borrower.

"Individual RL Exposure" of any Lender shall mean, at any time, the sum of (x) the Dollar Amount of all Revolving Loans made by such Lender and then outstanding, (y) such Lender's RL Percentage of the aggregate Letter of Credit Exposure at such time and (z) such Lender's RL Percentage of the aggregate Swingline Loan Exposure, in each case at such time.

"Initial Agreement" shall have the meaning provided in Section 11.05.

"Initial Credit Documents" shall mean this Agreement, the Canadian Pledge Agreement, the U.S. Pledge Agreement, the Security Agreements, the Mortgage with respect to the Mortgaged Property, the ABL Intercreditor Agreement and the Inter-Lender Agreement.

"Initial Revolving Facility" means the Initial Revolving Loan Commitments and the Initial Revolving Loans and other extensions of credit thereunder.

"Initial Lender" means each Lender party to this Agreement on the Closing Date with an Initial Revolving Loan Commitment.

"Initial Revolving Loan" has the meaning assigned to such term in Section 2.01(a).

"Initial Revolving Loan Commitment" shall mean, for each Initial Lender, the Dollar Amount set forth opposite such Initial Lender's name in Schedule 1.01(a) directly below the column entitled "Initial Revolving Loan Commitment," as same may be (x) reduced from

time to time or terminated pursuant to Sections 4.02, 4.03 and/or 12.01, as applicable, (y) adjusted from time to time as a result of assignments to or from such Lender pursuant to Section 2.13, or 14.04(b) or (z) increased or adjusted from time to time pursuant to Section 2.14.

"Initial Revolving Loan Maturity Date" shall mean November 30, 2023.

"Instruments" shall mean any and all assets which constitute "instruments," as such term is defined in the UCC as in effect on the date hereof in the State of New York or "instruments" as defined in the PPSA as in effect on the date hereof, and in which the relevant Person now or hereafter has rights.

"Insurance Policies" shall mean the insurance policies and coverages required to be maintained by each Credit Party which is a holder of Mortgaged Property with respect to the applicable Mortgaged Property pursuant to Section 10.03 and all renewals and extensions thereof.

"Insurance Requirements" shall mean, collectively, all provisions of the Insurance Policies and all requirements of the issuer of any of the Insurance Policies binding upon each Credit Party which is a holder of Mortgaged Property and applicable to the Mortgaged Property or any use or condition thereof.

"Intellectual Property" shall have the meaning provided in Section 9.19(a).

"Inter-Lender Agreement" shall mean that certain inter-lender agreement, dated as of the Closing Date, by and among, *inter alios,* the Borrower, New PortLP, the Collateral Agent, the Term Loan Collateral Agent, the New PortLP Facility Collateral Agent and the lenders under the CapEx Facilities from time to time (or the collateral representative in respect thereof), substantially in the form of Exhibit O-2.

"Intercompany Debt" shall mean any Indebtedness, payables or other obligations, whether now existing or hereafter incurred, owed by Holdings or any Restricted Subsidiary of Holdings to Holdings or any Restricted Subsidiary of Holdings.

"Intercompany Note" shall mean a promissory note evidencing Intercompany Debt, duly executed and delivered substantially in the form of Exhibit J (or such other form as shall be satisfactory to the Administrative Agent in its sole discretion), with blanks completed in conformity herewith.

"Interest Determination Date" shall mean, with respect to any LIBOR Loan or Canadian CDOR Rate Loan, the second Business Day prior to the commencement of any Interest Period relating to such LIBOR Loan or Canadian CDOR Rate Loan.

"Interest Period" shall have the meaning provided in Section 2.09.

"Inventory" shall mean, with respect to assets located in the United States, any and all assets which constitute "inventory," as such term is defined in the UCC as in effect on the date hereof in the State of New York and, with respect to assets located in Canada, any and all

assets which constitute "inventory" as defined in the PPSA as in effect on the date hereof, and in which the relevant person now or hereafter has rights.

"Inventory Reserves" shall mean Reserves established in the Permitted Discretion of the Collateral Agent pursuant to clause (2) of the definition of "Eligible Inventory".

"Investment" shall mean, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of any direct or indirect advance, loan or other extensions of credit (other than advances or extensions of credit to customers, suppliers, directors, officers or employees of any Person in the ordinary course of business, and excluding any debt or extension of credit represented by a bank deposit other than a time deposit) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or the Incurrence of a Guarantee of any obligation of, or any purchase or acquisition of Capital Stock, Indebtedness or other similar instruments issued by, such other Persons and all other items that are or would be classified as investments on a balance sheet prepared on the basis of IFRS; provided, however, that endorsements of negotiable instruments and documents in the ordinary course of business will not be deemed to be an Investment. If the Borrower or any Restricted Subsidiary issues, sells or otherwise disposes of any Capital Stock of a Person that is a Restricted Subsidiary such that, after giving effect thereto, such Person is no longer a Restricted Subsidiary, any Investment by the Borrower or any Restricted Subsidiary in such Person remaining after giving effect thereto will be deemed to be a new Investment at such time. For purposes of covenant compliance, the amount of any Investment shall be the amount actually invested (measured at the time made), without adjustment for subsequent increases or decreases in the value of such Investment, or write-ups, write-downs or write-offs with respect thereto, but giving effect to any returns or distributions of capital or repayment of principal actually received in cash by such Person with respect thereto (but only to the extent that the aggregate amount of all such returns, distributions and repayments with respect to such Investment does not exceed the original principal amount of such Investment and less any such amounts which increase the ability to make a Restricted Payment pursuant to Section 11.03(a)).

For purposes of Sections 10.21 and 11.03:

(1) "Investment" will include the portion (proportionate to the Borrower's equity interest in a Restricted Subsidiary to be designated as an Unrestricted Subsidiary) of the Fair Market Value of the net assets of such Subsidiary attributable to the Borrower's equity interest therein as determined by the Borrower in good faith at the time that such Subsidiary is designated an Unrestricted Subsidiary; provided, however, that upon a redesignation of such Subsidiary as a Restricted Subsidiary, the Borrower will be deemed to continue to have an "Investment" in the resulting Restricted Subsidiary in an amount (if positive) equal to (a) the Borrower's "Investment" in such Subsidiary at the time of such redesignation less (b) the portion (proportionate to the Borrower's equity interest in such Subsidiary) of the Fair Market Value of the net assets of such Subsidiary attributable to the Borrower's equity interest therein as determined by the Borrower in good faith at the time that such Subsidiary is so re-designated a Restricted Subsidiary; and

(2) any property transferred to or from an Unrestricted Subsidiary will be valued at its Fair Market Value at the time of such transfer.

"Investment Grade Securities" shall mean:

(1) securities issued or directly and fully Guaranteed or insured by the United States or Canadian government or any agency or instrumentality thereof (other than Cash Equivalents);

(2) securities issued or directly and fully guaranteed or insured by a member of the European Union, or any agency or instrumentality thereof (other than Cash Equivalents);

(3) debt securities or debt instruments with a rating of "A " or higher from S&P or "A3" or higher by Moody's or the equivalent of such rating by such rating organization or, if no rating of Moody's or S&P then exists, the equivalent of such rating by any other Nationally Recognized Statistical Ratings Organization, but excluding any debt securities or instruments constituting loans or advances among the Borrower and its Subsidiaries; and

(4) investments in any fund that invests exclusively in investments of the type described in clauses (1), (2) and (3) above which fund may also hold cash and Cash Equivalents pending investment or distribution.

"Investors" means (a) collectively, Bain Capital, LP, Barclays Bank PLC, Marathon Asset Management, LP, GoldenTree Asset Management, LP (in each case, collectively with the funds, partnerships or other co-investment vehicles managed, advised or controlled thereby) and (b) the Management Investors as of the Closing Date.

"IPO Reorganization Transaction" means any transaction taken in connection with and reasonably related to consummating a Qualifying IPO by the Borrower or any Parent Entity thereof so long as, after giving effect thereto, (a) the Credit Parties are in compliance with the Collateral and Guarantee Requirements and Section 10.12 and (b) the security interest of the Secured Parties in the Collateral, taken as a whole, is not materially impaired (including by a material portion of the assets that constitute Collateral immediately prior to such IPO Reorganization Transaction no longer constituting Collateral) as a result of such IPO Reorganization Transaction.

"IRS" shall mean the United States Internal Revenue Service.

"Issuing Lender" shall mean Wells Fargo (except as otherwise provided in Section 13.09) and any other Lender reasonably acceptable to the Administrative Agent and the Borrower which agrees to issue Letters of Credit or Reimbursement Undertakings hereunder. Any Issuing Lender may, in its discretion, arrange for one or more Letters of Credit or Reimbursement Undertakings to be issued by one or more Affiliates of such Issuing Lender (and such Affiliate shall be deemed to be an "Issuing Lender" for all purposes of the Credit Documents).

"Joinder Agreement" shall mean a joinder agreement substantially in the form of Exhibit L.

"Judgment Currency" shall have the meaning provided in Section 14.22(a).

"Judgment Currency Conversion Date" shall have the meaning provided in Section 14.22(a).

"Junior Financing" shall mean, collectively any Subordinated Indebtedness and any Permitted Refinancing Indebtedness in respect thereof that constitutes Subordinated Indebtedness; provided, that Junior Financing shall not include any Intercompany Debt or any Indebtedness under the CapEx Facilities or the New PortLP Facility for so long as the borrower in respect thereof is New PortLP and New PortLP is an Unrestricted Subsidiary.

"Junior Lien Priority" shall mean a Lien on Collateral that ranks junior in priority to the Liens securing the Obligations; provided that, such junior priority Lien shall be subject to intercreditor arrangements reasonably satisfactory to the Administrative Agent and the Borrower.

"Landlord Access Agreement" shall mean a landlord waiver, collateral access agreement or similar subordination or other agreement, in form and substance reasonably satisfactory to the Administrative Agent.

"Latest Maturity Date" shall mean, as of any date of determination, the latest Maturity Date applicable to any Loan or Revolving Loan Commitment hereunder at such time, including the latest maturity or expiration date of any Additional Revolving Loan Commitment or any Additional Revolving Loan.

"L/C Supportable Obligations" shall mean (i) obligations of the Borrower or any of its Restricted Subsidiaries with respect to workers compensation, surety bonds and other similar statutory obligations and (ii) such other obligations of the Borrower or any of its Restricted Subsidiaries as are reasonably acceptable to the respective Issuing Lender and otherwise permitted to exist pursuant to the terms of this Agreement (other than obligations in respect of (x) any Subordinated Indebtedness and (y) any Equity Interests).

"Lead Arrangers" shall mean, collectively, Wells Fargo Capital Finance Corporation Canada, Bank of Montreal, Barclays Bank PLC, Goldman Sachs Bank USA, JPMorgan Chase Bank, N.A., Toronto Branch in their capacities as joint lead arrangers and joint bookrunners under this Agreement, and any successors thereto.

"Leases" shall mean the New PortLP Leases and any and all other leases, subleases, tenancies, options, concession agreements, rental agreements, occupancy agreements, franchise agreements, access agreements and any other agreements (including all amendments, extensions, replacements, renewals, modifications and/or guarantees thereof), whether or not of record and whether now in existence or hereafter entered into, affecting the use or occupancy of all or any portion of any Real Property.

"Legal Reservations" means the application of relevant Debtor Relief Laws, general principles of equity and/or principles of good faith and fair dealing.

"Lender" shall mean each Initial Lender, any lender with an Additional Revolving Commitment or an outstanding Additional Revolving Loan and any other Person that becomes a "Lender" hereunder pursuant to Section 2.13, 2.14, 14.04 or 14.12(d), other than any such Person that ceases to be a party hereto pursuant to an Assignment Agreement. Unless the context otherwise requires, the term "Lenders" shall include the Swingline Lender and each Issuing Lender.

"Lender Hedging Agreement" shall mean any Hedging Agreement (a) between (i) the Borrower and (ii) any Person that was a Lender or an Affiliate of a Lender (whether or not such Person has ceased to be a Lender under this Agreement) or any Person designated by the Borrower and reasonably satisfactory to the Administrative Agent, in each case, at the time it entered into such Hedging Agreement and (b) entered into pursuant to a master agreement that has been designated by such Person and the Borrower, by notice to the Administrative Agent in the form of an ABL Hedge Letter Agreement not later than thirty (30) days after the execution and delivery thereof by the Borrower as a master agreement governing Lender Hedging Agreements and receipt of such notice has been acknowledged in writing by the Administrative Agent; provided that such Lender Hedging Agreement is not otherwise secured by any of the Term Loan Facility Documents.

"Letter of Credit" shall have the meaning provided in Section 3.01.

"Letter of Credit Exposure" shall mean, at any time, the aggregate amount of all Letter of Credit Outstandings at such time. The Letter of Credit Exposure of any Lender at any time shall be its RL Percentage of the aggregate Letter of Credit Exposure at such time.

"Letter of Credit Fee" shall have the meaning provided in Section 4.01(b).

"Letter of Credit Outstandings" shall mean, with respect to any Tranche at any time, the sum of (i) the Stated Amount of all outstanding Letters of Credit under such Tranche at such time and (ii) the Dollar Amount of all Unpaid Drawings in respect of all Letters of Credit under such Tranche, in each case at such time.

"Letter of Credit Request" shall have the meaning provided in Section 3.03(a).

"Letter of Credit Sublimit" shall mean $50,000,000, as increased from time to time pursuant to Section 2.14.

"LIBOR Rate" shall mean, the rate per annum as published by ICE Benchmark Administration Limited (or any successor page or other commercially available source as the Administrative Agent may designate from time to time) as of 11:00 a.m., London time, two Business Days prior to the commencement of the requested Interest Period, for a term, and in an amount, comparable to the Interest Period and the amount of the LIBOR Loan requested (whether as an initial LIBOR Loan or as a continuation of a LIBOR Loan or as a conversion of a

Base Rate Loan to a LIBOR Loan) by the Borrower in accordance with this Agreement (and, if any such published rate is below zero, then the rate shall be deemed to be zero). Each determination of the LIBOR Rate shall be made by the Administrative Agent and shall be conclusive in the absence of manifest error.

"LIBOR Loan" shall mean each Loan designated as such by the Borrower at the time of the incurrence thereof or conversion thereto (other than a Swingline Loan or an Extraordinary Advance).

"Lien" shall mean, any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including any conditional sale or other title retention agreement or lease in the nature thereof).

"Loan" shall mean each Revolving Loan and each Swingline Loan (including any Revolving Loan and any extension of credit incurred pursuant to an Incremental Commitment).

"Management Advances" shall mean loans or advances made to, or Guaranties with respect to loans or advances made to, directors, officers, employees or consultants of any Parent Entity, the Borrower or any Restricted Subsidiary:

(1) (a) in respect of travel, entertainment or moving related expenses Incurred in the ordinary course of business or (b) for purposes of funding any such person's purchase of Capital Stock (or similar obligations) of the Borrower, its Subsidiaries or any Parent Entity with (in the case of this sub-clause (b)) the approval of the Board of Directors;

(2) in respect of moving related expenses Incurred in connection with any closing or consolidation of any facility or office; or

(3) not exceeding $3,000,000 in the aggregate outstanding at any time.

"Management Investors" means the officers, directors, managers, employees and members of management of the Borrower, any Parent Entity and/or any subsidiary of the Borrower and their Immediate Family Members.

"Mandatory Borrowing" shall have the meaning provided in Section 2.01(c).

"Margin Stock" shall have the meaning provided in Regulation U of the Board of Governors as in effect from time to time.

"Market Capitalization" means, at any date of determination pursuant to Section 1.06, the amount equal to (a) the total number of then issued and outstanding shares of common Capital Stock of the Borrower or any Parent Entity multiplied by (b) the arithmetic mean of the closing prices per share of such common Capital Stock on the principal securities exchange on which such common Capital Stock are traded for the 30 consecutive trading days immediately preceding such date.

"Market Intercreditor Agreement" means an intercreditor or subordination agreement or arrangement the terms of which are either (a) consistent with market terms governing intercreditor arrangements for the sharing or subordination of liens or arrangements relating to the distribution of payments, as applicable, at the time the applicable agreement or arrangement is proposed to be established in light of the type of Indebtedness subject thereto or (b) in the case of the ABL Intercreditor Agreement, or in the event a "Market Intercreditor Agreement" has been entered into after the Closing Date meeting the requirement of preceding clause (a), the terms of which are, taken as a whole, not materially less favorable to the Lenders than the terms of the ABL Intercreditor Agreement or such Market Intercreditor Agreement, as applicable, to the extent such agreement governs similar priorities, in each case of clause (a) or (b) as determined by the Borrower and the Administrative Agent in good faith.

"Material Adverse Effect" means (a) on the Closing Date, a Closing Date Material Adverse Effect and (b) after the Closing Date, a material adverse effect on (i) the business, financial condition or results of operations, in each case, of the Borrower and its Restricted Subsidiaries, taken as a whole or (ii) the material rights and remedies (taken as a whole) of the Administrative Agent under the applicable Credit Documents.

"Material Commercial Tort Claim" means Commercial Tort Claims involving a claim of in excess of $5,000,000 (as determined in good faith by the Borrower).

"Material Indebtedness" shall mean (i) Indebtedness under the Term Loan Facility and (ii) any other Indebtedness (other than the Loans) or Hedging Obligations of Holdings or any of its Restricted Subsidiaries in an aggregate outstanding principal amount exceeding, in the case of this clause (ii), the Threshold Amount. For purposes of determining Material Indebtedness, the "principal amount" in respect of any Hedging Obligations of Holdings or any of its Restricted Subsidiaries at any time shall be the maximum aggregate amount (giving effect to any netting agreements) that Holdings or such Restricted Subsidiary would be required to pay if the related Hedging Agreement were terminated at such time.

"Material Real Estate Asset" means the New PortLP Sublease.

"Maturity Date" shall mean (a) with respect to the Initial Revolving Loans, the Initial Revolving Loan Maturity Date, (b) with respect to the Swingline Loans, the Swingline Expiry Date, (c) with respect to any Tranche of Extended Commitments, the Extended Loan Maturity Date specified in the applicable Extension Amendment and (d) with respect to any other Additional Revolving Loan, the final maturity date set forth in the applicable Incremental Facility Amendment or Refinancing Amendment.

"Maximum Rate" shall have the meaning provided in Section 14.20.

"Maximum Swingline Amount" shall mean $20,000,000, as increased from time to time pursuant to Section 2.14.

"Minimum Borrowing Amount" shall mean (i) for Initial Revolving Loans, a Dollar Amount of $1,000,000, and (ii) for Swingline Loans, a Dollar Amount of $100,000.

"Minimum Extension Condition" shall have the meaning provided in Section 2.15(b).

"Model" means the financial model delivered by or on behalf of the Borrower to the Lead Arrangers on September 10, 2018 (together with any updates or modifications thereto reasonably agreed between the Borrower and the Lead Arrangers).

"Monthly Reporting Period" shall mean the period (a) commencing when Excess Availability is less than 15% of the Total Revolving Loan Commitment and (b) ending on the date when Excess Availability is at least 15% of the Total Revolving Loan Commitment for a period of thirty (30) consecutive calendar days.

"Moody's" shall mean Moody's Investors Service, Inc.

"Mortgage" shall mean any agreement, including, but not limited to, a mortgage, debenture, deed of trust, leasehold mortgage, leasehold deed of trust, or any other document, creating and evidencing a Lien on a Mortgaged Property granted to the Collateral Agent as security for a Credit Party's obligations, which shall be substantially in the form of Exhibit M or, subject to the terms of the ABL Intercreditor Agreement, other form reasonably satisfactory to the Administrative Agent, in each case, with such schedules and including such provisions as shall be necessary to conform such document to applicable local or foreign law or as shall be customary under applicable local or foreign law.

"Mortgage Policy" shall have the meaning assigned to such term in the definition of "Collateral and Guarantee Requirement".

"Mortgaged Property" shall mean the New PortLP Sublease.

"NAIC" shall mean the National Association of Insurance Commissioners.

"Nationally Recognized Statistical Rating Organization" shall mean a nationally recognized statistical rating organization within the meaning of Rule 436 under the Securities Act.

"Net Available Cash" from an Asset Disposition shall mean cash payments received (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or otherwise and net proceeds from the sale or other disposition of any securities received as consideration, but only as and when received, but excluding any other consideration received in the form of assumption by the acquiring person of Indebtedness or other obligations relating to the properties or assets that are the subject of such Asset Disposition or received in any other non-cash form) therefrom, in each case net of:

(1) all legal, accounting, banking, title and recording tax expenses, commissions and other fees and expenses Incurred, and all Taxes paid, reasonably estimated to be actually payable or accrued as a liability under IFRS (including, for the avoidance of doubt, any income, withholding and other Taxes payable as a result of the distribution of such proceeds

to the Borrower and after taking into account any available tax credits or deductions and any tax sharing agreements), as a consequence of such Asset Disposition;

(2) all payments made on any Indebtedness which is secured by any assets subject to such Asset Disposition (other than to the extent secured by a Lien which ranks pari passu with or is junior to the Liens securing the Obligations), in accordance with the terms of any Lien upon such assets, or which by Applicable Law be repaid out of the proceeds from such Asset Disposition (provided that, to the extent such amounts are not used to make payments in respect of such Taxes, such proceeds shall constitute Net Available Cash);

(3) all distributions and other payments required to be made to minority interest holders (other than any Parent Entity, the Borrower or any of its respective Subsidiaries) in Subsidiaries or joint ventures as a result of such Asset Disposition; and

(4) the deduction of appropriate amounts required to be provided by the seller as a reserve, on the basis of IFRS, against any liabilities associated with the assets disposed of in such Asset Disposition and retained by the Borrower or any Restricted Subsidiary after such Asset Disposition; provided that, to the extent at any time any such amounts are released from such reserve (other than in connection with a payment of such liability), such amounts shall constitute Net Available Cash.

"Net Cash Proceeds" shall mean with respect to any issuance or sale of Capital Stock, the cash proceeds of such issuance or sale net of attorneys' fees, accountants' fees, underwriters' or placement agents' fees, listing fees, discounts or commissions and brokerage, consultant and other fees and charges actually Incurred in connection with such issuance or sale and net of Taxes paid or reasonably estimated to be actually payable as a result of such issuance or sale (including, for the avoidance of doubt, any income, withholding and other Taxes payable as a result of the distribution of such proceeds to the Borrower and after taking into account any available tax credit or deductions and any tax sharing agreements) (provided that, to the extent such amounts are not used to make payments in respect of such Taxes, such proceeds shall constitute Net Cash Proceeds).

"Net Orderly Liquidation Value" shall mean the "net orderly liquidation value" determined by an unaffiliated valuation company acceptable to the Administrative Agent after performance of an inventory valuation to be done at the Administrative Agent's request (or as otherwise required hereunder) and the Borrower's expense, less the amount estimated by such valuation company for marshaling, reconditioning, carrying, and sales expenses designated to maximize the resale value of such Inventory and assuming that the time required to dispose of such Inventory is customary with respect to such Inventory.

"Net Recovery Cost Percentage" shall mean the fraction, expressed as a percentage: (a) the numerator of which is the amount equal to the Net Orderly Liquidation Value of Inventory as set forth in the most recent appraisal of the Inventory received by the Collateral Agent in accordance with Section 8.04, as applicable, and (b) the denominator of which is the Value of the aggregate amount of Inventory subject to appraisal.

"New Holdings" means the Person that shall, immediately following the consummation of a Holdings Reorganization Transaction in accordance with the provisions of the definition thereof, hold 100% of the Capital Stock of the Borrower.

"New PortGP" shall mean Algoma Docks GP Inc., a British Columbia corporation and the general partner of New PortLP.

"New PortLP" has the meaning assigned to such term in the recitals to this Agreement.

"New PortLP Cash Consideration" has the meaning assigned to such term in the recitals to this Agreement.

"New PortLP Facility" shall mean that certain senior secured term loan credit agreement dated as of the Closing Date, among the Borrower, as guarantor, New PortLP, as borrower, New PortGP, and the investors and financial institutions party thereto from time to time.

"New PortLP Facility Administrative Agent" shall mean Cortland Capital Market Services LLC, in its capacity as the administrative agent under the New PortLP Facility Documents, or any successor administrative agent under the New PortLP Facility Documents.

"New PortLP Facility Collateral Agent" shall mean Cortland Capital Market Services LLC, in its capacity as the collateral agent under the New PortLP Facility Documents, or any successor collateral agent under the New PortLP Facility Documents.

"New PortLP Facility Documents" shall mean that certain Senior Secured Term Loan Credit Agreement dated on or about the date hereof among New PortLP, New PortGP, the Borrower, GIP Primus L.P., as an investor, Brightwood Loan Services LLC, as an investor, the New PortLP Facility Administrative Agent and the New PortLP Facility Collateral Agent, as the same may be amended, supplemented, restated or replaced from time to time and all "Loan Documents" as defined therein.

"New PortLP Head Lease", "New PortLP Sublease", and "New PortLP Leases" each has the meaning assigned to such term in the recitals to this Agreement.

"New PortLP Payments Amount" shall mean, collectively, (a) the aggregate amount of (i) the tax and other claim liabilities of New PortLP and New PortGP (collectively, the "Port Lease Entities") required to be paid by the Port Lease Entities and all costs incurred by the Borrower or the Port Lease Entities in connection with reporting obligations under or otherwise incurred in connection with compliance with Applicable Law of any Governmental Authority related to the New Port Lease and the ownership or operation of the port lands and the port assets, (ii) rent and other payments required to be paid under the New PortLP Leases, general corporate overhead expenses, including professional fees and expenses, and other operational expenses of the Port Lease Entities and of the Borrower related to the New PortLP Leases and the ownership or operation of the port lands and the port assets and (iii) payments on account of

the New PortLP Cash Consideration and any principal, interest, premiums or other amounts required to be paid by New PortLP under, and in accordance with, the New PortLP Facility and (b) without duplication of clause (a), payments on account of principal, interest, premiums or other amounts under the New PortLP Facility, regardless of whether then due and payable, so long as following such payment, the New PortLP Facility is paid in full.

"New PortLP Transaction Documents" means, collectively, the New PortLP Facility, the New PortLP Head Lease, the New PortLP Sublease and the Inter-Lender Agreement.

"New PortLP Transactions" has the meaning assigned to such term in the recitals to this Agreement.

"Non-Defaulting Lender" shall mean and include each Lender other than a Defaulting Lender.

"Non-Guarantor Subsidiary" shall mean each Restricted Subsidiary that is not a Subsidiary Guarantor.

"Non-Wholly Owned Subsidiary" shall mean, as to any Person, each Subsidiary of such Person which is not a Wholly-Owned Subsidiary of such Person.

"Note" shall mean each Revolving Note and the Swingline Note.

"Notice of Borrowing" shall have the meaning provided in Section 2.03(a).

"Notice of Conversion/Continuation" shall have the meaning provided in Section 2.06.

"Notice Office" shall mean the office of the Administrative Agent located at 22 Adelaide Street West, 22nd Floor, Toronto, Ontario, Canada M5H 4E3, Attention: Kevin Freer, Fax: 855-241-2150, email: kevin.freer@wellsfargo.com, or such other office or person as the Administrative Agent may hereafter designate in writing as such to the other parties hereto.

"Obligation Currency" shall have the meaning provided in Section 14.22(a).

"Obligations" shall mean (a) the Credit Document Obligations inclusive of Extraordinary Advances, (b) all Hedging Obligations pursuant to Lender Hedging Agreements and (c) all Cash Management Obligations pursuant to Treasury Services Agreements entered into with any Person that was a Lender, affiliate of a Lender or any Person designated by the Borrower and reasonably satisfactory to the Administrative Agent, in each case, at the time it entered into such Treasury Services Agreement whether or not such Person has ceased to be a Lender under this Agreement; provided, however, that for any of the foregoing in clauses (b) and (c) to be included as an Obligation for purposes of a distribution under the Pari Principal Waterfall Clause, the applicable Secured Party and the Borrower must have previously provided written notice to the Administrative Agent of the maximum dollar amount of obligations arising thereunder (the "Banking Services Product Amount"). The Banking Services Product

Amount may be changed from time to time upon written notice to the Administrative Agent by the applicable Secured Party and the Borrower. Notwithstanding anything to the contrary contained herein or in any other Credit Document, in no event will Obligations include any Excluded Swap Obligations.

"OFAC" shall mean The Office of Foreign Assets Control of the U.S. Department of the Treasury.

"Officer's Certificate" shall mean, with respect to any Person, a certificate, signed by an Authorized Officer of such Person.

"Ontario CapEx Facility" shall mean that certain Credit Agreement dated as of the Closing Date among the Borrower, as borrower, and Her Majesty the Queen in Right of Ontario, as represented by the Minister of Northern Development and Mines, as lender, providing for capital expenditure credit facilities in an initial aggregate principal amount of Can$60,000,000.

"Opinion of Counsel" shall mean a written opinion from legal counsel reasonably satisfactory to the Administrative Agent. The counsel may be an employee of or counsel to the Borrower or its Restricted Subsidiaries.

"Organizational Documents" shall mean, with respect to any Person, (i) in the case of any corporation, the certificate of incorporation and by-laws (or similar documents) of such Person, (ii) in the case of any limited liability company, the certificate of formation or deed of incorporation and operating agreement and articles of association (or similar documents) of such Person, (iii) in the case of any limited partnership, the certificate of formation and limited partnership agreement (or similar documents) of such Person, (iv) in the case of any general partnership, the partnership agreement (or similar document) of such Person, (v) with respect to any Foreign Subsidiary, the equivalent of the foregoing in such Foreign Subsidiary's jurisdiction of incorporation or organization, and (vi) in any other case, the functional equivalent of the foregoing.

"Other Connection Taxes" shall mean, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Credit Document, or sold or assigned an interest in any Loan or Credit Document).

"Other Taxes" shall mean all present or future stamp, excise, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Credit Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.13).

"Overadvance" shall have the meaning provided in Section 5.02.

"Overnight Rate" means, for any day, (a) with respect to any amount denominated in U.S. Dollars, the Federal Funds Rate and (b) with respect to any amount denominated in an Available Currency (other than U.S. Dollars), the rate of interest per annum at which overnight deposits in the applicable Available Currency, in an amount approximately equal to the amount with respect to which such rate is being determined, would be offered for such day by a branch or Affiliate of the Administrative Agent in the London or other applicable offshore interbank market for such Available Currency to major banks in such interbank market.

"Parent Entity" shall mean any direct or indirect parent of the Borrower.

"Parent Entity Expenses" shall mean:

(1) costs (including all professional fees and expenses) Incurred by any Parent Entity in connection with reporting obligations under or otherwise Incurred in connection with compliance with Applicable Law, rules or regulations of any governmental, regulatory or self-regulatory body or stock exchange, or any agreement or instrument relating to Indebtedness of the Borrower or any Restricted Subsidiary, including in respect of any reports filed with respect to the Securities Act, Exchange Act or the respective rules and regulations promulgated thereunder;

(2) customary indemnification obligations of any Parent Entity owing to directors, officers, employees or other Persons under its charter or by-laws or pursuant to written agreements with any such Person to the extent relating to the Borrower and its Restricted Subsidiaries;

(3) obligations of any Parent Entity in respect of director and officer insurance (including premiums therefor) to the extent relating to the Borrower and its Restricted Subsidiaries;

(4) general corporate overhead expenses, including professional fees and expenses and other operational expenses of any Parent Entity related to the ownership or operation of the business of the Borrower or any of its Restricted Subsidiaries and franchise or similar Taxes;

(5) expenses Incurred by any Parent Entity in connection with any public offering or other sale of Capital Stock or Indebtedness:

(x) where the net proceeds of such offering or sale are intended to be received by or contributed to the Borrower or a Restricted Subsidiary,

(y) in a pro-rated amount of such expenses in proportion to the amount of such net proceeds intended to be so received or contributed, or

(z) otherwise on an interim basis prior to completion of such offering so long as any Parent Entity shall cause the amount of such expenses to be repaid

to the Borrower or the relevant Restricted Subsidiary out of the proceeds of such offering promptly if completed;

(6) without duplication of (5) above, (x) fees and expenses related to any debt and/or equity offerings (including refinancings), investments and/or acquisitions permitted or not restricted by this Agreement (whether or not consummated, and including advisory, refinancing, subsequent transaction and exit fees of any Parent Entity) and expenses and indemnities of any trustee, agent, arranger, underwriter or similar role and (y) after the consummation of an initial public offering or the issuance of debt securities, Public Company Costs;

(7) for greater certainty, sales Taxes, commodity Taxes and other similar Taxes exigible in respect of any payment described in (1) to (6) above; and

(8) customary guarantee obligations in respect of any payment described in (1) to (7) above.

"Pari Principal Waterfall Clause" shall have the meaning provided in Section 12.02.

"Participant" shall have the meaning provided in Section 14.04(a).

"Participant Register" shall have the meaning provided in Section 14.04(e).

"Patriot Act" shall have the meaning provided in Section 14.18.

"Payment Conditions" shall mean that at the time of each action or transaction and after giving effect thereto each of the following conditions are satisfied:

(a) (x) in the case of the payment of any Dividend or Restricted Debt Payment, in each case, no Event of Default shall be continuing or would result therefrom and (y) in any other case, no Specified Event of Default shall be continuing or would result therefrom; and

(b) both (x) Specified Excess Availability on the date of the proposed transaction or payment and (y) average daily Specified Excess Availability for a period of thirty (30) consecutive calendar days immediately preceding such transaction or payment (in each case, calculated on a Pro Forma Basis) would be equal to or greater than:

(i) if the Fixed Charge Coverage Ratio (calculated on a Pro Forma Basis) is greater than or equal to 1.00:1.00, the greater of (x) 15% of Availability and (y) $26,250,000; and

(ii) if the Fixed Charge Coverage Ratio (calculated on a Pro Forma Basis) is less than to 1.00: 1.00, the greater of (x) 20% of Availability and (y) $35,000,000.

"PBA" shall mean the *Pension Benefits Act* (Ontario) and all regulations made thereunder, as amended from time to time, and any corresponding pension benefits standards legislation of other jurisdictions in Canada.

"Pension Contribution Reserve" shall mean, at any time, a Reserve that may be imposed by the Administrative Agent in its Permitted Discretion in an aggregate amount not to exceed the Pension Contribution Reserve Amount.

"Pension Contribution Reserve Amount" shall mean, at any time, the sum of (a) the amount of any overdue special payments and contributions for normal costs required to be made by the Borrower or any Guarantor pursuant to Applicable Law in respect of any DB Plan (excluding, for greater certainty, any special payments required in relation to a full or partial wind-up of a DB Plan) that have not been paid when due, provided such amounts would not be considered a Permitted Lien, plus (b) without duplication of clause (a), the amount of all special payments and normal costs required to be paid by the Borrower or any Guarantor pursuant to Applicable Law in respect of any DB Plan for the immediately succeeding 30 day period.

"Pension Matters Documents" shall mean, collectively (a) the Salaried Pension Plan Exemption Agreement; (b) Hourly Pension Plan Exemption Agreement; (c) Memorandum of Settlement re Pension Matters with USW Local 2251, (d) Memorandum of Settlement re Pension Matters with USW Local 2724, (e) Amended Pension Matters Agreement with USW Local 2251 and with USW Local 2724, (f) WRAP Pension Plan Agreement and (g) the WRAP Pension Plan Order.

"Pension Regulatory Relief" shall mean the obtaining by the Borrower of (a) regulatory relief from the application of s. 57(3) of the Pension Benefits Act (Ontario) in relation to the Hourly Pension Plan and Salaried Pension Plan, with respect to any contributions due and not paid into the hourly and salaried plans prior to the Closing Date; and (b) permanent regulatory relief from the application of s. 57(4) of the Pension Benefits Act (Ontario) in respect of the Hourly Pension Plan and the Salaried Pension Plan and, in the event that the WRAP Pension Plan is assumed by the Borrower pursuant to the applicable Pension Matters Documents, shall mean, (c) regulatory relief from the application of s. 57(3) of the Pension Benefits Act (Ontario), in relation to the WRAP Pension Plan, with respect to any contributions due and not paid prior to the Closing Date, and (d) permanent regulatory relief from the application of s. 57(4) of the Pension Benefits Act (Ontario) in respect of the WRAP Pension Plan.

"Perfection Certificate" shall mean a certificate in the form of Exhibit N-1 or any other form approved by the Administrative Agent, as the same shall be supplemented from time to time by a Perfection Certificate Supplement or otherwise.

"Perfection Certificate Supplement" shall mean a certificate supplement in the form of Exhibit N-2 or any other form approved by the Administrative Agent.

"Perfection Requirements" means (a)(i) the filing of appropriate UCC financing statements with the office of the Secretary of State or other appropriate office in the state of organization of each Credit Party (or equivalent location or office in the applicable jurisdiction)

and (ii) the filing of appropriate PPSA financing statements in each province or territory in Canada where a Credit Party is located (as determined under the PPSA) and each province and territory in Canada where a Credit Party owns tangible personal property, (b) the filing of Intellectual Property Security Agreements or other appropriate assignments or notices with the U.S. Patent and Trademark Office, the U.S. Copyright Office and/or the Canadian Intellectual Property Office, as applicable, (c) the proper recording or filing, as applicable, of Mortgages with respect to the Mortgaged Property, in favor of the Collateral Agent for the benefit of the Secured Parties, (d) the delivery to the Collateral Agent of any stock certificate or promissory note to the extent required to be delivered by the applicable Credit Documents and (e) other filings, recordings and registrations necessary to perfect the Liens on the Collateral granted by the Credit Parties in favor of the Collateral Agent or to enforce the rights of the Collateral Agent and the Secured Parties under the Credit Documents.

"Permitted Acquisition" shall mean any acquisition by the Borrower or any of its Restricted Subsidiaries, whether by purchase, merger, amalgamation or otherwise, of all or a substantial portion of the assets of, or any business line, unit or division or product line (including research and development and related assets in respect of any product or facility) of, any Person or of a majority of the outstanding Capital Stock of any Person (and, in any event, including any Investment in (x) any Restricted Subsidiary which serves to increase the Borrower's or any Restricted Subsidiary's respective equity ownership in such Restricted Subsidiary or (y) any joint venture or similar arrangement for the purpose of increasing the Borrower's or its relevant Restricted Subsidiary's ownership interest in such joint venture or similar arrangement), in each case if (1) the target Person, assets, business or division in respect of such acquisition is a business permitted under Section 10.22, (2)(a) such Person is or becomes a Restricted Subsidiary or (b) such Person, in one transaction or a series of related transactions, is amalgamated, merged or consolidated with or into, or transfers or conveys all or a substantial portion of its assets (or such division, business line, unit or product line or facility) to, or is liquidated into, the Borrower and/or any Restricted Subsidiary as a result of such transaction, (3) to the extent applicable, such target Person and the Credit Parties shall comply with the Collateral and Guarantee Requirements and Section 10.12 with respect to any such target Person (other than any such target Person that is or becomes an Excluded Subsidiary) and (4) at the applicable time elected by the Borrower in accordance with Section 1.06, with respect to such acquisition, no Specified Event of Default shall have occurred and be continuing.

"Permitted Cure Securities" shall mean Capital Stock (other than Disqualified Stock) of the Borrower or any Parent Entity.

"Permitted Discretion" shall mean, subject to Section 2.17, the commercially reasonable judgment of the Administrative Agent exercised in good faith in accordance with customary business practices for comparable asset-based lending transactions.

"Permitted Encumbrance" shall mean, with respect to any Mortgaged Property, such exceptions to title as are set forth in the Mortgage Policy delivered with respect thereto and accepted by the Administrative Agent, including the Liens listed on Schedule 11.01 registered on title to the Mortgaged Properties identified on Schedule 8(a) to the Perfection Certificate.

"Permitted Holders" shall mean, collectively, (1) the Investors, (2) any Person who is acting solely as an underwriter in connection with a public or private offering of Capital Stock of any Parent Entity or the Borrower, acting in such capacity and (3) any group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act or any successor provision) of which any of the foregoing are members; provided that, in the case of such group set forth in this clause (3) and without giving effect to the existence of such group or any other group, the persons identified in clause (1) collectively have beneficial ownership of more than 50% of the total voting power of the Voting Stock of the Borrower or any of its direct or indirect Parent Entities held by such group.

"Permitted Initial Revolving Credit Event Purposes" means one or more Borrowings of Revolving Loans on the Closing Date (i) to replace, backstop or cash collateralize existing letters of credit, guarantees or performance or similar bonds or to issue new Letters of Credit, (ii) to provide for ordinary course working capital needs and (iii) in an amount not to exceed $45,000,000, to pay Transaction Expenses, for purchase price and working capital adjustments, if any, under the Acquisition Agreement and for general corporate purposes.

"Permitted Investment" means (in each case, by the Borrower or any of its Restricted Subsidiaries):

(1) Investments in (a) a Restricted Subsidiary (including the Capital Stock of a Restricted Subsidiary) or the Borrower or (b) a Person (including the Capital Stock of any such Person) that will, upon the making of such Investment, become a Restricted Subsidiary; provided that the aggregate amount of all Investments made pursuant to this clause (1) in any Restricted Subsidiary that is not (or will not become) a Subsidiary Guarantor, when combined with (i) the aggregate amount of all dispositions by a Credit Party to a Restricted Subsidiary that is not a Credit Party pursuant to clause (1) of the definition of Asset Disposition and (ii) the aggregate principal amount of Indebtedness owing by any Non-Guarantor Subsidiary to a Credit Party outstanding pursuant to Section 11.04(b)(3), shall not exceed $10,000,000 at any one time outstanding;

(2) Permitted Acquisitions;

(3) Investments in cash, Cash Equivalents or Investment Grade Securities;

(4) Investments in receivables owing to the Borrower or any Restricted Subsidiary created or acquired in the ordinary course of business;

(5) Investments in payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business;

(6) Management Advances;

(7) Investments received in settlement of debts created in the ordinary course of business and owing to the Borrower or any Restricted Subsidiary or in exchange for any other Investment or accounts receivable held by the Borrower or any such Restricted Subsidiary, or as a result of foreclosure, perfection or enforcement of any Lien, or in satisfaction of judgments or pursuant to any plan of reorganization or similar arrangement including upon the bankruptcy or insolvency of a debtor or otherwise with respect to any secured Investment or other transfer of title with respect to any secured Investment in default;

(8) Investments made as a result of the receipt of non-cash consideration from a sale or other disposition of property or assets, including an Asset Disposition;

(9) Investments existing or pursuant to agreements or arrangements in effect on the Closing Date and any modification, replacement, renewal or extension thereof; *provided* that the amount of any such Investment may not be increased except (a) as required by the terms of such Investment as in existence on the Closing Date or (b) as otherwise permitted under this Agreement;

(10) Hedging Obligations, which transactions or obligations are Incurred in compliance with Section 11.04;

(11) pledges or deposits with respect to leases or utilities provided to third parties in the ordinary course of business or Liens otherwise described in the definition of "Permitted Liens" or made in connection with Liens permitted under Section 11.01;

(12) any Investment to the extent made using Capital Stock of the Borrower (other than Disqualified Stock) or Capital Stock of any Parent Entity as consideration;

(13) (i) Investments made in connection with the Transactions, (ii) Investments existing on, or contractually committed to or contemplated as of, the Closing Date and described on Schedule 11.03 and (iii) any modification, replacement, renewal or extension of any Investment described in clause (ii) above so long as no such modification, replacement, renewal or extension thereof increases the amount of such Investment except by the terms thereof as in effect on the Closing Date (including as a result of the accrual or accretion of interest or original issue discount or the issuance of payment-in-kind securities);

(14) Investments consisting of purchases and acquisitions of inventory, supplies, materials and equipment or licenses, sublicenses or leases of intellectual property, in any case, in the ordinary course of business and to the extent not otherwise prohibited by this Agreement;

(15) (i) Guarantees of Indebtedness not prohibited by Section 11.04 and (other than with respect to Indebtedness) guarantees, keepwells and similar arrangements in the ordinary course of business; provided, that any Guarantee by any Non-

Guarantor Subsidiary of any Indebtedness that is Incurred under Section 11.04(a) or Section 11.04(b)(5)) shall be subject to the same caps set forth therein, and (ii) performance guarantees with respect to obligations that are permitted by this Agreement;

(16) Investments consisting of earn out money deposits required in connection with a purchase agreement, or letter of intent, or other acquisitions to the extent not otherwise prohibited by this Agreement;

(17) Investments of a Restricted Subsidiary acquired after the Closing Date or of an entity merged or amalgamated into the Borrower or merged or amalgamated into or consolidated with a Restricted Subsidiary after the Closing Date to the extent that such Investments were not made in contemplation of or in connection with such acquisition, merger, amalgamation or consolidation and were in existence on the date of such acquisition, merger, amalgamation or consolidation;

(18) Investments consisting of licensing, sublicensing or contribution of intellectual property pursuant to joint marketing arrangements with other Persons;

(19) contributions to a "rabbi" trust for the benefit of employees or other grantor trust subject to claims of creditors in the case of a bankruptcy of the Borrower;

(20) (A) Investments in joint ventures and similar entities having an aggregate Fair Market Value, when taken together with all other Investments made pursuant to this clause (A) that are at the time outstanding, not to exceed $30,000,000; and (B) Investments in Unrestricted Subsidiaries having an aggregate Fair Market Value, when taken together with all other Investments made pursuant to this clause (B) that are at the time outstanding, not to exceed the sum of (I) in the case of Investments in New PortLP and New PortGP, the New PortLP Payments Amount *plus* (II) $15,000,000;

(21) additional Investments having an aggregate Fair Market Value, taken together with all other Investments made pursuant to this clause (21) that are at that time outstanding, not to exceed the greater of (x) $50,000,000 and (y) 12% of Consolidated Total Assets as of the last day of the most recently ended Calculation Period, plus the amount of any distributions, dividends, payments or other returns in respect of such Investments (without duplication for purposes Section 11.03 of any amounts applied pursuant to the Available Equity Amount); provided that, in each case, if such Investment is in Capital Stock of a Person that subsequently becomes a Restricted Subsidiary, such Investment shall thereafter be deemed permitted under clause (1) above and shall not be included as having been made pursuant to this clause (21);

(22) without duplication of clause (20), Investments in any Similar Business (including any joint venture engaged in a Similar Business) having an aggregate Fair Market

Value, when taken together with all other Investments made pursuant to this clause that are at the time outstanding, not to exceed $30,000,000;

(23) other Investments in an aggregate amount at any time outstanding not to exceed the Available RP Capacity Amount plus the Available RDP Capacity Amount;

(24) [reserved];

(25) Investments in Restricted Subsidiaries and joint ventures pursuant to any Permitted Reorganization and/or any IPO Reorganization Transaction;

(26) Investments to the extent that payment therefor is made solely with Capital Stock of any Parent Entity or Capital Stock (other than Disqualified Capital Stock) of the Borrower or any Restricted Subsidiary, in each case, to the extent not resulting in a Change of Control and to the extent such Capital Stock does not increase the Available Equity Amount;

(27) loans and advances of payroll payments or other compensation to present or former employees, directors, members of management, officers, managers or consultants of any Parent Entity (to the extent such payments or other compensation relate to services provided to such Parent Entity (but excluding, for the avoidance of doubt, the portion of any such amount, if any, attributable to the ownership or operations of any subsidiary of any Parent Entity other than the Borrower and/or its subsidiaries)), the Borrower and/or any subsidiary in the ordinary course of business;

(28) Investments made in joint ventures as required by, or made pursuant to, buy/sell arrangements between the joint venture parties set forth in joint venture agreements and similar binding arrangements in effect on the Closing Date or entered into after the Closing Date in the ordinary course of business; and

(29) (i) Investments in any Parent Entity (or any other Person) in amounts and for purposes for which Permitted Payments or Restricted Payments to such Parent Entity (or such other Person) are permitted under Section 11.03; provided that any Investment made as provided above in lieu of any such Restricted Payment shall reduce availability under the applicable Restricted Payment basket under Section 11.03 and (ii) Investments consisting of loans and advances to any Parent Entity in connection with the reimbursement of expenses incurred on behalf of the Borrower or any Restricted Subsidiary in the ordinary course of business.

In the event that a Permitted Investment meets the criteria of more than one of the types of Permitted Investments (at the time made or at a later date), the Borrower in its sole discretion may divide, classify or from time to time reclassify all or any portion of such Permitted Investment in any manner that complies with this definition and such Permitted Investment shall be treated as having been made pursuant only to the clause or clauses of the definition of Permitted Investment to which such Permitted Investment has been classified or

reclassified; provided that, (X) upon delivery of any financial statements pursuant to Section 10.01(b) or (c) following the initial incurrence or making of any such reclassifiable item, if such reclassifiable item could, based on such financial statements, have been incurred or made in reliance on any "ratio-based" or "Payment Conditions" basket or exception, such reclassifiable item shall automatically be reclassified as having been incurred or made under the applicable provisions of such "ratio-based" or Payment Conditions basket or exception, as applicable (in each case, subject to any other applicable provision of such "ratio-based" or Payment Conditions basket or exception, as applicable) and (Y) an Investment need not be permitted solely by reference to one category or clause of this definition but may instead be permitted in part under any combination thereof or under any other available exception; provided, however, that the foregoing shall not apply to clause (13) of this definition.

"Permitted Liens" shall mean, with respect to any Person:

(1) Liens on assets or property of a Restricted Subsidiary that is not a Guarantor securing Indebtedness of any Restricted Subsidiary that is not a Guarantor;

(2) pledges, deposits or Liens under workmen's compensation laws, payroll taxes, unemployment insurance laws, social security laws or similar legislation, or insurance related obligations (including pledges or deposits securing liability to insurance carriers under insurance or self-insurance arrangements), or in connection with bids, tenders, completion guarantees, contracts (other than for borrowed money) or leases, or to secure utilities, licenses, public or statutory obligations, or to secure surety, indemnity, judgment, appeal or performance bonds, guarantees of government contracts (or other similar bonds, instruments or obligations), or as security for contested taxes or import or customs duties or for the payment of rent, or other obligations of like nature, in each case Incurred in the ordinary course of business;

(3) Liens imposed by law, including carriers', warehousemen's, mechanics', landlords', materialmen's, repairmen's, construction contractors', Liens imposed pursuant to the PBA for amounts required to be remitted but not yet due, or other like Liens, in each case for sums not yet overdue for a period of more than 60 days or that are bonded or being contested in good faith by appropriate proceedings;

(4) Liens for Taxes which are not overdue for a period of more than 60 days or which are being contested in good faith by appropriate proceedings; *provided* that appropriate reserves required pursuant to IFRS have been made in respect thereof;

(5) easements (including reciprocal easement agreements), survey exceptions, restrictions or reservations of, or rights of others for, licenses, rights of way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning, building codes or other restrictions (including minor defects or irregularities in title and similar encumbrances) as to the use of real properties or Liens incidental to the conduct of the business of the Borrower and its Restricted

Subsidiaries or to the ownership of their properties which do not (i) secure Indebtedness, (ii) in the aggregate materially adversely affect the value of said properties or (iii) materially impair their use in the operation of the business of the Borrower and its Restricted Subsidiaries;

(6) Liens (a) on assets or property of the Borrower or any Restricted Subsidiary securing Hedging Obligations or Cash Management Services (other than with a Secured Party in connection with any Lender Hedging Agreement and/or Cash Management Obligation and any Term Lender Hedging Agreement and/or Cash Management Obligations (each as defined in the Term Loan Credit Agreement or any other Term Loan Facility) that constitute "Obligations" under the Term Loan Credit Agreement or any other Term Loan Facility) permitted under Section 11.04; (b) that are contractual rights of set-off or, in the case of clauses (i) or (ii) below, other bankers' Liens (i) relating to treasury, depository and cash management services or any automated clearing house transfers of funds in the ordinary course of business and not given in connection with the issuance of Indebtedness, (ii) relating to pooled deposit or sweep accounts to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business of the Borrower or any Restricted Subsidiary or (iii) relating to purchase orders and other agreements entered into with customers of the Borrower or any Restricted Subsidiary in the ordinary course of business; (c) on cash accounts securing Indebtedness incurred under Section 11.04(b)(8) with financial institutions; (d) encumbering reasonable customary initial deposits and margin deposits and similar Liens attaching to commodity trading accounts or other brokerage accounts incurred in the ordinary course of business, consistent with past practice and not for speculative purposes; and/or (e) (i) of a collection bank arising under Section 4-210 of the Uniform Commercial Code on items in the course of collection and (ii) in favor of a banking institution arising as a matter of law encumbering deposits (including the right of set-off) arising in the ordinary course of business in connection with the maintenance of such accounts and (iii) arising under customary general terms of the account bank in relation to any bank account maintained with such bank and attaching only to such account and the products and proceeds thereof, which Liens, in any event, do not to secure any Indebtedness;

(7) leases, subleases and licenses and sublicenses of assets (including Real Property and intellectual property rights), in each case entered into in the ordinary course of business;

(8) Liens arising out of judgments, decrees, orders or awards not giving rise to an Event of Default so long as (a) any appropriate legal proceedings which may have been duly initiated for the review of such judgment, decree, order or award have not been finally terminated, (b) the period within which such proceedings may be initiated has not expired or (c) no more than 60 days have passed after (i) such judgment, decree, order or award has become final or (ii) such period within which such proceedings may be initiated has expired;

(9) Liens (i) on assets or property of the Borrower or any Restricted Subsidiary for the purpose of securing Capitalized Lease Obligations, or Purchase Money Obligations, or securing the payment of all or a part of the purchase price of, or securing other Indebtedness Incurred to finance or refinance the acquisition, improvement or construction of, assets or property acquired or constructed in the ordinary course of business; provided that (a) the aggregate principal amount of Indebtedness secured by such Liens is otherwise permitted to be Incurred pursuant to Section 11.04(c)(7) and (b) any such Liens may not extend to any assets or property of the Borrower or any Restricted Subsidiary other than assets or property acquired, improved, constructed or leased with the proceeds of such Indebtedness and any improvements or accessions to such assets and property (cross-collateralized) and (ii) any interest or title of a lessor under any Capitalized Lease Obligations or operating lease;

(10) Liens arising from precautionary Uniform Commercial Code or PPSA financing statement filings (or similar filings in other applicable jurisdictions) regarding operating leases entered into by the Borrower and its Restricted Subsidiaries in the ordinary course of business;

(11) Liens existing on the Closing Date and described on Schedule 11.01 and any modification, replacement, refinancing, renewal or extension thereof; provided that (i) no such Lien extends to any additional property after the Closing Date other than (X) after-acquired property that is affixed or incorporated into the property covered by such Lien as of the Closing Date and (Y) proceeds and products of the property covered by such Lien as of the Closing Date, replacements, accessions or additions thereto and improvements thereon and (ii) any such modification, replacement, refinancing, renewal or extension of the obligations secured or benefited by such Liens, if constituting Indebtedness, is permitted by Section 11.04;

(12) Liens on property, other assets or shares of stock of a Person at the time such Person becomes a Restricted Subsidiary (or at the time the Borrower or a Restricted Subsidiary acquires such property, other assets or shares of stock, including any acquisition by means of a merger, amalgamation, consolidation or other business combination transaction with or into the Borrower or any Restricted Subsidiary); *provided*, *however*, that such Liens are not created, Incurred or assumed in anticipation of or in connection with such other Person becoming a Restricted Subsidiary (or such acquisition of such property, other assets or stock); *provided*, *further*, that such Liens are limited to all or part of the same property, other assets or stock (plus improvements, accession, proceeds or dividends or distributions in connection with the original property, other assets or stock) that secured (or, under the written arrangements under which such Liens arose, could secure) the obligations to which such Liens relate;

(13) Liens on assets or property of the Borrower or any Restricted Subsidiary that is not a Subsidiary Guarantor securing Indebtedness or other obligations of the

Borrower or such Restricted Subsidiary owing to the Borrower or another Restricted Subsidiary that is not a Subsidiary Guarantor, or Liens in favor of the Borrower or any Restricted Subsidiary;

(14) Liens securing Permitted Refinancing Indebtedness Incurred to refinance Indebtedness that was previously so secured, and permitted to be secured under this Agreement; *provided* that any such Lien is limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured (or, under the written arrangements under which the original Lien arose, could secure) the Indebtedness being refinanced or is in respect of property that is or could be the security for or subject to a Permitted Lien (and on the same priority that such Permitted Lien may be incurred) hereunder;

(15) (a) mortgages, liens, security interests, restrictions, encumbrances or any other matters of record that have been placed by any government, statutory or regulatory authority, developer, landlord or other third party on property over which the Borrower or any Restricted Subsidiary of the Borrower has easement rights or on any leased property and subordination or similar arrangements relating thereto and (b) any condemnation or eminent domain proceedings affecting any Real Property;

(16) any encumbrance or restriction (including put and call arrangements, customary rights of first refusal and tag, drag and similar rights in joint venture agreements) with respect to Capital Stock of any joint venture or similar arrangement pursuant to any joint venture or similar agreement;

(17) Liens on property or assets under construction (and related rights) in favor of a contractor or developer or arising from progress or partial payments by a third party relating to such property or assets;

(18) Liens arising out of conditional sale, title retention, hire purchase, consignment or similar arrangements for the sale of goods entered into in the ordinary course of business; provided that any Inventory subject to a Lien pursuant this clause (18) shall not constitute Eligible Inventory;

(19) Liens pursuant to the Security Documents securing the Secured Obligations (including any Replacement Revolving Facility);

(20) Liens securing Indebtedness permitted to be Incurred pursuant to Section 11.04(b)(1) (including any Term Loan Facility and any Permitted Refinancing Indebtedness in respect thereof); provided that in the case of such Liens Incurred pursuant to this clause (20) that are on ABL Facility Priority Collateral, any such Liens on the ABL Facility Priority Collateral shall be expressly subordinated to the Lien on the ABL Facility Priority Collateral

securing the Obligations and the holders of such Indebtedness (or their agent or other representative) shall become a party to the ABL Intercreditor Agreement;

(21) Liens on (x) the Capital Stock of New PortLP and New PortGP held by the Borrower that secure Indebtedness under the New PortLP Facility (including any Permitted Refinancing Indebtedness in respect thereof) and (y) Capital Stock or other securities or assets of, any Subsidiary that is not a Credit Party that secure Indebtedness or other obligations of a Subsidiary that is not a Credit Party that is permitted pursuant to Section 11.04;

(22) any security granted over the marketable securities portfolio described in clause (9) of the definition of "Cash Equivalents" in connection with the disposal thereof to a third party;

(23) Liens on specific items of inventory of other goods and proceeds of any Person securing such Person's obligations in respect of bankers' acceptances issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods; provided that any Inventory subject to a Lien pursuant to this clause (23) shall not constitute Eligible Inventory;

(24) Liens on equipment of the Borrower or any Restricted Subsidiary and located on the premises of any client or supplier in the ordinary course of business;

(25) Liens on assets or securities deemed to arise in connection with and solely as a result of the execution, delivery or performance of contracts to sell such assets or securities if such sale is otherwise permitted by this Agreement;

(26) Liens arising by operation of law or contract on insurance policies and the proceeds thereof to secure premiums thereunder (including Liens on insurance policies and the proceeds thereof securing the financing of the premiums with respect thereto), and Liens, pledges and deposits in the ordinary course of business securing liability for premiums or reimbursement or indemnification obligations of (including obligations in respect of letters of credit or bank guarantees for the benefits of) insurance carriers;

(27) Liens solely on any cash earnest money deposits made by the Borrower or any Restricted Subsidiary in connection with any letter of intent or purchase agreement permitted under this Agreement;

(28) Liens (i) on cash advances in favor of the seller of any property to be acquired in an Investment permitted pursuant to Permitted Investments to be applied against the purchase price for such Investment, and (ii) consisting of an agreement to sell any property in an asset sale permitted under Section 11.08 in each case, solely to the extent such Investment or asset sale, as the case may be, would have been permitted on the date of the creation of such Lien;

(29) Liens securing Indebtedness and other obligations in an aggregate principal amount not to exceed at any one time outstanding $50,000,000; *provided* that (i) to the extent such Liens secure Subordinated Indebtedness, such Liens shall be limited to the Collateral and (ii) with respect to any such Lien permitted under this clause (29) on the ABL Facility Priority Collateral (other than specified cash and Cash Equivalents to be held in Excluded Accounts that are not included in the Borrowing Base), any such Liens on the ABL Facility Priority Collateral shall be expressly subordinated to the Lien on the ABL Facility Priority Collateral securing the Obligations and, in each case, the holders of such Indebtedness (or their agent or other representative) shall become a party to the ABL Intercreditor Agreement;

(30) Liens Incurred to secure any Incremental Equivalent Debt; provided that in the case of such Liens Incurred pursuant to this clause (30) that are on ABL Facility Priority Collateral, any such Liens on the ABL Facility Priority Collateral Incurred to secure obligations referred to in this clause (30) shall be expressly subordinated to the Lien on the ABL Facility Priority Collateral securing the Obligations and the holders of such Indebtedness (or their agent or other representative) shall become a party to each applicable Acceptable Intercreditor Agreement then extant;

(31) Liens on assets that are not ABL Facility Priority Collateral securing Indebtedness in an aggregate principal amount not to exceed $15,000,000;

(32) Liens on the Collateral securing obligations in respect of the CapEx Facilities permitted to be Incurred pursuant to Section 11.04(b)(18) (including any Permitted Refinancing Indebtedness in respect thereof); provided that, any Liens on the Collateral Incurred to secure obligations referred to in this clause (32) shall be expressly subordinated to the Lien on the Collateral securing the Obligations and the holders of such Indebtedness (or their agent or other representative) shall become a party to the ABL Intercreditor Agreement;

(33) Liens on the Collateral in favor of the Collateral Agent for the benefit of the Secured Parties relating to the Collateral Agent's administrative expenses with respect to the Collateral;

(34) [Reserved];

(35) any Permitted Encumbrances;

(36) the reservations, limitations, provisos and conditions, if any, expressed in any original grant from the Crown of any real property or any interest therein or in any comparable grant in jurisdictions other than Canada, provided they do not materially reduce the value of the property or assets of the Person or materially interfere with the access or use of such assets or property in the operation of the business of the Person;

(37) servicing agreements, development agreements, site plan agreements, and other agreements with any Governmental Authority pertaining to the use or development of any of the Mortgaged Property of the Person, provided same are complied with and do not materially reduce the value of the Mortgaged Property of the Person or materially interfere with the use of such Mortgaged Property in the operation of the business of the Person including any obligations to deliver letters of credit and other security as required;

(38) the right reserved to or vested in any Governmental Authority (i) by any statutory provision or (ii) by the terms of any lease, license, franchise, grant or permit of the Person to terminate any such lease, license, franchise, grant or permit;

(39) Easements and rights of way granted to a public utility or any municipality or governmental or other public authority to access and maintain overhead electric, telephone and cable television lines and underground electric, water, sewer, telephone, and cable television lines when required by such utility or other authority in connection with the operation of the business or the ownership of the Mortgaged Property, provided that such Liens do not materially reduce the value of the Mortgaged Property or materially interfere with the access or use of such Mortgaged Property in the operation of the business of the Person;

(40) Liens created or arising under, or pursuant to, the New PortLP Leases, including the easements and rights of way in connection therewith or granted thereunder;

(41) Liens securing obligations in respect of letters of credit, bank guaranties, surety bonds, performance bonds or similar instruments permitted to be Incurred under Section 11.04(b)(9); and

(42) Liens imposed on Real Property pursuant to (i) an order of a Bankruptcy Court or (ii) the *Construction Act*, R.S.O. 1990, c. C.30, as amended, arising in connection with or incidental to construction or maintenance in the ordinary course of business, in respect of obligations which are not more than thirty (30) days overdue, or if so due, have either been bonded off or the validity of which are being contested diligently and in good faith by all appropriate proceedings, and for which reasonable reserves under IFRS are maintained, so long as, during the period of such contestation there shall be no enforcement of such Liens or seizure or forfeiture of any Real Property of any Borrower subject thereto, and any Liens on cash and Cash Equivalents (including any securities entitlement and any related asset) held as of the Closing Date in the Construction Claims Account;

For purposes of this definition, the term Indebtedness shall be deemed to include interest on such Indebtedness including interest which increases the principal amount of such Indebtedness.

In the event that a Permitted Lien meets the criteria of more than one of the types of Permitted Liens (at the time of Incurrence or at a later date), the Borrower in its sole discretion

may divide, classify or from time to time reclassify all or any portion of such Permitted Lien in any manner that complies with this definition and such Permitted Lien shall be treated as having been made pursuant only to the clause or clauses of the definition of Permitted Lien to which such Permitted Lien has been classified or reclassified; provided that, (X) upon delivery of any financial statements pursuant to Section 10.01(b) or (c) following the initial incurrence or making of any such reclassifiable item, if such reclassifiable item could, based on such financial statements, have been incurred or made in reliance on clause (30) or any "ratio-based" basket or exception, such reclassifiable item shall automatically be reclassified as having been incurred or made under the applicable provisions of clause (30) or such "ratio-based" basket or exception, as applicable (in each case, subject to any other applicable provision of clause (30) or such "ratio-based" basket or exception, as applicable) and (Y) any Lien need not be permitted solely by reference to one category or clause of this definition but may instead be permitted in part under any combination thereof or under any other available exception; provided, however, that the foregoing shall not apply to clauses (19), (20), (21) or (32) of this definition.

"Permitted Payments" shall have the meaning provided in Section 11.03(b).

"Permitted Refinancing Indebtedness" shall mean any Indebtedness of the Borrower or any of its Restricted Subsidiaries issued in exchange for, or the Net Cash Proceeds of which are used to extend, renew, refund, refinance, replace, defease or discharge other Indebtedness of the Borrower or any of its Restricted Subsidiaries, as applicable; provided that:

(i) subject to Section 1.07(g), the principal amount (or accreted value, if applicable) of such Permitted Refinancing Indebtedness does not exceed the principal amount (or accreted value, if applicable or, in the case of any Revolving Loan Commitments, the aggregate commitments then in effect in respect thereof) of the Indebtedness being extended, renewed, refunded, refinanced, replaced, defeased or discharged (plus all interest thereon that has been paid-in-kind, all accrued and unpaid interest on such Indebtedness being extended, renewed, refunded, refinanced, replaced, defeased or discharged and the amount of all premiums (including tender premiums), penalties, fees and expenses (including upfront fees and original issue discount), incurred in connection therewith);

(ii) such Permitted Refinancing Indebtedness has a final maturity date later than the final maturity date of, and has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, the Indebtedness being extended, renewed, refunded, refinanced, replaced, defeased or discharged; provided, that the foregoing limitation shall not apply to customary bridge loans with a maturity date of not longer than one year which, subject to customary conditions, provides for automatic conversion or exchange into Indebtedness that otherwise complies with the requirements of this clause (ii);

(iii) if the Indebtedness being extended, renewed, refunded, refinanced, replaced, defeased or discharged is subordinated in right of payment to the Obligations, such Permitted Refinancing Indebtedness is subordinated in right of payment to the Obligations on terms at least as favorable to the holders of the Obligations as those

contained in the documentation governing the Indebtedness being extended, renewed, refunded, refinanced, replaced, defeased or discharged;

(iv) such Permitted Refinancing Indebtedness is incurred by the Person who is the obligor on the Indebtedness being extended, renewed, refunded, refinanced, replaced, defeased or discharged and does not add any additional obligors or guarantors with respect thereto;

(v) if such Permitted Refinancing Indebtedness is secured, (x) it shall not be secured by any assets other than the assets that secured (or under the written arrangements under which the original Lien arose, could secure) the Indebtedness being extended, renewed, refunded, refinanced, replaced, defeased or discharged and (y) any such Lien on the ABL Facility Priority Collateral shall be expressly subordinated to the Lien on the ABL Facility Priority Collateral securing the Obligations and the holders of such Indebtedness (or their agent or other representative) shall become a party to each applicable Acceptable Intercreditor Agreement then extant;

(vi) such Permitted Refinancing Indebtedness is guaranteed only by those Persons that are guarantors of the Indebtedness being extended, renewed, refunded, refinanced, replaced, defeased or discharged; and

(vii) if the Indebtedness being extended, renewed, refunded, refinanced, replaced, defeased or discharged is secured by Liens that are subordinated to the Liens securing the Obligations, such Permitted Refinancing Indebtedness is unsecured or secured by Liens that are subordinated to the Liens securing the Obligations on terms at least as favorable to the holders of the Obligations as those contained in the documentation governing the Indebtedness being extended, renewed, refunded, refinanced, replaced, defeased or discharged, and if secured by Liens on the Collateral, the holders of such Indebtedness (or their agent or other representative) shall become a party to each applicable Acceptable Intercreditor Agreement then extant.

"Permitted Reorganization" means any transaction or undertaking, including Investments, in connection with internal reorganizations and or restructurings (including in connection with tax planning and corporate reorganizations), so long as, after giving effect thereto, (a) the Credit Parties shall comply with the Collateral and Guarantee Requirements and Section 10.12 and (b) the security interest of the Secured Parties in the Collateral, taken as a whole, is not materially impaired (including by a material portion of the assets that constitute Collateral immediately prior to such Permitted Reorganization no longer constituting Collateral) as a result of such Permitted Reorganization.

"Permitted Shareholder Loans" shall mean unsecured loans made by any Permitted Holder to the Borrower or any Restricted Subsidiary (a) expressly subordinated in right of payment to the Obligations which provide for no payments of principal or interest (other than payment in kind interest), (b) are not convertible or exchangeable into securities of the Borrower or any of its Restricted Subsidiaries (other than Capital Stock (other than Disqualified Stock) of the Borrower), (c) contain no defaults and (d) are not mandatorily redeemable or

redeemable at the option of the holder in the case of each of (a), (b), (c) and (d) prior to the date of the Latest Maturity Date.

"Permitted Tax Distributions" shall mean payments, dividends or distributions by the Borrower to Holdings in order to permit Holdings or another Parent Entity to pay the tax liability in respect of consolidated or combined federal, state, provincial or local taxes not payable directly by the Borrower or any of its Restricted Subsidiaries which payments by the Borrower are not in excess of the tax liabilities that would have been payable by the Borrower and its Restricted Subsidiaries on a stand-alone basis.

"Person" shall mean any individual, partnership, joint venture, firm, corporation, association, limited liability company, trust or other enterprise or any Governmental Authority.

"Plan" shall mean any material employee benefit plan, program, policy, arrangement or agreement maintained or contributed to by a Credit Party.

"Pledge Agreement Collateral" shall mean all Equity Interests, Indebtedness and related property, proceeds and rights pledged or granted as collateral pursuant to the Canadian Pledge Agreement and the U.S. Pledge Agreement and delivered (a) subject to the last paragraph of Section 6, on the Closing Date or (b) thereafter pursuant to Section 10.12.

"PPSA" shall mean the Personal Property Security Act (Ontario) (and other equivalent personal property security legislation in any other applicable Canadian province or territory) and the Regulations thereunder, as from time to time in effect, provided, however, if attachment, perfection or priority of the Collateral Agent's security interest in any Collateral is governed by the personal property security laws of any jurisdiction in Canada other than Ontario, with respect to such Collateral, PPSA shall mean those personal property security laws in such other jurisdiction of Canada for the purposes of the provisions hereof relating to such attachment, perfection or priority and for the definitions related to such provisions.

"Preferred Stock" as applied to the Capital Stock of any Person, shall mean Capital Stock of any class or classes (however designated) which is preferred as to the payment of dividends or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person.

"Premises" shall have the meaning provided in the applicable Mortgage.

"Prepetition 9.5% Notes" shall mean the 9.50% Senior Notes due 2019 issued under the Prepetition 9.5% Notes Indenture.

"Prepetition 9.5% Notes Indenture" shall mean that certain Indenture dated as of November 14, 2014, among ESAI, as issuer, certain affiliates of ESAI, as guarantors and Wilmington Trust, National Association, as trustee, as amended, supplemented or otherwise modified from time to time prior to the Filing Date.

"Prepetition ABL Credit Facility" means that certain Revolving Credit Agreement, dated as of November 14, 2014 among Algoma Holdings B.V., Essar Tech Algoma Inc., ESAI, certain subsidiaries of ESAI party thereto, the lenders party thereto and Deutsche Bank AG, as administrative agent and as collateral agent (as amended, supplemented or otherwise modified from time to time prior to the Filing Date).

"Prepetition Indebtedness" shall have the meaning provided in Section 6.08(b).

"Prepetition Term Loan Credit Facility" shall mean that certain Term Loan Credit Agreement, dated as of November 14, 2014, among Algoma Holdings B.V., ESAI, as borrower, certain affiliates of ESAI, as guarantors, the lenders referred to therein, Cortland Capital Market Services LLC, as successor administrative agent and collateral agent and the other parties thereto, as amended, supplemented or otherwise modified from time to time prior to the Filing Date.

"Priority Claim" means all claims or Liens created by Applicable Law (in contrast with Liens voluntarily granted), or interests similar thereto under Applicable Law, which rank prior or pari passu with the Liens on the ABL Facility Priority Collateral securing the Obligations including for amounts owing for, or in respect of, employee source deductions, wages, vacation pay, goods and services taxes, sales taxes, harmonized sales taxes, municipal taxes, workers' compensation, Quebec corporate taxes, pension fund obligations and overdue rents.

"Pro Forma Basis" shall mean, with respect to compliance with any test or covenant or calculation or any ratio hereunder, the determination or calculation of such test, covenant or ratio (including in connection with Specified Transactions) in accordance with Section 1.05.

"Proceedings" has the meaning assigned to such term in the recitals to this Agreement.

"Projections" shall mean the projections that are contained in the Confidential Information Memorandum (or supplemented thereto).

"PTE" means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

"Public Company Costs" means Charges associated with, or in anticipation of, or preparation for, compliance with the requirements of the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated in connection therewith and Charges relating to compliance with the provisions of the Securities Act and the Exchange Act (and, in each case, any similar Requirement of Law under any other applicable jurisdiction), as applicable to companies with equity or debt securities held by the public, the rules of national securities exchange companies with listed equity or debt securities, directors' or managers' compensation, fees and expense reimbursement, Charges relating to investor relations, shareholder meetings and reports to

shareholders or debtholders, directors' and officers' insurance, listing fees and all executive, legal and professional fees and costs related to the foregoing.

"Purchase Money Obligations" shall mean any Indebtedness Incurred to finance or refinance the acquisition, leasing, construction, repair or improvement of property (real or personal), plant, equipment or other assets (including Capital Stock), and whether acquired through the direct acquisition of such property or assets or the acquisition of the Capital Stock of any Person owning such property or assets, or otherwise.

"Qualified Cash" shall mean, the amount of unrestricted cash of the Credit Parties held in one or more Deposit Accounts maintained by the Credit Parties in the United States or Canada either (a) maintained with the Administrative Agent or (b) over which the Administrative Agent has control pursuant to one or more blocked account Control Agreements, and in which the Collateral Agent has a first priority perfected security interest, subject to the requirements of Section 8.02.

"Qualified ECP Guarantor" shall mean, in respect of any Swap Obligation, each Subsidiary Guarantor that has total assets exceeding $10,000,000 at the time the relevant Guaranty or grant of the relevant security interest becomes effective with respect to such Swap Obligation or such other Person as constitutes an ECP under the Commodity Exchange Act or any regulations promulgated thereunder and can cause another person to qualify as an ECP at such time by entering into a keepwell under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

"Qualified Capital Stock" of any Person means any Capital Stock of such Person that is not Disqualified Capital Stock.

"Qualified Preferred Stock" of any Person shall mean any Preferred Stock of such Person that is not Disqualified Stock.

"Qualifying IPO" means any transaction or series of related transactions that results in any of the common Equity Interests of Holdings, any Parent Entity or the Borrower being publicly traded on any U.S. national securities exchange or any analogous exchange or any recognized securities exchange in Canada, the United Kingdom or any country in the European Union.

"Quarterly Payment Date" shall mean (i) for payments of principal, interest, and fees (other than Letter of Credit fees), April 1, 2019, and the first calendar day of each of July, October, January and April occurring thereafter, and (ii) for Letter of Credit fees, April 1, 2019, and the first Business Day of each of July, October, January and April occurring thereafter.

"Quarterly Pricing Certificate" shall have the meaning provided in the definition of "Applicable Commitment Fee Percentage".

"Real Property" shall mean, collectively, all right, title and interest (including any leasehold, mineral or other estate) in and to any and all parcels of or interests in real property

owned, leased, managed, controlled or operated by any person, whether by lease, license or other means, together with, in each case, all easements, hereditaments and appurtenances relating thereto, all improvements and appurtenant fixtures and other property and rights incidental to the ownership, lease or operation thereof.

"Recipient" shall mean (a) the Administrative Agent, (b) any Lender, (c) any Issuing Lender and (d) the Swingline Lender, as applicable.

"Refinancing" shall have the meaning specified in Section 6.08.

"Refinancing Amendment" shall mean an amendment to this Agreement that is reasonably satisfactory to the Administrative Agent and the Borrower executed by (a) Holdings and the Borrower, (b) the Administrative Agent and (c) each Lender that agrees to provide all or any portion of the Replacement Term Loans or the Replacement Revolving Facility, as applicable, being incurred pursuant thereto and in accordance with Section 14.12(d).

"Refinancing and Discharge of Obligations" shall mean the Refinancing and the Discharge of Prepetition Obligations, each as defined and described in Section 6.08.

"Refunding Capital Stock" shall have the meaning provided in Section 11.03(b)(2).

"Register" shall have the meaning provided in Section 14.15.

"Regulation D" shall mean Regulation D of the Board of Governors as from time to time in effect and any successor to all or a portion thereof establishing reserve requirements.

"Regulation T" shall mean Regulation T of the Board of Governors as from time to time in effect and any successor to all or a portion thereof.

"Regulation U" shall mean Regulation U of the Board of Governors as from time to time in effect and any successor to all or a portion thereof.

"Regulation X" shall mean Regulation X of the Board of Governors as from time to time in effect and any successor to all or a portion thereof.

"Reimbursement Undertaking" shall have the meaning provided in Section 3.01.

"Related Parties" shall mean, with respect to any Person, such Person's Affiliates and the partners, directors, officers and employees of such Person and of such Person's Affiliates, provided that, for purposes of the definition of Permitted Holders, Related Parties shall mean (i) any controlling stockholder or 60% (or more) owned Subsidiary of such Permitted Holder or, in the case of an individual, any Immediate Family Member of such individual; or (ii) any trust, corporation, partnership or other entity, the beneficiaries, stockholders, partners, owners or persons beneficially holding a 60% (or more) controlling interest of which consist of such Permitted Holder and/or such other persons referred to in the immediately preceding clause (i).

"Related Taxes" shall mean:

(1) franchise and similar Taxes, and other fees and expenses, required to maintain such Parent Entity's corporate existence;

(2) payroll, employer health, employment insurance, health insurance, social security and other similar Taxes;

(3) income Tax (including corporate income Tax, municipal business Tax and solidarity surcharge) and net wealth Tax;

(4) for any taxable period for which the Borrower and/or any of its Subsidiaries are members of a consolidated, combined or similar income tax group for Canadian or U.S. federal and/or applicable provincial, state or local income Tax purposes of which a direct or indirect parent of the Borrower is the common parent (a "Tax Group"), the portion of any Canadian or U.S. federal, provincial, state or local income Taxes (as applicable) of such Tax Group for such taxable period that are attributable to the income of the Borrower and/or its Restricted Subsidiaries; provided that the amount of such dividends or other distributions for any taxable period shall not exceed the amount of such Taxes that the Borrower and/or its Restricted Subsidiaries, as applicable, would have paid had the Borrower and/or its Restricted Subsidiaries, as applicable, been a stand-alone taxpayer (or a stand-alone group);

(5) the amount of any Tax obligation of the Borrower and/or any Restricted Subsidiary that is estimated in good faith by the Borrower as due and payable (but is not currently due and payable) by the Borrower and/or any Restricted Subsidiary as a result of the repatriation of any dividend or similar distribution of net income of any Foreign Subsidiary to the Borrower and/or any Restricted Subsidiary;

(6) any withholding Tax obligation payable by a Parent Entity under Part XIII of the Income Tax Act (Canada) on distributions permitted to be paid to a Parent Entity by the Borrower under the Credit Documents; or

(7) for any quarter for which any Parent Entity is treated as a partnership or other pass-through entity for U.S. federal income tax purposes, the amount equal to the product of (A) the Parent Entity's items of taxable income and gain less items of taxable loss and deduction (other than miscellaneous itemized deductions or, for the avoidance of doubt, foreign taxes) and (B) the highest marginal combined U.S. federal, New York State and New York City tax rate applicable to individuals or corporations (whichever is higher) on ordinary income and capital gain (taking into account the deductibility of state and local taxes for federal income tax purposes and any difference in the tax rate resulting from the applicable holding period).

"Release" shall mean any spilling, leaking, seepage, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, disposing, depositing, dispersing, emanating or migrating of any Hazardous Material in, into, onto or through the Environment.

"Replaced Lender" shall have the meaning provided in Section 2.13.

"Replaced Revolving Facility" has the meaning assigned to such term in Section 14.12(d).

"Replacement Lender" shall have the meaning provided in Section 2.13.

"Replacement Revolving Facility" has the meaning assigned to such term in Section 14.12(d).

"Required Lenders" shall mean, at any time, Lenders holding more than 50% of the Revolving Loan Commitments at such time (or, after the termination thereof, Total Utilization of Revolving Commitments at such time); provided that the Revolving Loan Commitments of, and the portion of the Total Utilization of Revolving Commitments held or deemed held by, any Defaulting Lenders shall be excluded for purposes of making a determination of Required Lender.

"Requirements of Law" shall mean, with respect to any Person, any and all requirements of any Governmental Authority applicable to such Person having the force of law, including any and all laws, judgments, orders, decrees, ordinances, rules, regulations, statutes or case law.

"Reserve Change Notice" shall have the meaning given to it in Section 2.17(a).

"Reserves" shall mean the Banking Services Product Reserve, the Dilution Reserve, Inventory Reserves, the Pension Contribution Reserve, the Great Lakes Reserve, the WRAP Plan Reserve, the WEPPA Reserve, the Sales Tax Reserve, the Tariffs Reserve and any other reserves established against the Borrowing Base that the Administrative Agent may, in accordance with Section 2.17 and the other terms of this Agreement, establish from time to time in its Permitted Discretion.

"Response" shall mean all actions required by any Governmental Authority or voluntarily undertaken to (i) investigate, assess, clean up, remove, mitigate, treat, abate, risk assess or in any other way address any Hazardous Material in the Environment or adverse effects thereon, (ii) prevent the Release or threat of Release, or minimize the further Release, of any Hazardous Material, or (iii) perform studies and investigations in connection with, or as a precondition to, or to determine the necessity of the activities described in, clause (i) or (ii) above.

"Restricted Debt Payment" shall have the meaning provided in Section 11.03(3).

"Restricted Investment" shall mean any Investment other than a Permitted Investment.

"Restricted Payment" shall have the meaning provided in Section 11.03(4).

"Restricted Subsidiary" shall mean, at any time, any Canadian Restricted Subsidiary or U.S. Restricted Subsidiary.

"Restructuring Support Agreement" has the meaning assigned to such term in the recitals to this Agreement.

"Revaluation Date" means (a) with respect to any Loan denominated in an Available Currency (other than U.S. Dollars), each of the following: (i) each date of a Borrowing of such Loan, (ii) each date of a continuation of such Loan pursuant to the terms of this Agreement, (iii) the last day of each Fiscal Month and (iv) the date of any voluntary reduction of a Revolving Loan Commitment pursuant to Section 4.02; (b) with respect to any Letter of Credit or Reimbursement Undertaking denominated in an Available Currency (other than U.S. Dollars) each of the following: (i) each date of issuance of such Letter of Credit or Reimbursement Undertaking, (ii) each date of any amendment of such Letter of Credit or Reimbursement Undertaking that would have the effect of increasing the face amount thereof and (iii) the last day of each Fiscal Month; (c) such additional dates as the Administrative Agent or the respective Issuing Lender or Underlying Issuer shall determine, or the Required Lenders shall require, at any time when (i) an Event of Default has occurred and is continuing or (ii) to the extent that, and for so long as, the Total Utilization of Revolving Commitments (for such purpose, using the U.S. Dollar Equivalent in effect for the most recent Revaluation Date) exceeds 75% of Availability; and (d) with respect to the Unutilized Revolving Loan Commitment of a given Lender pursuant to Section 4.01(a), each day of the applicable period such Unutilized Revolving Loan Commitment is in effect.

"Revolving Loan" shall mean all loans at any time made by any Lender pursuant to Section 2 and Section 14.12(d), including all Initial Revolving Loans and any Additional Revolving Loans.

"Revolving Loan Commitment" shall mean, for each Lender, the commitment of such Lender to extend credit hereunder, all Initial Revolving Loan Commitments and any Additional Revolving Loan Commitments, in each case as the same may be (x) reduced from

time to time or terminated pursuant to Sections 4.02, 4.03 and/or 12.01, as applicable, (y) adjusted from time to time as a result of assignments to or from such Lender pursuant to Section 2.13, or 14.04(b) or extended pursuant to Section 2.15 or (z) increased, extended, replaced or refinanced from time to time pursuant to Section 2.14, 2.15 or 14.12(d), as applicable.

"Revolving Loan Maturity Date" shall mean (a) with respect to the Initial Revolving Facility, the Initial Revolving Loan Maturity Date, (b) with respect to any Replacement Revolving Facility, the final maturity date for such Replacement Revolving Facility, as the case may be, as set forth in the applicable Refinancing Amendment, (c) with respect to any Incremental Commitment, the final maturity date set forth in the applicable Incremental Facility Amendment and (d) with respect to any Extended Commitment, the Extended Loan Maturity Date.

"Revolving Note" shall have the meaning provided in Section 2.05(a).

"RL Percentage" of any Lender under any Tranche at any time shall mean a fraction (expressed as a percentage) the numerator of which is the Revolving Loan Commitment of such Lender under such Tranche at such time and the denominator of which is the Total Revolving Loan Commitment at such time, provided that if the RL Percentage of any Lender under any Tranche is to be determined after the Total Revolving Loan Commitment under such Tranche has been terminated, then the RL Percentages of such Lender shall be determined immediately prior (and without giving effect) to such termination.

"Salaried Pension Plan" means the Essar Steel Algoma Inc. Pension Plan for Salaried Employees (Canada Revenue Agency and Financial Services Commission of Ontario Registration No. 1079896).

"Sale and Leaseback Transaction" shall mean any arrangement, directly or indirectly, with any Person whereby it shall sell or transfer any property, real or personal, used or useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such property or other property which it intends to use for substantially the same purpose or purposes as the property being sold or transferred.

"Sales Tax Reserve" shall have the meaning given to it in Section 2.17(c).

"Sanctioned Entity" shall mean (a) a country or territory or a government of a country or territory, (b) an agency of the government of a country or territory, (c) an organization directly or indirectly controlled by a country or territory or its government, or (d) a Person resident in or determined to be resident in a country or territory, in each case of clauses (a) through (d) that is a target of Sanctions, including a target of any country sanctions program administered and enforced by OFAC.

"Sanctioned Person" shall mean, at any time (a) any Person named on the list of Specially Designated Nationals and Blocked Persons maintained by OFAC, OFAC's consolidated Non-SDN list or any other Sanctions-related list maintained by any Governmental

Authority, (b) a Person or legal entity that is a target of Sanctions, , (c) any Person operating, organized or resident in a Sanctioned Entity, or (d) any Person directly or indirectly owned or controlled (individually or in the aggregate) by or acting on behalf of any such Person or Persons described in clauses (a) through (c) above.

"Sanctions" shall mean individually and collectively, respectively, any and all economic sanctions, trade sanctions, financial sanctions, sectoral sanctions, secondary sanctions, trade embargoes, anti-terrorism laws and other sanctions laws, regulations or embargoes, including those imposed, administered or enforced from time to time by: (a) the United States of America, including those administered by OFAC, the U.S. Department of State, the U.S. Department of Commerce, or through any existing or future executive order, (b) the United Nations Security Council, (c) the European Union or any European Union member state (d) Her Majesty's Treasury of the United Kingdom, or (e) any other Governmental Authority with jurisdiction over any Secured Party or any Credit Party or any of their respective Subsidiaries or Affiliates.

"S&P" shall mean Standard & Poor's Ratings Services, a division of McGraw-Hill, Inc.

"SEC" shall have the meaning provided in Section 10.01(g).

"Secured Obligations" shall mean the Obligations.

"Secured Parties" shall mean, collectively, the Administrative Agent, the Collateral Agent, each other Agent, the Lenders, and (x) the ABL Hedge Providers and (y) any other Person (other than Holdings and its Subsidiaries) party to a Treasury Services Agreement, in each case of clause (x) and (y), as designated by the Borrower to the Administrative Agent.

"Securities Account" shall mean a securities account (as that term is defined in the UCC or the PPSA, as applicable).

"Securities Act" shall mean the Securities Act of 1933.

"Securities Collateral" shall have the meaning assigned to such term in the applicable Security Agreement.

"Security Agreements" shall mean the Canadian Security Agreement and/or the U.S. Security Agreement, as applicable, each dated as of the Closing Date, and entered into by each Credit Party.

"Security Agreement Collateral" shall mean all property pledged or granted as collateral pursuant to the Security Agreements delivered (a) subject to the last paragraph of SECTION 6, on the Closing Date or (b) thereafter pursuant to Section 10.12.

"Security Documents" shall mean the Security Agreements, the Mortgages, the U.S. Pledge Agreement, the Canadian Pledge Agreement, the Guaranty and each other security document or pledge agreement delivered in accordance with applicable local or foreign law to

grant a valid, perfected security interest in any property as collateral for the Secured Obligations, and all UCC or PPSA or other financing statements or financing change statements, intellectual property security agreements or instruments of perfection required by this Agreement, the Security Agreements, the U.S. Pledge Agreement, the Canadian Pledge Agreement, any Mortgage or any other such security document or pledge agreement to be filed with respect to the security interests in property and fixtures created pursuant to the Security Agreements, the U.S. Pledge Agreement, the Canadian Pledge Agreement or any Mortgage and any other document or instrument utilized to pledge or grant or purport to pledge or grant a security interest or lien on any property as collateral for the Obligations.

"Sellers" has the meaning assigned to such term in the recitals to this Agreement.

"Settlement" shall have the meaning provided in Section 2.19.

"SIF" shall mean the Strategic Innovation Fund.

"SIF CapEx Facility" shall mean that certain contribution agreement to be dated after the Closing Date among the Borrower, as recipient, the other Credit Parties party thereto from time to time, as guarantors, and Her Majesty the Queen in Right of Canada, as represented by Minister of Industry or by SIF, providing for capital expenditure credit facilities in an initial aggregate principal amount of Can$15,000,000.

"SIF Grant Facility" shall mean that certain grant facility to be provided to the Borrower by Her Majesty the Queen in Right of Canada, as represented by Minister of Industry or by SIF providing for grants to finance capital expenditures in an initial aggregate principal amount of Can$15,000,000.

"Similar Business" shall mean (a) any businesses, services or activities engaged in by the Borrower or any of its Restricted Subsidiaries or any Associates on the Closing Date and (b) any businesses, services and activities engaged in by the Borrower or any of its Restricted Subsidiaries or any Associates that are related, complementary, incidental, ancillary or similar to any of the foregoing or are extensions or developments of any thereof.

"Specified Acquisition Agreement Representations" means the representations and warranties made by the Sellers (as defined in the Acquisition Agreement) or with respect to the Acquired Business in the Acquisition Agreement which are material to the interests of the Lenders, but only to the extent that the Borrower (or its applicable affiliate) has the right to terminate its obligations under the Acquisition Agreement or to decline to consummate the Acquisition as a result of a breach of such representations and warranties.

"Specified Event of Default" means an Event of Default arising under Section 12.01(a), 12.01(b) (solely arising from any material misstatement in a Borrowing Base Certificate that resulted in a material overstatement of the Borrowing Base in such Borrowing Base Certificate), Section 12.01(c)(i) (solely with respect to a breach of Section 11.13 if the Financial Covenant is then in effect and the Cure Expiration Date has occurred), Section 12.01(c)(ii), Section 12.01(c)(iii) or Section 12.01(e).

"Specified Excess Availability" means, at any time, the sum of (a) Excess Availability, plus (b) the amount (if any, and not to be less than zero) by which (i) the Borrowing Base exceeds (ii) the Total Revolving Loan Commitment, in each case, at such time; provided, that the amount attributable to clause (b) of this definition shall not exceed 5.0% of the Total Revolving Loan Commitment.

"Specified Representations" means the representations and warranties set forth in Section 9.01(a)(i) (as it relates to Holdings and the Borrower), Section 9.02 (as it relates to the due authorization, execution, delivery and performance of the Credit Documents and the enforceability thereof), Section 9.03(iii) (limited to the execution, delivery and performance of the Credit Documents, incurrence of the Indebtedness thereunder and the granting of the Guaranty and Liens in respect thereof), Section 9.08(b), Section 9.11 (as it relates to the creation, validity and perfection of the security interests in the Collateral, subject to the last sentence of Section 6), Section 9.15, Section 9.20 and Section 9.22.

"Specified Transaction" shall mean, with respect to any Test Period, (a) the Transactions, (b) any Permitted Acquisition or any other acquisition, whether by purchase, merger, amalgamation or otherwise, of all or substantially all of the assets of, or any business line, unit or division of, any Person or any facility, or of a majority of the outstanding Capital Stock of any Person, in each case that is permitted by this Agreement, (c) any disposition of all or substantially all of the assets or Capital Stock of a Subsidiary (or any business unit, line of business or division of the Borrower or a Restricted Subsidiary) not prohibited by this Agreement, (d) the designation of a Restricted Subsidiary as an Unrestricted Subsidiary or an Unrestricted Subsidiary as a Restricted Subsidiary in accordance with Section 10.21, (e) any incurrence or repayment of Indebtedness (other than revolving Indebtedness), (f) any Cost Saving Initiative and/or (g) any other event that by the terms of the Credit Documents requires pro forma compliance with a test or covenant hereunder or requires such test or covenant to be calculated on a pro forma basis.

"Start Date" means the first Business Day immediately after the last day of the most recently ended Fiscal Quarter (commencing with the first Start Date that occurs after the Fiscal Quarter ending December 31, 2018).

"Stated Amount" of each Letter of Credit or Reimbursement Undertaking shall mean, at any time, the maximum Dollar Amount available to be drawn thereunder, in each case determined (x) as if any future automatic increases in the maximum amount available that are provided for in any such Letter of Credit or Reimbursement Undertaking had in fact occurred at such time and (y) without regard to whether any conditions to drawing could then be met but after giving effect to all previous drawings made thereunder.

"Stated Maturity" shall mean, with respect to any security, the date specified in such security as the fixed date on which the payment of principal of such security is due and payable, including pursuant to any mandatory redemption provision, but shall not include any contingent obligations to repay, redeem or repurchase any such principal prior to the date originally scheduled for the payment thereof.

"Subordinated Indebtedness" shall mean Indebtedness of the Borrower or any Guarantor that is by its terms subordinated in right of payment to the Obligations of the Borrower and such Guarantor, as applicable.

"Subject Acquisition" means any Specified Transaction of the type referred to in clause (b) of the definition thereof.

"Subsidiary" shall mean, as to any Person, (i) any corporation more than 50% of whose stock of any class or classes having by the terms thereof ordinary voting power to elect a majority of the directors of such corporation (irrespective of whether or not at the time stock of any class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time owned by such Person and/or one or more Subsidiaries of such Person and (ii) any partnership, limited liability company, association, joint venture or other entity in which such Person and/or one or more Subsidiaries of such Person has more than a 50% of the voting power of the equity interests at the time. Unless otherwise qualified, all references to a "Subsidiary" or to "Subsidiaries" in this Agreement shall refer to a Subsidiary or Subsidiaries of Holdings.

"Subsidiary Guarantor" shall mean the Borrower and each other Restricted Subsidiary, whether existing on the Closing Date or established, created or acquired after the Closing Date, unless and until such time as the respective Restricted Subsidiary is released from all of its obligations under the Guaranty in accordance with the terms and provisions thereof; provided that (A) subject to immediately succeeding clause (B), no Excluded Subsidiary shall be a Subsidiary Guarantor and (B) notwithstanding anything to the contrary contained in this Agreement, no Restricted Subsidiary shall be excluded as a Subsidiary Guarantor if such Restricted Subsidiary enters into, or is required to enter into, a guarantee of (or is required to become a borrower or other obligor under) the Term Loan Facility, the CapEx Facilities, any Material Indebtedness or any Permitted Refinancing Indebtedness in respect of the foregoing (with respect to a Permitted Refinancing of Material Indebtedness, which Permitted Refinancing also constitutes Material Indebtedness). Notwithstanding the foregoing, the Borrower may from time to time, upon notice to the Administrative Agent, elect to cause any Subsidiary that would otherwise be an Excluded Subsidiary to become a Subsidiary Guarantor hereunder (but shall have no obligation to do so), subject to the satisfaction of the Collateral and Guarantee Requirements or guarantee and collateral requirements otherwise reasonably acceptable to the Borrower and the Administrative Agent (which shall include, in the case of a Foreign Subsidiary, guarantee and collateral requirements customary under local law, including customary local limitations).

"Successor Company" shall have the meaning provided in Section 11.02(a)(1).

"Supermajority Lenders" shall mean those Non-Defaulting Lenders which would constitute the Required Lenders under, and as defined in, this Agreement if the reference to "50%" contained therein were changed to "66⅔%."

"Swap Obligation" shall mean, with respect to any Subsidiary Guarantor, any obligations under any interest rate protection agreement or other Hedging Agreement to pay or

perform under any agreement, contract or transaction that constitutes a "swap" within the meaning of Section 1a(47) of the Commodity Exchange Act.

"Swingline Expiry Date" shall mean that date which is five Business Days prior to the Initial Revolving Loan Maturity Date (unless extended to a later Maturity Date with the prior written consent of the Swingline Lender, in accordance with the terms of this Agreement).

"Swingline Lender" shall mean the Administrative Agent, in its capacity as Swingline Lender hereunder.

"Swingline Loan" shall have the meaning provided in Section 2.01(b).

"Swingline Loan Exposure" shall mean, at any time, the Dollar Amount of all Swingline Loans outstanding at such time. The Swingline Loan Exposure of any Lender at any time shall be its RL Percentage of the aggregate Swingline Loan Exposure at such time.

"Swingline Note" shall have the meaning provided in Section 2.05(a).

"Tariffs Reserve" shall mean, at any time, a Reserve that may be imposed by the Administrative Agent in its Permitted Discretion for any tariffs not paid when due to the Governmental Authority of the United States or in respect of amounts not paid when due to the Borrower's customs agent or broker in respect of tariffs paid on the Borrower's behalf; provided that any such Reserve shall be in an amount not exceeding the amount of such tariffs not paid when due in excess of amounts covered by surety bonds issued on behalf of the Borrower.

"Tax Return" shall mean all returns, statements, filings, attachments and other documents or certifications required to be filed in respect of Taxes.

"Taxes" shall mean all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Term Loan Administrative Agent" shall mean Cortland, in its capacity as the initial administrative agent under the Term Loan Facility Documents, or any successor administrative agent under the Term Loan Facility Documents.

"Term Loan Collateral Agent" means Cortland, in its capacity as the initial collateral agent under the Term Loan Facility Documents, or any successor collateral agent under the Term Loan Facility Documents.

"Term Loan Credit Agreement" shall mean the Term Loan Credit Agreement, dated as of the Closing Date, among Holdings, the Borrower, the other guarantors from time to time party thereto, the lenders from time to time party thereto, Cortland, as administrative agent and collateral agent, and the other agents and arrangers from time to time party thereto.

"Term Loan Facility" means (a) the Term Loan Credit Agreement and (b) one or more other notes, bonds, indentures or credit facilities evidencing Permitted Refinancing

Indebtedness in respect of the credit agreement referenced in clause (a) above or any note, bond, indenture or credit facility in this clause (b); provided that the holders of such Indebtedness under this clause (b) or a representative acting on behalf of the holders of such Indebtedness under this clause (b) shall have become a party to the ABL Intercreditor Agreement.

"Term Loan Facility Documents" means the "Credit Documents" (or any similar term) as defined in the Term Loan Credit Agreement or other Term Loan Facility.

"Term Loan Facility Obligations" shall mean the "Obligations" (or any similar term) as defined in the Term Loan Credit Agreement or any other Term Loan Facility.

"Term Loan Incremental Debt" shall mean any Indebtedness under a Term Loan Facility in respect of "Incremental Commitments" as defined in the Term Loan Credit Agreement (or any equivalent term under any Term Loan Facility) in an amount not to exceed the "Incremental Cap" (as defined in the Term Loan Credit Agreement as of the Closing Date but regardless of whether then in effect on the relevant date of determination).

"Term Loan Priority Collateral" shall mean "Term Loan Priority Collateral" as defined in the ABL Intercreditor Agreement.

"Term Loan Priority Collateral Proceeds Account" has the meaning ascribed to the term "Term Proceeds Account" in the ABL Intercreditor Agreement.

"Term Loan Refinancing Indebtedness" shall mean "Credit Agreement Refinancing Indebtedness" (or any equivalent term) as defined in the Term Loan Credit Agreement or any other Term Loan Facility.

"Term Loans" shall mean the loans from time to time outstanding under any Term Loan Facility.

"Termination Date" shall mean the date that all the Revolving Loan Commitments have expired or terminated and the principal of and interest on each Loan (which, for the avoidance of doubt, includes Swingline Loans) and all fees, expenses and other Obligations payable under any Credit Document (other than indemnities described in Section 14.13 and reimbursement obligations under Section 14.01 which, in either case, are not then due and payable) have been paid in full in cash and all Letters of Credit and Reimbursement Undertakings have expired or have been terminated (or have been (x) collateralized or backstopped by a letter of credit or other arrangements have been made with respect thereto in each case in accordance with Section 3.02(ii) or (y) deemed reissued under another agreement in a manner reasonably satisfactory to the relevant Issuing Lender) and all Unpaid Drawings have been reimbursed.

"Test Period" shall mean each period of four consecutive Fiscal Quarters of the Borrower then last ended, in each case taken as one accounting period.

"Threshold Amount" means $50,000,000.

"Title Company" shall mean any title insurance company as shall be retained by the Borrower and reasonably acceptable to the Administrative Agent. It is understood and agreed that each of FCT Insurance Company Ltd., First Canadian Title Company Limited and First American Title Insurance Company are reasonably acceptable to the Administrative Agent.

"Total Initial Revolving Loan Commitment" shall mean, at any time, the sum of the Initial Revolving Loan Commitments of each of the Initial Lenders at such time. The Total Initial Revolving Loan Commitment as of the Closing Date is $250,000,000.00.

"Total Revolving Loan Commitment" shall mean, at any time, the sum of the Revolving Loan Commitments of each of the Lenders at such time; provided that, with respect to any Tranche of Revolving Loan Commitments at any time, the Total Revolving Loan Commitment with respect to such Tranche shall be the aggregate amount of the Revolving Loan Commitments of such Tranche at such time. The Total Revolving Loan Commitment as of the Closing Date is $250,000,000.00.

"Total Unutilized Revolving Loan Commitment" shall mean, at any time, an amount equal to the remainder of (x) the Total Revolving Loan Commitment in effect at such time less (y) the sum of (i) the Dollar Amount of all Revolving Loans and Swingline Loans outstanding at such time plus (ii) the aggregate amount of all Letter of Credit Outstandings at such time; provided that, with respect to any Tranche of Revolving Loan Commitments at any time, the Total Unutilized Revolving Loan Commitment with respect to such Tranche shall be an amount equal to the remainder of (x) the Total Revolving Loan Commitment of such Tranche in effect at such time less (y) the sum of (i) the Dollar Amount of all Revolving Loans and Swingline Loans of such Tranche outstanding at such time plus (ii) the aggregate amount of all Letter of Credit Outstandings of such Tranche at such time.

"Total Utilization of Revolving Commitments" means, as of any date of determination, the sum of (i) the Dollar Amount of all outstanding Revolving Loans, (ii) the Dollar Amount of all outstanding Swingline Loans, and (iii) Letter of Credit Outstandings; provided that, with respect to any Tranche of Revolving Loan Commitments at any time, the Total Utilization of Revolving Commitments with respect to such Tranche shall be the sum of (i) the Dollar Amount of all outstanding Revolving Loans of such Tranche at such time, (ii) the Dollar Amount of all outstanding Swingline Loans of such Tranche at such time and (iii) Letter of Credit Outstandings of such Tranche at such time.

"Trade Letter of Credit" shall mean any letter of credit issued for the purpose of providing the primary payment mechanism in connection with the purchase of any materials, goods or services by the Borrower or any of its Restricted Subsidiaries in the ordinary course of business of such Person.

"Tranche" shall mean, when used in reference to (a) any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are Initial Revolving Loans or Additional Revolving Loans of any series established as a separate "class" or "tranche" pursuant to Sections 2.14, 2.15 or 14.12(d), Swingline Loans or a Mandatory Borrowing, (b) any Revolving Loan Commitment, refers to whether such Revolving Loan Commitment is an Initial

Revolving Loan Commitment, an Additional Revolving Loan Commitment of any series established as a separate "class" or "tranche" pursuant to Sections 2.14, 2.15 or 14.12(d) or a commitment to make Swingline Loans, (c) any Lender, refers to whether such Lender has a Revolving Loan or Revolving Loan Commitment of a particular Tranche and (d) any Individual RL Exposure, refers to whether such Individual RL Exposure is attributable to a Revolving Loan Commitment of a particular Tranche (or Revolving Loans incurred or Letters of Credit issued under a Revolving Loan Commitment of a particular Tranche); provided that for purposes of Sections 2.13, 14.04(b), 14.12(a), 14.12(b) and the definition of "Required Lenders" and "Supermajority Lenders", Revolving Loans and Swingline Loans shall be deemed to constitute part of a single "Tranche".

"Transaction Expenses" shall mean any fees, premiums, expenses and other transaction costs (including original issue discount or upfront fees) payable or otherwise borne by any Parent Entity and/or its Subsidiaries in connection with the Transactions (including the formation and capitalization of any such Parent Entity for purposes of undertaking the Transactions).

"Transactions" shall mean, collectively, (i) the consummation of the Refinancing, (ii) the execution, delivery and performance by each Credit Party of the Credit Documents to which it is a party, the occurrence of Credit Events hereunder on the Closing Date (if any) and the use of proceeds thereof, (iii) the consummation of the Acquisition and the other transactions contemplated by the Acquisition Agreement, (iv) the execution, delivery and performance by each Credit Party of the Term Loan Facility Documents and the CapEx Facilities Documents and incurrence or issuance of Indebtedness thereunder and the use of the proceeds thereof, (v) the consummation of the New PortLP Transactions and (vi) the payment of all Transaction Expenses.

"Transferred Guarantor" shall have the meaning assigned to such term in Section 15.09.

"Treasury Services Agreement" shall mean any agreement relating to treasury, credit card payment, depositary and cash management services or automated clearinghouse transfer of funds.

"Type" shall mean the type of Loan determined with regard to the interest option applicable thereto, i.e., whether a Base Rate Loan, a LIBOR Loan a Canadian Prime Rate Loan or a Canadian CDOR Rate Loan.

"UCC" shall mean the Uniform Commercial Code as from time to time in effect in the relevant jurisdiction.

"Underlying Issuer" means the Toronto-Dominion Bank or one of its Affiliates or such other Person that is acceptable to the Administrative Agent.

"Unfunded Advances/Participations" means (a) with respect to the Administrative Agent, the aggregate amount, if any, (i) made available to the Borrower on the assumption that

each Lender has made available to the Administrative Agent such Lender's share of the applicable Borrowing available to the Administrative Agent as contemplated by Section 2.04 and (ii) with respect to which a corresponding amount shall not in fact have been returned to the Administrative Agent by the Borrower or made available to the Administrative Agent by any such Lender, (b) with respect to the Swingline Lender, the aggregate amount, if any, of outstanding Swingline Loans in respect of which any Lender fails to make available to the Administrative Agent for the account of the Swingline Lender any amount required to be paid by such Lender pursuant to Section 2.01(c) and (c) with respect to any Issuing Lender, the aggregate amount, if any, of amounts drawn under Letters of Credit in respect of which a Lender shall have failed to make Loans to reimburse such Issuing Lender pursuant to Section 3.05.

"United States" and "U.S." shall each mean the United States of America.

"Unpaid Drawing" shall have the meaning provided in Section 3.05(a).

"Unrestricted Cash Amount" shall mean, at any time, the aggregate amount of unrestricted cash and Cash Equivalents of the Borrower and the Restricted Subsidiaries that is free and clear of all Liens other than any nonconsensual Lien that is permitted under the Credit Documents and Liens of the Collateral Agent. For the avoidance of doubt, this definition of "Unrestricted Cash" shall not include any cash or Cash Equivalents used to cash collateralize Letter of Credit Outstandings.

"Unrestricted Subsidiary" shall mean:

(1) as of the Closing Date, each of New PortLP and New PortGP;

(2) after the Closing Date, any Subsidiary (other than the Borrower or any Parent Entity) that at the time of determination is an Unrestricted Subsidiary (as designated in accordance with Section 10.21); and

(3) any Subsidiary of an Unrestricted Subsidiary.

The Borrower may designate any Subsidiary (other than the Borrower or any Parent Entity, but including any newly acquired or newly formed Subsidiary or a Person becoming a Subsidiary through merger, amalgamation, consolidation or other business combination transaction, or Investment therein) to be an Unrestricted Subsidiary only if:

(A) such Subsidiary or any of its Subsidiaries does not own any Capital Stock or Indebtedness of, or own or hold any Lien on any property of, the Borrower or any other Subsidiary of the Borrower which is not a Subsidiary of the Subsidiary to be so designated or otherwise an Unrestricted Subsidiary; and

(B) such designation and the Investment of the Borrower in such Subsidiary complies with Section 10.21 and Section 11.03.

"Unutilized Revolving Loan Commitment" shall mean, with respect to any Lender under any Tranche at any time, such Lender's Revolving Loan Commitment under such

Tranche at such time less the sum of (i) the Dollar Amount of all Revolving Loans made by such Lender under such Tranche at such time and (ii) such Lender's RL Percentage of the Letter of Credit Outstandings under such Tranche at such time.

"U.S. Credit Party" shall mean each Subsidiary Guarantor that is a U.S. Restricted Subsidiary of Holdings.

"U.S. Dollar Denominated Loans" shall mean each U.S. Dollar Denominated Revolving Loan and each U.S. Dollar Denominated Swingline Loan.

"U.S. Dollar Denominated Revolving Loans" shall mean each Revolving Loan denominated in U.S. Dollars at the time of the incurrence thereof.

"U.S. Dollar Denominated Swingline Loans" shall mean each Swingline Loan denominated in U.S. Dollars at the time of the incurrence thereof.

"U.S. Dollar Equivalent" shall mean, at any time, (a) with respect to any amount denominated in U.S. Dollars, such amount and (b) with respect to any amount denominated in a currency other than U.S. Dollars, the amount of U.S. Dollars which could be purchased with the amount of such currency involved in such computation at the spot exchange rate therefor as quoted by the Administrative Agent as of 11:00 A.M. (New York time) on the date two Business Days prior to the date of any determination thereof, for purchase on such date.

"U.S. Dollars" and the sign "$" shall each mean freely transferable lawful money of the United States.

"U.S. Pledge Agreement" shall mean the U.S. Pledge Agreement, dated as of the date hereof, entered into by any Credit Party, in the form of Exhibit F-2.

"U.S. Restricted Subsidiary" shall mean, at any time, any direct or indirect U.S. Subsidiary of Holdings that is not then an Unrestricted Subsidiary; provided that upon the occurrence of an Unrestricted Subsidiary ceasing to be an Unrestricted Subsidiary, each U.S. Subsidiary shall be included in the definition of "U.S. Restricted Subsidiary."

"U.S. Security Agreement" shall mean the U.S. Security Agreement, dated as of the Closing Date, entered into by each U.S. Credit Party, in the form of Exhibit F-1.

"U.S. Subsidiary" of any Person shall mean any Subsidiary of such Person incorporated or organized in the United States or any State thereof or the District of Columbia.

"Value" shall mean, as determined by the Administrative Agent in good faith, with respect to Eligible Inventory, the lower of (i) the average cost thereof in accordance with IFRS and (ii) Fair Market Value thereof.

"Voting Stock" of a Person shall mean all classes of Capital Stock of such Person then outstanding and normally entitled to vote in the election of directors.

"Weighted Average Life to Maturity" shall mean, when applied to any Indebtedness at any date, the number of years (and/or portion thereof) obtained by dividing: (a) the sum of the products obtained by multiplying (i) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect thereof, by (ii) the number of years (calculated to the nearest one twelfth) that will elapse between such date and the making of such payment; by (b) the then outstanding principal amount of such Indebtedness.

"Wells Fargo" shall mean Wells Fargo Capital Finance Corporation Canada and its successors.

"WEPPA Reserve" has the meaning given to it in Section 2.17(c).

"Wholly-Owned Subsidiary" shall mean, as to any Person, (i) any corporation 100% of whose capital stock is at the time owned by such Person and/or one or more Wholly-Owned Subsidiaries of such Person and (ii) any partnership, limited liability company, association, joint venture or other entity in which such Person and/or one or more Wholly-Owned Subsidiaries of such Person has a 100% equity interest at such time (other than, in the case of a Foreign Subsidiary of the Borrower with respect to the preceding clauses (i) and (ii), director's qualifying shares and/or other nominal amount of shares required to be held by Persons other than the Borrower and its Subsidiaries under Applicable Law).

"Withholding Agent" shall mean the Credit Parties and the Administrative Agent.

"WRAP Pension Plan" shall mean the Essar Steel Algoma Inc. Wrap Pension Plan (Canada Revenue Agency and Financial Services Commission of Ontario Registration No. 1079888).

"WRAP Pension Plan Order" shall mean the Order (Re: Wrap Plan) issued by the CCAA Court in the CCAA Proceedings on November 8, 2018.

"WRAP Plan Reserve" shall mean a Reserve that, subject to Section 2.17(b), may be imposed by the Administrative Agent in its Permitted Discretion in respect of the WRAP Pension Plan in an aggregate amount not to exceed the WRAP Plan Reserve Amount.

"WRAP Plan Reserve Amount" shall mean, at any time, the amounts payable by the Credit Parties in respect of the WRAP Pension Plan, if they receive notice of any adverse variation to the WRAP Pension Plan Order, whether by a motion/application to vary or by a notice of appeal or application for leave pending appeal, provided that (i) the Pension Regulatory Relief is not yet in effect with respect to the WRAP Pension Plan; and (ii) the Borrower has become the "employer" (as such term is defined and used in the PBA) of the WRAP Pension Plan.

"Write-Down and Conversion Powers" means, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority

from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

1.02. Other Definitional Provisions. (a) Unless otherwise specified therein, all terms defined in this Agreement shall have the defined meanings when used in the other Credit Documents or any certificate or other document made or delivered pursuant hereto or thereto.

(b) As used herein and in the other Credit Documents, and any certificate or other document made or delivered pursuant hereto or thereto, (i) accounting terms not defined in Section 1.01 shall have the respective meanings given to them under IFRS, (ii) the words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation", (iii) the word "incur" shall be construed to mean incur, create, issue, assume, become liable in respect of or suffer to exist (and the words "incurred" and "incurrence" shall have correlative meanings), (iv) unless the context otherwise requires, the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, Equity Interests, securities, revenues, accounts, leasehold interests and contract rights, (v) the word "will" shall be construed to have the same meaning and effect as the word "shall", and (vi) unless the context otherwise requires, any reference herein (A) to any Person shall be construed to include such Person 's successors and assigns and (B) to Holdings, the Borrower or any other Credit Party shall be construed to include Holdings, the Borrower or such Credit Party as debtor and debtor-in-possession and any receiver or trustee for Holdings, the Borrower or any other Credit Party, as the case may be, in any insolvency or liquidation proceeding.

(c) The words "hereof", "herein" and "hereunder" and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section, Schedule and Exhibit references are to this Agreement unless otherwise specified.

(d) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

(e) Unless otherwise expressly provided herein, (i) all references to documents, instruments and other agreements (including the Credit Documents) and all other contractual instruments shall be deemed to include all subsequent amendments, restatements, amendments and restatements, extensions, supplements, modifications, refinancings, renewals, replacements and restructurings thereto, but only to the extent that such amendments, restatements, amendments and restatements, extensions, supplements, modifications, refinancings, renewals, replacements and restructurings are permitted by the Credit Documents; and (ii) references to any law (including by succession of comparable successor laws) shall include all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting such law.

1.03. Exchange Rate. The Administrative Agent shall determine the U.S. Dollar Equivalent as of each Revaluation Date to be used in calculating the Dollar Amount of Revolving Loans, Swingline Loans and Letter of Credit Outstandings denominated in an Available Currency (other than U.S. Dollars). Such U.S. Dollar Equivalent shall become effective as of such Revaluation Date and shall be the U.S. Dollar Equivalent employed in converting any amounts between an Available Currency (other than U.S. Dollars) and U.S. Dollars until the next Revaluation Date to occur.

1.04. Currency Equivalents Generally. (a) Any amount specified in this Agreement (other than in Section 2, 8 and 14 or as set forth in paragraph (b) of this Section 1.04) or any of the other Credit Documents to be in U.S. Dollars shall also include the equivalent of such amount in any currency other than U.S. Dollars such equivalent amount to be determined at the rate of exchange quoted by the Bank of Canada for the Available Currency at 11:00 a.m. (London time) on such day (or, in the event that Bank of Canada does not have a quote for such rate, by reference to such other publicly available service for displaying exchange rates as may be agreed upon by the Administrative Agent and the Borrower, or, in the absence of such agreement, such rate shall instead be the arithmetic average of the spot rates of exchange of the Administrative Agent in the market where its foreign currency exchange operations in respect of such currency are then being conducted, at or about 10:00 a.m. (New York City time) on such date for the purchase of U.S. Dollars for delivery two Business Days later); provided that for the purposes of determining compliance with Section 11 with respect to any amount in respect of Liens, Indebtedness, Permitted Investments, Permitted Payments or an Asset Disposition expressed in a currency other than U.S. Dollars, if any basket amount expressed in U.S. Dollars is exceeded solely as a result of fluctuations in applicable currency exchange rates after the last time such basket was utilized, such basket amount will not be deemed to have been exceeded solely as a result of such fluctuations in currency exchange rates, it being understood that the foregoing provisions of this Section 1.04 shall otherwise apply to Section 11 with respect to determining whether any Lien, Indebtedness, Permitted Investment, Permitted Payment or an Asset Disposition may be granted, incurred or made, respectively, at any time thereunder.

(b) Currency Translation. For purposes of determining compliance as of any date with Section 11, amounts incurred or outstanding in currencies (other than U.S. Dollars) shall be translated into U.S. Dollars at the exchange rates in effect on the first Business Day of the Fiscal Quarter of the Borrower in which such determination occurs or in respect of which such determination is being made, as such exchange rates shall be determined in good faith by the Borrower based on commonly used financial reporting sources; provided, that for purposes of determining the Fixed Charge Coverage Ratio, the the Consolidated Total Leverage Ratio or amounts incurred or outstanding in currencies (other than U.S. Dollars) shall be translated in accordance with IFRS. No Default or Event of Default shall arise as a result of any limitation or threshold set forth in U.S. Dollars in Section 11, Section 12.01(d) or Section 12.01(h) being exceeded solely as a result of changes in currency exchange rates from those applicable on the first day of the Fiscal Quarter of the Borrower in which such determination occurs or in respect of which such determination is made (it being understood that such changes shall nonetheless be

taken into account in determining the remaining availability (if any) under any such limitation or threshold).

1.05. Pro Forma Calculations. (a) Notwithstanding anything to the contrary herein, financial ratios and tests, including the Consolidated Total Leverage Ratio and the Fixed Charge Coverage Ratio shall be calculated in the manner prescribed by this Section 1.05; provided that notwithstanding anything to the contrary in Section 1.05(b) or (d), when calculating Fixed Charge Coverage Ratio for purposes of determining compliance with Section 11.14 (other than for the purpose of determining pro forma compliance with Section 11.14 as a condition to taking any action under this Agreement), the events described in the definition of "Pro Forma Basis" that occurred subsequent to the end of the applicable Test Period shall not be given pro forma effect.

(b) Notwithstanding anything to the contrary herein, but subject to Sections 1.06, 1.07(b) and (d), for purposes of calculating any financial ratio or test, Specified Transactions (with any incurrence or repayment of any Indebtedness in connection therewith to be subject to Section 1.07(c)) that have been made (i) during the applicable Test Period and (ii) if applicable as described in Section 1.05(a), subsequent to such Test Period and prior to or simultaneously with the event for which the calculation of any such ratio is made shall be calculated on a *pro forma* basis assuming that all such Specified Transactions (and any increase or decrease in Consolidated EBITDA and the component financial definitions used therein attributable to any Specified Transaction) had occurred on the first day (or, in case of the determination of Consolidated Total Assets, the last day) of the applicable Test Period. If since the beginning of any applicable Test Period any Person that subsequently became a Restricted Subsidiary or was merged, amalgamated or consolidated with or into the Borrower or any of its Restricted Subsidiaries since the beginning of such Test Period shall have made any Specified Transaction that would have required adjustment pursuant to this Section 1.05, then such financial ratio or test (or Consolidated Total Assets) shall be calculated to give pro forma effect thereto in accordance with this Section 1.05.

(c) [Reserved].

(d) In the event that the Borrower or any Restricted Subsidiary incurs (including by assumption or guarantees) or repays (including by redemption, repayment, retirement or extinguishment) any Indebtedness or issues or redeems Disqualified Stock or Preferred Stock included in the calculations of any financial ratio or test (in each case, other than Indebtedness incurred or repaid under any revolving credit facility unless such Indebtedness has been permanently repaid and accompanied by a permanent commitment reduction), (i) during the applicable Test Period or (ii) subject to Section 1.05(a) subsequent to the end of the applicable Test Period and prior to or simultaneously with the event for which the calculation of any such ratio is made, then such financial ratio or test shall be calculated giving pro forma effect to such incurrence or repayment of Indebtedness, or such issuance or redemption of Disqualified Stock or Preferred Stock, to the extent required, as if the same had occurred (x) in the case of any leverage-based ratio, on the last day of the applicable Test Period and (y) in the case of any cash interest

coverage ratio or fixed charge coverage ratio, on the first day of the applicable Test Period.

(e) Subject to Section 1.07(e) and (f), the interest on any Indebtedness and dividends or distributions on any Disqualified Stock or Preferred Stock, in each case, assumed to be outstanding pursuant to preceding clause (d) shall be calculated as if such Indebtedness, Disqualified Stock or Preferred Stock had borne interest or accrued dividends or disbursements at (x) the rate applicable thereto, in the case of fixed rate Indebtedness, Disqualified Stock or Preferred Stock or (y) the rates which would have been applicable thereto during the respective period when same was deemed outstanding, in the case of floating rate Indebtedness (although interest expense with respect to any Indebtedness for periods while same was actually outstanding during the respective period shall be calculated using the actual rates applicable thereto while same was actually outstanding); provided that all Indebtedness (whether actually outstanding or deemed outstanding) bearing interest at a floating rate of interest shall be tested on the basis of the rates applicable at the time the determination is made pursuant to said provisions. Interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by a responsible financial or accounting officer of the Borrower to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with IFRS. For purposes of making the computation referred to above, interest on any Indebtedness under a revolving credit facility computed with a pro forma basis shall be computed based upon the average daily balance of such Indebtedness during the applicable period except as set forth in Section 1.05(a). Interest on Indebtedness that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rate, shall be determined to have been based upon the rate actually chosen, or if none, then based upon such optional rate chosen as the Borrower may designate.

1.06. Limited Condition Transactions. Notwithstanding anything to the contrary herein (including in connection with any calculation made on a Pro Forma Basis), if the terms of this Agreement require (i) compliance with any financial ratio or financial test (including any Fixed Charge Coverage Ratio test and/or any Consolidated Total Leverage Ratio test, but excluding any determination of Excess Availability for purposes of Payment Conditions on borrowing Availability) and/or any cap expressed as a percentage of Consolidated Total Assets, (ii) accuracy of any representation or warranty and/or the absence of a Default or Event of Default (or any type of default or event of default) or (iii) compliance with any basket, as a condition to (A) the consummation of any transaction (including in connection with any acquisition or similar Investment or the assumption or incurrence of Indebtedness) and/or (B) the making of any Restricted Payment (including any Restricted Debt Payment), the determination of whether the relevant condition is satisfied may be made, at the election of the Borrower, (1) in the case of any acquisition or similar Investment or any disposition and any transaction related thereto, at the time of (or on the basis of the financial statements for the most recently ended Test Period at the time of) either (x) the execution of the definitive agreement with respect to such acquisition, Investment or disposition (or, solely in connection with an acquisition to which the United Kingdom City Code on Takeovers and Mergers applies, the date on which a "Rule 2.7

Announcement" of a firm intention to make an offer) or (y) the consummation of such acquisition, Investment, disposition or related transaction, (2) in the case of any Dividend, at the time of (or on the basis of the financial statements for the most recently ended Test Period at the time of) (x) the declaration of such Dividend or (y) the making of such Dividend and (3) in the case of any Restricted Debt Payment, at the time of (or on the basis of the financial statements for the most recently ended Test Period at the time of) (x) delivery of notice with respect to such Restricted Debt Payment or (y) the making of such Restricted Debt Payment, in each case, after giving effect to the relevant acquisition or similar Investment, disposition, Restricted Payment and/or Restricted Debt Payment or other transaction on a Pro Forma Basis (including, in each case, giving effect to the relevant transaction, any relevant Indebtedness (including the intended use of proceeds thereof) and, at the election of the Borrower, giving pro forma effect to other prospective "limited conditionality" acquisitions or similar Investments for which definitive agreements have been executed, and no Default or Event of Default shall be deemed to have occurred solely as a result of an adverse change in such financial ratio or test occurring after the time such election is made (but any subsequent improvement in the applicable financial ratio or test may be utilized by the Borrower or any Restricted Subsidiary). For the avoidance of doubt, if the Borrower shall have elected the option set forth in clause (x) of any of the preceding clauses (1), (2) or (3) in respect of any transaction, then the Borrower shall be permitted to consummate such transaction even if any applicable test or condition shall cease to be satisfied subsequent to the Borrower's election of such option. The provisions of this Section 1.06 shall also apply in respect of the incurrence of any Additional Incremental Tranche.

1.07. Accounting Terms; IFRS; Other Interpretative Provisions, etc.. (a) All financial statements to be delivered pursuant to this Agreement shall be prepared in accordance with IFRS as in effect from time to time and, except as otherwise expressly provided herein, all terms of an accounting or financial nature that are used in calculating the Fixed Charge Coverage Ratio, the Consolidated Total Leverage Ratio, Consolidated EBITDA, Consolidated Net Income or Consolidated Total Assets shall be construed and interpreted in accordance with IFRS, as in effect from time to time; provided that (A) if any change to IFRS or in the application thereof (including the conversion to U.S. GAAP as described below) is implemented after the date of delivery of the financial statements described in Section 9.05(a) and/or there is any change in the functional currency reflected in the financial statements or (B) if the Borrower elects or is required to report under U.S. GAAP, the Borrower or the Required Lenders may request to amend the relevant affected provisions hereof (whether or not the request for such amendment is delivered before or after the relevant change or election) to eliminate the effect of such change or election, as the case may be, on the operation of such provisions and (x) the Borrower and the Administrative Agent shall negotiate in good faith to enter into an amendment of the relevant affected provisions (it being understood that no amendment or similar fee shall be payable to the Administrative Agent or any Lender in connection therewith) to preserve the original intent thereof in light of the applicable change or election, as the case may be and (y) the relevant affected provisions shall be interpreted on the basis of IFRS and the currency, in each case, as in effect and applied immediately prior to the applicable change or election, as the case may be, until the request for amendment has been withdrawn by the Borrower or the Required Lenders, as applicable, or this Agreement has been amended as

contemplated hereby. Any consent required from the Administrative Agent with respect to the foregoing shall not be unreasonably withheld, conditioned or delayed.

(b) Notwithstanding anything to the contrary contained in paragraph (a) above or in the definition of "Capitalized Lease Obligations", unless the Borrower elects otherwise, all obligations of any Person that are or would have been treated as operating leases for purposes of IFRS in effect as of January 1, 2018 shall continue to be accounted for as operating leases for purposes of all financial definitions, calculations and deliverables under this Agreement or any other Credit Document (whether or not such operating lease obligations were in effect on such date) notwithstanding the fact that such obligations are required (on a prospective or retroactive basis or otherwise) to be treated as capital lease obligations or otherwise accounted for as liabilities in financial statements.

(c) For purposes of determining the permissibility of any action, change, transaction or event that by the terms of the Credit Documents requires a calculation of any financial ratio or financial test (including the Fixed Charge Coverage Ratio, the Consolidated Total Leverage Ratio, Consolidated EBITDA, Consolidated Net Income or Consolidated Total Assets), subject to Section 1.06, such financial ratio or test shall be calculated at the time such action is taken, such change is made, such transaction is consummated or such event occurs, as the case may be, and no Default or Event of Default shall be deemed to have occurred solely as a result of a change in such financial ratio or financial test occurring after the time such action is taken, such change is made, such transaction is consummated or such event occurs, as the case may be.

(d) Notwithstanding anything to the contrary herein, unless the Borrower otherwise notifies the Administrative Agent, with respect to any amount incurred hereunder, under any Term Loan Facility, under any Additional Revolving Facility or under any other permitted revolving facility or any amounts incurred or transactions entered into (or consummated) in reliance on a provision of this Agreement that does not require compliance with a financial ratio or financial test (including any Fixed Charge Coverage Ratio test and/or any Consolidated Total Leverage Ratio test) (any such amounts, the "Fixed Amounts") substantially concurrently with any amounts incurred or transactions entered into (or consummated) in reliance on a provision of this Agreement that requires compliance with a financial ratio or financial test (including any Fixed Charge Coverage Ratio test and/or any Consolidated Total Leverage Ratio test) (any such amounts, the "Incurrence-Based Amounts"), it is understood and agreed that (1) the incurrence of the Incurrence-Based Amount shall be calculated first without giving effect to any Fixed Amount but giving full pro forma effect to the use of proceeds of such Fixed Amount and the related transactions and (2) the incurrence of the Fixed Amount shall be calculated thereafter. Unless the Borrower elects otherwise, the Borrower shall be deemed to have used amounts under an Incurrence-Based Amount then available to the Borrower prior to utilization of any amount under a Fixed Amount then available to the Borrower.

(e) The principal amount of any non-interest bearing Indebtedness or other discount security constituting Indebtedness at any date shall be the principal amount

thereof that would be shown on a balance sheet of the Borrower dated such date prepared in accordance with IFRS.

(f) The increase in any amount secured by any Lien by virtue of the accrual of interest, the accretion of accreted value, the payment of interest or a dividend in the form of additional Indebtedness, amortization of original issue discount and/or any increase in the amount of Indebtedness outstanding solely as a result of any fluctuation in the exchange rate of any applicable currency will be deemed not to be the granting of a Lien for purposes of Section 11.01.

(g) For purposes of determining compliance with Sections 11.01 and 11.04, if any Indebtedness or Lien is Incurred in reliance on a basket measured by reference to a percentage of Consolidated Total Assets, and any refinancing or replacement thereof would cause the percentage of Consolidated Total Assets to be exceeded if calculated based on the Consolidated Total Assets on the date of such refinancing or replacement, such percentage of Consolidated Total Assets will be deemed not to be exceeded so long as the principal amount of such refinancing or replacement Indebtedness or other obligation does not exceed an amount sufficient to repay the principal amount of such Indebtedness or other obligation being refinanced or replaced, except by an amount equal to (x) unpaid accrued interest, penalties and premiums (including tender, prepayment or repayment premiums) thereon plus underwriting discounts and other customary fees, commissions and expenses (including upfront fees, original issue discount or initial yield payment) incurred in connection with such refinancing or replacement, (y) any existing commitments unutilized thereunder and (z) additional amounts permitted to be incurred under Section 11.04 (which additional amounts shall be deemed incurred under and a utilization of such other provision of Section 11.04 pursuant to which they are permitted to be incurred).

(h) Any financial ratios required to be maintained by the Borrower pursuant to this Agreement (or required to be satisfied in order for a specific action to be permitted under this Agreement) shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-up if there is no nearest number).

1.08. Effectuation of Transactions. Each of the representations and warranties contained in this Agreement (and all corresponding definitions) is made after giving effect to the Transactions, unless the context otherwise requires.

1.09. Timing of Payment and Performance. When payment of any obligation or the performance of any covenant, duty or obligation is stated to be due or required on a day which is not a Business Day, the date of such payment (other than as described in the definition of "Interest Period") or performance shall extend to the immediately succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension

1.10. Divisions. For all purposes under the Credit Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized on the first date of its existence by the holders of its Equity Interests at such time.

1.11. Permitted Liens. Notwithstanding anything to the contrary contained herein (including any provision for, reference to, or acknowledgement of, any Lien or Permitted Lien), nothing herein shall be construed as or deemed to constitute a subordination of any Lien held by the Administrative Agent or the Collateral Agent or any Secured Party or of any Security Document granted in favour of the Administrative Agent, the Collateral Agent or any Secured Party in favour of any other Lien or Permitted Lien of any third party or any holder of any such Lien or Permitted Lien, except where expressly agreed in writing between the Collateral Agent and the holder of such third party Lien, including without limitation, an Acceptable Intercreditor Agreement.

SECTION 2. Amount and Terms of Credit.

2.01. Revolving Loan Commitments. (a) Subject to and upon the terms and conditions set forth herein, each Initial Lender severally, and not jointly, agrees to make, at any time and from time to time on or after the Closing Date and prior to the Initial Revolving Loan Maturity Date, a Revolving Loan or Revolving Loans (each, an "Initial Revolving Loan" and, collectively, the "Initial Revolving Loans") to the Borrower. After the Closing Date, subject to and upon the terms and conditions set forth herein and in any applicable Refinancing Amendment, Extension Amendment or Incremental Facility Amendment, as applicable, each Appropriate Lender with an Additional Revolving Loan Commitment of a given Tranche, severally and not jointly, agrees to make Additional Revolving Loans of such Tranche to the Borrower, which Revolving Loans shall not exceed for any such Appropriate Lender at the time of any incurrence thereof the Additional Revolving Loan Commitment of such Tranche of such Appropriate Lender as set forth in the applicable Refinancing Amendment, Extension Amendment or Incremental Facility Amendment, as applicable. Revolving Loans of any Tranche (i) shall be denominated in an Available Currency, (ii) shall, at the option of the Borrower, be incurred and maintained as, and/or converted into, one or more Borrowings of (x) Base Rate Loans, Canadian Prime Rate Loans, LIBOR Loans or Canadian CDOR Rate Loans, provided that, except as otherwise specifically provided in Section 2.10, all Revolving Loans comprising the same Borrowing shall at all times be of the same Type, (iii) may be repaid and reborrowed in accordance with the provisions hereof, (iv) shall not exceed for any such Lender at any time outstanding that Dollar Amount which, when added to the product of (x) such Lender's RL Percentage under such Tranche and (y) the sum of (I) the Dollar Amount of the Revolving Loans of such Lender under such Tranche plus all Letter of Credit Outstandings under such Tranche (exclusive of Unpaid Drawings under such Tranche which are repaid with the proceeds of, and simultaneously with the incurrence of, the respective incurrence of Revolving Loans

under such Tranche) at such time and (II) the Dollar Amount of all Swingline Loans under such Tranche (exclusive of Swingline Loans which are repaid with the proceeds of, and simultaneously with the incurrence of, the respective incurrence of Revolving Loans) then outstanding, equals the Revolving Loan Commitment of such Lender under such Tranche at such time, (v) shall not be made (and shall not be required to be made) by any Lender in any instance where after giving effect to the making of such Revolving Loans, the Total Utilization of Revolving Commitments under all Tranches would exceed Availability, and (vi) shall not be made (and shall not be required to be made) by any Lender in any instance where after giving effect to the making of such Revolving Loans, the Total Utilization of Revolving Commitments under such Tranche would exceed the Total Revolving Loan Commitment with respect to such Tranche.

(b) Subject to and upon the terms and conditions set forth herein, the Swingline Lender agrees to make, at any time and from time to time on or after the Closing Date and prior to the Swingline Expiry Date, a revolving loan or revolving loans (each, a "Swingline Loan" and, collectively, the "Swingline Loans") to the Borrower, which Swingline Loans (i) shall be incurred and maintained as Base Rate Loans or Canadian Prime Rate Loans, as applicable, (ii) shall be denominated in an Available Currency, (iii) may be repaid and reborrowed in accordance with the provisions hereof, (iv) when combined with the Dollar Amount of all Revolving Loans and all Swingline Loans then outstanding and all Letter of Credit Outstandings at such time, shall not exceed the Availability at such time and (v) when combined with the Dollar Amount of all Swingline Loans then outstanding, shall not exceed the Maximum Swingline Amount. Notwithstanding anything to the contrary contained in this Section 2.01(b), the Swingline Lender shall not make any Swingline Loan after it has received written notice from the Borrower, any other Credit Party or the Required Lenders stating that a Default or an Event of Default exists and is continuing until such time as the Swingline Lender shall have received written notice (A) of rescission of all such notices from the party or parties originally delivering such notice or notices or (B) of the waiver of such Default or Event of Default by the Required Lenders.

(c) On any Business Day, the Swingline Lender may, in its sole discretion, give notice to the Lenders that the Swingline Lender's outstanding Swingline Loans shall be funded with one or more Borrowings of Revolving Loans (provided that such notice shall be deemed to have been automatically given upon the occurrence of a Default or an Event of Default under Section 12.01(e) or upon the exercise of any of the remedies provided in the last paragraph of Section 12), in which case one or more Borrowings of Revolving Loans constituting (x) in the case of U.S. Dollar Denominated Swingline Loans, Base Rate Loans and (y) in the case of Canadian Dollar Denominated Swingline Loans, Canadian Prime Rate Loans (each such Borrowing, a "Mandatory Borrowing") shall be made on the immediately succeeding Business Day by all Lenders pro rata based on each such Lender's RL Percentage (determined before giving effect to any termination of the Revolving Loan Commitments pursuant to the last paragraph of Section 12) and the proceeds thereof shall be applied directly by the Swingline Lender to repay the Swingline Lender for such outstanding Swingline Loans. Each Lender hereby

irrevocably agrees to make Revolving Loans upon one Business Day's notice pursuant to each Mandatory Borrowing in the amount and in the manner specified in the preceding sentence and on the date specified in writing by the Swingline Lender notwithstanding (i) the amount of the Mandatory Borrowing may not comply with the Minimum Borrowing Amount otherwise required hereunder, (ii) whether any conditions specified in Section 7 are then satisfied, (iii) whether a Default or an Event of Default then exists, (iv) the date of such Mandatory Borrowing, and (v) the Availability at such time. In the event that any Mandatory Borrowing cannot for any reason be made on the date otherwise required above (including as a result of the commencement of a proceeding under any Debtor Relief Laws with respect to the Borrower), then each Lender hereby agrees that it shall forthwith purchase (as of the date the Mandatory Borrowing would otherwise have occurred, but adjusted for any payments received from the Borrower on or after such date and prior to such purchase) from the Swingline Lender such participations in the outstanding Swingline Loans as shall be necessary to cause the Lenders to share in such Swingline Loans ratably based upon their respective RL Percentages (determined before giving effect to any termination of the Revolving Loan Commitments pursuant to the last paragraph of Section 12), provided that (x) all interest payable on the Swingline Loans shall be for the account of the Swingline Lender until the date as of which the respective participation is required to be purchased and, to the extent attributable to the purchased participation, shall be payable to the participant from and after such date and (y) at the time any purchase of participations pursuant to this sentence is actually made, the purchasing Lender shall be required to pay the Swingline Lender interest on the principal amount of participation purchased for each day from and including the day upon which the Mandatory Borrowing would otherwise have occurred to but excluding the date of payment for such participation, at the Overnight Rate for the first three days and at the interest rate otherwise applicable to Revolving Loans maintained as Base Rate Loans or Canadian Prime Rate Loans, as applicable, hereunder for each day thereafter.

(d) If the Maturity Date shall have occurred in respect of any Tranche of Revolving Loan Commitments at a time when another tranche or tranches of Revolving Loan Commitments is or are in effect with a longer Maturity Date, then on the earliest occurring Maturity Date all then outstanding Swingline Loans shall be repaid in full on such date (and there shall be no adjustment to the participations in such Swingline Loans as a result of the occurrence of such Maturity Date); provided, however, that if on the occurrence of such earliest Maturity Date (after giving effect to any repayments of Revolving Loans and any reallocation of Letter of Credit or Reimbursement Undertaking participations as contemplated in Section 3.04), no Default or Event of Default then exists or would result therefrom and there shall exist sufficient unutilized Extended Commitments so that the respective outstanding Swingline Loans could be incurred pursuant the Extended Commitments which will remain in effect after the occurrence of such Maturity Date, then there shall be an automatic adjustment on such date of the participations in such Swingline Loans and same shall be deemed to have been incurred solely pursuant to the relevant Extended Commitments, and such Swingline Loans shall not be so required to be repaid in full on such earliest Maturity Date (provided that the

Swingline Expiry Date has been extended to such later Maturity Date, in accordance with this Agreement).

2.02. Minimum Amount of Each Borrowing. Except during a Dominion Period, the aggregate principal amount of each Borrowing of Loans under a respective Tranche shall not be less than the Minimum Borrowing Amount applicable to such Tranche. More than one Borrowing may occur on the same date, but at no time shall there be outstanding more than (x) five Borrowings of LIBOR Loans in the aggregate and (y) 5 Borrowings of Canadian CDOR Rate Loans in the aggregate.

2.03. Notice of Borrowing.

(a) Whenever the Borrower desires to incur (x) LIBOR Loans or Canadian CDOR Rate Loans hereunder, the Borrower shall give the Administrative Agent at the Notice Office at least one Business Days' prior notice of each LIBOR Loan or Canadian CDOR Rate Loan to be incurred hereunder and (y) Base Rate Loans hereunder (excluding Swingline Loans and Revolving Loans made pursuant to a Mandatory Borrowing) or Canadian Prime Rate Loans hereunder (excluding Swingline Loans and Revolving Loans made pursuant to a Mandatory Borrowing), the Borrower shall give the Administrative Agent notice at the Notice Office at on the Business Day on which each Base Rate Loan or Canadian Prime Rate Loan is to be incurred hereunder, provided that (in each case) any such notice shall be deemed to have been given on a certain day only if given before 11:00 A.M. (Toronto time) on such day. Each such notice (each, a "Notice of Borrowing"), except as otherwise expressly provided in Section 2.10, shall be irrevocable and shall be in writing, or by telephone promptly confirmed in writing, in the form of Exhibit A-1 (which notice may be delivered through the Administrative Agent's electronic platform or portal), appropriately completed to specify: (i) the aggregate principal amount of the Loans to be incurred pursuant to such Borrowing (stated in the Available Currency), (ii) the date of such Borrowing (which shall be a Business Day), (iii) in the case of U.S. Dollar Denominated Loans, whether the Loans being incurred pursuant to such Borrowing are to be initially maintained as Base Rate Loans or, to the extent permitted hereunder, LIBOR Loans and, if LIBOR Loans, the initial Interest Period to be applicable thereto and (iv) in the case of Canadian Dollar Denominated Loans, whether the Loans being incurred pursuant to such Borrowing are to be initially maintained as Canadian Prime Rate Loans or, to the extent permitted hereunder, Canadian CDOR Rate Loans and, if Canadian CDOR Rate Loans, the initial Interest Period to be applicable thereto. The Administrative Agent shall promptly give each Appropriate Lender notice of such proposed Borrowing, of such Appropriate Lender's proportionate share thereof and of the other matters required by the immediately preceding sentence to be specified in the Notice of Borrowing. If the Borrower fails to specify a Type of Loan in a Notice of Borrowing, then the applicable Loans shall be made as (x) in the case of U.S. Dollar Denominated Loans, Base Rate Loans and (y) in the case of Canadian Dollar Denominated Loans, Canadian Prime Rate Loans. If the Borrower requests a Borrowing of LIBOR Loans or Canadian CDOR Rate Loans or Canadian CDOR Rate Loans in a Notice of Borrowing but fails to specify an Interest Period, it will be deemed to have specified an Interest Period of one month.

(b) (1) Whenever the Borrower desires to incur Swingline Loans hereunder, the Borrower shall give the Swingline Lender no later than 1:00 P.M. (Toronto

time) on the date that a Swingline Loan is to be incurred, written notice or telephonic notice promptly confirmed in writing of each Swingline Loan to be incurred hereunder. Each such notice shall be irrevocable and specify in each case (A) the date of Borrowing (which shall be a Business Day) and (B) the aggregate principal amount of the Swingline Loans to be incurred pursuant to such Borrowing (stated in the Available Currency).

(2) Mandatory Borrowings shall be made upon the notice specified in Section 2.01(c), with the Borrower irrevocably agreeing, by its incurrence of any Swingline Loan, to the making of the Mandatory Borrowings as set forth in Section 2.01(c).

(c) Without in any way limiting the obligation of the Borrower to confirm in writing any telephonic notice of any Borrowing or prepayment of Loans, the Administrative Agent or the Swingline Lender, as the case may be, may act without liability upon the basis of telephonic notice of such Borrowing or prepayment, as the case may be, believed by the Administrative Agent or the Swingline Lender, as the case may be, in good faith to be from an Authorized Officer of the Borrower, prior to receipt of written confirmation. In each such case, the Borrower hereby waives the right to dispute the Administrative Agent's or the Swingline Lender's record of the terms of such telephonic notice of such Borrowing or prepayment of Loans, as the case may be, absent manifest error.

(d) All Borrowing requests which are not made on-line via the Administrative Agent's electronic platform or portal shall be subject to (and unless the Administrative Agent elects otherwise in the exercise of its sole discretion, such Borrowings shall not be made until the completion of) the Administrative Agent's authentication process (with results satisfactory to the Administrative Agent) prior to the funding of any such requested Loan.

2.04. Disbursement of Funds. (a) No later than 1:00 P.M. (Toronto time) on the date specified in each Notice of Borrowing (or (x) in the case of Swingline Loans, no later than 1:00 P.M. (Toronto time) on the date specified pursuant to Section 2.03(b)(i) or (y) in the case of Mandatory Borrowings, no later than 1:00 P.M. (Toronto time) on the date specified in Section 2.01(c)), each Appropriate Lender will make available its pro rata portion (determined in accordance with Section 2.07) of each such Borrowing requested to be made on such date (or in the case of Swingline Loans, the Swingline Lender will make available the full amount thereof). All such amounts will be made available in U.S. Dollars (in the case of U.S. Dollar Denominated Loans) or Canadian Dollars (in the case of Canadian Dollar Denominated Loans), as the case may be, and in immediately available funds to the Agent's Account, and the Administrative Agent will, except in the case of Revolving Loans made pursuant to a Mandatory Borrowing, make available to the Borrower at its Designated Account, the aggregate of the amounts so made available by the Appropriate Lenders. Unless the Administrative Agent shall have been notified by any Lender prior to the date of Borrowing that such Lender does not intend to make available to the Administrative Agent such Lender's portion of any Borrowing to be made on such date, the Administrative Agent may assume that such Lender has made such

amount available to the Administrative Agent on such date of Borrowing and the Administrative Agent may (but shall not be obligated to), in reliance upon such assumption, make available to the Borrower a corresponding amount, subject to Section 2.19. If such corresponding amount is not in fact made available to the Administrative Agent by such Appropriate Lender, the Administrative Agent shall be entitled to recover such corresponding amount on demand from such Lender. If such Appropriate Lender does not pay such corresponding amount forthwith upon the Administrative Agent's demand therefor, the Administrative Agent shall promptly notify the Borrower and the Borrower shall immediately pay such corresponding amount to the Administrative Agent. The Administrative Agent also shall be entitled to recover on demand from such Appropriate Lender or the Borrower, as the case may be, interest on such corresponding amount in respect of each day from the date such corresponding amount was made available by the Administrative Agent to the Borrower until the date such corresponding amount is recovered by the Administrative Agent, at a rate per annum equal to (i) if recovered from such Appropriate Lender, the Defaulting Lender Rate, and (ii) if recovered from the Borrower, the rate of interest applicable to the respective Borrowing, as determined pursuant to Section 2.08. Nothing in this Section 2.04 shall be deemed to relieve any Lender from its obligation to make Loans hereunder or to prejudice any rights which the Borrower may have against any Lender as a result of any failure by such Lender to make Loans hereunder.

2.05. Notes. (a) The Borrower's obligation to pay the principal of, and interest on, the Loans made by each Lender shall be evidenced in the Register maintained by the Administrative Agent pursuant to Section 14.15 and shall, if requested by such Lender, also be evidenced (i) in the case of Revolving Loans, by a promissory note duly executed and delivered by the Borrower substantially in the form of Exhibit B-1, with blanks appropriately completed in conformity herewith (each, a "Revolving Note" and, collectively, the "Revolving Notes"), and (iv) in the case of Swingline Loans, by a promissory note duly executed and delivered by the Borrower substantially in the form of Exhibit B-2, with blanks appropriately completed in conformity herewith (the "Swingline Note").

(b) Each Lender will note on its internal records the amount of each Loan made by it and each payment in respect thereof and prior to any transfer of any of its Notes will endorse on the reverse side thereof the outstanding principal amount of Loans evidenced thereby. Failure to make any such notation or any error in such notation shall not affect the Borrower's obligations in respect of such Loans.

(c) Notwithstanding anything to the contrary contained above in this Section 2.05 or elsewhere in this Agreement, Notes shall only be delivered to Lenders which at any time specifically request the delivery of such Notes. No failure of any Lender to request or obtain a Note evidencing its Loans to the Borrower shall affect or in any manner impair the obligations of the Borrower to pay the Loans (and all related Credit Document Obligations) incurred by the Borrower which would otherwise be evidenced thereby in accordance with the requirements of this Agreement, and shall not in any way affect the security or guaranties therefor provided pursuant to the various Credit Documents. Any Lender which does not have a Note evidencing its outstanding Loans shall in no event be required to make the notations otherwise described in preceding clause (b). At any time when any Lender requests the delivery of a Note to evidence any

of its Loans, the Borrower shall promptly execute and deliver to the respective Lender the requested Note in the appropriate amount or amounts to evidence such Loans.

2.06. Conversions. The Borrower shall have the option to convert, on any Business Day, all or a portion equal to at least the Minimum Borrowing Amount of the outstanding principal amount of Loans (other than Swingline Loans which may not be converted pursuant to this Section 2.06) made pursuant to one or more Borrowings (so long as of the same Tranche) of one or more Types of Loans into a Borrowing (of the same Tranche) of another Type of Loan, provided that, (i) except as otherwise provided in Section 2.10, LIBOR Loans may be converted into Base Rate Loans only on the last day of an Interest Period applicable to the Loans being converted and no such partial conversion of LIBOR Loans shall reduce the outstanding principal amount of such LIBOR Loans made pursuant to a single Borrowing to less than the Minimum Borrowing Amount applicable thereto, (ii) unless the Required Lenders otherwise agree, Base Rate Loans may only be converted into LIBOR Loans if no Default or Event of Default is in existence on the date of the conversion, (iii) Canadian CDOR Rate Loans may be converted into Canadian Prime Rate Loans only on the last day of an Interest Period applicable to the Loans being converted and no such partial conversion of Canadian CDOR Rate Loans shall reduce the outstanding principal amount of such Canadian CDOR Rate Loans made pursuant to a single Borrowing to less than the Minimum Borrowing Amount applicable thereto, (iv) unless the Required Lenders otherwise agree, Canadian Prime Rate Loans may only be converted into Canadian CDOR Rate Loans if no Default or Event of Default is in existence on the date of the conversion and (v) no conversion pursuant to this Section 2.06 shall result in a greater number of Borrowings of LIBOR Loans or Canadian CDOR Rate Loans than is permitted under Section 2.02. Each such conversion shall be effected by the Borrower by giving the Administrative Agent at the Notice Office prior to 11:00 A.M. (Toronto time) at least (x) in the case of conversions of Base Rate Loans into LIBOR Loans and Canadian Prime Rate Loans in Canadian CDOR Rate Loans, three Business Days' prior notice and (y) in the case of conversions of LIBOR Loans into Base Rate Loans and Canadian CDOR Rate Loans into Canadian Prime Rate Loans, one Business Day's prior notice (each, a "Notice of Conversion/Continuation"), in each case in the form of Exhibit A-2, appropriately completed to specify the Loans to be so converted, the Borrowing or Borrowings pursuant to which such Loans were incurred and, if to be converted into LIBOR Loans or Canadian CDOR Rate Loans, the Interest Period to be initially applicable thereto. The Administrative Agent shall give each Lender prompt notice of any such proposed conversion affecting any of its Loans. If the Borrower requests a conversion to LIBOR Loans or Canadian CDOR Rate Loans in any Notice of Conversion/Continuation but fails to specify an Interest Period, it will be deemed to have specified an Interest Period of one month.

2.07. Pro Rata Borrowings. All Borrowings of Loans under this Agreement (other than Swingline Loans and Extraordinary Advances) shall be incurred from the Lenders pro rata on the basis of their Revolving Loan Commitments. It is understood that no Lender shall be responsible for any default by any other Lender of its obligation to make Loans hereunder and that each Lender shall be obligated to make the Loans provided to be made by it hereunder, regardless of the failure of any other Lender to make its Loans hereunder.

2.08. Interest. (a) The Borrower agrees to pay interest in respect of the unpaid principal amount of each Base Rate Loan from the date of Borrowing thereof until the earlier of (i) the maturity thereof (whether by acceleration or otherwise) and (ii) the conversion of such Base Rate Loan to a LIBOR Loan pursuant to Section 2.06 or 2.09, as applicable, at a rate per annum which shall be equal to the sum of the relevant Applicable Margin plus the Base Rate as in effect from time to time.

(b) The Borrower agrees to pay interest in respect of the unpaid principal amount of each LIBOR Loan from the date of Borrowing thereof until the earlier of (i) the maturity thereof (whether by acceleration or otherwise) and (ii) the conversion of such LIBOR Loan to a Base Rate Loan pursuant to Section 2.06, 2.09 or 2.10, as applicable, at a rate per annum which shall, during each Interest Period applicable thereto, be equal to the sum of the relevant Applicable Margin plus the LIBOR Rate for such Interest Period.

(c) The Borrower agrees to pay interest in respect of the unpaid principal amount of each Canadian Prime Rate Loan from the date of Borrowing thereof until the earlier of (i) maturity thereof (whether by acceleration or otherwise) and (ii) the conversion of such Canadian Prime Rate Loan to a Canadian CDOR Rate Loan pursuant to Section 2.06 or 2.09, as applicable, at a rate per annum which shall be equal to the sum of the relevant Applicable Margin plus the Canadian Prime Rate.

(d) The Borrower agrees to pay interest in respect of the unpaid principal amount of each Canadian CDOR Rate Loan from the date of Borrowing thereof until the earlier of (i) the maturity thereof (whether by acceleration or otherwise) and (ii) the conversion of such Canadian CDOR Rate Loan to a Canadian Prime Rate Loan pursuant to Section 2.06 or 2.09, as applicable, at a rate per annum which shall, during each Interest Period applicable thereto, be equal to the sum of the relevant Applicable Margin during such Interest Period plus the Canadian CDOR Rate for such Interest Period.

(e) Upon the occurrence and during the continuance of an Event of Default under Section 12.01(a), all overdue amounts outstanding hereunder shall bear interest at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by Applicable Law. Accrued and unpaid interest on past due amounts (including interest on past due interest) shall be due and payable upon demand.

(f) Accrued (and theretofore unpaid) interest shall be payable (i) in respect of each Base Rate Loan, (x) quarterly in arrears on each Quarterly Payment Date , (y) on the date of any repayment or prepayment in full of all outstanding Base Rate Loans of any Tranche, and (z) at maturity (whether by acceleration or otherwise) and, after such maturity, on demand, (ii) in respect of each Canadian Prime Rate Loan, (x) quarterly in arrears on each Quarterly Payment Date, (y) on the date of any repayment or prepayment in full of all outstanding Canadian Prime Rate Loans of any Tranche, and (z) at maturity (whether by acceleration or otherwise) and, after such maturity, on demand, (iii) in respect of each LIBOR Loan, (x) on the last day of each Interest Period applicable thereto and, in

the case of an Interest Period in excess of three months, on each date occurring at three month intervals after the first day of such Interest Period, and (y) on the date of any repayment or prepayment (on the amount repaid or prepaid), at maturity (whether by acceleration or otherwise) and, after such maturity, on demand and (iv) in respect of each Canadian CDOR Rate Loan, (x) on the last day of each Interest Period applicable thereto and, in the case of an Interest Period in excess of three months, on each date occurring at three month intervals after the first day of such Interest Period, and (y) on the date of any repayment or prepayment (on the amount repaid or prepaid), at maturity (whether by acceleration or otherwise) and, after such maturity, on demand.

(g) Upon each Interest Determination Date, the Administrative Agent shall determine the LIBOR Rate and Canadian CDOR Rate for each Interest Period applicable to the respective LIBOR Loans or Canadian CDOR Rate Loans, as the case may be, and shall promptly notify the Borrower and the Lenders thereof. Each such determination shall, absent manifest error, be final and conclusive and binding on all parties hereto.

2.09. Interest Periods. At the time the Borrower gives the Notice of Borrowing or any Notice of Conversion/Continuation in respect of the making of, or conversion into, any LIBOR Loan or Canadian CDOR Rate Loan (in the case of the initial Interest Period applicable thereto) or prior to 11:00 A.M. (Toronto time) on the third Business Day prior to the expiration of an Interest Period applicable to such LIBOR Loan or Canadian CDOR Rate Loan (in the case of any subsequent Interest Period), the Borrower shall have the right to elect the interest period (each, an "Interest Period") applicable to such LIBOR Loan, which Interest Period shall, at the option of the Borrower, be (x) a one, three, six or, if approved by each Appropriate Lender, twelve month period or (y) if agreed by the Administrative Agent in its sole discretion, such other period not to exceed one-month, provided that (in each case):

(i) all LIBOR Loans or Canadian CDOR Rate Loans, as the case may be, comprising a Borrowing shall at all times have the same Interest Period;

(ii) the initial Interest Period for any LIBOR Loan or Canadian CDOR Rate Loan shall commence on the date of Borrowing of such LIBOR Loan or Canadian CDOR Rate Loan (including the date of any conversion thereto from a Base Rate Loan or Canadian Prime Rate Loan, as applicable) and each Interest Period occurring thereafter in respect of such LIBOR Loan or Canadian CDOR Rate Loan shall commence on the day on which the next preceding Interest Period applicable thereto expires;

(iii) if any Interest Period for a LIBOR Loan or Canadian CDOR Rate Loan begins on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period, such Interest Period shall end on the last Business Day of such calendar month;

(iv) if any Interest Period for a LIBOR Loan or Canadian CDOR Rate Loan would otherwise expire on a day which is not a Business Day, such Interest

Period shall expire on the next succeeding Business Day; provided, however, that if any Interest Period for a LIBOR Loan or Canadian CDOR Rate Loan would otherwise expire on a day which is not a Business Day but is a day of the month after which no further Business Day occurs in such month, such Interest Period shall expire on the next preceding Business Day;

(v) unless the Required Lenders otherwise agree, no Interest Period may be selected at any time when a Default or an Event of Default is then in existence; and

(vi) no Interest Period in respect of any Borrowing of any Tranche of Loans shall be selected which extends beyond the Maturity Date for such Tranche of Loans;

If by 11:00 A.M. (Toronto time) on the third Business Day prior to the expiration of any Interest Period applicable to a Borrowing of LIBOR Loans or Canadian CDOR Rate Loans, (x) the Borrower has failed to elect, or is not permitted to elect, a new Interest Period to be applicable to such LIBOR Loans or Canadian CDOR Rate Loans as provided above, the Borrower shall be deemed to have elected to convert such LIBOR Loans or Canadian CDOR Rate Loans into Base Rate Loans or Canadian Prime Rate Loans, as applicable, effective as of the expiration date of such current Interest Period and (y) the Borrower requests a continuation of LIBOR Loans or Canadian CDOR Rate Loans in any Notice of Conversion/Continuation but fails to specify an Interest Period, it will be deemed to have specified an Interest Period of one month.

2.10. Increased Costs, Illegality, etc.

(a) Special Provisions Applicable to LIBOR Rate and Canadian CDOR Rate.

(i) The LIBOR Rate may be adjusted by the Administrative Agent with respect to any Lender on a prospective basis to take into account any additional or increased costs to such Lender of maintaining or obtaining any eurodollar deposits or increased costs (other than Taxes which shall be governed by Section 5.04), in each case, due to Change in Law occurring subsequent to the commencement of the then applicable Interest Period, and changes in the reserve requirements imposed by the Board of Governors, which additional or increased costs would increase the cost of funding or maintaining loans bearing interest at the LIBOR Rate. In any such event, the affected Lender shall give the Borrower and the Administrative Agent notice of such a determination and adjustment and the Administrative Agent promptly shall transmit the notice to each other Lender and, upon its receipt of the notice from the affected Lender, the Borrower may, by notice to such affected Lender (A) require such Lender to furnish to the Borrower a statement setting forth in reasonable detail the basis for adjusting such LIBOR Rate and the method for determining the amount of such adjustment, or (B) repay the LIBOR Loans of such Lender with respect to which such adjustment is made (together with any amounts due under this Section 2.10.

(ii) In the event that any change in market conditions or any Change in Law shall at any time after the date hereof, in the reasonable opinion of any Lender, make it unlawful or impractical for such Lender to fund or maintain LIBOR Loans or Canadian CDOR Rate Loans or to continue such funding or maintaining, or to determine or charge interest rates at the LIBOR Rate or Canadian CDOR Rate, as applicable, such Lender shall give notice of such changed circumstances to the Administrative Agent and the Borrower and the Administrative Agent promptly shall transmit the notice to each other Lender and (y) in the case of any LIBOR Loans or Canadian CDOR Rate Loans of such Lender that are outstanding, the date specified in such Lender's notice shall be deemed to be the last day of the Interest Period of such LIBOR Loans or Canadian CDOR Rate Loans, as applicable, and interest upon the LIBOR Loans of such Lender thereafter shall accrue interest at the rate then applicable to Base Rate Loans, and interest upon the Canadian CDOR Rate Loans of such Lender thereafter shall accrue interest at the rate then applicable to Canadian Prime Rate Loans and (z) the Borrower shall not be entitled to elect any Borrowings at the LIBOR Rate or Canadian CDOR Rate, as applicable, until such Lender determines that it would no longer be unlawful or impractical to do so.

(iii) Anything to the contrary contained herein notwithstanding, neither the Administrative Agent, nor any Lender, nor any of their Participants, is required actually to acquire eurodollar deposits to fund or otherwise match fund any Obligation as to which interest accrues at the LIBOR Rate or Canadian CDOR Rate.

(b) If any Lender determines that after the Closing Date the introduction of or any change in any Applicable Law or governmental rule, regulation, order, guideline, directive or request (whether or not having the force of law) concerning capital adequacy, or any change in interpretation or administration thereof by the NAIC or any Governmental Authority, central bank or comparable agency, will have the effect of increasing the amount of capital required or expected to be maintained by such Lender or any corporation controlling such Lender based on the existence of such Lender's Revolving Loan Commitments hereunder or its obligations hereunder, then the Borrower agrees to pay to such Lender, upon its written demand therefor, such additional amounts as shall be required to compensate such Lender or such other corporation for the increased cost to such Lender or such other corporation or the reduction in the rate of return to such Lender or such other corporation as a result of such increase of capital. In determining such additional amounts, each Lender will act reasonably and in good faith and will use averaging and attribution methods which are reasonable, provided that such Lender's determination of compensation owing under this Section 2.10 shall, absent manifest error, be final and conclusive and binding on all the parties hereto. Each Lender, upon determining that any additional amounts will be payable pursuant to this Section 2.10, will give prompt written notice thereof to the Borrower, which notice shall show in reasonable detail the basis for calculation of such additional amounts; provided that a Lender shall not demand compensation for any increased costs pursuant to a change if it shall not be the

general policy of such Lender to demand such compensation under equivalent provisions in other credit agreements.

(c) Notwithstanding anything in this Agreement to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines, requirements and directives thereunder, issued in connection therewith or in implementation thereof and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a change after the Closing Date in a requirement of law or government rule, regulation or order, regardless of the date enacted, adopted, issued or implemented (including for purposes of this Section 2.10).

2.11. Compensation. In connection with each LIBOR Loan or Canadian CDOR Rate Loan, the Borrower shall indemnify, defend, and hold the Administrative Agent and the Lenders harmless against any loss, cost, or expense actually incurred by the Administrative Agent or any Lender as a result of (A) the payment or required assignment of any principal of any LIBOR Loan or Canadian CDOR Rate Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default), (B) the conversion of any LIBOR Loan or Canadian CDOR Rate Loan other than on the last day of the Interest Period applicable thereto, or (C) the failure to borrow, convert, continue or prepay any LIBOR Loan or Canadian CDOR Rate Loan on the date specified in any Notice of Borrowing delivered pursuant hereto (such losses, costs, or expenses, "Funding Losses"). A certificate of the Administrative Agent or a Lender delivered to the Borrower setting forth in reasonable detail any amount or amounts that the Administrative Agent or such Lender is entitled to receive pursuant to this Section 2.11 shall be conclusive absent manifest error. The Borrower shall pay such amount to the Administrative Agent or the Lender, as applicable, within 30 days of the date of its receipt of such certificate.

2.12. Change of Lending Office. Each Lender agrees that on the occurrence of any event giving rise to the operation of or increased payment under Section 2.10 or Section 5.04 with respect to such Lender, it will, if requested by the Borrower, use reasonable efforts (subject to overall policy considerations of such Lender) to designate another lending office for any Loans or Letters of Credit affected by such event, provided that such designation is made on such terms that such Lender and its lending office suffer no economic, legal or regulatory disadvantage, with the object of avoiding the consequence of the event giving rise to the operation of such Section. Nothing in this Section 2.12 shall affect or postpone any of the obligations of the Borrower or the right of any Lender provided in Sections 2.10 and 5.04. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation.

2.13. Replacement of Lenders. (x) If any Lender becomes a Defaulting Lender, (y) upon the occurrence of any event giving rise to the operation of Section 2.10 or Section 5.04 with respect to any Lender which results in such Lender charging to the Borrower increased costs or indemnified Taxes in excess of those being generally charged by the other

Lenders or (z) in the case of a refusal by a Lender to consent to a proposed change, waiver, discharge or termination with respect to this Agreement which has been approved by the Required Lenders as (and to the extent) provided in Section 14.12(b), the Borrower shall have the right, in accordance with Section 14.04(b), if no Event of Default then exists or would exist after giving effect to such replacement, to replace such Lender (the "Replaced Lender") with one or more other Eligible Transferees, none of whom shall constitute a Defaulting Lender at the time of such replacement (collectively, the "Replacement Lender") and each of which shall be reasonably acceptable to the Administrative Agent; provided that:

(i) at the time of any replacement pursuant to this Section 2.13, the Replacement Lender shall enter into one or more Assignment and Assumption Agreements pursuant to Section 14.04(b) (and with all fees payable pursuant to said Section 14.04(b) to be paid by the Replacement Lender and/or the Replaced Lender (as may be agreed to at such time by and among the Borrower, the Replacement Lender and the Replaced Lender)) pursuant to which the Replacement Lender shall acquire all of the Revolving Loan Commitments and outstanding Loans of, and in each case all participations in Swingline Loans and Letters of Credit by, the Replaced Lender and, in connection therewith, shall pay to (x) the Replaced Lender in respect thereof an amount equal to the sum of (A) an amount equal to the principal of, and all accrued interest on, all outstanding Loans of the respective Replaced Lender, (B) an amount equal to all Unpaid Drawings that have been funded by (and not reimbursed to) such Replaced Lender, together with all then unpaid interest with respect thereto at such time and (C) an amount equal to all accrued, but theretofore unpaid, Fees owing to the Replaced Lender pursuant to Section 4.01 (other than pursuant to Section 4.01(b)), (y) each Issuing Lender an amount equal to such Replaced Lender's RL Percentage of any Unpaid Drawing relating to Letters of Credit issued by such Issuing Lender or the Underlying Issuer (including as an Issuing Lender's agent) (which at such time remains an Unpaid Drawing) to the extent such amount was not theretofore funded by such Replaced Lender and (z) in the case of any replacement of Revolving Loan Commitments, the Swingline Lender an amount equal to such Replaced Lender's RL Percentage of any Mandatory Borrowing to the extent such amount was not theretofore funded by such Replaced Lender to the Swingline Lender; and

(ii) all obligations of the Borrower then owing to the Replaced Lender (other than those specifically described in clause (a) above in respect of which the assignment purchase price has been, or is concurrently being, paid, but including all amounts, if any, owing under Sections 2.11 and 4.01(b)) shall be paid in full to such Replaced Lender concurrently with such replacement.

Upon receipt by the Replaced Lender of all amounts required to be paid to it pursuant to this Section 2.13, the Administrative Agent shall be entitled (but not obligated) and is authorized (which authorization is coupled with an interest) to execute an Assignment and Assumption Agreement on behalf of such Replaced Lender, and any such Assignment and Assumption

Agreement so executed by the Administrative Agent and the Replacement Lender shall be effective for purposes of this Section 2.13 and Section 14.04. Upon the execution of the respective Assignment and Assumption Agreement, the payment of amounts referred to in clauses (a) and (b) above, recordation of the assignment on the Register by the Administrative Agent pursuant to Section 14.15 and, if so requested by the Replacement Lender, delivery to the Replacement Lender of the appropriate Note or Notes executed by the Borrower, the Replacement Lender shall become a Lender hereunder and the Replaced Lender shall cease to constitute a Lender hereunder, except with respect to indemnification provisions under this Agreement (including Sections 2.10, 2.11, 5.04, 13.06, 14.01 and 14.06), which shall survive as to such Replaced Lender.

2.14. Incremental Commitments.

(a) The Borrower may, at any time, on one or more occasions pursuant to an Incremental Facility Amendment, increase the Total Revolving Loan Commitment (each such increase, an "Incremental Increase") by (x) adding an additional last-out Tranche of Revolving Loan Commitments that is otherwise identical to each then-existing Tranche except for the items specified in clause (a)(iv) below (each, an "Additional Incremental Tranche") or (y) increasing the aggregate amount of the Revolving Loan Commitments of any then-existing Tranche (each, an "Increased Incremental Tranche"; and any such Additional Incremental Tranche or Increased Incremental Tranche, an "Incremental Revolving Facility"; and the loans thereunder, "Incremental Loans"; and the Revolving Loan Commitments (or term loan) in respect thereof, each, an "Incremental Commitment" and any Additional Incremental Tranche or Increased Incremental Tranche made on a last-out basis, a "Last-Out Incremental Tranche") in an aggregate amount, together with all prior Incremental Revolving Facilities then in effect, not to exceed the Incremental Cap; provided that

(i) unless the Administrative Agent otherwise agrees, no Incremental Commitment may be less than the Minimum Borrowing Amount (or such lesser amount to which the Administrative Agent may reasonably agree);

(ii) except as separately agreed from time to time between the Borrower and any Lender, no Lender shall be obligated to provide any Incremental Commitment, and the determination to provide such Revolving Loan Commitments shall be within the sole and absolute discretion of such Lender (it being agreed that the Borrower shall not be obligated to offer the opportunity to any Lender to participate in any Incremental Revolving Facility);

(iii) no Incremental Revolving Facility or Incremental Loan (nor the creation, provision or implementation thereof) shall require the approval of any existing Lender other than in its capacity, if any, as a lender providing all or part of such Incremental Revolving Facility or Incremental Loan;

(iv) the terms of any Incremental Revolving Facility established as an Additional Incremental Tranche shall be identical to the terms applicable to all

existing Tranches except that (A) such Additional Incremental Tranche shall rank junior in right of payment and/or security to any then-existing Tranche of Revolving Loans as provided in clause (vii)(A) below, (B) the scheduled final maturity date of such Additional Incremental Tranche shall be no earlier than (but may be later than) the then-existing Tranches of Revolving Loans, (C) the effective yield (and the components thereof) and unused commitment fees applicable to any Additional Incremental Tranche may be determined by the Borrower and the lender or lenders providing such Additional Incremental Tranche, (D) additional structuring, upfront and arranger and other similar fees may be paid to the lenders and/or arrangers providing such Additional Incremental Tranche and (E) such Additional Incremental Tranche may be structured as a term loan;

(v) the terms of any Incremental Revolving Facility established as an Increased Incremental Tranche shall be identical to those applicable to the applicable then-existing Tranche (except with respect to structuring, commitment and arranger fees and other similar fees);

(vi) no Incremental Revolving Facility may have a final maturity date earlier than (or require scheduled amortization or mandatory commitment reductions prior to) the Latest Maturity Date;

(vii) (A) each Increased Incremental Tranche shall rank pari passu with the Tranche of Revolving Loans being increased both in right of payment and in security, (B) any Last-Out Incremental Tranche shall rank junior to any then-existing Tranche of Revolving Loans in right of payment and/or security (and to the extent the relevant Incremental Revolving Facility is junior to or subordinated to any then-existing Tranche of Revolving Loans in right of payment or security, it shall be subject to an Acceptable Intercreditor Agreement) and (C) no Incremental Revolving Facility may be (x) guaranteed by any Person which is not a Credit Party or (y) secured by Liens on any assets other than the Collateral;

(viii) except in the case of any Additional Incremental Tranche the proceeds of which are to be used to consummate "limited conditionality" acquisitions (in which case no Event of Default under Section 12.01(a) or (e) shall exist immediately prior to or after giving effect to such Additional Incremental Tranche), (A) no Event of Default shall exist immediately prior to or after giving effect to such Incremental Revolving Facility and (B) the representations and warranties of the Credit Parties set forth in this Agreement and the other Credit Documents shall be true and correct in all material respects on and as of the date of any such Increased Incremental Tranche with the same effect as though such representations and warranties had been made on and as of the date of such Increased Incremental Tranche; provided that to the extent that any representation and warranty specifically refers to a given date or period, it shall be true and correct in all material respects as of such date or for such period;

(ix) to the extent more than one Tranche exists after giving effect to any such Incremental Revolving Facility, (x) the borrowing and repayment (except for (1) payments of interest and fees at different rates on the Credit Facilities (and related outstandings) and (2) repayments required upon the Maturity Date of any Credit Facility) of Revolving Loans with respect to any Tranche after the effective date of such Incremental Commitments shall be made on a pro rata basis with all other Tranches (other than an Additional Incremental Tranche), (y) all Swingline Loans and Letters of Credit or Reimbursement Undertakings shall be participated on a pro rata basis by all Lenders (other than any Lender in respect of an Additional Incremental Tranche) and (z) repayment of Revolving Loans with respect to, and reduction and termination of Revolving Loan Commitments under, any Tranche (other than a Last-Out Incremental Tranche) after the effective date of such Incremental Commitment shall be made on a pro rata basis with all other Tranches (other than an Last-Out Incremental Tranche);

(x) no Last-Out Incremental Tranche the Revolving Loan Maturity Date of which is later than the Initial Revolving Loan Maturity Date shall be effective as to the obligations of any Swingline Lender to make any Swingline Loans or any Issuing Lender with respect to Letters of Credit without the consent of such Swingline Lender or such Issuing Lender (such consents not to be unreasonably withheld or delayed) (and, in the absence of such consent, all references herein to Latest Maturity Date shall be determined, when used in reference to such Swingline Lender or such Issuing Lender, as applicable, without giving effect to the Revolving Loan Maturity Date of such Last-Out Incremental Tranche); and

(xi) the proceeds of any Incremental Revolving Facility may be used for working capital, Capital Expenditures and other general corporate purposes of the Borrower and its Subsidiaries (including Permitted Payments, Restricted Payments, Investments, Permitted Acquisitions, Restricted Debt Payments and any other purpose, in each case, not prohibited by the terms of the Credit Documents).

(b) Incremental Commitments may be provided by any existing Lender, or by any other Eligible Transferee (any such other Eligible Transferee being called an "Additional Lender"); provided that the Administrative Agent, the Swingline Lender and each Issuing Lender shall have consented (such consent not to be unreasonably withheld, conditioned or delayed) to the relevant Additional Lender's provision of Incremental Commitments if such consent would be required under Section 14.04(b) for an assignment of Revolving Loan Commitments or Revolving Loans to such Additional Lender.

(c) Each Lender or Additional Lender providing a portion of any Incremental Commitment shall execute and deliver to the Administrative Agent and the Borrower all such documentation (including the relevant Incremental Facility

Amendment) as may be reasonably required by the Administrative Agent to evidence and effectuate such Incremental Commitment. On the effective date of such Incremental Commitment, (i) each Additional Lender shall become a Lender for all purposes in connection with this Agreement, (ii) all Incremental Commitments shall become Revolving Loan Commitments for all purposes in connection with the Agreement and (iii) all Incremental Loans shall become Revolving Loans for all purposes in connection with this Agreement.

(d) As a condition precedent to the effectiveness of any Incremental Revolving Facility or the making of any Incremental Loans, (i) upon its reasonable request, the Administrative Agent shall have received customary written opinions of counsel consistent with those delivered on the Closing Date under Section 6 or delivered from time to time pursuant to Section 10.12 (other than changes to such legal opinions resulting from a Change in Law, change in fact or change to counsel's form of opinion reasonably satisfactory to the Administrative Agent), as well as such reaffirmation agreements, supplements and/or amendments as it shall reasonably require, (ii) the Administrative Agent shall have received, from each Additional Lender, an Administrative Questionnaire in the form provided to such Additional Lender by the Administrative Agent and such other documents as it shall reasonably require from such Additional Lender, (iii) the Administrative Agent and applicable Additional Lenders shall have received all fees required to be paid in respect of such Incremental Revolving Facility or Incremental Loans and (iv) upon its request, the Administrative Agent shall have received a certificate of the Borrower signed by an Authorized Officer thereof:

(i) certifying and attaching a copy of the resolutions adopted by the governing body of the Borrower approving or consenting to such Incremental Revolving Facility or Incremental Loans, and

(ii) to the extent applicable, certifying that the condition set forth in clause (a)(viii) above has been satisfied.

(e) If any Incremental Revolving Facility is implemented by an Increased Incremental Tranche (i) each then-existing Lender (other than a Lender in respect of an Additional Incremental Tranche) immediately prior to such increase will automatically and without further act be deemed to have assigned to each Additional Lender under the applicable Increased Incremental Tranche, and each such Additional Lender will automatically and without further act be deemed to have assumed a portion of such existing Lender's participations hereunder in any outstanding Letters of Credit, Swingline Loans, and Mandatory Borrowings such that, after giving effect to each deemed assignment and assumption of participations, all of the Lenders' (other than a Lender in respect of an Additional Incremental Tranche) (including each Additional Lender's) (x) participations hereunder in Letters of Credit, Swingline Loans and Mandatory Borrowings shall be held on a pro rata basis on the basis of their respective Revolving Loan Commitments (after giving effect to any increase in the Total Revolving Loan Commitment pursuant to this Section 2.14) and (y) the existing Lenders of the applicable Tranche shall assign Revolving Loans to certain other Lenders of such Tranche (including

the Additional Lenders providing the relevant Incremental Revolving Facility), and such other Lenders (including the Additional Lenders providing the relevant Incremental Revolving Facility) shall purchase such Revolving Loans, in each case to the extent necessary so that all of the Lenders of such Tranche participate in each outstanding borrowing of Revolving Loans pro rata on the basis of their respective Revolving Loan Commitments of such Tranche (after giving effect to any increase in the Total Revolving Loan Commitment pursuant to this Section 2.14); it being understood and agreed that the minimum borrowing, pro rata borrowing and pro rata payment requirements contained elsewhere in this Agreement shall not apply to the transactions effected pursuant to this clause (e).

(f) On the date of effectiveness of any Incremental Revolving Facility, all dollar thresholds included in any determination made with respect to Excess Availability shall be increased automatically in a Dollar Amount equal to the percentage by which the Incremental Commitments increase the Total Revolving Loan Commitment.

(g) The Lenders hereby irrevocably authorize the Administrative Agent to enter into any Incremental Facility Amendment and/or any amendment to any other Credit Document with the Borrower as may be necessary in order to establish new tranches or sub-tranches in respect of Revolving Loans or commitments increased or extended pursuant to this Section 2.14 and such technical amendments as may be necessary or appropriate in the reasonable opinion of the Administrative Agent and the Borrower in connection with the establishment or increase, as applicable, of such new tranches or sub-tranches, in each case on terms consistent with and/or to effect the provisions of this Section 2.14. All such amendments entered into with the Borrower by the Administrative Agent hereunder shall be binding and conclusive on the Lenders.

(h) Notwithstanding anything to the contrary in this Section 2.14 or in any other provision of any Credit Document, if the proceeds of any Last- Out Incremental Tranche are intended to be applied to finance a Permitted Acquisition or other Permitted Investment and the lenders providing such Incremental Revolving Facility so agree, the availability thereof shall be subject to customary "SunGard" or "certain funds" conditionality (including the making and accuracy of Specified Representations as conformed for such Permitted Acquisition or other Permitted Investment).

(i) This Section 2.14 shall supersede any provisions in Section 14.06 or 14.12 to the contrary.

2.15. Extensions of Loans and Commitments.

(a) Notwithstanding anything to the contrary in this Agreement, pursuant to one or more offers (each, an "Extension Offer") made from time to time by the Borrower to all Lenders holding Revolving Loans of any Tranche or Revolving Loan Commitments of any Tranche, in each case on a pro rata basis (based on the aggregate outstanding principal amount of the respective Revolving Loans or Revolving Loan Commitments of such Tranche) and on the same terms to each such Lender, the Borrower

is hereby permitted from time to time to consummate transactions with any individual Lender who accepts the terms contained in the relevant Extension Offer to extend the Maturity Date of all or a portion of such Lender's Revolving Loans and/or Revolving Loan Commitments of such Tranche and otherwise modify the terms of all or a portion of such Revolving Loans and/or Revolving Loan Commitments pursuant to the terms of the relevant Extension Offer (including by increasing the interest rate or fees payable in respect of such Revolving Loans and/or Revolving Loan Commitments (and related outstandings); but, for greater certainty, except as permitted by Section 2.14, no Extension Offer shall offer an increase in the existing Revolving Loan Commitments of any Lender or provide for any overadvances or other non-pro rata increase in the principal amount of Revolving Loans thereunder (whether by way of payment in kind, premium or otherwise)) (each, an "Extension"); it being understood that any Extended Loans shall constitute a separate Tranche of Revolving Loans from the Tranche of Revolving Loans from which they were extended and any Extended Commitments shall constitute a separate Tranche of Revolving Loan Commitments from the Tranche of Revolving Loan Commitments from which they were extended, so long as the following terms are satisfied:

(i) except as to (x) interest rates, fees and final maturity (which shall be determined by the Borrower and set forth in the relevant Extension Offer), (y) terms applicable to such Extended Commitments or Extended Loans that are more favorable to the lenders of such Extended Commitments or Extended Loans than those contained in the Credit Documents and are then conformed (or added) to the Credit Documents on or prior to the effectiveness of such Extension for the benefit of the Lenders or, as applicable, the Administrative Agent pursuant to the applicable Extension Amendment and (z) any terms or other provisions applicable only to periods after the Latest Revolving Loan Maturity Date (in each case of clauses (x), (y) and (z), as determined as of the date of such Extension), the commitment of any Lender that agrees to an Extension (an "Extended Commitment"; and each Revolving Loan thereunder, an "Extended Loan"), and the related outstandings, shall be a revolving commitment (or related outstandings, as the case may be) with substantially consistent terms (or terms not less favorable to existing Lenders) as the Tranche of Revolving Loan Commitments subject to the relevant Extension Offer (and related outstandings) provided hereunder; provided that to the extent any non-extended portion of the Initial Revolving Facility or any Additional Revolving Facility then exists after giving effect to any such Extension, (1) the borrowing and repayment (except for (A) payments of interest and fees at different rates on any Credit Facility (and related outstandings), (B) repayments required upon the existing non-extended Maturity Date of such Credit Facility and (C) repayments made in connection with any permanent repayment and termination of Revolving Loan Commitments under such Credit Facility (subject to clause (3) below)) after the effective date of such Extended Commitments shall be made on a *pro rata* basis with such non-extended portion of such Credit Facility (other than an Additional Incremental Tranche) or such non-extended portion of such Additional Revolving Facility, as applicable, (2) all Swingline Loans and/or Letters of Credit shall be participated

on a *pro rata* basis by all Lenders (other than Lenders in respect of an Additional Incremental Tranche) of the applicable Tranche and (3) any permanent repayment of Revolving Loans with respect to, and reduction or termination of Revolving Loan Commitments under, any such Additional Revolving Facility after the effective date of such Extended Commitment and prior to the Maturity Date of such Revolving Loan Commitments shall be made on a *pro rata* basis with such non-extended portion of such Credit Facility (other than an Additional Incremental Tranche);

(ii) if the aggregate principal amount of Revolving Loans or Revolving Loan Commitments, as the case may be, in respect of which Lenders shall have accepted the relevant Extension Offer exceeds the maximum aggregate principal amount of Revolving Loans or Revolving Loan Commitments, as the case may be, offered to be extended by the Borrower pursuant to such Extension Offer, then the Revolving Loans or Revolving Loan Commitments, as the case may be, of such Lenders shall be extended ratably up to such maximum amount based on the respective principal amounts (but not to exceed actual holdings of record) held by Lenders that have accepted such Extension Offer;

(iii) unless the Administrative Agent otherwise agrees, each Extension shall be in a minimum amount of $5,000,000;

(iv) any applicable Minimum Extension Condition shall be satisfied or waived by the Borrower; and

(v) all documentation in respect of such Extension shall be consistent with the foregoing.

(b) With respect to any Extension consummated by the Borrower pursuant to this Section 2.15, (i) no such Extension shall constitute a voluntary or mandatory payment or prepayment for purposes of Section 4.02, 5.01, 5.02, 5.03, 14.02 or 14.06 and (ii) except as set forth in clause (a)(iii) above, no Extension Offer is required to be in any minimum amount or any minimum increment; provided that the Borrower may, at its election, specify as a condition (a "Minimum Extension Condition") to consummating any such Extension that a minimum amount (to be determined and specified in the relevant Extension Offer in the Borrower's sole discretion and which may be waived by the Borrower in its sole discretion) of Revolving Loans or Revolving Loan Commitments (as applicable) of any or all applicable Tranches be tendered. The Administrative Agent and the Lenders hereby consent to the Extensions and the other transactions contemplated by this Section 2.15 (including payment of any interest, fees or permitted premium in respect of any Tranche of Extended Commitments on such terms as may be set forth in the relevant Extension Offer) and hereby waive the requirements of any provision of this Agreement (including Sections 4.02, 5.01, 5.02, 5.03, 14.02 or 14.06) or any other Credit Document that may otherwise prohibit any such Extension or any other transaction contemplated by this Section 2.15.

(c) No consent of any Lender or the Administrative Agent shall be required to effectuate any Extension, other than (x) the consent of each Lender agreeing to such Extension with respect to one or more of its Revolving Loans and/or Revolving Loan Commitments under any Tranche (or a portion thereof), (y) with respect to any Extension of the Revolving Loan Commitments, the consent of each Issuing Lender to the extent the commitment to provide Letters of Credit is to be extended and (z) with respect to any Extension of the Revolving Loan Commitments, the consent of the Swingline Lender to the extent the swingline facility is to be extended (in each case which consent shall not be unreasonably withheld or delayed). All Extended Loans and Extended Commitments and all obligations in respect thereof shall constitute Secured Obligations under this Agreement and the other Credit Documents that are secured by the Collateral and guaranteed on a *pari passu* basis with all other Credit Document Obligations under this Agreement and the other Credit Documents.

(d) The Lenders hereby irrevocably authorize the Administrative Agent to enter into any Extension Amendment and such other amendments to this Agreement and the other Credit Documents with the Borrower as may be necessary in order to establish new Tranches or sub-Tranches in respect of Loans or Revolving Loan Commitments so extended and such technical amendments as may be necessary or appropriate in the reasonable opinion of the Administrative Agent and the Borrower in connection with the establishment of such new Tranches or sub-Tranches, in each case on terms consistent with this Section 2.15. All such amendments entered into with the Borrower by the Administrative Agent hereunder shall be binding and conclusive on the Lenders. As a condition precedent to the effectiveness of any Extension Amendment, upon its request, the Administrative Agent shall have received a certificate of the Borrower dated the date thereof signed by an Authorized Officer of the Borrower, certifying and attaching the resolutions adopted by the Borrower approving such Extension Amendment and certifying that the conditions precedent set forth in clause (a) above have been satisfied, and, to the extent reasonably requested by the Administrative Agent, the Administrative Agent shall have received customary legal opinions consistent with those delivered on the Closing Date under Section 6 or delivered from time to time pursuant to Section 10.12 (other than changes to such legal opinions resulting from a change in law, change in fact or change to counsel's form of opinion reasonably satisfactory to the Administrative Agent) and/or reaffirmation agreements in form and substance reasonably satisfactory to the Administrative Agent. The Administrative Agent shall promptly notify each Lender as to the effectiveness of each Extension Amendment.

(e) In connection with any Extension, the Borrower shall provide the Administrative Agent at least five Business Days' (or such shorter period as may be agreed by the Administrative Agent) prior written notice thereof, and shall agree to such procedures (including rendering timing, rounding and other adjustments and to ensure reasonable administrative management of the credit facilities hereunder after such Extension), if any, as may be reasonably established by, or reasonably acceptable to, the Administrative Agent, in each case acting reasonably to accomplish the purposes of this Section 2.15.

(f) This Section 2.15 shall supersede any provisions in Section 14.06 or 14.12 to the contrary.

2.16. Defaulting Lenders. Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(a) Reallocation of Payments. Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of that Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Section 12 or otherwise), shall be applied at such time or times as may be determined by the Administrative Agent as follows: first, to the payment of any amounts owing by that Defaulting Lender to the Administrative Agent hereunder, including with respect to any Extraordinary Advances that were made by the Administrative Agent and that were required to be, but were not, paid by the Defaulting Lender; second, to the payment on a pro rata basis of any amounts owing by that Defaulting Lender to the Issuing Lender or the Swingline Lender hereunder; third, if so determined by the Administrative Agent or requested by the Issuing Lender or the Swingline Lender, to be held as cash collateral for future funding obligations of that Defaulting Lender of any participation in any Swingline Loan or Letter of Credit or Reimbursement Undertaking; fourth, as the Borrower may request (so long as no Default or Event of Default has occurred and is continuing), to the funding of any Loan in respect of which that Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as reasonably determined by the Administrative Agent; fifth, if so determined by the Administrative Agent and the Borrower, to be held in a non-interest bearing deposit account and released in order to satisfy obligations of that Defaulting Lender to fund Loans under this Agreement; sixth, to the payment of any amounts owing to the Lenders, the Issuing Lender or the Swingline Lender as a result of any judgment of a court of competent jurisdiction obtained by any Lender, the Issuing Lender or the Swingline Lender against that Defaulting Lender as a result of that Defaulting Lender's breach of its obligations under this Agreement; seventh, so long as no Default or Event of Default has occurred and is continuing, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against that Defaulting Lender as a result of that Defaulting Lender's breach of its obligations under this Agreement; and eighth, to that Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any Loans or Unpaid Drawings in respect of which that Defaulting Lender has not fully funded its appropriate share and (y) such Loans or Unpaid Drawings were made at a time when the conditions set forth in Section 7 were satisfied or waived, such payment shall be applied solely to pay the Loans of, and Unpaid Drawings owed to, all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of, or Unpaid Drawings owed to, that Defaulting Lender. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post cash collateral pursuant to this Section 2.16(a) shall be deemed paid to and redirected by that Defaulting Lender, and each Lender irrevocably consents hereto.

(b) if any Swingline Loan Exposure or Letter of Credit Exposure exists at the time a Lender becomes a Defaulting Lender then:

(i) all or any part of such Swingline Loan Exposure and Letter of Credit Exposure shall be reallocated among the Lenders that are Non-Defaulting Lenders in accordance with their respective RL Percentages but only to the extent (x) the sum of all Non-Defaulting Lenders' Individual RL Exposures plus such Defaulting Lender's Swingline Loan Exposure and Letter of Credit Exposure does not exceed the aggregate amount of all Non-Defaulting Lenders' Revolving Loan Commitments and (y) immediately following the reallocation to a Non-Defaulting Lender, the Individual RL Exposure of such Non-Defaulting Lender does not exceed its Revolving Loan Commitment at such time;

(ii) if the reallocation described in clause (i) above cannot, or can only partially, be effected, the Borrower shall within five (5) Business Days following written notice by the Administrative Agent (x) first, prepay the unreallocated portion of such Defaulting Lender's Swingline Loan Exposure (without a permanent commitment reduction) and (y) second, cash collateralize in a manner reasonably satisfactory to the applicable Issuing Lender the unreallocated portion such Defaulting Lender's Letter of Credit Exposure (after giving effect to any partial reallocation pursuant to clause (i) above) in aggregate amount equal to 100% of such Defaulting Lender's Letter of Credit Exposure for so long as such Letter of Credit Exposure is outstanding;

(iii) the Borrower shall not be required to pay any fees to such Defaulting Lender pursuant to Section 4.01(b) with respect to such Defaulting Lender's Letter of Credit Exposure;

(iv) if the Letter of Credit Exposure of the Non-Defaulting Lenders is reallocated pursuant to this Section 2.16(a), then the fees payable to the Lenders pursuant to Section 4.01(b) shall be adjusted in accordance with such Non-Defaulting Lenders' RL Percentages; and

(v) if any Defaulting Lender's Letter of Credit Exposure is neither cash collateralized nor reallocated pursuant to this Section 2.16 (a), then, without prejudice to any rights or remedies of any Issuing Lender or any Lender hereunder, all Letter of Credit Fees payable under Section 4.01(b) with respect to such Defaulting Lender's Letter of Credit Exposure shall be payable to each Issuing Lender until such Letter of Credit Exposure is cash collateralized and/or reallocated; and

(c) notwithstanding anything to the contrary contained in Section 2.01(b) or Section 3, so long as any Lender is a Defaulting Lender (i) the Swingline Lender shall not be required to fund any Swingline Loan and no Issuing Lender or Underlying Issuer, as the case may be, shall be required to issue, amend or increase any Letter of Credit or Reimbursement Undertaking, unless it is satisfied that the related

exposure will be 100% covered by the Revolving Loan Commitments of the Non-Defaulting Lenders and/or cash collateral has been provided by the Borrower in accordance with Section 2.16(b), and (ii) participating interests in any such newly issued or increased Letter of Credit or Reimbursement Undertaking or newly made Swingline Loan shall be allocated among Non-Defaulting Lenders in a manner consistent with Section 2.16(b)(i) (and Defaulting Lenders shall not participate therein).

In the event that the Administrative Agent, the Borrower, each Issuing Lender and the Swingline Lender each agrees that a Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender, then (i) the Swingline Loan Exposure and Letter of Credit Exposure of the Lenders shall be readjusted to reflect the inclusion of such Lender's Revolving Loan Commitments and on such date such Lender shall purchase at par such of the Revolving Loans of the other Lenders (other than Swingline Loans) as the Administrative Agent shall determine may be necessary in order for such Lender to hold such Revolving Loans in accordance with its RL Percentage and (ii) so long as no Event of Default then exists, all funds held as cash collateral pursuant to Section 2.16(b) shall thereafter be promptly returned to the Borrower. If the Revolving Loan Commitments have been terminated, all other Obligations (other than contingent obligations not due and owing) with respect to the Revolving Loans and Swingline Loans have been paid in full and no Letters of Credit are outstanding (other than cash collateralized or backstopped Letters of Credit in a manner reasonably satisfactory to each applicable Issuing Lender), then, so long as no Event of Default then exists, all funds held as cash collateral pursuant to Section 2.16(b) shall thereafter be promptly returned to the Borrower.

2.17. Reserves; Eligibility.

(a) The Administrative Agent may at any time and from time to time in the exercise of its Permitted Discretion upon at least three (3) Business Days' prior written notice to the Borrower, establish or increase or decrease any Reserves (the "Reserve Change Notice"), which notice shall include a reasonably detailed description of such Reserve being established (during which period (x) the Administrative Agent shall discuss any such Reserve or change with the Borrower and (y) the Borrower may take such action as may be required so that the event, condition or matter that is the basis for such Reserve no longer exists or exists in a manner that would result in the establishment of a lower Reserve, in each case in a manner and to the extent reasonably satisfactory to the Administrative Agent); provided that the determination of Availability in connection with any Notice of Borrowing delivered during such three (3) Business Day period shall be based on the Borrowing Base taking into account the effect of such Reserve Change Notice.

(b) The establishment or change of any Reserve pursuant to a Reserve Change Notice shall, in each case, be limited to such reserves or changes as the Administrative Agent determines in its Permitted Discretion to be necessary (x) to reflect items that could reasonably be expected to adversely affect the value or collectability of the applicable Eligible Accounts and Eligible Inventory or (y) to reflect items that could reasonably be expected to adversely affect the enforceability or priority of the Administrative Agent's Liens on the applicable ABL Facility Priority Collateral; provided

that no Reserves may be taken or increased after the Closing Date based on circumstances, conditions, events or contingencies known to the Administrative Agent as of the Closing Date and for which no Reserves were imposed on the Closing Date, unless such circumstances, conditions, events or contingencies shall have changed in any material adverse respect since the Closing Date as determined by the Administrative Agent in its Permitted Discretion; provided that such requirements shall not apply (and no Reserve Change Notice shall be required), where such Reserve is a Banking Services Product Reserve, a Dilution Reserve, an Inventory Reserve, a Pension Contribution Reserve, a WRAP Plan Reserve, a Sales Tax Reserve, the Great Lakes Reserve, a WEPPA Reserve, or a Tariff Reserve, which Reserves shall be effective when applicable in each case in accordance with the conditions specified herein for imposing such Reserve, including the applicable conditions specified in clause (c) below.

(c) Notwithstanding any other provision of this Agreement to the contrary, (i) in no event shall Reserves (or changes in Reserves or the valuation of assets) with respect to any component of the Borrowing Base duplicate Reserves, valuation or adjustments already accounted for in determining eligibility criteria (including collection and/or advance rates) or Appraised Value thereof (determined in a manner consistent with the most recent inventory appraisal provided to the Administrative Agent pursuant to Section 8.04(II)), (ii) the amount of any such Reserve (or change in Reserve) shall be a reasonable quantification of the incremental dilution of the Borrowing Base attributable to the relevant contributing factors or shall have a reasonable relationship to the event, condition or other matter that is the basis for such Reserve or change, (iii) Banking Services Product Reserves may be imposed by the Administrative Agent in its Permitted Discretion; provided that if paid after the principal amount of the Loans pursuant to the Pari Principal Waterfall Clause, no Reserve may be imposed in respect of Cash Management Obligations or Hedging Obligations, in each case without the prior written consent of the Borrower, (iv) no Dilution Reserves shall be imposed except for an amount not to exceed 1.0% for each incremental whole percentage in dilution over 5.0%, (v) no Reserves shall be imposed for any scheduled pension contribution amounts, normal or special, except for the Pension Contribution Reserve; provided that the maximum "special payments" (as such term is defined in the applicable Pension Matters Documents) under the DB Plans remain capped for a period ending no earlier than January 1, 2038, in the aggregate, at Can$31,000,000 (or Can$36,000,000, if the WRAP Pension Plan is assumed by the Borrower in accordance with the applicable Pension Matters Documents), (vii) no Reserves shall be imposed for any rights under s. 81.1 of the BIA or similar rights of unpaid suppliers, (viii) Reserves may be established for any wages, compensation, severance, workers compensation, or similar claims and will be limited to the portion which could rise to a super-priority lien or effective priority under s. 81.4 of the BIA, ss. 6(5)(a) and 36(7) of the CCAA in relation to the Wage Earners Protection Program Act (WEPPA) ("WEPPA Reserve"); (ix) Reserves may be established for any HST, PST, QST or other sales taxes and will be limited to amounts not paid or remitted when due only so long as Specified Excess Availability is less than the greater of (1) 6.25% of Availability and (2) $12,500,000 for five (5) consecutive Business Days ("Sales Tax Reserve"); (x) except for the Pension Contribution Reserve and the WRAP Plan Reserve, no Reserves

shall be imposed for legacy solvency or windup deficiencies or contributions not due and unpaid in respect of pension plans of the Borrower so long as the Borrower obtains the Pension Regulatory Relief in respect of the Hourly Pension Plan and the Salaried Pension Plan; (xi) subject to clause (i) above, the Great Lakes Reserve may be imposed by the Administrative Agent in its Permitted Discretion ; (xii) no Reserves shall be imposed for Inventory on lands subject to the New PortLP Leases so long as the Inter-Lender Agreement is in full force and effect (and, for further clarity, no further access rights arrangements shall be required); and (xiii) the Tariff Reserve may be imposed by the Administrative Agent in its Permitted Discretion.

(d) Any changes to the eligibility criteria set forth in the definitions of Eligible Accounts, and Eligible Inventory shall be subject to 3 Business Days' prior written notice by the Administrative Agent to the Borrower and shall have a reasonable relationship to the event, condition, other circumstance, or fact that is the basis for such change in eligibility and shall not be duplicative of any other reserve established and currently maintained or eligibility criteria; provided that the determination of Availability in connection with any Notice of Borrowing delivered during such three Business Day period shall be based upon the Borrowing Base taking into account the effect of such notice.

2.18. Protective Advances; Overadvances.

(a) Any contrary provision of this Agreement or any other Credit Document notwithstanding (but subject to Section 2.18(d) below), at any time (A) after the occurrence and during the continuance of a Default or an Event of Default, or (B) that any of the other applicable conditions precedent set forth in Section 7 are not satisfied, the Administrative Agent hereby is authorized by the Borrower and the Lenders, from time to time, in the Administrative Agent's sole discretion, to make Revolving Loans to, or for the benefit of, the Borrower, on behalf of the Lenders, that the Administrative Agent, in its Permitted Discretion, deems necessary or desirable (1) to preserve or protect the Collateral, or any portion thereof, or (2) to enhance the likelihood of repayment of the Credit Document Obligations (the Revolving Loans described in this Section 2.18(a) shall be referred to as "Protective Advances"). In any event, if any Protective Advance remains outstanding for more than 60 days, unless otherwise agreed to by the Lenders, the Borrower shall immediately repay such Protective Advance. Notwithstanding the foregoing, the aggregate amount of all Protective Advances outstanding at any one time shall not exceed 10% of the Borrowing Base. The Administrative Agent's authorization to make Protective Advances (other than Agent Extraordinary Advances, as defined below) may be revoked at any time by the Required Lenders delivering written notice of such revocation to the Administrative Agent. Any such revocation shall become effective prospectively upon the Administrative Agent's receipt thereof.

(b) Any contrary provision of this Agreement or any other Credit Document notwithstanding, the Lenders hereby authorize the Administrative Agent or the Swingline Lender, as applicable, and either the Administrative Agent or the Swingline Lender, as applicable, may, but is not obligated to, knowingly and intentionally, continue

to make Revolving Loans (including the Swingline Loans) to the Borrower notwithstanding that an Overadvance exists or would be created thereby, so long as (A) after giving effect to such Revolving Loans, the outstanding Total Utilization of Revolving Commitments under all Tranches does not exceed the Borrowing Base by more than 10% of the Borrowing Base, and (B) subject to Section 2.18(d) below, after giving effect to such Revolving Loans, the outstanding Total Utilization of Revolving Commitments under all Tranches (except for and excluding amounts charged to the Loan balance shown on the Register for interest, fees, or expenses) does not exceed the Total Revolving Loan Commitment. In the event the Administrative Agent obtains actual knowledge that the outstanding Total Utilization of Revolving Commitments under all Tranches exceeds the amounts permitted by this Section 2.18, regardless of the amount of, or reason for, such excess, the Administrative Agent shall notify the Lenders as soon as practicable (and prior to making any (or any additional) intentional Overadvances (except for and excluding amounts charged to the Loan balance shown on the Register for interest, fees, or expenses) unless Administrative Agent determines that prior notice would result in imminent harm to the Collateral or its value, in which case the Administrative Agent may make such Overadvances and provide notice as promptly as practicable thereafter), and the Lenders thereupon shall, together with the Administrative Agent, jointly determine the terms of arrangements that shall be implemented with the Borrower intended to reduce, within a reasonable time, the outstanding principal amount of the Revolving Loans to the Borrower to an amount permitted by the preceding sentence. In such circumstances, if any Lender objects to the proposed terms of reduction or repayment of any Overadvance, the terms of reduction or repayment thereof shall be implemented according to the determination of the Required Lenders. In any event, if any Overadvance not otherwise made or permitted pursuant to this Section 2.18 remains outstanding for more than 60 days, unless otherwise agreed to by the Required Lenders, the Borrower shall immediately repay Revolving Loans in an amount sufficient to eliminate all such Overadvances not otherwise made or permitted to this Section 2.18. The Administrative Agent's and Swingline Lender's authorization to make intentional Overadvances (other than Agent Extraordinary Advances, as defined below) may be revoked at any time by the Required Lenders delivering written notice of such revocation to the Administrative Agent. Any such revocation shall become effective prospectively upon the Administrative Agent's receipt thereof.

(c) Each Protective Advance and each Overadvance (each, an "Extraordinary Advance") shall be deemed to be a Revolving Loan hereunder, except that no Extraordinary Advance shall be eligible to be a LIBOR Loan or a Canadian CDOR Rate Loan. Prior to Settlement of any Extraordinary Advance, all payments with respect thereto, including interest thereon, shall be payable to the Administrative Agent solely for its own account. Each Lender shall be obligated to settle with the Administrative Agent as provided in Section 2.19 (or Section 2.16 with respect to any Defaulting Lender, as applicable) for the amount of such Lender's RL Percentage of any Extraordinary Advance. The Extraordinary Advances shall be repayable on demand, secured by the Administrative Agent's Liens, constitute Obligations hereunder, and bear interest at the rate applicable

from time to time to Revolving Loans that are Base Rate Loans or Canadian Prime Rate Loans, as applicable.

(d) Notwithstanding anything contained in this Agreement or any other Loan Document to the contrary, no Extraordinary Advance may be made by the Administrative Agent if such Extraordinary Advance would cause the aggregate Total Utilization of Revolving Commitments under all Tranches to exceed the Total Revolving Loan Commitment or any Lender's RL Percentage of Total Utilization of Revolving Commitments under all Tranches to exceed such Lender's Revolving Loan Commitment; provided that the Administrative Agent may make Extraordinary Advances in excess of the foregoing limitations so long as such Extraordinary Advances that cause the aggregate Total Utilization of Revolving Commitments under all Tranches to exceed the Total Revolving Loan Commitment or a Lender's RL Percentage of Total Utilization of Revolving Commitments under all Tranches to exceed such Lender's Revolving Loan Commitments are for the Administrative Agent's sole and separate account and not for the account of any Lender ("Agent Extraordinary Advances").

(e) The provisions of this Section 2.18 are for the exclusive benefit of the Administrative Agent, the Swingline Lender, and the Lenders and are not intended to benefit the Borrower (or any other Credit Party) in any way.

2.19. Settlement. It is agreed that, notwithstanding any other provision of this Agreement, that settlement among the Lenders as to the Revolving Loans (including Swingline Loans and Extraordinary Advances) shall take place on a periodic basis in accordance with the following provisions:

(a) Administrative Agent shall request settlement ("Settlement") with the Lenders on a weekly basis, or on a more frequent basis if so determined by the Administrative Agent in its sole discretion (1) on behalf of the Swingline Lender, with respect to the outstanding Swingline Loans, (2) for itself, with respect to the outstanding Extraordinary Advances, and (3) with respect to any Credit Party's or any of their Subsidiaries' payments or other amounts received, as to each by notifying the Lenders by telecopy, telephone, or other similar form of transmission, of such requested Settlement, no later than 2:00 p.m. on the Business Day immediately prior to the date of such requested Settlement (the date of such requested Settlement being the "Settlement Date"). Such notice of a Settlement Date shall include a summary statement of the amount of outstanding Revolving Loans (including Swingline Loans and Extraordinary Advances) for the period since the prior Settlement Date. Subject to the terms and conditions contained herein (including Section 2.16): (y) if the amount of the Revolving Loans (including Swingline Loans and Extraordinary Advances) made by a Lender that is not a Defaulting Lender exceeds such Lender's RL Percentage of the Revolving Loans (including Swingline Loans and Extraordinary Advances) as of a Settlement Date, then the Administrative Agent shall, by no later than 12:00 p.m. on the Settlement Date, transfer in immediately available funds to a Deposit Account of such Lender (as such Lender may designate), an amount such that each such Lender

shall, upon receipt of such amount, have as of the Settlement Date, its RL Percentage of the Revolving Loans (including Swingline Loans and Extraordinary Advances), and (z) if the amount of the Revolving Loans (including Swingline Loans and Extraordinary Advances) made by a Lender is less than such Lender's RL Percentage of the Revolving Loans (including Swingline Loans and Extraordinary Advances) as of a Settlement Date, such Lender shall no later than 12:00 p.m. on the Settlement Date transfer in immediately available funds to the Agent's Account, an amount such that each such Lender shall, upon transfer of such amount, have as of the Settlement Date, its RL Percentage of the Revolving Loans (including Swingline Loans and Extraordinary Advances). Such amounts made available to the Administrative Agent under clause (z) of the immediately preceding sentence shall be applied against the amounts of the applicable Swingline Loans or Extraordinary Advances and, together with the portion of such Swingline Loans or Extraordinary Advances representing the Swingline Lender's RL Percentage thereof, shall constitute Revolving Loans of such Lenders. If any such amount is not made available to the Administrative Agent by any Lender on the Settlement Date applicable thereto to the extent required by the terms hereof, the Administrative Agent shall be entitled to recover for its account such amount on demand from such Lender together with interest thereon at the Defaulting Lender Rate.

(b) In determining whether a Lender's balance of the Revolving Loans (including Swingline Loans and Extraordinary Advances) is less than, equal to, or greater than such Lender's RL Percentage of the Revolving Loans (including Swingline Loans and Extraordinary Advances) as of a Settlement Date, the Administrative Agent shall, as part of the relevant Settlement, apply to such balance the portion of payments actually received in good funds by the Administrative Agent with respect to principal, interest, fees payable by the Borrower and allocable to the Lenders hereunder, and proceeds of Collateral.

(c) Between Settlement Dates, the Administrative Agent, to the extent Extraordinary Advances or Swingline Loans are outstanding, may pay over to the Administrative Agent or the Swingline Lender, as applicable, any payments or other amounts received by the Administrative Agent, that in accordance with the terms of this Agreement would be applied to the reduction of the Revolving Loans, for application to the Extraordinary Advances or Swingline Loans. Between Settlement Dates, the Administrative Agent, to the extent no Extraordinary Advances or Swingline Loans are outstanding, may pay over to the Swingline Lender any payments or other amounts received by the Administrative Agent, that in accordance with the terms of this Agreement would be applied to the reduction of the Revolving Loans, for application to the Swingline Lender's RL Percentage of the Revolving Loans. If, as of any Settlement Date, payments or other amounts of the Credit Parties or their Subsidiaries received since the then immediately preceding Settlement Date have been applied to the Swingline Lender's RL Percentage of the Revolving Loans other than to Swingline Loans,

as provided for in the previous sentence, the Swingline Lender shall pay to the Administrative Agent for the accounts of the Lenders, and the Administrative Agent shall pay to the Lenders (other than a Defaulting Lender if the Administrative Agent has implemented the provisions of Section 2.16, subject to the last paragraph thereof), to be applied to the outstanding Revolving Loans of such Lenders, an amount such that each such Lender shall, upon receipt of such amount, have, as of such Settlement Date, its RL Percentage of the Revolving Loans. During the period between Settlement Dates, the Swingline Lender with respect to Swingline Loans, the Administrative Agent with respect to Extraordinary Advances, and each Lender with respect to the Revolving Loans other than Swingline Loans and Extraordinary Advances, shall be entitled to interest at the applicable rate or rates payable under this Agreement on the daily amount of funds employed by the Swingline Lender, the Administrative Agent, or the Lenders, as applicable.

SECTION 3. Letters of Credit.

3.01. Letters of Credit. (a) Subject to and upon the terms and conditions set forth herein, the Borrower may request that an Issuing Lender issue or cause to be issued by an Underlying Issuer (including as an Issuing Lender's agent), at any time and from time to time on and after the Closing Date and prior to the 5th Business Day prior to the Revolving Loan Maturity Date, for the account of the Borrower and for the benefit of any holder (or any trustee, agent or other similar representative for any such holders) of L/C Supportable Obligations, an irrevocable standby letter of credit, in a form customarily used by such Issuing Lender or Underlying Issuer, as the case may be, or in such other form as is reasonably acceptable to such Issuing Lender or Underlying Issuer, as the case may be (each such letter of credit, a "Letter of Credit" and, collectively, the "Letters of Credit"). All Letters of Credit shall be denominated in U.S. Dollars or Canadian Dollars and shall be issued on a sight basis only. If an Issuing Lender, at its option, elects to cause an Underlying Issuer to issue a requested Letter of Credit, such Issuing Lender agrees that it will enter into arrangements relative to the reimbursement of such Underlying Issuer (which may include, among other means, by becoming an applicant with respect to such Letter of Credit or entering into undertakings or other arrangements that provide for reimbursement of such Underlying Issuer with respect to such drawings under Letter of Credit; each such obligation or undertaking, irrespective of whether in writing, a "Reimbursement Undertaking") with respect to Letters of Credit issued by such Underlying Issuer for the account of the Borrower. By submitting a request to an Issuing Lender for the issuance of a Letter of Credit, the Borrower shall be deemed to have requested that (x) such Issuing Lender issue the requested Letter of Credit or (y) the Underlying Issuer of such Issuing Lender issue the requested Letter of Credit (and, in such case, to have requested such Issuing Lender to issue a Reimbursement Undertaking with respect to such requested Letter of Credit).

(b) Subject to and upon the terms and conditions set forth herein, each Issuing Lender agrees that it will, at any time and from time to time on and after the Closing Date and prior to the 5th Business Day prior to the Revolving Loan Maturity Date, following its receipt of the respective Letter of Credit Request, issue for account of the Borrower, one or more Letters of Credit or Reimbursement Undertakings as are

permitted to remain outstanding hereunder without giving rise to a Default or an Event of Default; provided that no Issuing Lender shall be under any obligation to issue any Letter of Credit or Reimbursement Undertakings of the types described above if at the time of such issuance:

(i) any order, judgment or decree of any Governmental Authority or arbitrator shall purport by its terms to enjoin or restrain such Issuing Lender or Underlying Issuer from issuing such Letter of Credit or any requirement of law applicable to such Issuing Lender or Underlying Issuer or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over such Issuing Lender or Underlying Issuer shall prohibit, or request that such Issuing Lender or Underlying Issuer refrain from, the issuance of letters of credit generally or such Letter of Credit or Reimbursement Undertaking in particular or shall impose upon such Issuing Lender with respect to such Letter of Credit any restriction or reserve or capital requirement (for which such Issuing Lender is not otherwise compensated hereunder) not in effect with respect to such Issuing Lender on the date hereof, or any unreimbursed loss, cost or expense which was not applicable or in effect with respect to such Issuing Lender as of the date hereof and which such Issuing Lender reasonably and in good faith deems material to it; or

(ii) such Issuing Lender shall have received from the Borrower, any other Credit Party or the Required Lenders prior to the issuance of such Letter of Credit notice of the type described in the second sentence of Section 3.03(b).

3.02. Maximum Letter of Credit Outstandings; Final Maturities. Notwithstanding anything to the contrary contained in this Agreement, (i) no Letter of Credit or Reimbursement Undertaking shall be issued the Stated Amount of which, when added to the Letter of Credit Outstandings (exclusive of Unpaid Drawings which are repaid on the date of, and prior to the issuance of, the respective Letter of Credit or Reimbursement Undertaking) at such time would exceed either (x) the Letter of Credit Sublimit or (y) when added to the sum of (I) the Dollar Amount of all Revolving Loans then outstanding and (II) the Dollar Amount of all Swingline Loans then outstanding, an amount equal to the Excess Availability at such time and (ii) each Letter of Credit or Reimbursement Undertaking issued under any Tranche shall by its terms terminate on or before the earlier of (A) the date which occurs 12 months after the date of the issuance thereof and (B) the Revolving Loan Maturity Date for such Tranche (although any such Letter of Credit or Reimbursement Undertaking may be extendible for successive periods of up to 12 months, but, in each case, not beyond the date referred to in clause (B) unless 105% of the then-available Stated Amount thereof is cash collateralized or backstopped or other arrangements reasonably satisfactory to the relevant Issuing Lender or Underlying Issuer have been made with respect thereto on or before the date that such Letter of Credit or Reimbursement Undertaking is extended beyond the date referred to in clause (B)).

3.03. Letter of Credit Requests; Minimum Stated Amount. (a) Whenever the Borrower desires that a Letter of Credit be issued for its account, the Borrower

shall give the Administrative Agent and the respective Issuing Lender at least five Business Days' (or such shorter period as is acceptable to such Issuing Lender) written notice thereof (including by way of facsimile). Each notice shall be in the form of Exhibit A-3, appropriately completed (each, a "Letter of Credit Request").

(b) The making of each Letter of Credit Request shall be deemed to be a representation and warranty by the Borrower to the Lenders that such Letter of Credit may be issued in accordance with, and will not violate the requirements of, Section 3.02. Unless the respective Issuing Lender has received notice from the Borrower, any other Credit Party or the Required Lenders before it issues a Letter of Credit or Reimbursement Undertaking that one or more of the conditions specified in Section 7 are not then satisfied, or that the issuance of such Letter of Credit or Reimbursement Undertaking would violate Section 3.02, then such Issuing Lender shall, subject to the terms and conditions of this Agreement, issue the requested Letter of Credit for the account of the Borrower or Reimbursement Undertaking in accordance with such Issuing Lender's (or Underlying Issuer's, if applicable) usual and customary practices. Upon the issuance of or modification or amendment to any Letter of Credit or Reimbursement Undertaking, each Issuing Lender shall promptly notify the Borrower and the Administrative Agent, in writing of such issuance, modification or amendment and such notice shall be accompanied by a copy of such Letter of Credit or Reimbursement Undertaking or the respective modification or amendment thereto, as the case may be. Promptly after receipt of such notice, the Administrative Agent shall notify the Participants, in writing, of such issuance, modification or amendment.

(c) The initial Stated Amount of each Letter of Credit or Reimbursement Undertaking shall not be less than a Dollar Amount of $100,000 or such lesser amount as is acceptable to the respective Issuing Lender or Underlying Issuer, as the case may be.

3.04. Letter of Credit Participations. (a) Immediately upon the issuance by an Issuing Lender of any Letter of Credit or Reimbursement Undertaking, such Issuing Lender shall be deemed to have sold and transferred to each Lender, and each such Lender (in its capacity under this Section 3.04, a "Participant") shall be deemed irrevocably and unconditionally to have purchased and received from such Issuing Lender, without recourse or warranty, an undivided interest and participation, to the extent of such Participant's RL Percentage, in such Letter of Credit or Reimbursement Undertaking, each drawing or payment made thereunder and the obligations of the Borrower under this Agreement with respect thereto, and any security therefor or guaranty pertaining thereto. Upon any change in the Revolving Loan Commitments or RL Percentages of the Lenders pursuant to Section 2.13, 2.14 or 14.04(b), it is hereby agreed that, with respect to all outstanding Letters of Credit, Reimbursement Undertakings and Unpaid Drawings relating thereto, there shall be an automatic adjustment to the participations pursuant to this Section 3.04 to reflect the new RL Percentages of the Incremental Lender and the assignor and assignee Lender, as the case may be.

(b) In determining whether to pay under any Letter of Credit or Reimbursement Undertaking, no Issuing Lender or Underlying Issuer, as the case may be

shall have any obligation relative to the other Lenders other than to confirm that any documents required to be delivered under such Letter of Credit or Reimbursement Undertaking appear to have been delivered and that they appear to substantially comply on their face with the requirements of such Letter of Credit or Reimbursement Undertaking. Any action taken or omitted to be taken by an Issuing Lender or Underlying Issuer, as the case may be, under or in connection with any Letter of Credit or Reimbursement Undertaking issued by it shall not create for such Issuing Lender or Underlying Issuer, as the case may be, any resulting liability to the Borrower, any other Credit Party, any Lender or any other Person unless such action is taken or omitted to be taken with bad faith, gross negligence, willful misconduct or material breach on the part of such Issuing Lender or Underlying Issuer, as the case may be (as determined by a court of competent jurisdiction in a final and non-appealable decision).

(c) In the event that an Issuing Lender makes any payment under any Letter of Credit or Reimbursement Undertaking issued by it and the Borrower shall not have reimbursed such amount in full to such Issuing Lender pursuant to Section 3.05(a), such Issuing Lender shall promptly notify the Administrative Agent, which shall promptly notify each Participant of such failure, and each Participant shall promptly and unconditionally pay to such Issuing Lender the amount of such Participant's RL Percentage of such unreimbursed payment in the Available Currency in which such Letter of Credit or Reimbursement Undertaking is denominated and in same day funds. If the Administrative Agent so notifies, prior to 12:00 Noon (Toronto time) on any Business Day, any Participant required to fund a payment under a Letter of Credit or Reimbursement Undertaking, such Participant shall make available to the respective Issuing Lender in the Available Currency in which such Letter of Credit or Reimbursement Undertaking is denominated such Participant's RL Percentage of the amount of such payment on such Business Day in same day funds. If and to the extent such Participant shall not have so made its RL Percentage of the amount of such payment available to the respective Issuing Lender, such Participant agrees to pay to such Issuing Lender, forthwith on demand such amount, together with interest thereon, for each day from such date until the date such amount is paid to such Issuing Lender at the Overnight Rate for the first three days and at the interest rate applicable to Revolving Loans that are maintained as Base Rate Loans or Canadian Prime Rate Loans, as applicable, for each day thereafter. The failure of any Participant to make available to an Issuing Lender its RL Percentage of any payment under any Letter of Credit or Reimbursement Undertaking issued by such Issuing Lender shall not relieve any other Participant of its obligation hereunder to make available to such Issuing Lender its RL Percentage of any payment under any Letter of Credit on the date required, as specified above, but no Participant shall be responsible for the failure of any other Participant to make available to such Issuing Lender such other Participant's RL Percentage of any such payment.

(d) Whenever an Issuing Lender receives a payment of a reimbursement obligation as to which it has received any payments from the Participants pursuant to clause (c) above, such Issuing Lender shall pay to each such Participant which has paid its RL Percentage thereof, in the Available Currency in which such Letter of

Credit or Reimbursement Undertaking is denominated and in same day funds, an amount equal to such Participant's share (based upon the proportionate aggregate amount originally funded by such Participant to the aggregate amount funded by all Participants) of the principal amount of such reimbursement obligation and interest thereon accruing after the purchase of the respective participations.

(e) Upon the request of any Participant, each Issuing Lender shall furnish to such Participant copies of any Letter of Credit or Reimbursement Undertaking issued by it and such other documentation as may reasonably be requested by such Participant.

(f) The obligations of the Participants to make payments to each Issuing Lender with respect to Letters of Credit or Reimbursement Undertakings shall be irrevocable and not subject to any qualification or exception whatsoever and shall be made in accordance with the terms and conditions of this Agreement under all circumstances, including any of the following circumstances:

(i) any lack of validity or enforceability of this Agreement or any of the other Credit Documents;

(ii) the existence of any claim, setoff, defense or other right which the Borrower or any of its Restricted Subsidiaries may have at any time against a beneficiary named in a Letter of Credit or Reimbursement Undertaking, any transferee of any Letter of Credit or Reimbursement Undertaking (or any Person for whom any such transferee may be acting), the Administrative Agent, any Participant, or any other Person, whether in connection with this Agreement, any Letter of Credit, any Reimbursement Undertaking, the transactions contemplated herein or any unrelated transactions (including any underlying transaction between the Borrower or any Restricted Subsidiary and the beneficiary named in any such Letter of Credit or Reimbursement Undertaking);

(iii) any draft, certificate or any other document presented under any Letter of Credit or Reimbursement Undertaking proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect;

(iv) the surrender or impairment of any security for the performance or observance of any of the terms of any of the Credit Documents; or

(v) the occurrence of any Default or Event of Default.

3.05. Agreement to Repay Letter of Credit Drawings. (a) The Borrower agrees to reimburse each Issuing Lender, by making payment to the Administrative Agent in immediately available funds into the Agent's Account, for any payment or disbursement made by such Issuing Lender under any Letter of Credit or Reimbursement Undertaking issued by it (each such amount, so paid until reimbursed by the Borrower, an "Unpaid Drawing"), not later

than one Business Day following receipt by the Borrower of notice of such payment or disbursement (provided that no such notice shall be required to be given if a Default or an Event of Default under Section 12.01(e) shall have occurred and be continuing, in which case the Unpaid Drawing shall be due and payable immediately without presentment, demand, protest or notice of any kind (all of which are hereby waived by the Borrower)), with interest on the amount so paid or disbursed by such Issuing Lender, to the extent not reimbursed prior to 12:00 Noon (Toronto time) on the date of such payment or disbursement, from and including the date paid or disbursed to but excluding the date such Issuing Lender was reimbursed by the Borrower therefor at a rate per annum equal to (x) in the case of Letters of Credit or Reimbursement Undertakings denominated in U.S. Dollars, the Base Rate as in effect from time to time and (y) in the case of Letters of Credit or Reimbursement Undertakings denominated in Canadian Dollars, the Canadian Prime Rate as in effect from time to time, in each case, plus the Applicable Margin as in effect from time to time for Revolving Loans that are maintained as Base Rate Loans or Canadian Dollar Denominated Loans, as applicable; provided, however, to the extent such amounts are not reimbursed prior to 12:30 Noon (Toronto time) on the third Business Day following the receipt by the Borrower of notice of such payment or disbursement or following the occurrence of a Default or an Event of Default under Section 12.01(e) shall have occurred and be continuing, interest shall thereafter accrue on the amounts so paid or disbursed by such Issuing Lender (and until reimbursed by the Borrower) at a rate per annum equal to (x) in the case of Letters of Credit or Reimbursement Undertakings denominated in U.S. Dollars, the Base Rate as in effect from time to time and (y) in the case of Letters of Credit or Reimbursement Undertakings denominated in Canadian Dollars, the Canadian Prime Rate as in effect from time to time, in each case, plus the Applicable Margin for Revolving Loans that are maintained as Base Rate Loans or Canadian Dollar Denominated Loans, as applicable; as in effect from time to time plus 2%, with such interest to be payable on demand. Each Issuing Lender shall give the Borrower prompt written notice of each Drawing under any Letter of Credit or Reimbursement Undertaking issued by it, provided that the failure to give any such notice shall in no way affect, impair or diminish the Borrower's obligations hereunder. Each Drawing under any Letter of Credit or Reimbursement Undertaking shall (unless (x) the Borrower notifies the Administrative Agent in writing to the contrary, (y) the Borrower is unable to satisfy the conditions precedent to the making of Revolving Loans set forth in Section 7, or (z) (i) the Total Utilization of Revolving Commitments at such time exceeds 100% of the Borrowing Base at such time or (ii) the Total Utilization of Revolving Commitments at such time exceeds the Total Revolving Loan Commitment at such, in which case the procedures specified above in this Section 3.05 and in Section 3.04 for funding by the Participants shall apply) constitute a request by the Borrower to the Administrative Agent for a Borrowing of Revolving Loans pursuant to Section 2.03(a) constituting (x) in the case of Letters of Credit or Reimbursement Undertakings denominated in U.S. Dollars, Base Rate Loans and (y) in the case of Letters of Credit or Reimbursement Undertakings denominated in Canadian Dollars, Canadian Prime Rate Loans, in each case, in the amount of such Drawing, and the date with respect to such Borrowing shall be the date of payment of the relevant Drawing (it being understood that, in each such case, the Administrative Agent shall notify the Lenders thereof and the Lenders shall make available to the Administrative Agent shall notify the Lenders thereof and the Lenders shall make available to the Administrative Agent their pro rata portion of such Borrowing and the proceeds thereof shall be applied to reimburse the respective issuing Lender for such Drawing).

(b) The obligations of the Borrower under this Section 3.05 to reimburse each Issuing Lender with respect to drafts, demands and other presentations for payment under Letters of Credit or Reimbursement Undertakings issued by it (each, a "Drawing") (including, in each case, interest thereon) shall be absolute and unconditional under any and all circumstances and irrespective of any setoff, counterclaim or defense to payment which the Borrower or any Restricted Subsidiary may have or have had against any Lender (including in its capacity as an Issuing Lender or as a Participant), including any defense based upon the failure of any drawing under a Letter of Credit to conform to the terms of the Letter of Credit or any nonapplication or misapplication by the beneficiary of the proceeds of such Drawing; provided, however, that the Borrower shall not be obligated to reimburse any Issuing Lender for any wrongful payment made by such Issuing Lender under a Letter of Credit issued by it as a result of acts or omissions constituting bad faith, gross negligence, willful misconduct or material breach on the part of such Issuing Lender (as determined by a court of competent jurisdiction in a final and non-appealable decision).

3.06. Increased Costs. If at any time after the Closing Date, the introduction of or any change in any Applicable Law, rule, regulation, order, guideline or request or in the interpretation or administration thereof by the NAIC or any Governmental Authority charged with the interpretation or administration thereof, or compliance by any Issuing Lender, any Underlying Issuer or any Participant with any request or directive by the NAIC or by any such Governmental Authority (whether or not having the force of law), shall either (i) impose, modify or make applicable any reserve, deposit, capital adequacy or similar requirement against letters of credit or Reimbursement Undertakings issued by any Issuing Lender or any Underlying Issuer, as the case may be, or participated in by any Participant, (ii) subject any Issuing Lender, any Underlying Issuer or any Participant to any Taxes (other than (i) Indemnified Taxes, (ii) Taxes described in clauses (b) through (e) of the definition of Excluded Taxes, and (iii) Connection Income Taxes) on or with respect to Letters of Credit or Reimbursement Undertakings, commitments, or other obligations or its deposits, reserves, other liabilities or capital attributable thereto or (iii) impose on any Issuing Lender, any Underlying Issuer or any Participant any other conditions relating, directly or indirectly, to this Agreement or any Letter of Credit or Reimbursement Undertaking; and the result of any of the foregoing is to increase the cost to any Issuing Lender, any Underlying Issuer or any Participant of issuing, maintaining or participating in any Letter of Credit or Reimbursement Undertaking, or reduce the amount of any sum received or receivable by any Issuing Lender, any Underlying Issuer or any Participant hereunder or reduce the rate of return on its capital with respect to Letters of Credit or Reimbursement Undertakings, then, upon the delivery of the certificate referred to below to the Borrower by any Issuing Lender (for itself or on behalf of any Underlying Issuer) or any Participant (a copy of which certificate shall be sent by such Issuing Lender or such Participant to the Administrative Agent), the Borrower agrees to pay to such Issuing Lender or such Underlying Issuer or such Participant such additional amount or amounts as will compensate such Issuing Lender or such Underlying Issuer or such Participant for such increased cost or reduction in the amount receivable or reduction on the rate of return on its capital. Any Issuing Lender (for itself of on behalf of any Underlying Issuer) or any Participant, upon determining that any additional amounts will be payable to it (or to the Underlying Issuer, as the case may be)

pursuant to this Section 3.06, will give prompt written notice thereof to the Borrower, which notice shall include a certificate submitted to the Borrower by such Issuing Lender (for itself or on behalf of any Underlying Issuer) or such Participant (a copy of which certificate shall be sent by such Issuing Lender (for itself or on behalf of any Underlying Issuer) or such Participant to the Administrative Agent), setting forth in reasonable detail the basis for the calculation of such additional amount or amounts necessary to compensate such Issuing Lender or Underlying Issuer or such Participant. The certificate required to be delivered pursuant to this Section 3.06 shall, absent manifest error, be final and conclusive and binding on the Borrower.

3.07. Provisions Related to Extended Commitments. If the Maturity Date in respect of any Tranche of Revolving Loan Commitments occurs prior to the expiration of any Letter of Credit or Reimbursement Undertaking, then (i) if one or more other tranches of Revolving Loan Commitments in respect of which the Maturity Date shall not have occurred are then in effect, such Letters of Credit or Reimbursement Undertakings shall automatically be deemed to have been issued (including for purposes of the obligations of the Lenders to purchase participations therein and to make Revolving Loans and payments in respect thereof pursuant to Section 3) under (and ratably participated in by Lenders pursuant to) the Revolving Loan Commitments in respect of such non-terminating Tranches up to an aggregate amount not to exceed the aggregate principal amount of the unutilized Extended Commitments thereunder at such time (it being understood that no partial face amount of any Letter of Credit or Reimbursement Undertaking may be so reallocated) and to the extent any Letters of Credit or Reimbursement Undertakings are not able to be reallocated pursuant to this Section 3.07 and there are outstanding Revolving Loans under the non-terminating Tranches, the Borrower agrees to repay all such Revolving Loans (or such lesser amount as is necessary to reallocate all Letters of Credit or Reimbursement Undertakings pursuant to this Section 3.07) or (ii) to the extent not reallocated pursuant to immediately preceding clause (i), the Borrower shall cash collateralize any such Letter of Credit or Reimbursement Undertaking in a manner satisfactory to the Administrative Agent and the respective Issuing Lender or Underlying Issuer, as the case may be, but only up to the amount of such Letter of Credit or Reimbursement Undertaking not so reallocated. Except to the extent of reallocations of participations pursuant to clause (i) of the immediately preceding sentence, the occurrence of a Maturity Date with respect to a given tranche of Revolving Loan Commitments shall have no effect upon (and shall not diminish) the percentage participations of the Lenders in any Letter of Credit or Reimbursement Undertaking issued before such Maturity Date.

3.08. Conflict with Letter of Credit Request. Notwithstanding anything else to the contrary in this Agreement, any Letter of Credit Request or any other document related to issuing a Letter of Credit or Reimbursement Undertaking, (i) in the event of any conflict between the terms hereof and the terms of any Letter of Credit Request or such other document, the terms hereof shall control in all respects and (ii) any grant security interest pursuant to any Letter of Credit Request shall be null and void.

SECTION 4. Commitment Commissions; Fees; Reductions of Revolving Loan Commitment.

4.01. Fees. (a) The Borrower agrees to pay to the Administrative Agent for distribution to each Lender of any Tranche (other than a Defaulting Lender) a commitment commission (the "Commitment Commission") for the period from and including the Closing Date to and including the Revolving Loan Maturity Date of such Tranche (or such earlier date on which the Total Revolving Loan Commitment for such Tranche has been terminated) computed at a rate per annum equal to the Applicable Commitment Fee Percentage for such Tranche multiplied by the daily average Unutilized Revolving Loan Commitment of such Lender for such Tranche as in effect from time to time. Accrued Commitment Commission shall be due and payable quarterly in arrears on each Quarterly Payment Date and on the date upon which the Total Revolving Loan Commitment for such Tranche is terminated. For purposes of calculating the Commitment Commission only, no portion of the Initial Revolving Loan Commitments shall be deemed utilized as a result of outstanding Swingline Loans.

(b) The Borrower agrees to pay to the Administrative Agent for distribution to each Lender of any Tranche (other than a Defaulting Lender) (based on each such Lender's respective RL Percentage for such Tranche) a fee in respect of each Letter of Credit or Reimbursement Undertaking (the "Letter of Credit Fee") for the period from and including the date of issuance of such Letter of Credit or Reimbursement Undertaking to and including the date of termination or expiration of such Letter of Credit or Reimbursement Undertaking, computed at a rate per annum equal to the Applicable Margin for such Tranche as in effect from time to time during such period with respect to Revolving Loans for such Tranche that are maintained as (x) in the case of Letters of Credit or Reimbursement Undertakings denominated in U.S. Dollars, LIBOR Loans, or (y) in the case of Letters of Credit or Reimbursement Undertakings denominated in Canadian Dollars, Canadian CDOR Rate Loans, in each case, on the daily Stated Amount of each such Letter of Credit or Reimbursement Undertaking. Accrued Letter of Credit Fees shall be due and payable quarterly in arrears in U.S. Dollars on each Quarterly Payment Date and on the first day on or after the termination of the Total Revolving Loan Commitment for such Tranche upon which no Letters of Credit remain outstanding.

(c) The Borrower agrees to pay to each Issuing Lender, for its own account, a facing fee in respect of each Letter of Credit or Reimbursement Undertaking issued by it (the "Facing Fee") for the period from and including the date of issuance of such Letter of Credit or Reimbursement Undertaking to and including the date of termination or expiration of such Letter of Credit or Reimbursement Undertaking, computed at a rate per annum equal to 0.125% of the daily Stated Amount of such Letter of Credit or Reimbursement Undertaking. Accrued Facing Fees shall be due and payable quarterly in arrears on each Quarterly Payment Date and upon the first day on or after the termination of the Total Revolving Loan Commitment upon which no Letters of Credit or Reimbursement Undertakings remain outstanding.

(d) The Borrower agrees to pay to each Issuing Lender, for its own account, upon each payment under, issuance of, or amendment to, any Letter of Credit or Reimbursement Undertaking issued by it, such amount as shall at the time of such event be the administrative charge and the reasonable expenses which such Issuing Lender is

generally imposing in connection with such occurrence with respect to letters of credit or Reimbursement Undertakings.

(e) The Borrower agrees to pay to the Administrative Agent such fees as agreed to in the Fee Letter or such other fees as may be agreed to in writing from time to time by Holdings or any of its Restricted Subsidiaries and the Administrative Agent.

4.02. Voluntary Termination of Unutilized Revolving Loan Commitments. (a) Upon at least three Business Days' prior written notice to the Administrative Agent at the Notice Office (which notice the Administrative Agent shall promptly transmit to each of the Lenders), the Borrower shall have the right, at any time or from time to time, without premium or penalty to terminate the Total Unutilized Revolving Loan Commitment in whole, or reduce it in part, pursuant to this Section 4.02(a), in an integral multiple of $5,000,000 (or such lesser amount if it represents the Total Unutilized Revolving Loan Commitment) and in integral multiples of $1,000,000 in excess thereof in the case of partial reductions to the Total Unutilized Revolving Loan Commitment, provided that each such reduction shall apply proportionately to permanently reduce the Revolving Loan Commitment of each Lender.

(b) In the event of certain refusals by a Lender to consent to certain proposed changes, waivers, discharges or terminations with respect to this Agreement which have been approved by the Required Lenders as (and to the extent) provided in Section 14.12(b), the Borrower shall have the right, subject to obtaining the consents required by Section 14.12(b), upon five Business Days' prior written notice to the Administrative Agent at the Notice Office (which notice the Administrative Agent shall promptly transmit to each of the Lenders), to terminate the entire Revolving Loan Commitment of such Lender, so long as all Loans, together with accrued and unpaid interest, Fees and all other amounts, owing to such Lender (including all amounts, if any, owing pursuant to Section 2.11 but excluding the payment of amounts owing in respect of Loans of any Tranche maintained by such Lender, if such Loans are not being repaid pursuant to Section 14.12(b)) are repaid concurrently with the effectiveness of such termination (at which time Schedule 1.01(a) shall be deemed modified to reflect such changed amounts) and such Lender's RL Percentage of all outstanding Letters of Credit is cash collateralized in a manner satisfactory to the Administrative Agent and the respective Issuing Lenders, and at such time, such Lender shall no longer constitute a "Lender" for purposes of this Agreement, except with respect to indemnifications under this Agreement (including Sections 2.10, 2.11, 3.06, 5.04, 13.06, 14.01 and 14.06), which shall survive as to such repaid Lender.

(c) Each notice delivered by the Borrower pursuant to this Section 4.02 and Section 5.01 shall be irrevocable, provided that a notice of termination of (i) the Total Unutilized Revolving Loan Commitment or (ii) the entire Revolving Loan Commitment of a Lender, in each case, delivered by the Borrower may state that such notice is conditioned upon the effectiveness of other credit facilities or the receipt of the proceeds from the issuance of other Indebtedness, in which case such notice may be

revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified effective date of termination) if such condition is not satisfied.

4.03. Mandatory Reduction of Commitments. (a) In addition to any other mandatory commitment reductions pursuant to this Section 4.03, the Total Revolving Loan Commitment shall terminate in its entirety upon the applicable Maturity Date.

(b) Each reduction to, or termination of, the Total Revolving Loan Commitment pursuant to this Section 4.03 shall be applied to proportionately reduce or terminate, as the case may be, the Revolving Loan Commitment of each Lender with a Revolving Loan Commitment.

(c) The Letter of Credit Sublimit shall be permanently and ratably reduced from time to time on the date of each reduction of the Unutilized Revolving Loan Commitments pursuant to Section 4.02(a) by the amount, if any, by which the amount that the Letter of Credit Sublimit exceeds the Total Revolving Loan Commitment (after giving effect to such reduction of the Unutilized Revolving Loan Commitments).

SECTION 5. Prepayments; Payments; Taxes.

5.01. Voluntary Prepayments. (a) The Borrower shall have the right to prepay the Loans, without premium or penalty, in whole or in part at any time and from time to time on the following terms and conditions: (i) the Borrower shall give the Administrative Agent prior to 12:00 Noon (Toronto time) at the Notice Office (x) at least one Business Day's prior written notice (or telephonic notice promptly confirmed in writing) of its intent to prepay Base Rate Loans (or same day notice in the case of a prepayment of U.S. Dollar Denominated Swingline Loans) or Canadian Prime Rate Loans (or same day notice in the case of a prepayment of Canadian Dollar Denominated Swingline Loans) and (y) at least three Business Days' prior written notice (or telephonic notice promptly confirmed in writing) of its intent to prepay LIBOR Loans or Canadian CDOR Rate Loans, which notice (in each case) shall specify whether Revolving Loans or Swingline Loans shall be prepaid, the amount of such prepayment and the Types of Loans to be prepaid and, in the case of LIBOR Loans or Canadian CDOR Rate Loans, the specific Borrowing or Borrowings pursuant to which such LIBOR Loans or Canadian CDOR Rate Loans were made, and which notice the Administrative Agent shall, except in the case of a prepayment of Swingline Loans, promptly transmit to each of the Lenders; (ii) (x) each partial prepayment of Revolving Loans pursuant to this Section 5.01(a) shall be in a Dollar Amount of at least $500,000 (or such lesser amount as is acceptable to the Administrative Agent in any given case) and (y) each partial prepayment of Swingline Loans pursuant to this Section 5.01(a) shall be in Dollar Amount of at least $100,000 (or such lesser amount as is acceptable to the Administrative Agent in any given case), provided that (x) if any partial prepayment of LIBOR Loans made pursuant to any Borrowing shall reduce the outstanding principal amount of LIBOR Loans made pursuant to such Borrowing to an amount less than the Minimum Borrowing Amount applicable thereto, then such Borrowing may not be continued as a Borrowing of LIBOR Loans (and same shall automatically be converted into a Borrowing of Base Rate Loans) and any election of an Interest Period with respect thereto given by the Borrower shall have no force or effect and (y) if any partial prepayment of Canadian CDOR Rate Loans made pursuant

to any Borrowing shall reduce the outstanding principal amount of Canadian CDOR Rate Loans made pursuant to such Borrowing to an amount less than the Minimum Borrowing Amount applicable thereto, then such Borrowing may not be continued as a Borrowing of Canadian CDOR Rate Loans (and same shall automatically be converted into a Borrowing of Canadian Prime Rate Loans) and any election of an Interest Period with respect thereto given by the Borrower shall have no force or effect; (iii) each prepayment pursuant to this Section 5.01(a) in respect of any Loans made pursuant to a Borrowing shall be applied pro rata among such Loans.

(b) In the event of certain refusals by a Lender to consent to certain proposed changes, waivers, discharges or terminations with respect to this Agreement which have been approved by the Required Lenders as (and to the extent) provided in Section 14.12(b), the Borrower may, upon five Business Days' prior written notice to the Administrative Agent at the Notice Office (which notice the Administrative Agent shall promptly transmit to each of the Lenders), repay all Loans of such Lender (including all amounts, if any, owing pursuant to Sections 2.11), together with accrued and unpaid interest, Fees and all other amounts then owing to such Lender in accordance with, and subject to the requirements of, said Section 14.12(b), so long as (A) in the case of the repayment of Revolving Loans of any Lender pursuant to this clause (b), (x) the Revolving Loan Commitment of such Lender is terminated concurrently with such repayment pursuant to Section 4.02(b) (at which time Schedule 1.01(a) shall be deemed modified to reflect the changed Revolving Loan Commitments) and (y) such Lender's RL Percentage of all outstanding Letters of Credit is cash collateralized in a manner satisfactory to the Administrative Agent and the respective Issuing Lenders and (B) the consents, if any, required by Section 14.12(b) in connection with the repayment pursuant to this clause (b) shall have been obtained.

5.02. Mandatory Repayments. (a) If on any Revaluation Date (after giving effect to the determination of the Dollar Amount of each outstanding Loan, and Letter of Credit Outstandings), the Total Utilization of Revolving Commitments exceeds the Availability at such time (an "Overadvance"), the Borrower shall prepay on such day the Loans, in accordance with Section 5.02(e); provided that (x) if such Overadvance is caused solely by changes in the exchange rate of non-U.S. Dollar amounts, the Borrower shall prepay the Loans within two Business Days and (y) no Overadvance shall result in a Default due to the Borrower's failure to comply with Section 2.01 for so long as such Overadvance remains outstanding in accordance with the terms of this paragraph, but solely with respect to the amount of such Overadvance. If, after giving effect to the prepayment of the Dollar Amount of Swingline Loans and Revolving Loans, the Letter of Credit Outstandings exceeds Availability at such time, the Borrower shall pay to the Administrative Agent into the Agent's Account on such day an amount of cash and/or Cash Equivalents equal to the amount of such excess (up to a maximum amount equal to the Letter of Credit Outstandings at such time), such cash and/or Cash Equivalents to be held as security for all Obligations of the Borrower to the Issuing Lenders and the Lenders hereunder in a cash collateral account to be established by the Administrative Agent; provided that (x) if such excess is caused solely by changes in the exchange rate of non-U.S. Dollar amounts, the Borrower shall pay an amount of cash and/or Cash Equivalents equal to the amount of such excess (up to a maximum amount equal to the Letter of Credit Outstandings at such time)

within two Business Days and (y) no such excess shall result in a Default due to the Borrower's failure to comply with Section 2.01 for so long as such excess remains outstanding in accordance with the terms of this paragraph, but solely with respect to the amount of such excess.

(b) [Reserved].

(c) [Reserved].

(d) [Reserved].

(e) (i) Subject to Section 12.02, any prepayment of any Loan pursuant to this Section 5.02 shall be applied as follows:

(1) *first*, to repay outstanding Extraordinary Advances to the full extent thereof;

(2) *second*, to repay outstanding Swingline Loans to the full extent thereof;

(3) *third*, to repay outstanding Revolving Loans (other than any Additional Incremental Tranche) to the full extent thereof;

(4) *fourth*, to repay outstanding Loans constituting an Additional Incremental Tranche to the full extent thereof; and

(5) *fifth*, to the Administrative Agent to be held in a cash collateral account as security for all Letter of Credit Outstandings.

(ii) Any prepayment of Loans shall be applied first to Base Rate Loans and Canadian Prime Rate Loans to the full extent thereof before application to LIBOR Loans and Canadian CDOR Rate Loans, in each case in a manner which minimizes the amount of any payments required to be made by the Borrower pursuant to Section 2.11.

(f) In addition to any other repayments or mandatory prepayments pursuant to this Section 5, (i) all then outstanding Revolving Loans of any Tranche shall be repaid in full on the Maturity Date for such Tranche and (ii) outstanding Swingline Loans shall be repaid in full on the earlier of (x) the fifth Business Day following the date of the incurrence of such Swingline Loans and (y) the Swingline Expiry Date.

5.03. Method and Place of Payment. Except as otherwise specifically provided herein, all payments under this Agreement and under any Note shall be made to the Administrative Agent for the account of the Lender or Lenders entitled thereto not later than 12:00 Noon (Toronto time) on the date when due and shall be made in the relevant Available Currency of the underlying obligation in immediately available funds into the Agent's Account. Whenever any payment to be made hereunder or under any Note shall be stated to be due on a day which is not a Business Day, the due date thereof shall be extended to the next succeeding Business Day and, with respect to payments of principal, interest shall be payable at the

applicable rate during such extension. The Borrower hereby authorizes the Administrative Agent, from time to time without prior notice, to charge to the Borrower's account with the Administrative Agent all interest, fees and principal when due hereunder.

5.04. Taxes. Payments Free of Taxes. All payments made by the Borrower hereunder and under any Note will be made without setoff, counterclaim or other defense. Any and all payments by or on account of any obligation of any Credit Party under any Credit Document shall be made without deduction or withholding for any Taxes, except as required by Applicable Law. If any Applicable Law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with Applicable Law and, if such Tax is an Indemnified Tax, then the sum payable by the applicable Credit Party shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(b) Payment of Other Taxes by the Credit Parties. The Credit Parties shall timely pay to the relevant Governmental Authority in accordance with Applicable Law any Other Taxes, or at the option of the Administrative Agent, timely reimburse it for the payment of any Other Taxes.

(c) Indemnification by the Credit Parties. The Credit Parties shall jointly and severally indemnify each Recipient, within 10 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising there from or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(d) Indemnification by the Lenders. Each Lender shall severally indemnify the Administrative Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that any Credit Party has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Credit Parties to do so), (ii) any Taxes attributable to such Lender 's failure to comply with the provisions of Section 14.04 relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Credit Document, and any reasonable expenses arising therefrom or with respect

thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Credit Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this paragraph (d).

(e) Evidence of Payments. As soon as practicable after any payment of Taxes by any Credit Party to a Governmental Authority pursuant to this Section 5.04, such Credit Party shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(f) Status of Lenders. (i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Credit Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by Applicable Law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) If a payment made to a Lender under any Credit Document would be subject to U.S. federal withholding Tax imposed pursuant to or in connection with FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by Applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount, if any, to deduct and withhold from such payment. Solely for purposes of this Section 5.04(f)(ii),

"FATCA" shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly (and in any event within 10 days after such expiration, obsolescence or inaccuracy) notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(g) Treatment of Certain Refunds. If any Lender determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 5.04 (including by the payment of additional amounts pursuant to this Section 5.04), it shall pay to the appropriate Credit Party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such Lender and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such Credit Party, upon the request of such Lender, shall repay to such Lender the amount paid over pursuant to this paragraph (g) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such Lender is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (g), in no event will the Lender be required to pay any amount to a Credit Party pursuant to this paragraph (g) the payment of which would place the Lender in a less favorable net after-Tax position than the Lender would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require any Lender to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the Credit Party or any other Person.

(h) Issuing Lender and Swingline Lender. For purposes of this Section 5.04, the term "Lender" includes any Issuing Lender and the Swingline Lender.

(i) Survival. Each party's obligations under this Section 5.04 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Total Revolving Loan Commitments and the repayment, satisfaction or discharge of all obligations under any Credit Document.

SECTION 6. Conditions Precedent to the Credit Events on the Closing Date. The effectiveness of this Agreement and the obligation of each Lender to make Loans, and the obligation of each Issuing Lender to issue Letters of Credit, on the Closing Date are subject at the time of the making of such Loans or the issuance of such Letters of Credit to the satisfaction (or waiver in accordance with Section 14.12) of the following conditions:

6.01. Credit Documents; Notes. On or prior to the Closing Date, (i) Holdings, the Borrower, the Subsidiary Guarantors, the Administrative Agent and each of the

Initial Lenders shall have signed a counterpart hereof (whether the same or different counterparts) and shall have delivered the same to the Administrative Agent at the Notice Office or, in the case of the Initial Lenders, shall have given to the Administrative Agent telephonic (confirmed in writing), written or telex notice (actually received) at such office that the same has been signed and mailed to it, (ii) there shall have been delivered to the Administrative Agent for the account of each of the Lenders that has requested the same at least three Business Days prior to the Closing Date, a Revolving Note executed by the Borrower and, if so requested by the Swingline Lender, the Swingline Note executed by the Borrower, in each case in the amount, maturity and as otherwise provided herein and (iii) there shall have been delivered to the Administrative Agent an executed counterpart of each of the Initial Credit Documents and the Perfection Certificate.

6.02. Consummation of the Acquisition. The Acquisition shall have been, or substantially concurrently with the incurrence of Term Loans on the Closing Date, shall be, consummated in all material respects in accordance with the terms of the Acquisition Agreement, after giving effect to any modifications, amendments, consents or waivers thereto, other than those modifications, amendments, consents or waivers by Holdings, the Borrower or any Subsidiary that are materially adverse to the interests of the Lenders in their capacities as such, unless consented to in writing by the Lead Arrangers (such consent not to be unreasonably withheld, delayed or conditioned; provided that the Lead Arrangers shall be deemed to have consented to such modification, amendment, consent or waiver unless they object thereto in writing within 2 business days of receipt of written notice of such modification, amendment, consent or waiver); it being understood and agreed that (a) any increase in the purchase price from the purchase price set forth in the Acquisition Agreement shall be deemed not to be materially adverse to the interests of the Lenders in their capacities as such so long as such increase is funded by amounts available to be drawn hereunder or the Backstop Commitment Letter on the Closing Date or such increase is pursuant to any working capital or purchase price (or similar) adjustment provision set forth in the Acquisition Agreement, (b) any change to extend the "Sunset Date" (as defined in the Acquisition Agreement) to a date no later than the date that is 120 days after the date of the Fee Letter shall be deemed not to be materially adverse to the interests of the Lenders in their capacities as such and (c) any change to, or waiver, consent or approval by the Borrower in respect of, the definition of Closing Date Material Adverse Effect shall be deemed materially adverse to the interests of the Lenders in their capacities as such.

6.03. Opinions of Counsel. On the Closing Date, the Administrative Agent (or its counsel) shall have received a customary written opinion of (i) Davis Polk & Wardwell LLP, special New York counsel to the Credit Parties and (ii) Osler, Hoskin & Harcourt LLP, Canadian counsel and special Delaware counsel to the Credit Parties, in each case addressed to the Administrative Agent, the Collateral Agent and each of the Lenders as of the Closing Date and dated as of the Closing Date covering such matters incident to the transactions contemplated herein as the Administrative Agent may reasonably request.

6.04. Company Documents. On the Closing Date, the Administrative Agent shall have received a certificate from each Credit Party, dated the Closing Date, signed on behalf of such Credit Party by an Authorized Officer of such Credit Party, and, if applicable,

attested to by the Secretary or any Assistant Secretary of such Credit Party, with appropriate insertions, together with copies of the certificate or articles of incorporation and by-laws (or other equivalent organizational documents), as applicable, of such Credit Party, good standing certificates, certificates of status or similar certificate in the jurisdiction of organization (if applicable) of such Credit Party, and the resolutions of such Credit Party referred to in such certificate, and each of the foregoing shall be in form and substance reasonably acceptable to the Administrative Agent.

6.05. Term Loan Facility Documents. On or prior to the Closing Date, (i) the Term Loan Facility Documents shall have been duly executed and delivered by the Credit Parties and shall be in full force and effect in all material respects in accordance with the terms reviewed and approved by the Lead Arrangers prior to the Closing Date, after giving effect to any modifications, amendments, consents or waivers thereto, other than those modifications, amendments, consents or waivers that are materially adverse to the interests of the Lenders in their capacities as such, unless consented to in writing by the Lead Arrangers (such consent not to be unreasonably withheld, delayed or conditioned; provided that the Lead Arrangers shall be deemed to have consented to such modification, amendment, consent or waiver unless they object thereto in writing within 2 Business Days of receipt of written notice of such modification, amendment, consent or waiver) and (ii) the financing contemplated by the Term Loan Facility Documents in the initial amount of $285,000,000 shall have been consummated and the Borrower shall have used the proceeds therefrom (if any) to consummate the Transactions.

6.06. Capex Facilities Documents. On or prior to the Closing Date, (a) the Capex Facilities Documents with respect to the Ontario CapEx Facility shall have been duly executed and delivered by the Credit Parties and shall be in full force and effect and (b) the Treasury Board of Canada shall have approved the definitive contribution agreement documentation with respect to the the Federal CapEx Facility in the form of Exhibit D.

6.07. New PortLP Facility Documents. On or prior to the Closing Date, (i) the New PortLP Facility Documents shall have been duly executed and delivered by the Borrower, New PortLP and New PortGP and (ii) the New PortLP Transactions shall have been consummated.

6.08. Consummation of the Refinancing and Discharge of Obligations. (a) On or prior to the Closing Date and concurrently with the incurrence of Term Loans and the use of such Term Loans to finance the Refinancing on such date, all Indebtedness of ESAI, Algoma USA and the Subsidiary Debtors (other than (x) obligations not then due and payable or that by their terms survive the termination thereof and (y) certain existing letters of credit outstanding under the DIP Facility (as defined below) that on the Closing Date will be grandfathered into, or backstopped by, Loans or Letters of Credit hereunder or cash collateralized in a manner satisfactory to the issuing banks thereof) under (i) the DIP Facility and (ii) the Prepetition ABL Credit Facility (together with the DIP Facility, the "Indebtedness to be Refinanced")) will, in each case of (i) and (ii), be irrevocably defeased, satisfied or repaid in full and all commitments to extend credit thereunder will be terminated and discharged and any security interests and guarantees in connection therewith will be terminated and/or released (or arrangements for such repayment, termination and release will have been made) on or prior to

the Closing Date in accordance with the terms of the Acquisition Agreement, any orders relating thereto made in the Bankruptcy Proceedings and the Restructuring Support Agreement (or, in the case of letters of credit outstanding on the Closing Date under the DIP Facility or the Prepetition ABL Credit Facility, including letters of credit issued by ICICI Bank Canada for ESAI as approved by the CCAA Court on January 27, 2017, may be backstopped or replaced by Letters of Credit issued by Issuing Lenders on the Closing Date or may be cash collateralized on terms to be agreed), in each case in accordance with the Permitted Initial Revolving Credit Event Purposes (collectively, the "Refinancing").

(b) On or prior to the Closing Date and concurrently with the incurrence of Term Loans and the use of such Term Loans to finance the Refinancing on such date, (i) all indebtedness under (x) the Prepetition Term Loan Credit Facility and (y) the Prepetition 9.5% Notes Indenture will be irrevocably discharged (or arrangements for such discharge will have been made) and (ii) any security interests relating to the Purchased Assets (as defined in the Acquisition Agreement) in connection with (x) the Prepetition Term Loan Credit Facility, (y) the Prepetition 9.5% Notes issued under the Prepetition 9.5% Notes Indenture and (z) the Junior Secured Notes due 2020 issued under that certain Indenture dated as of November 14, 2014, among 1839688 Alberta ULC, as issuer, certain affiliates of 1839688 Alberta ULC, as guarantors and Wilmington Trust, National Association, as trustee (collectively, with the Prepetition Term Loan Credit Facility and the Prepetition 9.5% Notes, the " Indebtedness to be Discharged" and, together with the Indebtedness to be Refinanced, the "Prepetition Indebtedness"), will be irrevocably discharged and/or released (or arrangements for such discharge, and/or release will have been made), in each case in accordance with the terms of the Acquisition Agreement, any orders relating thereto in the Bankruptcy Proceedings and the Restructuring Support Agreement (collectively, the "Discharge of Other Prepetition Indebtedness").

(c) On the Closing Date and after giving effect to the consummation of the Transactions (i) all guaranties in respect of the DIP Facility and the Prepetition ABL Credit Facility shall have been terminated and released (or arrangements for such termination and release will have been made as of such date) and (ii) pursuant to the vesting order issued by the CCAA Court on September 21, 2018 relating to the Acquisition, on the Closing Date, and concurrently with the incurrence of Term Loans on such date, all security interests in respect of, and Liens on the "Purchased Assets" (as defined in the Acquisition Agreement) securing, the Prepetition Indebtedness created pursuant to the security documentation relating to the Prepetition Indebtedness and such Purchased Assets shall have been terminated and released (or arrangements for such termination and release will have been made as of such date).

(d) On the Closing Date and after giving effect to the consummation of the Transactions, Holdings and its Subsidiaries shall have no outstanding Funded Debt, except for (i) Indebtedness pursuant to or in respect of the Credit Documents, (ii) Indebtedness pursuant to or in respect of the Term Loan Facility Documents, (iii) Indebtedness pursuant to or in respect of the New PortLP Facility Documents and (iv) Indebtedness pursuant to or in respect of the CapEx Facilities Documents. On and as of

the Closing Date, all of the Indebtedness referenced to in preceding clauses (ii), (iii) and (iv) shall remain outstanding after giving effect to the Transactions without any breach, required repayment, required offer to purchase, default, event of default or termination rights existing thereunder or arising as a result of the Transactions.

6.09. Adverse Change. No Material Adverse Effect (as defined in the Acquisition Agreement) shall have occurred since the Filing Date.

6.10. Personal Property Requirements. Subject to the last paragraph of this Section 6 and Section 8.02 in regard to the Cash Management System and Control Agreements, and subject to the terms of the ABL Intercreditor Agreement, on or prior to the Closing Date, the Collateral Agent (or its counsel or bailee) shall have received:

(1) unless constituting Term Loan Priority Collateral, all certificates, agreements or instruments representing or evidencing the Securities Collateral accompanied by instruments of transfer and stock powers undated and endorsed in blank;

(2) unless constituting Term Loan Priority Collateral, all (if any) other certificates, agreements, including Control Agreements or instruments necessary to perfect the Collateral Agent's security interest in all Chattel Paper, all Instruments, all Deposit Accounts and all Investment Property (as each such term is defined in the applicable Security Document) of Holdings, the Borrower and each Subsidiary Guarantor solely to the extent required by the Collateral and Guarantee Requirements and the Security Documents;

(3) UCC and PPSA financing statements in appropriate form for filing under the UCC and PPSA, intellectual property security agreements for filing with the United States Patent and Trademark Office and United States Copyright Office and Canadian Intellectual Property Office and such other documents under applicable Requirements of Law in each jurisdiction as may be necessary to perfect the Liens created, or purported to be created, by the Security Documents and, with respect to all UCC and PPSA financing statements required to be filed pursuant to the Collateral and Guarantee Requirements and the Security Documents (provided, however, that no Credit Party shall be obligated to make any filings or take any other action to create or perfect any Liens under the laws of any jurisdiction outside of the United States and Canada); and

(4) certified copies of UCC, PPSA, United States Patent and Trademark Office and United States Copyright Office, Canadian Intellectual Property Office, tax and judgment lien searches, bankruptcy and pending lawsuit searches or equivalent reports or searches, each of a recent date listing all effective financing statements, lien notices or comparable documents that name the Borrower or any Subsidiary Guarantor as debtor and that are filed in those state, province, territory and county jurisdictions in which any property of the Borrower or any Subsidiary Guarantor is located and the state, province, territory and county jurisdictions in which the Borrower or any Subsidiary Guarantor is organized or maintains its principal place of business and such other searches that the Collateral Agent deems necessary or appropriate, none of which encumber the Collateral covered or intended to be covered by the Security Documents (other than Permitted Liens or any Liens that are to be terminated on the

Closing Date for which the Administrative Agent shall have received proper termination statements authorized for filing).

6.11. Representations and Warranties. (a) The Specified Acquisition Agreement Representations shall be true and correct in all material respects as of the Closing Date solely to the extent required by the terms of the definition thereof and (b) the Specified Representations shall be true and correct in all material respects on and as of the Closing Date; provided that (x) in the case of any Specified Representation which expressly relates to a given date or period, such representation and warranty shall be true and correct in all material respects as of the respective date or for the respective period, as the case may be and (y) if any Specified Representation is qualified by or subject to a "material adverse effect", "material adverse change" or similar term or qualification, the definition thereof shall be the definition of "Closing Date Material Adverse Effect" for purposes of the making or deemed making of such Specified Representation on, or as of, the Closing Date (or any date prior thereto).

6.12. Financial Statements; Pro Forma Balance Sheet; Projections. On or prior to the Closing Date, the Administrative Agent shall have received true and correct copies of (a) the audited consolidated balance sheet of ESAI for its fiscal years ended March 31, 2016, March 31, 2017 and March 31, 2018 and the related consolidated statements of income and retained earnings and statement of cash flows for each such fiscal year set forth therein, and such financial statements present fairly in all material respects the consolidated financial position of ESAI and its Subsidiaries at the date of said financial statements and the results for the respective periods covered thereby and (b) the unaudited consolidated balance sheet of ESAI for its fiscal quarter ended June 30, 2018 and the related consolidated statements of income and retained earnings and statement of cash flows for the three-month fiscal period ended on such date, and such financial statements present fairly in all material respects the consolidated financial condition of ESAI and its Subsidiaries at the date of said financial statements and the results for the period covered thereby, subject to normal year-end adjustments. All such financial statements have been prepared in accordance with IFRS consistently applied except to the extent provided in the notes to said financial statements and subject, in the case of the unaudited financial statements, to normal year-end audit adjustments (all of which are of a recurring nature and none of which, individually or in the aggregate, would be material) and the absence of footnotes.

6.13. Solvency Certificate. On the Closing Date, the Administrative Agent shall have received a solvency certificate signed by the chief financial officer (or other officer with reasonably equivalent duties) of Holdings in the form of Exhibit G (or, at the option of Holdings, a third party opinion as to the solvency of Holdings and its subsidiaries on a consolidated basis issued by a nationally recognized firm).

6.14. New PortLP Transactions; Pension Regulatory Relief. On the Closing Date, (i) the New PortLP Transactions, shall have been consummated in all material respects in accordance with the terms of the New PortLP Transaction Documents, (ii) the Pension Regulatory Relief in relation to the Hourly Pension Plan and the Salaried Pension Plan shall have come into force in accordance with its terms, in all respects in accordance with the

terms of the draft Pension Regulatory Relief reviewed and approved by the Lead Arrangers (or counsel on their behalf) prior to the Closing Date, and (iii) the Pension Matters Documents shall have been executed and delivered by the parties thereto on substantively similar terms as the draft Pension Matters Documents reviewed and approved by the Lead Arrangers prior to the Closing Date; in each case, after giving effect to any modifications, amendments, consents or waivers thereto, other than those modifications, amendments, consents or waivers thereto that are materially adverse to the interests of the Initial Lenders in their capacities as such, unless consented to in writing by the Lead Arrangers (such consent not to be unreasonably withheld, delayed or conditioned); provided that the Lead Arrangers shall be deemed to have consented to such modification, amendment, consent or waiver unless they object thereto in writing within two (2) Business Days of receipt of written notice of such modification, amendment, consent or waiver.

6.15. Fees, etc. On the Closing Date, the Administrative Agent shall have received (i) all fees required to be paid by the Borrower on the Closing Date pursuant to the Fee Letter and (ii) all expenses required to be paid by the Borrower for which invoices have been presented at least three Business Days prior to the Closing Date (including the reasonable fees and expenses of legal counsel for the Administrative Agent that are payable under the commitment letter entered into between the Lead Arrangers and the Borrower with respect to the Initial Revolving Facility, in each case on or before the Closing Date.

6.16. USA PATRIOT Act. (i) At least three Business Days prior to the Closing Date, the Administrative Agent shall have received all documentation and other information reasonably requested in writing by the Administrative Agent with respect to any Credit Party at least ten Business Days in advance of the Closing Date, which documentation or other information is required by U.S. or Canadian regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including the USA PATRIOT Act and (ii) to the extent the Borrower qualifies as a "legal entity customer" under the Beneficial Ownership Regulation, at least five days prior to the Closing Date, any Lender that has requested, in a written notice to the Borrower at least 10 days prior to the Closing Date, a Beneficial Ownership Certification in relation to the Borrower shall have received such Beneficial Ownership Certification (provided that, upon the execution and delivery by such Lender of its signature page to this Agreement, the condition set forth in this clause (ii) shall be deemed to be satisfied).

6.17. Notice of Borrowing; Letter of Credit Request. Prior to the making of each Revolving Loan on the Closing Date, the Administrative Agent shall have received a Notice of Borrowing meeting the requirements of Section 2.03(a), and prior to the issuance of each Letter of Credit or Reimbursement Undertaking on the Closing Date, the Administrative Agent and the respective Issuing Lender shall have received a Letter of Credit Request meeting the requirements of Section 3.03(a).

6.18. GIP Credit Agreement Payment. The GIP Credit Agreement Payment shall have been, or substantially concurrently with the incurrence of the Term Loans on the Closing Date shall be, consummated.

6.19. Officer's Certificate. The Administrative Agent shall have received a certificate of an Authorized Officer of the Borrower certifying that the conditions set forth in Sections 6.02, 6.05, 6.06, 6.07, 6.08, 6.09, 6.11, 6.14 and 6.18 are satisfied as of the Closing Date.

6.20. Initial Borrowing Base Certificate; Minimum Availability. Solely to the extent that any Credit Extension is requested on the Closing Date, the Administrative Agent shall have received the initial Borrowing Base Certificate meeting the requirements of Section 8.04(b) as of the last day of the month most recently ended not more than 30 days prior to the Closing Date reflecting working capital level as of the most recently completed month ended at least 15 Business Days prior to the Closing Date. On the Closing Date (after giving effect to any Credit Events hereunder on such date), Excess Availability shall be not less than $125,000,000.

In determining the satisfaction of the conditions specified in this Section 6, by establishing the Initial Revolving Loan Commitments and making any Initial Revolving Loans hereunder, the Administrative Agent and each Lender that has executed this Agreement (or an Assignment and Assumption on the Closing Date) shall be deemed to have consented to, approved or accepted, or to be satisfied with, each document or other matter required hereunder to be consented to or approved by or acceptable or satisfactory to the Administrative Agent or such Lender, as the case may be.

Notwithstanding the foregoing, to the extent any Lien search or Collateral (including the creation or perfection of any security interest) is not or cannot be provided on the Closing Date (other than, (i) a Lien on Collateral of any Credit Party that may be perfected solely by the filing of a financing statement under the UCC or the PPSA and (ii) a pledge of the Capital Stock of the Borrower and its Wholly-Owned, material Canadian and U.S. Restricted Subsidiaries to the extent certificated with respect to which a Lien may be perfected on the Closing Date by the delivery of a stock or equivalent certificate, together with a related stock or equivalent power executed in blank) after the Borrower's use of commercially reasonable efforts to do so without undue burden or expense, then the provision of any such Lien search and/or the provision and/or perfection of such Collateral shall not constitute a condition precedent to the availability and/or initial Credit Events under the Initial Revolving Facility on the Closing Date but may, if required, instead be delivered and/or perfected within the applicable time period after the Closing Date set forth in Schedule 10.18 pursuant to arrangements to be mutually agreed between the Borrower and the Administrative Agent and subject to extensions as are reasonably agreed by the Administrative Agent.

SECTION 7. Conditions Precedent to All Credit Events after the Closing Date. The obligation of each Lender to make Loans after the Closing Date, and the obligation of each Issuing Lender to issue Letters of Credit after the Closing Date, are subject at the time of each such Credit Event (except as hereinafter indicated), to the satisfaction (or waiver in accordance with Section 14.12) of the following conditions (which, for the avoidance of doubt (including for purposes of the last paragraph of this Section 7), shall not include **(X)** any Incremental Loans advanced pursuant to an Additional Incremental Tranche in connection with any acquisition, other Investment, disposition, Restricted Debt Payment or otherwise in accordance with

Section 1.06 and/or (Y) any Credit Extension under any Incremental Facility Amendment establishing an Additional Incremental Tranche, Refinancing Amendment and/or Extension Amendment, in each case to the extent not otherwise required by the lenders in respect thereof):

7.01. No Default: Representations and Warranties. At the time of each such Credit Event and also after giving effect thereto (i) there shall exist no Default or Event of Default and (ii) all representations and warranties contained herein and in the other Credit Documents shall be true and correct in all material respects as of the date made or deemed to be made (it being understood and agreed that (x) any representation or warranty which by its terms is made as of a specified date shall be required to be true and correct in all material respects only as of such specified date and (y) any representation or warranty that is qualified as to "materiality." "Material Adverse Effect" or similar language shall be true and correct in all respects on such date).

7.02. Notice of Borrowing: Letter of Credit Request. (a) Prior to the making of each Loan (other than a Swingline Loan or a Revolving Loan made pursuant to a Mandatory Borrowing) the Administrative Agent shall have received a Notice of Borrowing meeting the requirements of Section 2.03(a). Prior to the making of each Swingline Loan, the Swingline Lender shall have received the notice referred to in Section 2.03(b)(1).

(b) Prior to the issuance of each Letter of Credit or Reimbursement Undertaking, the Administrative Agent and the respective Issuing Lender shall have received a Letter of Credit Request meeting the requirements of Section 3.03(a).

7.03. Liquidity. After giving effect to any Credit Event, the Total Utilization of Revolving Commitments shall not exceed Availability then in effect.

The acceptance of the benefits of each Credit Event shall constitute a representation and warranty the Borrower to the Administrative Agent and each of the Lenders that all the conditions specified in this Section 7 and applicable to such Credit Event are satisfied as of that time.

SECTION 8. Collateral Account; Collateral Monitoring; Application of Collateral Proceeds. The Borrower and each Subsidiary Guarantor hereby warrants, covenants and agrees that on and after the Closing Date and until the Total Revolving Loan Commitment has terminated and the Revolving Loans and Notes (in each case together with interest thereon), Fees and all other Credit Document Obligations (other than indemnities described in Section 14.13 and reimbursement obligations under Section 14.01 which, in either case, are not then due and payable) incurred hereunder and thereunder, are paid in full:

8.01. Collateral Accounts.

(a) The Borrower and each Borrowing Base Guarantor hereby agree not to grant to any Account Debtor any credit, discount, allowance or extension, or to enter into any agreement for any of the foregoing, without the Collateral Agent's consent, except in the ordinary course of business in accordance with the Borrower's or such

Borrowing Base Guarantor's customary practices and policies and as previously disclosed to the Collateral Agent. So long as no Event of Default exists or has occurred and is continuing, the Borrower and each Borrowing Base Guarantor may settle, adjust or compromise any claim, offset, counterclaim or dispute with any Account Debtor.

(b) With respect to each Account: (i) the amounts shown on any invoice delivered to the Collateral Agent or schedule thereof delivered to the Collateral Agent shall be true and complete in all material respects; and (ii) none of the transactions giving rise thereto will violate any Applicable Law or regulations, all documentation relating thereto will be legally sufficient under such laws and regulations and all such documentation will be legally enforceable in accordance with its terms.

8.02. Account; Cash Management. The Borrower and each Borrowing Base Guarantor shall maintain a cash management system as described on Schedule 8.02 attached hereto (including a list of all Deposit Accounts or Securities Accounts of the Borrower and its Restricted Subsidiaries) (as such Schedule 8.02 may be updated in writing (i) by the Borrower to add and/or remove Deposit Accounts (including any Blocked Account) or Securities Accounts of the Borrower and its Restricted Subsidiaries after the Closing Date or (ii) to make such other modifications thereto, in each case as consented to by the Administrative Agent (which consent shall not be unreasonably withheld, conditioned or delayed)) (the "Cash Management System"), and which shall operate as follows:

(a) Except in connection with Excluded Accounts and the Term Loan Priority Collateral Proceeds Accounts, on or prior to the date that is 120 days after the Closing Date (or such later date as the Administrative Agent may, in its sole discretion, consent to in writing), the Borrower and each Borrowing Base Guarantor will take all reasonable actions necessary to deposit funds held by the Borrower or such Borrowing Base Guarantor (other than funds being collected pursuant to the provisions stated below, but including any proceeds of Revolving Loans that are not being utilized on the Closing Date to finance the Transactions) in one or more Deposit Accounts or Securities Accounts subject to the terms of the applicable Security Documents and applicable Control Agreements.

(b) Except in connection with Excluded Accounts and the Term Loan Priority Collateral Proceeds Accounts, on or prior to the date that is 120 days after the Closing Date (or such later date as the Administrative Agent may, in its sole discretion, consent to in writing), the Borrower shall establish and maintain, at its sole expense, and shall cause each Borrowing Base Guarantor to establish and maintain, at its sole expense blocked accounts or lockboxes and related Deposit Accounts with Wells Fargo or one or more other banks reasonably acceptable to the Collateral Agent into which the Borrower and such Borrowing Base Guarantors shall promptly deposit or transfer and direct their respective Account Debtors to directly remit all payments on Accounts and all payments constituting proceeds of Inventory or other ABL Facility Priority Collateral in the identical form in which such payments are made, whether by cash, check or other manner, and shall be identified and segregated from all other funds of the Borrower and the Borrowing Base Guarantors (in each case, "Blocked Accounts"); (it being understood that

Bank of America, N.A. and Royal Bank of Canada each is reasonably acceptable to the Administrative Agent). The Borrower and such Borrowing Base Guarantors shall deliver, or cause to be delivered, to the Collateral Agent a Control Agreement duly authorized, executed and delivered by each such Credit Party where a Blocked Account for the benefit of the Borrower or any such Borrowing Base Guarantor is maintained, and by each bank where any such Blocked Account is from time to time maintained. Except in connection with Excluded Accounts and the Term Loan Priority Collateral Proceeds Accounts, the Borrower and such Borrowing Base Guarantors shall not establish any Deposit Accounts after the Closing Date into which payments on Accounts and payments constituting proceeds of Inventory or other ABL Facility Priority Collateral are deposited, unless the Borrower or such Borrowing Base Guarantor (as applicable) have complied in full with the provisions of this Section 8.02(b) with respect to such Deposit Accounts.

(c) With respect to the Blocked Accounts of the Borrower and such Borrowing Base Guarantors as the Collateral Agent shall determine in its sole reasonable discretion, the applicable bank maintaining such Blocked Accounts shall agree to forward daily all amounts in such Blocked Account to one Blocked Account designated as no more than two concentration accounts (one for each Available Currency) in the name of the Borrower (collectively, the "Concentration Account") at Royal Bank of Canada or Wells Fargo Bank, N.A (or other financial institution reasonably acceptable to the Collateral Agent) (the "Concentration Account Bank"), which on the Closing Date shall consist of accounts #04362-1003045 held with Royal Bank of Canada (for Canadian Dollars) and #04362-4001616 held with Royal Bank of Canada (for U.S. Dollars). The Concentration Account Bank shall agree, from and after the receipt of a notice (an "Activation Notice") from the Collateral Agent (which Activation Notice may be given by the Collateral Agent at any time during a Dominion Period) pursuant to the applicable Control Agreement, to forward daily all amounts in the Concentration Account to the account designated as the collection account (the "Collection Account") which shall be under the exclusive dominion and control of the Collateral Agent (it being understood that prior to delivery of an Activation Notice the Borrower and such Borrowing Base Guarantors shall have access to funds in the Concentration Account).

(d) At any time that a Dominion Period is in effect, except as otherwise provided herein, all collected amounts held in the Collection Account shall be distributed and applied on a daily basis by the close of business on each Business Day in accordance with Section 12.02 (in each case, to the extent the Administrative Agent has actual knowledge of the amounts owing or outstanding as described below and any applications otherwise required to be applied pursuant to the terms of the respective Security Documents) or otherwise in such order as the Administrative Agent may determine in its reasonable discretion.

(e) Notwithstanding any provision of this Section 8.02 to the contrary, in the event that any Credit Party receives or otherwise has dominion and control of any proceeds or collections of Accounts or proceeds of Collateral outside of the Blocked Accounts, such proceeds and collections shall be held in trust by such Credit Party for the Administrative Agent and shall, not later than five (5) Business Days after receipt thereof,

be deposited into a Blocked Account or the Concentration Account or dealt with in such other fashion as such Credit Party may be instructed by the Administrative Agent.

(f) With respect to Qualified Cash, prior to becoming eligible for inclusion in the Borrowing Base, the Borrower shall identify to the Administrative Agent in writing those Deposit Accounts in which Qualified Cash is to be maintained, deliver to the Administrative Agent fully executed Control Agreements with respect to such Deposit Accounts maintained with third party financial institutions, and provided that the Administrative Agent shall have direct on-line access to monitor the account balances therein from time to time on a daily basis.

8.03. Inventory. With respect to the Inventory: (a) the Borrower and each Borrowing Base Guarantor shall at all times maintain records of Inventory reasonably satisfactory to the Collateral Agent and consistent with past practices of the Borrower.

8.04. Borrowing Base-Related Report; Field Exams and Appraisals. (I) (a) The Borrower shall deliver or cause to be delivered (at the expense of the Borrower) to the Collateral Agent and the Administrative Agent the items as set forth on Schedule 8.04 within the time periods prescribed therein.

(b) The Borrower shall deliver or cause to be delivered (at the expense of the Borrower) to the Collateral Agent and the Administrative Agent a Borrowing Base Certificate, to be delivered within three Business Days after a Credit Party consummates (x) an Asset Disposition (other than Asset Dispositions of Inventory in the ordinary course of business) to any Person (other than to a Credit Party) or (y) any disposition described in clause (29) of the definition of "Asset Disposition", in each case of (x) and (y), of Eligible Accounts and/or Eligible Inventory that are (or would have otherwise been) included in computation of the Borrowing Base (including the sale of any capital stock of any Credit Party or any Borrowing Base Guarantor ceasing to be a Credit Party, in either case, to the extent such entity owns any Eligible Accounts or Eligible Inventory) with a value (as reasonably determined by the Borrower) in excess of $5,000,000. Such Borrowing Base Certificate shall be prepared as of the last day of the preceding Fiscal Month calculated on a pro forma basis after giving effect to such disposition and setting forth the value of the Eligible Accounts and Eligible Inventory previously included in the Borrowing Base and disposed of in such disposition, together with, in each case, any additional schedules and other information that the Administrative Agent may reasonably request;

(c) The delivery of each certificate and report or any other information delivered pursuant to this Section 8.04 shall constitute a representation and warranty by the Borrower that the statements and information contained therein are true and correct in all material respects on and as of such date.

(II) The Credit Parties shall cooperate fully with the Collateral Agent and its agents during all Collateral field exams and Inventory appraisals which shall be at the expense of the Borrower; provided that no more than one collateral field exam and one inventory appraisal during any twelve month period following the Closing Date may be conducted at the expense of

the Borrower; provided, further, that (x) the Collateral Agent and its agents may conduct, at the Borrower's expense, one additional collateral field exam and one additional inventory appraisal during the continuance of a Dominion Period and (y) following the occurrence and during the continuation of any Specified Event of Default, the Collateral Agent and its agents may conduct, at the Borrower's expense, such additional collateral field exams and inventory appraisals as the Collateral Agent, in its reasonable discretion, determines are necessary or appropriate (but in no event more than three (3) times in any Fiscal Year (inclusive of the collateral field exams and inventory appraisals referred to above), in each case, in scope and form satisfactory to the Collateral Agent, from a third-party appraiser (satisfactory to the Collateral Agent) and a third-party consultant (satisfactory to the Collateral Agent).

8.05. Rescission of Activation Notice. Notwithstanding any of the provisions of Section 8.02 to the contrary, after the Collateral Agent has delivered an Activation Notice and upon delivery of a certificate by an Authorized Officer of the Borrower to the Collateral Agent certifying that no Event of Default has occurred or is continuing and no Dominion Period is in effect, the Collateral Agent shall rescind the Activation Notice by written notice, as necessary, to the applicable Concentration Account Banks and any such other banks to which the Collateral Agent had issued such Activation Notice and following such rescission the Cash Management System shall be operated as if no such Activation Notice had been given.

SECTION 9. Representations and Warranties. In order to induce the Lenders to enter into this Agreement and to make the Loans and issue (or participate in) the Letters of Credit as provided herein (and, on the Closing Date, solely to the extent required pursuant to Section 6), each Credit Party hereby make the following representations and warranties to the Administrative Agent and each Lender, in each case after giving effect to the Transactions:

9.01. Company Status. Each of Holdings, the Borrower and each of its Restricted Subsidiaries (a) is (i) a duly organized and validly existing Company and (ii) in good standing (to the extent such concept is applicable in the applicable jurisdiction) under the laws of the jurisdiction of its organization, (b) has the Company power and authority to own its property and assets and to transact the business in which it is engaged and presently proposes to engage and (c) is duly qualified and is authorized to do business and is in good standing (to the extent such concept is applicable in the applicable jurisdiction) in each jurisdiction where the ownership, leasing or operation of its property or the conduct of its business requires such qualifications except for failures to be so qualified or authorized which, either individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

9.02. Power and Authority. Each Credit Party has the Company power and authority to execute, deliver and perform the terms and provisions of each of the Credit Documents to which it is party and has taken all necessary Company action to authorize the execution, delivery and performance by it of each of such Credit Documents. Each Credit Party has duly executed and delivered each of the Credit Documents to which it is party, and each of such Credit Documents constitutes its legal, valid and binding obligation enforceable in accordance with its terms, except to the extent that the enforceability thereof may be limited by applicable Legal Reservations (regardless of whether enforcement is sought in equity or at law).

9.03. No Violation. Neither the execution, delivery or performance by any Credit Party of the Credit Documents to which it is a party, nor compliance by it with the terms and provisions thereof, (i) will contravene any provision of any Requirement of Law or any order, writ, injunction or decree of any court or Governmental Authority, (ii) will conflict with or result in any breach of any of the terms, covenants, conditions or provisions of, or constitute a default under, or result in the creation or imposition of (or the obligation to create or impose) any Lien (except pursuant to the Security Documents) upon any of the property or assets of any Credit Party or any of its Restricted Subsidiaries pursuant to the terms of any indenture, mortgage, deed of trust, credit agreement or loan agreement, or any other agreement, contract or instrument, in each case to which any Credit Party or any of its Restricted Subsidiaries is a party or by which it or any its property or assets is bound or to which it may be subject, except in the case of this clause (ii), as would not, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, or (iii) will violate any provision of the certificate or articles of incorporation, certificate of formation, limited liability company agreement or by-laws (or equivalent organizational documents), as applicable, of any Credit Party or any of its Restricted Subsidiaries.

9.04. Approvals. No order, consent, approval, license, authorization or validation of, or filing, recording or registration with (except (x) such as have been obtained or made and are in full force and effect (except, with respect to Perfection Requirements, to the extent not required to be obtained or made pursuant to the Collateral and Guarantee Requirement), (y) in connection with the Perfection Requirements and (z) such consents, approvals, registrations, filings or other actions the failure to obtain or make which would not be reasonably expected to have a Material Adverse Effect), or exemption by, any Governmental Authority is required to be obtained or made by, or on behalf of, any Credit Party to authorize, or is required to be obtained or made by, or on behalf of, any Credit Party in connection with, (i) the execution, delivery and performance of any Credit Document or (ii) the legality, validity, binding effect or enforceability of any such Credit Document.

9.05. Financial Statements; Financial Condition; Projections. (a) After the Closing Date, the financial statements most recently provided pursuant to Section 10.01(a), (b) or (c), as applicable, present fairly, in all material respects, the consolidated financial position, results of operations and cash flows of the Borrower on a consolidated basis as of such dates and for such periods in accordance with IFRS, (x) except as otherwise expressly noted therein, (y) subject, in the case of quarterly financial statements, to the absence of footnotes and normal year-end audit adjustments and (z) except as may be necessary to reflect any differing entity and/or organizational structure prior to giving effect to the Transactions.

(b) The Projections delivered to the Lead Arrangers prior to the Closing Date have been prepared in good faith based upon assumptions believed by the Borrower to be reasonable at the time furnished (it being recognized that such Projections are not to be viewed as facts and are subject to significant uncertainties and contingencies many of which are beyond the Borrower's control, that no assurance can be given that any particular financial projections (including the Projections) will be realized, that actual results may differ from projected results and that such differences may be material).

(c) Since the Closing Date, there have been no events, developments or circumstances that have had, or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

9.06. Litigation. There are no actions, suits or proceedings pending or, to the knowledge of the Borrower, threatened that has had, or would reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.

9.07. True and Complete Disclosure. As of the Closing Date, to the knowledge of the Borrower, all written factual information (other than the Projections, the Model, other forward-looking or projected information, pro forma information and information of a general economic or general industry nature (including any reports or memoranda prepared by third party consultants)) concerning Holdings, the Borrower and its Restricted Subsidiaries and the Transactions and that was included in the Confidential Information Memorandum or otherwise prepared by or on behalf of Holdings, the Borrower or its Restricted Subsidiaries or their respective representatives and made available to the Lead Arrangers or the Administrative Agent in connection with the Transactions on or before the Closing Date, when taken as a whole, did not, when furnished, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein not materially misleading in light of the circumstances under which such statements are made (after giving effect to all supplements and updates thereto from time to time).

9.08. Use of Proceeds; Margin Regulations.

(a) On the Closing Date, the Initial Revolving Facility may be used for the Permitted Initial Revolving Credit Event Purposes. After the Closing Date, all proceeds of the Revolving Loans and the Swingline Loans will be used for the working capital and general corporate purposes of the Borrower and its and any other Credit Event Subsidiaries (including Permitted Acquisitions and the payment of Dividends). No proceeds of Swingline Loans shall be used to refinance outstanding Swingline Loans.

(b) No part of any Credit Event (or the proceeds thereof) will be used to purchase or carry any Margin Stock or to extend credit for the purpose of purchasing or carrying any Margin Stock. Neither the making of any Loan nor the use of the proceeds thereof nor the occurrence of any other Credit Event will violate or be inconsistent with the provisions of Regulations T, U or X of the Board of Governors.

9.09. Taxes. Except as set forth in Schedule 10.10, Borrower and each of its Subsidiaries has (a) timely filed or caused to be timely filed all Canadian or U.S., as applicable, federal Tax Returns and all material provincial, state, local and foreign Tax Returns or materials required to have been filed by it and all such Tax Returns are true and correct in all material respects and (b) duly and timely paid, collected or remitted or caused to be duly and timely paid, collected or remitted all Taxes (whether or not shown on any Tax Return) due and payable, collectible or remittable by it and all assessments received by it, except Taxes (i) that are being contested in good faith by appropriate proceedings and for which the Borrower or such Subsidiary has set aside on its books adequate reserves in accordance with IFRS or (ii) which

could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Each of Borrower and each of its Subsidiaries has made adequate provision in accordance with IFRS for all Taxes not yet due and payable. Each of Borrower and each of its Subsidiaries is unaware of any proposed or pending Tax assessments, deficiencies or audits that could be reasonably expected to, either individually or in the aggregate, result in a Material Adverse Effect.

9.10. Employee Benefit Plans. Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, (i) each Plan has, to the knowledge of each Credit Party, been maintained in compliance with its terms, with all applicable collective bargaining agreements, and with all applicable Requirements of Law, (ii) no Plan, nor any related trust or other funding medium thereunder, is subject to any pending or, to the knowledge of each Credit Party, threatened or anticipated, investigation, examination or other legal proceeding, initiated by any Governmental Authority or by any other person (other than routine claims for benefits), (iii) none of the Credit Parties has, as at the date of this Agreement, any obligation in connection with the termination of any DB Plan and (iv) none of the Borrower, any of its Subsidiaries or any ERISA Affiliate maintains or contributes to (or has any current liability with respect to) any ERISA Plan.

9.11. Security Documents. Subject to the terms of the last paragraph of Section 6, the Legal Reservations and the Perfection Requirements, and the provisions, limitations and/or exceptions expressly set forth in this Agreement and/or the other relevant Credit Documents (including the ABL Intercreditor Agreement or any other Acceptable Intercreditor Agreement):

(a) Security Agreements. The Security Agreements are effective to create in favor of the Collateral Agent for the benefit of the Secured Parties legal, valid and enforceable Liens on, and security interests in, the Security Agreement Collateral, and upon the satisfaction of the applicable Perfection Requirements, the Liens created by the Security Agreements shall constitute valid perfected First Priority (subject to each Acceptable Intercreditor Agreement than extant) Liens on, and security interests in, all right, title and interest of the grantors thereunder in the Security Agreement Collateral (other than such Security Agreement Collateral in which a security interest cannot be perfected under the UCC or the PPSA as in effect at the relevant time in the relevant jurisdiction), in each case subject to no Liens other than Permitted Liens (other than Permitted Liens that are Junior Lien Priority).

(b) Canadian Pledge Agreement and U.S. Pledge Agreement. The Canadian Pledge Agreement and U.S. Pledge Agreement are effective to create in favor of the Collateral Agent for the benefit of the Secured Parties legal, valid and enforceable Liens on, and security interests in, the Pledge Agreement Collateral, and upon the satisfaction of the applicable Perfection Requirements, the Liens created by the Pledge Agreement shall constitute valid perfected First Priority (subject to each Acceptable Intercreditor Agreement than extant) Liens on, and security interests in, all right, title and interest of the grantors thereunder in the Security Pledge Collateral (other than that portion of the Pledge Agreement Collateral constituting a “general intangible” under the UCC or

an “intangible” under the PPSA), in each case subject to no Liens other than Permitted Liens (other than Permitted Liens that are Junior Lien Priority).

(c) PTO Filing; Copyright Office Filing. When the Security Agreements or a short form thereof are filed in the United States Patent and Trademark Office, the United States Copyright Office and the Canadian Intellectual Property Office, and UCC and PPSA financing statements are filed in the applicable jurisdictions, the Liens created by the Security Agreements shall constitute valid perfected First Priority (subject to each Acceptable Intercreditor Agreement than extant) Liens on, and security interests in, all right, title and interest of the grantors thereunder in Trademarks, Industrial Designs and Patents (each as defined in the applicable Security Agreement) registered or applied for with the United States Patent and Trademark Office or Canadian Intellectual Property Office or Copyrights (as defined in the applicable Security Agreement) registered or applied for with the United States Copyright Office or Canadian Intellectual Property Office, or Industrial Designs (as defined in the applicable Security Agreement) registered or applied for with the Canadian Intellectual Property Office, in each case subject to no Liens other than Permitted Liens; provided, however, that additional filings may be required to perfect the Liens created by the Security Agreements upon any Trademarks, Industrial Designs, Patents, or Copyrights acquired or applied for after the date hereof.

(d) Mortgages. Each Mortgage is effective to create, in favor of the Collateral Agent, for its benefit and the benefit of the Secured Parties, subject, in all cases, to the priorities of each applicable Acceptable Intercreditor Agreement, legal, valid, perfected and enforceable First Priority (subject to each Acceptable Intercreditor Agreement than extant) Liens on, and security interests and charges in, all of the Credit Parties’ right, title and interest in and to the Mortgaged Properties thereunder and the proceeds thereof, subject only to Permitted Liens, and when the Mortgages are registered in the applicable land registry offices (or, in the case of any Mortgage executed and delivered after the date thereof in accordance with the provisions of Section 10.12 and Section 10.13, when such Mortgage is registered in the applicable land registry office), the Mortgages shall constitute First Priority (subject to each Acceptable Intercreditor Agreement than extant) fully perfected Liens on, and security interests and charges in, all right, title and interest of the Credit Parties in the Mortgaged Properties and the proceeds thereof, in each case prior and superior in right to any other person, other than Permitted Liens.

9.12. Properties.

(a) Generally. Each of the Borrower and each of its Restricted Subsidiaries has good title to, or valid leasehold interests in, all its property material to its business, including the Mortgaged Property (other than Intellectual Property, which is the subject of Section 9.19), free and clear of all Liens except for Permitted Liens and minor irregularities or deficiencies in title that, individually or in the aggregate, do not materially interfere with its ability to conduct its business as currently conducted or to utilize such property for its intended purpose. Except as could reasonably be expected to result in a Material Adverse Effect, the property of the Borrower and its Restricted Subsidiaries,

taken as a whole, (i) as of the date hereof, is in good operating order, condition and repair (ordinary wear and tear excepted) and (ii) constitutes all the property which is required for the business and operations of the Borrower and its Restricted Subsidiaries as presently conducted.

(b) Real Property. Schedules 8(a) and 8(b) to the Perfection Certificate dated the Closing Date contain a true and complete list of each interest in Real Property (i) owned by the Borrower or any of its Restricted Subsidiaries as of the date hereof and describe in all material respects whether such owned Real Property is leased and if leased whether the underlying Lease contains any option to purchase all or any portion of such Real Property or any interest therein or contains any right of first refusal relating to any sale of such Real Property or any portion thereof or interest therein and (ii) leased, subleased or otherwise occupied or utilized by the Borrower or any of its Restricted Subsidiaries, as lessee, sublessee, franchisee or licensee, as of the date hereof and, in each of the cases described in clauses (i) and (ii) of this Section 9.12(b), whether any Lease requires the consent of the landlord or tenant thereunder, or other party thereto, to the Transactions.

(c) Collateral. Each Credit Party owns or has rights to use all of the Collateral (other than Intellectual Property, which is the subject of Section 9.19) and all rights with respect to any of the foregoing used in, necessary for or material to such Credit Party's business as currently conducted. No claim has been made and remains outstanding that any Credit Party's use of any Collateral (other than Intellectual Property, which is the subject of Section 9.19) does or may violate the rights of any third party that would, either individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

9.13. Equity Interests and Subsidiaries. (a) Equity Interests. Schedules 1(a) and 10(a) to the Perfection Certificate dated as of the Closing Date set forth a list of (i) all the Subsidiaries of Holdings and their jurisdictions of organization as of the Closing Date and (ii) the number of each class of its Equity Interests authorized, and the number outstanding, on the Closing Date and the number of shares covered by all outstanding options, warrants, rights of conversion or purchase and similar rights on the Closing Date. All Equity Interests of the Borrower and its Restricted Subsidiaries are duly and validly issued and are fully paid and non-assessable, and are, after giving effect to the Transactions, owned by the Borrower, directly or indirectly through Wholly-Owned Subsidiaries, except as otherwise permitted by this Agreement. All Equity Interests of the Borrower are owned directly by Holdings. Each Credit Party is the record and beneficial owner of, and has good and marketable title to, the Equity Interests pledged by it under the applicable Security Document, free of any and all Liens, rights or claims of other Persons, except the security interest created by the applicable Security Document, Liens securing the Term Loan Facility (subject to the terms of the ABL Intercreditor Agreement) and Liens securing the New PortLP Facility, and there are no outstanding warrants, options or other rights to purchase, or shareholder, voting trust or similar agreements outstanding with respect to, or property that is convertible into, or that requires the issuance or sale of, any such Equity Interests.

(b) No Consent of Third Parties Required. No consent of any Person, including any other general or limited partner, any other member of a limited liability company, any other shareholder or any other trust beneficiary (other than those which have been obtained and remain in full force and effect) is necessary or reasonably desirable (from the perspective of a secured party) in connection with the creation, perfection or first priority status of the security interest of the Collateral Agent in any Equity Interests pledged to the Collateral Agent for the benefit of the Secured Parties under the applicable Security Document or the exercise by the Collateral Agent of the voting or other rights provided for in such Security Document or the exercise of remedies in respect thereof.

9.14. Compliance with Statutes, etc. Each of Holdings, the Borrower and each of its Restricted Subsidiaries is in compliance with all applicable statutes, regulations and orders of, and all applicable restrictions imposed by, all Governmental Authorities in respect of the conduct of its business and the ownership of its property, except such non-compliances as would not, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

9.15. Investment Company Act. Neither Holdings, the Borrower nor any of its Restricted Subsidiaries is or is required to be registered as, an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

9.16. Insurance. Each of the Borrower and each of its Restricted Subsidiaries has insurance in such amounts and covering such risks and liabilities as are customary for companies of a similar size engaged in similar businesses in similar locations.

9.17. Environmental Matters. Except as set forth in Schedule 9.17, or except as, either individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect:

(i) The Borrower and its Restricted Subsidiaries and their businesses, operations and Real Property are in compliance with all, and have not violated any, applicable Environmental Laws;

(ii) The Borrower and its Restricted Subsidiaries have obtained all Environmental Permits required for the conduct of their businesses and operations as currently conducted, and the ownership, operation and use of their property and all such Environmental Permits are valid and in good standing;

(iii) There has been no Release or threatened Release of Hazardous Material on, at, in under or from any Real Property or facility presently owned, leased or operated by the Borrower or any of its Restricted Subsidiaries or any of their predecessors in interest, or to the knowledge of the Borrower and its Restricted Subsidiaries, at any other property or facility for which the Borrower or any of its Restricted Subsidiaries has responsibility, that could result in liability to

the Borrower or any of its Restricted Subsidiaries under any applicable Environmental Law; and

(iv) (A) There is no Environmental Claim pending or, to the knowledge of the Borrower and its Restricted Subsidiaries, threatened, against the Borrower or any of its Restricted Subsidiaries, or relating to any Real Property currently owned, leased or operated by the Borrower or any of its Restricted Subsidiaries or their predecessors in interest or relating to the operations of the Borrower or any of its Restricted Subsidiaries; and (B) to the knowledge of the Borrower and its Restricted Subsidiaries, there are no facts, circumstances or conditions that could form the basis of such an Environmental Claim.

(b) Except as set forth in Schedule 9.17, except (with respect to environmental matters occurring after the Closing Date) as may be disclosed in future written notices provided to the Administrative Agent promptly after such environmental matter first comes to the attention of an Authorized Officer of any Credit Party, or except as, either individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect:

(i) No Real Property or facility owned, operated or leased by the Borrower or any of its Restricted Subsidiaries and no Real Property is listed or proposed for listing on or included on any list maintained by any Governmental Authority describing contaminated or potentially contaminated sites including any such list relating to petroleum or its constituents, derivatives or fractions; and

(ii) No Lien has been recorded or registered or, to the knowledge of the Borrower or any of its Restricted Subsidiaries, threatened under any Environmental Law with respect to any Real Property or other assets of the Borrower and its Restricted Subsidiaries.

9.18. Labor Matters. As of the Closing Date, there are no strikes, lockouts, labor disputes or slowdowns against the Borrower or any of its Restricted Subsidiaries pending or, to the knowledge of the Borrower or any of its Restricted Subsidiaries, threatened during the current term of their respective collective bargaining agreements. Neither the Borrower nor any of its Restricted Subsidiaries are in violation of or in default with respect to any Requirement of Law relating to employment in any manner which, either individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect. All payments due from the Borrower or any of its Restricted Subsidiaries, or for which any claim may be made against the Borrower or any of its Restricted Subsidiaries, on account of wages, vacation pay and employee health and welfare benefits, have been paid or, to the extent required by generally accepted accounting principles, accrued as a liability on the books of the Borrower or such Restricted Subsidiary except where the failure to do so, either individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect. The consummation of the Transactions will not give rise to any right of termination or right of renegotiation on the part of any union or employee organization under any collective bargaining agreement to which the Borrower or any of its Restricted Subsidiaries is bound.

9.19. Intellectual Property.

(a) Ownership/No Claims. Each of Holdings and the Borrower and each of its Restricted Subsidiaries owns, or is licensed to use, all patents, patent applications, trademarks, industrial designs, trade names, service marks, source identifiers, copyrights, technology, trade secrets, proprietary information, domain names, social media identifiers, know-how, methods and processes (collectively, "Intellectual Property") necessary for the conduct of its business as currently conducted, except for those the failure to own or license which, either individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect. As of the Closing Date, to the knowledge of the Borrower, no claim has been asserted in writing and is pending by any Person challenging or questioning the use of any such Intellectual Property or the validity, ownership or effectiveness of any such Intellectual Property, in each case, except for any claim that would not reasonably be expected to result in a Material Adverse Effect. Neither the Borrower nor any of its Restricted Subsidiaries know of any pending claim or any valid basis for any such claim. The operation by each of the Borrower and each of its Restricted Subsidiaries' respective businesses does not infringe the rights of any Person, except for such claims and infringements that, either individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect.

(b) Registrations. Except as would not reasonably be expected to have a Material Adverse Effect: (i) Schedule 12(a) or 12(b) to the Perfection Certificate sets forth a complete and accurate list of all U.S. and Canadian patent, trademark, industrial design and copyright registrations and applications owned by each of the Borrower and its Restricted Subsidiaries, and such items are exclusively owned by the Borrower or a Restricted Subsidiary, and (ii) all registrations and applications listed in Schedule 12(a) or 12(b) to the Perfection Certificate dated the Closing Date are valid and in full force and effect, as applicable.

(c) No Violations or Proceedings. To the knowledge of the Borrower, and except as would not reasonably be expected to result in a Material Adverse Effect, on and as of the Closing Date, there is no violation by others of any right of any Credit Party with respect to any Intellectual Property pledged by it under the name of such Credit Party except as may be set forth on Schedule 9.19(c).

9.20. OFAC; Sanctions; Anti-Corruption Laws; Anti-Money Laundering Laws. No Credit Party or any of its Subsidiaries is in violation of any Sanctions. No Credit Party nor any of its Subsidiaries nor, to the knowledge of such Credit Party, any director, officer, employee, agent or Affiliate of such Credit Party or such Subsidiary (i) is a Sanctioned Person or a Sanctioned Entity, (ii) has any assets located in Sanctioned Entities, or (iii) derives revenues from investments in, or transactions with Sanctioned Persons or Sanctioned Entities. Each of the Credit Parties and its Subsidiaries has implemented and maintains in effect policies and procedures designed to ensure compliance with all Sanctions, Anti-Corruption Laws and Anti-Money Laundering Laws. Each of the Credit Parties and its Subsidiaries, and to the knowledge of each such Credit Party, each director, officer, employee, agent and Affiliate of each such Credit Party and each such Subsidiary, is in compliance with all Sanctions, Anti-Corruption Laws and Anti-Money Laundering Laws. No proceeds of any Loan made or Letter of Credit or Reimbursement Undertaking issued hereunder will be used to fund any operations

in, finance any investments or activities in, or make any payments to, a Sanctioned Person or a Sanctioned Entity, or otherwise used in any manner that would result in a violation of any Sanctions, Anti-Corruption Law or Anti-Money Laundering Law by any Person (including any Lender, ABL Hedge Provider, or other individual or entity participating in the Transactions).

(b) As of the Closing Date, to the best knowledge of the Borrower, the information included in the Beneficial Ownership Certification and know your customer and anti-money laundering information and documentation provided on or prior to the Closing Date to any Lender in connection with this Agreement is true and correct in all material respects.

9.21. Agreements. Neither the Borrower nor any of its Restricted Subsidiaries is in default in any manner under any provision of any indenture or other agreement or instrument evidencing Indebtedness, or any other agreement or instrument to which it is a party or by which it or any of its property is or may be bound, where such default, either individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect, and no condition exists which, with the giving of notice or the lapse of time or both, would constitute such a default.

9.22. Solvency. As of the Closing Date, immediately after the consummation of the Transactions to occur on such date and the incurrence of Indebtedness and obligations on the Closing Date in connection with this Agreement and the Transactions, (i) the sum of the fair value of the assets of the Credit Parties and their respective Restricted Subsidiaries (taken as a whole) will exceed their debts, (ii) the sum of the present fair salable value of the assets of the Credit Parties and their respective Restricted Subsidiaries (taken as a whole) will exceed their debts, (iii) the Credit Parties and their respective Restricted Subsidiaries (taken as a whole) have not incurred and do not intend to incur, and do not believe that they will incur, debts beyond their ability to pay such debts as such debts mature, and (iv) the Credit Parties and their respective Restricted Subsidiaries (taken as a whole) will have sufficient capital with which to conduct their businesses. For purposes of this Section 9.22, "debt" means any liability on a claim, and "claim" means (a) right to payment, whether or not such a right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured or (b) right to an equitable remedy for breach of performance if such breach gives rise to a payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured. The amount of contingent liabilities at any time shall be computed as the amount that, in the light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

9.23. Accuracy of Borrowing Base. At the time any Borrowing Base Certificate is delivered pursuant to this Agreement, each Account and each item of Inventory included in the calculation of the Borrowing Base satisfies all of the criteria stated herein to be an Eligible Account and an item of Eligible Inventory, respectively.

SECTION 10. Affirmative Covenants. Holdings, the Borrower and each other Credit Party party hereto hereby covenants and agrees that, on and after the Closing Date and until the Termination Date:

10.01. Information Covenants. The Borrower will furnish to each Lender:

(a) Monthly Reports. Solely during a Monthly Reporting Period, within thirty days after the end of each of the first two Fiscal Months of each Fiscal Quarter, which Fiscal Month ended while a Monthly Reporting Period was in effect, the consolidated balance sheet of the Borrower and its Restricted Subsidiaries as at the end of such Fiscal Month and the related consolidated statements of income and cash flows of the Borrower and its Restricted Subsidiaries for such Fiscal Month and for the period from the beginning of the then current Fiscal Year to the end of such Fiscal Month, in each case setting forth in comparative form the corresponding figures for the corresponding periods of the previous Fiscal Year in reasonable detail, together with a certification from the chief financial officer or vice president of finance of the Borrower that they fairly present in all material respects in accordance with IFRS the financial condition of the Borrower and its Restricted Subsidiaries as of the dates indicated and the results of operations for the periods indicated, subject to normal year-end adjustments and the absence of footnotes.

(b) Quarterly Financial Statements. Within 60 days (or 75 days in the case of the first three of such Fiscal Quarters ending after the Closing Date) after the close of each of the first three quarterly accounting periods in each Fiscal Year (commencing with the Fiscal Quarter ending December 31, 2018), (i) the consolidated balance sheet of the Borrower and its Restricted Subsidiaries as at the end of such quarterly accounting period and the related consolidated statements of income and retained earnings and statement of cash flows for such quarterly accounting period and for the elapsed portion of the Fiscal Year ended with the last day of such quarterly accounting period, in each case setting forth comparative figures for the corresponding quarterly accounting period in the prior Fiscal Year and comparable budgeted figures for such quarterly accounting period as set forth in the respective budget delivered pursuant to Section 10.01(e), all of which shall be certified by the chief financial officer or vice president, finance, of the Borrower that they fairly present in all material respects in accordance with IFRS the financial condition of the Borrower and its Restricted Subsidiaries as of the dates indicated and the results of their operations for the periods indicated, subject to normal year-end audit adjustments and the absence of footnotes, and (ii) management's discussion and analysis of the important operational and financial developments during such quarterly accounting period.

(c) Annual Financial Statements. Within 120 days (or, in the case of the Fiscal Year ending March 31, 2019, 150 days) after the close of each Fiscal Year, (i) the consolidated balance sheet of the Borrower and its Restricted Subsidiaries as at the end of such Fiscal Year and the related consolidated statements of income and retained earnings and statement of cash flows for such Fiscal Year setting forth comparative figures for the preceding Fiscal Year and certified by Deloitte & Touche LLP or other independent certified public accountants of recognized national standing reasonably

acceptable to the Administrative Agent, accompanied by an opinion of such accounting firm (which opinion shall not be subject to a "going concern" or scope of audit qualification (except for any such qualification pertaining to, or disclosure of an exception or qualification resulting from, the maturity (or impending maturity) of any Credit Facility, any Term Loan Facility or any other Indebtedness in each case occurring within one year of the date of delivery of the relevant audit opinion, any breach or anticipated breach of any financial covenant or the activities, operations, financial results, assets or liabilities of any Unrestricted Subsidiary, but may include a "going concern" explanatory paragraph or like statement), and shall state that such consolidated financial statements fairly present, in all material respects, the consolidated financial position of the Borrower as at the dates indicated and its income and cash flows for the periods indicated in conformity with generally accepted auditing standards and (ii) management's discussion and analysis of the important operational and financial developments during such Fiscal Year.

(d) Management Letters. Promptly after Holdings', the Borrower's or any of its Restricted Subsidiaries' receipt thereof, a copy of any "management letter" received from its certified public accountants and management's response thereto.

(e) Budgets. No later than 60 days following the first day of each Fiscal Year, an operating budget for each of the four quarters of the next Fiscal Year of the Borrower prepared in a form as customarily prepared by management of the Borrower for its internal use, or such other form reasonably satisfactory to the Administrative Agent (including budgeted statements of income, sources and uses of cash and balance sheets for the Borrower and its Restricted Subsidiaries on a consolidated basis).

(f) Compliance Certificates. At the time of the delivery of the financial statements provided for in Sections 10.01(b) and (c) (commencing with the first full fiscal quarter ending after the Closing Date), a Compliance Certificate from the chief financial officer or vice president, finance, of the Borrower in the form of Exhibit H certifying on behalf of the Borrower that, to such officer's knowledge after due inquiry, no Default or Event of Default has occurred and is continuing or, if any Default or Event of Default has occurred and is continuing, specifying the nature and extent thereof, which certificate shall (i) if delivered with the financial statements required by Section 10.01(c) be accompanied by a Perfection Certificate Supplement as described in Schedule 8.04 and (ii) include (A) the consolidating financial statements reflecting the adjustments necessary to eliminate the accounts of Unrestricted Subsidiaries (if any) from such consolidated financial statements and (B) a list identifying each Subsidiary of the Borrower as either a Restricted Subsidiary or an Unrestricted Subsidiary as of the date of delivery of such financial statements or confirming that there is no change in such information since the later of the Closing Date and the date of the last such list delivered pursuant to this clause (f).

(g) Notice of Event of Default, Litigation and Material Adverse Effect. Promptly, and in any event within three Business Days after any officer of Holdings, the Borrower or any of its Restricted Subsidiaries obtains knowledge thereof, notice of (i) the

occurrence of any event which constitutes a Default or an Event of Default, (ii) any litigation or governmental investigation or proceeding pending against Holdings, the Borrower or any of its Restricted Subsidiaries (x) which, either individually or in the aggregate, has had, or would reasonably be expected to have, a Material Adverse Effect or (y) with respect to any Credit Document, or (iii) any other event, change or circumstance that has had, or would reasonably be expected to have, a Material Adverse Effect.

(h) Other Reports and Filings. Promptly after the filing or delivery thereof, copies of all financial information, proxy materials and reports, if any, which Holdings, the Borrower or any of its Restricted Subsidiaries shall publicly file with the U.S. Securities and Exchange Commission (or the Canadian equivalent thereof) or any successor thereto (the "SEC") or deliver to holders (or any trustee, agent or other representative therefor) of any Qualified Preferred Stock, or any of its Material Indebtedness pursuant to the terms of the documentation governing the same.

(i) Environmental Matters. Promptly after any Authorized Officer of Holdings, the Borrower or any of its Restricted Subsidiaries obtains actual knowledge thereof, notice of the following environmental matters to the extent that such environmental matters, either individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect:

(1) any pending or threatened Environmental Claim against the Borrower or any of its Restricted Subsidiaries or any Real Property owned, leased or operated by the Borrower or any of its Restricted Subsidiaries;

(2) any condition or occurrence on or arising from any Real Property owned, leased, managed, controlled or operated by the Borrower or any of its Subsidiaries that (a) results in noncompliance by the Borrower or any of its Subsidiaries with any applicable Environmental Law or (b) could reasonably be expected to form the basis of an Environmental Claim against the Borrower or any of its Subsidiaries or any such Real Property;

All such notices shall describe in reasonable detail the nature of the claim, investigation, condition, occurrence or removal or remedial action and the Borrower's or such Restricted Subsidiary's response thereto.

(j) Organizational Documents. Promptly, copies of any Organizational Documents of Holdings, the Borrower or any of its Restricted Subsidiaries that have been amended or modified as provided in Section 11.07 and a copy of any notice of default given or received by Holdings, the Borrower or any of its Restricted Subsidiaries under any Organizational Document within 15 days after Holdings, the Borrower or such Restricted Subsidiary gives or receives such notice.

(k) PATRIOT Act, Beneficial Ownership Regulation, etc. Promptly following any written request therefor, such information and documentation reasonably requested by the Administrative Agent or any Lender for purposes of compliance with applicable "know your

customer" and anti-money laundering rules and regulations, including the PATRIOT Act and the Beneficial Ownership Regulation.

(l) Notice of Non-Payment. Promptly (but in any event within three Business Days of any Authorized Officer obtaining knowledge of any such non-payment) inform the Administrative Agent if (i) any Credit Party fails to make any payment relating to Priority Claims or collateral items such as unpaid GST/HST assessments or reassessments, (ii) a Lien (other than a Permitted Lien) arises in respect of contributions required to be made to a DB Plan under the PBA not being paid when due or (iii) any Credit Party fails to make payments to customs brokers and the New PortLP Payments Amount.

(m) Cancellation of Insurance. Promptly (but in any event within five Business Days of receipt thereof) inform the Administrative Agent if any Credit Party receives notice of cancellation of any insurance policy required to be maintained pursuant to Section 10.03.

(n) Other Information. From time to time, such other information regarding the financial condition or business of the Borrower or any of its Restricted Subsidiaries as the Administrative Agent or any Lender (through the Administrative Agent) may reasonably request; provided, however, that none of Holdings, the Borrower or any Restricted Subsidiary shall be required to disclose or provide any information (i) that constitutes non-financial trade secrets or non-financial proprietary information of Holdings, the Borrower or any of its subsidiaries or any of their respective customers and/or suppliers, (ii) in respect of which disclosure to the Administrative Agent or any Lender (or any of their respective representatives) is prohibited by any applicable Requirement of Law, (iii) that is subject to attorney-client or similar privilege or constitutes attorney work product or (iv) in respect of which Holdings, the Borrower or any Restricted Subsidiary owes confidentiality obligations to any third party (provided such confidentiality obligations were not entered into solely in contemplation of the requirements of this Section 10.01(n); provided, further, that in the event the Borrower does not provide any certificate, report or information requested pursuant to this Section 10.01(n) in reliance on the preceding proviso, the Borrower shall provide notice to the Administrative Agent that such certificate, report or information is being withheld and the Borrower shall use commercially reasonable efforts to describe, to the extent both feasible and permitted under applicable Requirements of Law or confidentiality obligations, or without waiving such privilege, as applicable, the applicable certificate, report or information.

(o) Notice of Compliance Period or Dominion Period. Promptly (and, in any event, within three Business Days) upon any Authorized Officer of the Borrower obtaining knowledge of (i) the commencement of a Compliance Period or Dominion Period, or (ii) the termination of a Compliance Period or Dominion Period, written notice thereof.

Documents required to be delivered pursuant to this Section 10.01 may be delivered electronically pursuant to Section 14.03(b) and, if so delivered, shall be deemed to have been delivered on the date (i) on which the Borrower (or a representative thereof) (x) posts such documents or (y) provides a link thereto; the Borrower shall promptly notify (which notice may be by facsimile or electronic mail) the Administrative Agent of the posting of any such

documents or a link thereto and provide to the Administrative Agent by electronic mail electronic versions (i.e., soft copies) of such documents; (ii) on which such documents are delivered by the Borrower to the Administrative Agent for posting on behalf of the Borrower on IntraLinks, SyndTrak or another relevant secure website, if any, to which each Lender and the Administrative Agent have access (whether a commercial, third-party website or whether sponsored by the Administrative Agent); (iii) on which such documents are faxed to the Administrative Agent (or electronically mailed to an address provided by the Administrative Agent); or (iv) in respect of the items required to be delivered pursuant to Section 10.01(i) above in respect of information filed by Holdings, the Borrower or any of its Restricted Subsidiaries with any securities exchange or with the SEC or any analogous government or private regulatory authority with jurisdiction over matters relating to securities (other than Form 10-Q Reports and Form 10-K Reports), on which such items have been made available on the SEC website or the website of the relevant analogous governmental or private regulatory authority or securities exchange.

Notwithstanding the foregoing, the obligations in paragraphs (a), (b), (c), (e), (f) or (h) of this Section 10.01 may be satisfied with respect to any financial statements of the Borrower by furnishing (a) the applicable financial statements of Holdings (or any other Parent Entity) or (b) Holdings' (or any other Parent Entity's), as applicable, Form 10-K or 10-Q, as applicable, filed with the SEC or any securities exchange, in each case, within the time periods specified in such paragraphs; provided that, with respect to each of clauses (A) and (B), (i) to the extent such financial statements relate to any Parent Entity, such financial statements shall be accompanied by consolidating information (which need not be audited) that summarizes in reasonable detail the differences between the information relating to such Parent Entity, on the one hand, and the information relating to the Borrower on a standalone basis, on the other hand, which consolidating information shall be certified by an Authorized Officer of the Borrower as having been fairly presented in all material respects and (ii) to the extent such statements are in lieu of statements required to be provided under Section 10.01(c), such statements shall be accompanied by a report and opinion of an independent registered public accounting firm of nationally recognized standing or another accounting firm reasonably acceptable to the Administrative Agent, which report and opinion shall satisfy the applicable requirements set forth in Section 10.01(c) as if the references to "the Borrower" therein were references to such Parent Entity.

No financial statement required to be delivered pursuant to Section 10.01(a), (b) or (c) shall be required to include acquisition accounting adjustments relating to the Transactions or any Permitted Acquisition or other Investment to the extent it is not practicable to include any such adjustments in such financial statement.

10.02. Books, Records and Inspections; Quarterly Conference Calls. (a) The Borrower will, and will cause each of its Restricted Subsidiaries to, keep proper books of record and accounts in which full, true and correct entries in conformity with all Requirements of Law shall be made of all dealings and transactions in relation to its business and activities in order to permit the preparation of financial statements in conformity with IFRS. The Borrower will, and will cause each of its Restricted Subsidiaries to, permit officers and designated representatives of the Administrative Agent or any Lender to visit and inspect, under guidance of

officers of the Borrower or such Restricted Subsidiary, any of the properties of the Borrower or such Restricted Subsidiary, and to examine the books of account of the Borrower or such Restricted Subsidiary and discuss the affairs, finances and accounts of the Borrower or such Restricted Subsidiary with, and be advised as to the same by, its and their officers and independent accountants, all upon reasonable prior notice and at such reasonable times and intervals and to such reasonable extent as the Administrative Agent or any such Lender may reasonably request.

(b) At the request of the Administrative Agent, the Borrower will within 10 days after the date of the delivery (or, if later, required delivery) of the quarterly and annual financial information pursuant to Sections 10.01(b) and (c), hold a conference call or teleconference, at a time selected by the Borrower with such of the Lenders that choose to participate, to review the financial results of the previous Fiscal Quarter or Fiscal Year, as the case may be, and the financial condition of the Borrower and its Restricted Subsidiaries and the budgets presented for the current Fiscal Year of the Borrower and its Restricted Subsidiaries.

10.03. Insurance.

(a) Generally. Except where the failure to do so would not reasonably be expected to have a Material Adverse Effect, the Borrower will, and will cause each of its Restricted Subsidiaries to, keep its insurable property adequately insured at all times by financially sound and reputable insurers and maintain such other insurance, to such extent and against such risks as is customary with companies in the same or similar businesses operating in the same or similar locations, including insurance with respect to Mortgaged Properties and other properties material to the business of the Borrower and its Restricted Subsidiaries against such casualties and contingencies and of such types and in such amounts with such deductibles as is customary in the case of similar businesses operating in the same or similar locations, including (i) physical hazard insurance on an "all risk" basis, (ii) commercial general liability against claims for bodily injury, death or property damage covering any and all insurable claims, (iii) explosion insurance in respect of any boilers, machinery or similar apparatus constituting Collateral, (iv) business interruption insurance and (v) such other insurance as may be required by any Requirement of Law; provided that with respect to physical hazard insurance, neither the Collateral Agent nor the Borrower or any of its Restricted Subsidiaries shall agree to the adjustment of any claim thereunder without the consent of the other (such consent not to be unreasonably withheld or delayed); provided, further, that the consent of neither the Borrower nor any of its Restricted Subsidiaries shall be required during an Event of Default.

(b) Requirements of Insurance. All such insurance shall (i) provide that no cancellation, material reduction in amount or material change in coverage thereof shall be effective until at least 30 days (or 10 days in the case of the failure to pay any premiums thereunder) after receipt by the Collateral Agent of written notice thereof and (ii) name the Collateral Agent as mortgagee (in the case of property insurance) or additional insured on behalf of the Secured Parties (in the case of liability insurance) or lender loss payee (in the case of property insurance), as applicable; provided that the

Borrower shall have 45 days after the Closing Date (or such later date as agreed by the Collateral Agent) to comply with the requirements of the foregoing clause (ii) with respect to policies in effect on the Closing Date.

(c) [Reserved].

(d) Broker's Report. The Borrower shall deliver to the Administrative Agent and the Lenders a report of a reputable insurance broker with respect to such insurance and such supplemental reports with respect thereto as the Administrative Agent may from time to time reasonably request.

(e) Mortgaged Properties. No Credit Party that is a holder of Mortgaged Property shall take any action that is reasonably likely to be the basis for termination, revocation or denial of any insurance coverage required to be maintained under such Credit Party's respective Mortgage or that could be the basis for a defense to any claim under any Insurance Policy maintained in respect of the Premises, and the Borrower shall otherwise comply in all material respects with all Insurance Requirements in respect of the Premises; provided, however, that each Credit Party may, at its own expense and after written notice to the Administrative Agent, (i) contest the applicability or enforceability of any such Insurance Requirements by appropriate legal proceedings, the prosecution of which does not constitute a basis for cancellation or revocation of any insurance coverage required under this Section 10.03 or (ii) cause the Insurance Policy containing any such Insurance Requirement to be replaced by a new policy complying with the provisions of this Section 10.03.

10.04. Existence; Franchises. Holdings will, and will cause each of the Borrower and its Restricted Subsidiaries to, do or cause to be done, all things necessary to preserve and keep in full force and effect its existence and its material rights, franchises, licenses, permits and Intellectual Property; provided, however, that nothing in this Section 10.04 shall prevent (i) sales of assets and other transactions or dispositions by Holdings, the Borrower or any of its Restricted Subsidiaries in accordance with Section 11 or (ii) the withdrawal by Holdings, the Borrower or any of its Restricted Subsidiaries of its qualification as a foreign Company in any jurisdiction if such withdrawal could not, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

10.05. Compliance with Statutes, etc. Holdings and the Borrower will, and will cause each of its Restricted Subsidiaries to, comply with all applicable statutes, regulations and orders of, and all applicable restrictions imposed by, all Governmental Authorities in respect of the conduct of its business and the ownership of its property except such non-compliances as would not, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

10.06. Compliance with Environmental Laws; Environmental Reports. (a) Except where failure to do so will not reasonably be expected to have a Material Adverse Effect, the Borrower will comply, and will cause each of its Restricted Subsidiaries to comply, with all Environmental Laws; obtain and renew all Environmental Permits applicable to its

business facilities, operations and Real Property; and conduct all Responses required by, and in accordance with, Environmental Laws which, if not so conducted, could reasonably be expected to result in the creation of any Lien in favor of any Governmental Authority for (i) liability under Environmental Laws or (ii) damages arising from, or costs incurred by, such Governmental Authority in response to a Release or threatened Release of any Hazardous Material into the Environment; provided that neither the Borrower, nor any of its Restricted Subsidiaries shall be required to undertake any Response to the extent that its obligation to do so is being contested in good faith and by proper proceedings and appropriate reserves are being maintained with respect to such circumstances in accordance with IFRS.

(b) If an Event of Default that results in the Release of Hazardous Materials or is otherwise a breach of Section 10.06(a) shall have occurred and be continuing for more than 45 days, at the written request of the Administrative Agent or the Required Lenders through the Administrative Agent, the Borrower or any of its Subsidiaries shall provide to the Lenders within 90 days after such request (or such longer period as may be agreed by the Administrative Agent in its sole discretion), at the expense of the Borrower, a report, prepared by a reputable environmental consulting firm reasonably acceptable to the Administrative Agent with respect to each Mortgaged Property with respect to which a breach of Section 10.06(a) has occurred, describing the Release of Hazardous Materials or the breach of Section 10.06(a) and any related adverse impacts, and the estimated cost of any Response that may be required pursuant to Environmental Laws to address such Release or breach of Section 10.06(a) and related adverse impacts.

10.07. Employee Benefits. With respect to all Plans, each Credit Party shall (a) comply with the applicable provisions of the PBA, any other applicable Requirements of Law and with all applicable collective bargaining agreements, except where such failure to comply would not, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect and (b) furnish to the Administrative Agent copies of any notice of intention to terminate or wind up any DB Plan or notice of intent to order a termination or winding up of any DB Plan sent by any applicable Governmental Authority to any Credit Party; and (c) upon request by the Administrative Agent, copies of (i) the most recent actuarial valuation report for each DB Plan; and (ii) such other documents or reports or filings with a Governmental Authority relating to any DB Plan as the Administrative Agent shall reasonably request. Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, no Credit Party shall adopt, participate in, or have any liability (contingent or otherwise) with respect to, any ERISA Plan.

10.08. End of Fiscal Years. The Borrower will cause its and each of its Restricted Subsidiaries' Fiscal Years to end on March 31 of each calendar year; provided that the Borrower may, upon written notice to the Administrative Agent, change its Fiscal Year-end to another date reasonably acceptable to the Administrative Agent, in which case the Borrower and the Administrative Agent will, and are hereby authorized to (without requiring the consent of any other Person, including any Lender), make any adjustments to this Agreement that are necessary to reflect such change in Fiscal Year.

10.09. Performance of Obligations. The Borrower will, and will cause each of its Restricted Subsidiaries to, perform all of its obligations under the terms of each mortgage, indenture, security agreement, loan agreement or credit agreement and each other agreement, contract or instrument by which it is bound, except such non-performances as would not, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

10.10. Payment of Taxes; Priority Claims. Except as set forth in Schedule 10.10, each of Holdings and the Borrower will pay and discharge, and will cause each of its Restricted Subsidiaries to pay and discharge, all material Taxes and Priority Claims imposed upon it or upon its income or profits or upon any properties belonging to it, prior to the date on which penalties attach thereto, and all lawful claims which, if unpaid, might become a Lien or charge upon any properties of Holdings, the Borrower or any of its Restricted Subsidiaries not otherwise permitted under Section 11.01; provided that neither Holdings, the Borrower nor any of their Restricted Subsidiaries shall be required to pay any such Tax which is being contested in good faith and by proper proceedings and for which Holdings, the Borrower or such Restricted Subsidiary, as applicable has maintained adequate reserves with respect thereto in accordance with IFRS and such non-payment does not give rise to a Priority Claim.

10.11. Use of Proceeds. The Borrower will use the proceeds of the Loans and Letters of Credit issued hereunder only as provided in Section 9.08.

10.12. Additional Collateral; Additional Guarantors.

(a) Subject to the terms of each Acceptable Intercreditor Agreement then extant and the terms of this Section 10.12, Holdings will, and will cause each other Credit Party to, with respect to any property acquired after the Closing Date (subject to clause (c) below) by Holdings or any other Credit Party that is required to be subject to the Lien created by any of the Security Documents pursuant to such Security Documents and the Collateral and Guarantee Requirements but is not so subject, promptly (and in any event within 30 days after the acquisition thereof (or such longer period as the Collateral Agent may agree in its sole discretion)) (i) execute and deliver to the Collateral Agent such amendments or supplements to the relevant Security Documents or such other documents as the Collateral Agent shall deem necessary or advisable to grant to the Collateral Agent, for its benefit and for the benefit of the other Secured Parties, a Lien on such property subject to no Liens other than Permitted Liens, and (ii) take all actions necessary to cause such Lien to be duly perfected to the extent required by such Security Document in accordance with all applicable Requirements of Law and Perfection Requirements, including the filing of financing statements in such jurisdictions as may be reasonably requested by the Collateral Agent.

(b) Subject to the terms of each Acceptable Intercreditor Agreement then extant, the Borrower will, and will cause each other Credit Party to, with respect to any Person that is or becomes (or is required to become) a Subsidiary Guarantor after the Closing Date, promptly (and in any event within 30 days after such Person becomes a Subsidiary (or such longer period as the Collateral Agent may agree in its sole

discretion)), cause such Credit Party and such Person (other than an Excluded Subsidiary) to comply with the requirements set forth in clause (a) of the definition of "Collateral and Guarantee Requirement" necessary to cause the Lien created by the applicable Security Document to be duly perfected to the extent required by such Security Document in accordance with the Collateral and Guarantee Requirement.

10.13. Security Interests; Further Assurances. Subject to the terms of each Acceptable Intercreditor Agreement then extant, the Borrower will, and will cause each other Credit Party to, promptly upon the reasonable request of the Administrative Agent, the Collateral Agent or any Lender, at the Credit Parties' expense, execute, acknowledge and deliver, or cause the execution, acknowledgment and delivery of, and thereafter register, file or record, or cause to be registered, filed or recorded, in an appropriate governmental office, any document or instrument supplemental to or confirmatory of the Security Documents or otherwise deemed by the Administrative Agent or the Collateral Agent reasonably necessary or desirable for the continued validity, perfection and priority of the Liens on the Collateral covered thereby subject to no other Liens except Permitted Liens, or obtain any consents or waivers as may be necessary or appropriate in connection therewith and deliver or cause to be delivered to the Collateral Agent from time to time such other documentation, consents, authorizations, approvals and orders in form and substance reasonably satisfactory to the Collateral Agent as the Collateral Agent shall reasonably deem necessary to perfect or maintain the Liens on the Collateral pursuant to the Security Documents. Upon the exercise by the Administrative Agent, the Collateral Agent or any Lender of any power, right, privilege or remedy pursuant to any Credit Document which requires any consent, approval, registration, qualification or authorization of any Governmental Authority, execute and deliver all applications, certifications, instruments and other documents and papers that the Administrative Agent, the Collateral Agent or such Lender may require. If the Administrative Agent, the Collateral Agent or the Required Lenders determine that they are required by a Requirement of Law to have appraisals prepared in respect of the Real Property of any Credit Party (other than Holdings) constituting Collateral, the Borrower shall provide to the Administrative Agent appraisals that satisfy the applicable requirements of (i) the Real Estate Appraisal Reform Amendments of FIRREA (for Real Property located in the United States), (ii) the Appraisal Institute of Canada (for Real Property located in Canada) or (iii) any successor equivalent of (i) and (ii), and are otherwise in form and substance satisfactory to the Administrative Agent.

10.14. [Reserved].

10.15. [Reserved].

10.16. Affirmative Covenants with Respect to Leases. With respect to each Lease, the respective Credit Party shall perform all the obligations imposed upon it by the landlord under such Lease and enforce all of the tenant's obligations thereunder, except where the failure to so perform or enforce, either individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect.

10.17. Information Regarding Collateral. Holdings and the Borrower will not, and will not permit any other Credit Party to, effect any change (i) in any Credit Party's

legal name, (ii) in the location of any Credit Party's chief executive office, its principal place of business, any office in which it maintains books or records relating to Collateral owned by it or any office or facility at which Collateral owned by it is located (including the establishment of any such new office or facility), (iii) in any Credit Party's identity or organizational structure, (iv) in any Credit Party's Federal Taxpayer Identification Number or organizational identification number, if any, or (v) in any Credit Party's jurisdiction of organization (in each case, including by merging or amalgamating with or into any other entity, reorganizing, dissolving, liquidating, reorganizing or organizing in any other jurisdiction), until (A) it shall have given the Administrative Agent prior written notice of its intention so to do, clearly describing such change and providing such other information in connection therewith as the Administrative Agent may reasonably request and (B) it shall have taken all action reasonably requested by the Administrative Agent to maintain the perfection and priority of the security interest of the Collateral Agent for the benefit of the Secured Parties in the Collateral, if applicable. Each Credit Party agrees to promptly provide the Administrative Agent with certified Organizational Documents reflecting any of the changes described in the preceding sentence. Each Credit Party also agrees to promptly notify the Administrative Agent of any change in the location of any office in which it maintains books or records relating to Collateral owned by it or any office or facility at which Collateral is located (including the establishment of any such new office or facility), other than changes in location to a Mortgaged Property or a leased property subject to a Landlord Access Agreement.

10.18. Post-Closing Matters. Cause to be delivered or performed the documents and other agreements set forth on Schedule 10.18 within the time frames specified on such Schedule 10.18. Notwithstanding anything to the contrary contained herein or in any other Credit Document, (x) all provisions of this Agreement and the other Credit Documents (including all conditions precedent, representations, warranties, covenants, events of default and other agreements herein and therein) shall be deemed modified to the extent necessary to effect the actions set forth on Schedule 10.18 (and to the permit the taking of such actions within the time periods required in Schedule 10.18 rather than as otherwise provided in the Credit Documents) and (y) to the extent any representation and warranty in any Credit Document would not be true because the actions in Schedule 10.18 were not taken on the Closing Date, the respective representation and warranty shall be required to be true and correct in all material respects at the time the respective action is taken (or was required to be taken) in accordance with Schedule 10.18.

10.19. OFAC; Sanctions; Anti-Corruption Laws; Anti-Money Laundering Laws. (a) Each Credit Party will, and will cause each of its Subsidiaries to comply with all applicable Sanctions, Anti-Corruption Laws and Anti-Money Laundering Laws. Each of the Credit Parties and its Subsidiaries shall implement and maintain in effect policies and procedures designed to ensure compliance by the Credit Parties and their Subsidiaries and their respective directors, officers, employees, agents and Affiliates with all Sanctions, Anti-Corruption Laws and Anti-Money Laundering Laws.).

(b) Notwithstanding any other provision of this Section 10.19, no Canadian Credit Party shall be required to comply with any Sanctions, or shall be restricted from engaging in any transaction, in each case, to the extent that such

compliance or restriction would breach the *Foreign Extraterritorial Measures Act* (Canada).

10.20. [Reserved]

10.21. Designation of Restricted and Unrestricted Subsidiaries. The Borrower may designate (or re-designate) any Subsidiary as an Unrestricted Subsidiary or any Unrestricted Subsidiary as a Restricted Subsidiary if that designation would not cause an Event of Default; provided, however, that no Subsidiary may be designated as an Unrestricted Subsidiary if it is a "Restricted Subsidiary" for the purpose of the Term Loan Credit Agreement. If a Restricted Subsidiary is designated as an Unrestricted Subsidiary, then, other than in the case of New PortLP and New PortGP, such designation will be deemed to be an Investment by the Borrower therein made as of the time of the designation in an amount equal to the portion of the Fair Market Value of the net assets of such Subsidiary attributable to the Borrower's equity interest therein as estimated by the Borrower in good faith, and will reduce the amount available for Restricted Payments under Section 11.03 or under one or more clauses of the definition of Permitted Investments, as determined by the Borrower, in an amount equal to such deemed Investment. That designation will only be permitted if the Investment would be permitted at that time and if the Restricted Subsidiary otherwise meets the definition of an Unrestricted Subsidiary. The Borrower may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary of the Borrower; provided that such designation will be deemed to be an incurrence of Liens and Indebtedness by a Restricted Subsidiary of the Borrower of any outstanding Indebtedness of such Unrestricted Subsidiary, and such designation will only be permitted if (1) such Liens and Indebtedness are permitted under Sections 11.01 and 11.04, in each case, calculated on a pro forma basis as if such designation had occurred at the beginning of the applicable reference period and (2) no Event of Default would be in existence following such designation. Any such designation by the Borrower shall be evidenced to the Administrative Agent by an Officer's Certificate certifying that such designation complies with the preceding conditions.

Notwithstanding anything to the contrary herein, on the Closing Date, New PortLP and New PortGP shall be the only Subsidiaries of the Borrower that shall be Unrestricted Subsidiaries.

10.22. Business; etc. The Borrower and its Restricted Subsidiaries will engage (directly or indirectly) only in the businesses which relate to the production or distribution of steel or the manufacturing of steel product (including businesses such as mining) in which the Borrower and its Subsidiaries are engaged or planning to be engaged as of the Closing Date, or businesses reasonably ancillary thereto.

SECTION 11. Negative Covenants. Holdings (solely with respect to Section 11.10) and each other Credit Party party hereto hereby covenants and agrees that, on and after the Closing Date and until the Termination Date:

11.01. Liens. The Borrower will not, and will not permit any Subsidiary Guarantor to, directly or indirectly, create, Incur or permit to exist any Lien (each, an "Initial

Lien") that secures obligations under any Indebtedness or any related guarantee, on any asset or property of the Borrower or any Subsidiary Guarantor, unless:

(i) In the case of Initial Liens on the Collateral, such Initial Lien is a Permitted Lien; or

(ii) In the case of Initial Liens on any asset or property that is not ABL Facility Priority Collateral, such Initial Lien is a Permitted Lien pursuant to clause (31) thereof and secures Indebtedness permitted to be Incurred under Section 11.04.

With respect to any Lien securing Indebtedness that was permitted to secure such Indebtedness at the time of the Incurrence of such Indebtedness, such Lien shall also be permitted to secure any Increased Amount of such Indebtedness. The "Increased Amount" of any Indebtedness shall mean any increase in the amount of such Indebtedness in connection with any accrual of interest, the accretion of accreted value, the amortization of original issue discount, the payment of interest in the form of additional Indebtedness with the same terms, accretion of original issue discount or liquidation preference and increases in the amount of Indebtedness outstanding solely as a result of fluctuations in the exchange rate of currencies or increases in the value of property securing Indebtedness.

11.02. Merger and Consolidation. (a) The Borrower will not consolidate with, amalgamate or merge with or into or convey, transfer or lease all or substantially all its assets to, any Person, unless:

(1) the resulting, surviving, continuing or transferee Person (the "Successor Company") will be a Person organized and existing under the laws of (x) Canada or any Province of Canada or (y) the United States of America, any State of the United States of America or the District of Columbia at the time of the execution of an assignment and assumption agreement and the Successor Company (if not the Borrower) will expressly assume, by an assignment and assumption agreement, executed and delivered to the Administrative Agent and the Collateral Agent, in form satisfactory to the Administrative Agent and the Collateral Agent, all the obligations of Borrower under the Credit Documents;

(2) immediately after giving effect to such transaction (and treating any Indebtedness that becomes an obligation of the applicable Successor Company or any Subsidiary of the applicable Successor Company as a result of such transaction as having been Incurred by the applicable Successor Company or such Subsidiary at the time of such transaction), no Event of Default shall have occurred and be continuing;

(3) the Borrower shall have delivered to the Administrative Agent and the Collateral Agent an Officer's Certificate and an Opinion of Counsel, each stating that such consolidation, merger, amalgamation or transfer and such supplemental indenture (if any) comply with this Agreement and an Opinion of Counsel stating that such assignment and assumption agreement and the Credit Documents after giving effect to any related amendments thereto have been duly authorized, executed and delivered and are legal, valid and binding

agreements enforceable against the applicable Successor Company (in each case, in form satisfactory to the Administrative Agent and the Collateral Agent), provided that in giving an Opinion of Counsel, counsel may rely on an Officer's Certificate as to any matters of fact, including as to satisfaction of clauses (2) and (3) above; and

(4) (x) any security interests granted to the Collateral Agent for the benefit of the Secured Parties in the Collateral pursuant to the Security Documents shall remain in full force and effect and perfected (to at least the same extent as in effect immediately prior to such amalgamation or merger (including no additional limitations that would impact the Collateral Agent's ability to realize upon the Collateral in any material respect)) and all actions required to maintain said perfected status have been or will be promptly taken, in each case as required by Section 10.12 and (y) each Subsidiary Guarantor shall deliver a reaffirmation agreement in respect of its Guaranty and security interests with respect thereto to the Administrative Agent.

For purposes of this Section 11.02, the sale, lease, conveyance, assignment, transfer, or other disposition of all or substantially all of the properties and assets of one or more Subsidiaries of the Borrower, which properties and assets, if held by the Borrower instead of such Subsidiaries, would constitute all or substantially all of the properties and assets of the Borrower on a consolidated basis, shall be deemed to be the transfer of all or substantially all of the properties and assets of the Borrower.

The Successor Company will succeed to, and be substituted for, and may exercise every right and power of, the Borrower under this Agreement and the other Credit Documents but in the case of a lease of all or substantially all its assets, the predecessor company will not be released from its obligations under this Agreement or the other Credit Documents.

Notwithstanding the preceding clauses (2), (3) and (4) (which do not apply to transactions referred to in this sentence), (x) any Restricted Subsidiary of the Borrower may consolidate or otherwise combine with, merge or amalgamate into or transfer all or part of its properties and assets to the Borrower, (y) any Restricted Subsidiary may consolidate or otherwise combine with, merge, or amalgamate into or transfer all or part of its properties and assets to any other Restricted Subsidiary that is a Guarantor and (z) any Restricted Subsidiary that is not a Guarantor may consolidate or otherwise combine with, merge, or amalgamate into or transfer all or part of its properties and assets to any other Restricted Subsidiary that is not a Guarantor. Notwithstanding the preceding clause (2) (which does not apply to the transactions referred to in this sentence), the Borrower may consolidate or otherwise combine with or merge or amalgamate into an Affiliate incorporated or organized for the purpose of changing the legal domicile of the Borrower, reincorporating the Borrower in another jurisdiction, or changing the legal form of the Borrower.

The foregoing provisions (other than the requirements of clause (2) above) shall not apply to the creation of a new Subsidiary as a Restricted Subsidiary of the Borrower.

(b) No Subsidiary Guarantor may:

(1) consolidate with or merge or amalgamate with or into any Person, or

(2) sell, convey, transfer or dispose of, all or substantially all its assets, in one transaction or a series of related transactions, to any Person, or

(3) permit any Person to merge or amalgamate with or into the Subsidiary Guarantor, unless:

(A) the other Person is the Borrower or any Restricted Subsidiary that is a Guarantor or becomes a Guarantor concurrently with the transaction; provided that if such other Person is the Borrower, either (x) the Borrower shall be the continuing or surviving Person or (y) such transaction shall comply with the requirements set forth in Section 11.02(a); or

(B) either (x) a Guarantor is the continuing Person or (y) the resulting, surviving or transferee Person expressly assumes all of the obligations of the Guarantor under its Guaranty of the Obligations, this Agreement and the other Credit Documents;

(C) the transaction constitutes a sale or other disposition (including by way of consolidation, merger or amalgamation) of the Subsidiary Guarantor or the sale or disposition of all or substantially all the assets of the Subsidiary Guarantor (in each case other than to the Borrower or a Restricted Subsidiary) otherwise permitted by this Agreement; and

(D) any security interests granted to the Collateral Agent for the benefit of the Secured Parties in the Collateral pursuant to the Security Documents shall remain in full force and effect and perfected (to at least the same extent as in effect immediately prior to such amalgamation or merger) and all actions required to maintain said perfected status have been or will be promptly taken, in each case as required by Section 10.12.

(c) The foregoing provisions shall not apply to:

(1) any Permitted Acquisition;

(2) any Asset Disposition (including dispositions constituting any part of a Permitted Reorganization and/or an IPO Reorganization Transaction) permitted pursuant to Section 11.08; and

(3) (i) the liquidation or dissolution of any Restricted Subsidiary if the Borrower determines in good faith that such liquidation or dissolution is in the best interests of the Borrower, is not materially disadvantageous to the Lenders, and the Borrower or any Restricted Subsidiary receives any assets of the relevant dissolved or liquidated Restricted Subsidiary; (ii) any merger, amalgamation, dissolution,

liquidation or consolidation, the purpose of which is to effect (A) any disposition otherwise permitted under Section 11.08 or this Section 11.02 or (B) any Permitted Investment; and (iii) the Borrower or any Restricted Subsidiary may be converted into another form of entity, in each case, so long as such conversion does not adversely affect the value of the Guaranty or the Collateral, taken as a whole.

11.03. Restricted Payments.

(a) The Borrower will not, and will not permit any of its Restricted Subsidiaries, directly or indirectly, to:

(1) declare or pay any dividend or make any distribution on or in respect of the Borrower's or any Restricted Subsidiary's Capital Stock (including any payment in connection with any merger, amalgamation or consolidation involving the Borrower or any of its Restricted Subsidiaries) except: (x) dividends or distributions payable in Capital Stock of the Borrower (other than Disqualified Stock) or in options, warrants or other rights to purchase such Capital Stock of the Borrower; and (y) dividends or distributions payable to the Borrower or a Restricted Subsidiary (and, in the case of any such Restricted Subsidiary making such dividend or distribution, to holders of its Capital Stock other than the Borrower or another Restricted Subsidiary on no more than a pro rata basis);

(2) purchase, redeem, retire or otherwise acquire for value any Capital Stock of the Borrower or any Parent Entity of the Borrower held by Persons other than the Borrower or a Restricted Subsidiary of the Borrower;

(3) purchase, repurchase, redeem, prepay, repay, defease or otherwise acquire or retire for value, prior to scheduled maturity, scheduled repayment or scheduled sinking fund payment, (x) any Junior Financing in excess of $5,000,000 and (y) solely to the extent proceeds of Revolving Loans or cash included in the Borrowing Base is being used to make such purchase, repurchase, redemption, prepayment, repayment, defeasance or other acquisition or retirement, any unsecured or junior lien Indebtedness in each case in excess of the Threshold Amount or the Term Loans (other than (i) any such purchase, repurchase, redemption, prepayment, repayment, defeasance or other acquisition or retirement in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case, due within one year of the date of such purchase, repurchase, redemption, prepayment, repayment, defeasance or other acquisition or retirement and (ii) any Indebtedness Incurred pursuant to Section 11.04(b)(3)) (each, a "Restricted Debt Payment"); or

(4) make any Restricted Investment (any such dividend, distribution, purchase, redemption, prepayment, repayment, repurchase, defeasance, other acquisition, retirement or Restricted Investment referred to in the preceding clauses (1) through (4) are referred to herein as a "Restricted Payment"),

unless, in each case of clauses (1) through (4), at the time the Borrower or such Restricted Subsidiary makes such Restricted Payment the aggregate amount of such Restricted Payment and

all other Restricted Payments made subsequent to the Closing Date (and not returned or rescinded) (but excluding all other Restricted Payments permitted by the succeeding clause (b)) would not exceed the portion, if any, of the Available Equity Amount on such date the Borrower elects to apply to this clause (a).

(b) The foregoing provisions set forth in preceding clause (a) will not prohibit any of the following (collectively, "Permitted Payments"):

(1) the payment of any dividend or distribution within 60 days after the date of declaration thereof, if at the date of declaration such payment would have complied with the provisions of this Agreement or the redemption, repurchase or retirement of Indebtedness if, at the date of any irrevocable redemption notice, such payment would have complied with the provisions of this Agreement;

(2) any purchase, repurchase, redemption, prepayment, repayment, defeasance or other acquisition or retirement of Capital Stock or Junior Financing made by exchange (including any such exchange pursuant to the exercise of a conversion right or privilege in connection with which cash is paid in lieu of the issuance of fractional shares) for, or out of the proceeds of the substantially concurrent sale of, Capital Stock of the Borrower (other than Disqualified Stock or Designated Preferred Stock) ("Refunding Capital Stock") or a substantially concurrent contribution to the equity (other than through the issuance of Disqualified Stock or Designated Preferred Stock, through an Excluded Contribution or any amount designated as a Cure Amount) of the Borrower; provided, however, that to the extent so applied, the Net Cash Proceeds, or Fair Market Value of property or assets or of marketable securities, from such sale of Capital Stock or such contribution will be excluded from clause (a) above;

(3) any purchase, repurchase, redemption, prepayment, repayment, defeasance or other acquisition or retirement of Junior Financing made by exchange for, or out of the proceeds of the substantially concurrent sale of, Junior Financing that constitutes Permitted Refinancing Indebtedness permitted to be Incurred pursuant to Section 11.04;

(4) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Preferred Stock of the Borrower or a Restricted Subsidiary made by exchange for or out of the proceeds of the substantially concurrent sale of Preferred Stock of the Borrower or a Restricted Subsidiary, as the case may be, that, in each case, is permitted to be Incurred pursuant to Section 11.04;

(5) [Reserved];

(6) a Restricted Payment to pay for the repurchase, retirement or other acquisition or retirement for value of Capital Stock (other than Disqualified Stock) of the Borrower or of any Parent Entity held by any future, present or former employee, director or consultant of the Borrower, any of its Subsidiaries or of any Parent Entity (or any Immediate Family Member, permitted transferees, assigns, estates, trusts or heirs of such employee, director or consultant) either pursuant to any management equity plan or stock option plan or any other management or employee benefit plan or agreement or upon the termination of such employee, director or

consultant 's employment or directorship; provided, however, that the aggregate Restricted Payments made under this clause (6) do not exceed (A) $5,000,000 (which amount shall, following a Qualifying IPO, increase to $10,000,000) in any calendar year (with unused amounts in any calendar year being carried over to succeeding calendar years) minus (B) any utilization of the Available RP Capacity Amount in reliance on unused capacity under the immediately preceding clause (A); provided further that such amount in any calendar year may be increased by an amount not to exceed:

(i) the cash proceeds from the sale of Capital Stock (other than Disqualified Stock, Designated Preferred Stock or Cure Amounts or Excluded Contributions) of the Borrower and, to the extent contributed to the capital of the Borrower (other than through the issuance of Disqualified Stock, Designated Preferred Stock or any amount designated as a Cure Amount or an Excluded Contribution), Capital Stock of any Parent Entity, in each case to members of management, directors or consultants of the Borrower, any of its Restricted Subsidiaries or any Parent Entity that occurred after the Closing Date; plus

(ii) the cash proceeds of key man life insurance policies received by the Borrower and its Restricted Subsidiaries after the Closing Date; less

(iii) the amount of any Restricted Payments made in previous calendar years pursuant to this clause (6) utilizing the amounts set forth in clause (i) of this clause (6);

and provided further that cancellation of Indebtedness owing to the Borrower or any Restricted Subsidiary from members of management, directors, employees or consultants of the Borrower, or any Parent Entity or Restricted Subsidiaries in connection with a repurchase of Capital Stock of the Borrower or any Parent Entity will not be deemed to constitute a Restricted Payment for purposes of this Section 11.03 or any other provision of this Agreement;

(7) the declaration and payment of dividends on Disqualified Stock or Preferred Stock of a Restricted Subsidiary, Incurred in accordance with the terms of Section 11.04;

(8) purchases, repurchases, redemptions, defeasances or other acquisitions or retirements of Capital Stock deemed to occur upon the exercise of stock options, warrants or other rights in respect thereof if such Capital Stock represents a portion of the exercise price thereof;

(9) dividends, loans, advances or distributions to any Parent Entity or other payments by the Borrower or any Restricted Subsidiary in amounts equal to (without duplication):

(a) the amounts required for any Parent Entity to pay any Parent Entity Expenses or any Related Taxes; or

(b) amounts constituting or to be used for purposes of making payments to the extent specified in clauses (ii), (iii), (v), (xi), (xii) and (xiii) of Section 11.06(b);

(10) following the consummation of the first Qualifying IPO, the declaration and payment by the Borrower of (including payments made by the Borrower in order for any Parent Entity to make) Restricted Payments with respect to any Capital Stock in an amount not to exceed (A) 6.00% per annum of the Market Capitalization of the Borrower (or its direct or indirect Parent Entity, as applicable) and its subsidiaries minus (B) any utilization of the Available RP Capacity Amount in reliance on unused capacity under the immediately preceding clause (A);

(11) payments by the Borrower, or loans, advances, dividends or distributions to any Parent Entity to make payments, to holders of Capital Stock of the Borrower or any Parent Entity in lieu of the issuance of fractional shares of such Capital Stock; provided, however, that any such payment, loan, advance, dividend or distribution shall not be for the purpose of evading any limitation of this covenant or otherwise to facilitate any dividend or other return of capital to the holders of such Capital Stock (as determined in good faith by the Board of Directors);

(12) Restricted Payments that are made with Excluded Contributions;

(13) (A) the declaration and payment of dividends on Designated Preferred Stock of the Borrower issued after the Closing Date; and (B) the declaration and payment of dividends on Refunding Capital Stock that is Preferred Stock; provided, however, that, in the case of clause (A), the amount of all dividends declared or paid pursuant to this clause shall not exceed the Net Cash Proceeds received by the Borrower or the aggregate amount contributed in cash to the equity (other than through the issuance of Disqualified Stock or an Excluded Contribution of the Borrower or an amount designated as a Cure Amount), from the issuance or sale of such Designated Preferred Stock; provided further, in the case of clauses (A) and (B), that for the most recently ended four fiscal quarters for which internal financial statements are available immediately preceding the date of issuance of such Designated Preferred Stock or declaration of such dividends on such Refunding Capital Stock, after giving effect to such payment on a pro forma basis the Borrower would be permitted to Incur at least $1.00 of additional Indebtedness pursuant to the test set forth in Section 11.04(a);

(14) dividends or other distributions of Capital Stock of, or Indebtedness owed to the Borrower or a Restricted Subsidiary by, Unrestricted Subsidiaries (unless the Unrestricted Subsidiary's principal asset is cash and Cash Equivalents);

(15) payments as part of, or to enable another Person to make, an "applicable high yield discount obligation" catch-up payment;

(16) dividends, distributions or redemptions in connection with the Transactions and distributions to satisfy dissenters' rights (including in connection with, or as a result of, the exercise of appraisal rights and the settlement of any claims or actions (whether actual, contingent or potential)), pursuant to or in connection with any acquisition, merger, consolidation, amalgamation or Disposition that complies with Section 11.02 and Section 11.08;

(17) (i) Restricted Payments described in clauses (a)(1) and (a)(2) above in an aggregate amount not to exceed (A) $25,000,000 minus (B) any utilization of the Available RP

Capacity Amount in reliance on unused capacity under the immediately preceding clause (i)(A); and (ii) Restricted Debt Payments in an aggregate amount not to exceed (A) $25,000,000 minus (B) any utilization of the Available RDP Capacity Amount in reliance on unused capacity under the immediately preceding clause (ii)(A) plus (C) the Available RP Capacity Amount;

(18) so long as no Event of Default has occurred and is continuing (or would result therefrom), mandatory redemptions of Disqualified Stock issued as a Restricted Payment or as consideration for a Permitted Investment; provided that the amount of such redemptions are no greater than the amount that constituted a Restricted Payment or Permitted Investment; and

(19) additional Restricted Payments so long as, on a Pro Forma Basis, the Payment Conditions are satisfied.

For purposes of determining compliance with this covenant, in the event that a Restricted Payment meets the criteria of more than one of the categories of Permitted Payments described in this clause (b), or is permitted pursuant to clause (a) of this Section 11.03, the Borrower in its sole discretion may divide, classify such Restricted Payment (or portion thereof) on the date of its payment or later reclassify such Restricted Payment (or portion thereof) in any manner that complies with this covenant and such Restricted Payment or Permitted Payment, as the case may be, shall be treated as having been made pursuant only to the clause or clauses of this Section 11.03 to which such Restricted Payment or Permitted Payment, as the case may be, has been classified or reclassified; provided that, (X) upon delivery of any financial statements pursuant to Section 10.01(b) or (c) following the initial incurrence or making of any such reclassifiable item, if such reclassifiable item could, based on such financial statements, have been incurred or made in reliance on clause (19) of this clause (b) or any "ratio-based" or Payment Conditions basket or exception, such reclassifiable item shall automatically be reclassified as having been incurred or made under the applicable provisions of clause (19) or such "ratio-based" or Payment Conditions basket or exception, as applicable (in each case, subject to any other applicable provision of clause (19) or such "ratio-based" or Payment Conditions basket or exception, as applicable) and (Y) no Restricted Payment nor any Permitted Payment, as the case may be, need be permitted solely by reference to one category or clause of this definition but may instead be permitted in part under any combination thereof or under any other available exception.

The amount of all Restricted Payments (other than cash) shall be the Fair Market Value on the date of such Restricted Payment of the asset(s) or securities proposed to be paid, transferred or issued by the Borrower or such Restricted Subsidiary, as the case may be, pursuant to such Restricted Payment. The Fair Market Value of any cash Restricted Payment shall be its face amount, and the Fair Market Value of any non-cash Restricted Payment, property or assets other than cash shall be determined conclusively by the Board of Directors of the Borrower acting in good faith.

11.04. Indebtedness. (a) The Borrower will not, and will not permit any of its Restricted Subsidiaries to, Incur any Indebtedness; provided, however, that the Borrower and any of its Restricted Subsidiaries may Incur (i) Incremental Equivalent Debt in an aggregate outstanding principal amount not to exceed the "Incremental Cap"

(as defined in the Term Loan Credit Agreement as of the Closing Date but regardless of whether then in effect on the relevant date of determination) (after giving effect to any reclassification on or prior to such date of determination) and (ii) any Permitted Refinancing Indebtedness in respect of any such Incremental Equivalent Debt Incurred pursuant to clause (i).

(b) The preceding clause (a) of this Section 11.04 will not prohibit the Incurrence of the following Indebtedness:

(1) Indebtedness Incurred pursuant to (i) any Term Loan Facility, in a maximum aggregate principal amount at any time outstanding not exceeding the sum of (A) $357,000,000 plus (B) any payment in kind interest pursuant to the exercise of the "PIK Election" (as defined in the Term Loan Credit Agreement as of the Closing Date) plus (C) the "Incremental Cap" (as defined in the Term Loan Credit Agreement as of the Closing Date but regardless of whether then in effect on the relevant date of determination, including after giving effect to Sections 1.05 and 1.06(c) thereof), (ii) any extension, refinancing, refunding or replacing of any Term Loan Facility or any Term Loan Incremental Debt after the Closing Date so long as (X) the aggregate outstanding principal amount of such Indebtedness does not exceed an amount permitted to be incurred under the preceding clause (i), plus (A) an amount equal to unpaid accrued interest, penalties and premiums (including tender premiums) thereon, (B) the amount of any underwriting discounts and other customary fees, commissions and expenses (including upfront fees, original issue discount or initial yield payments) incurred in connection with the relevant refinancing, (C) an amount equal to any existing commitments unutilized thereunder and (D) any additional amounts permitted to be incurred pursuant to this Section 11.04 (with additional amounts incurred in reliance on this clause (D) constituting a utilization of the relevant basket or exception pursuant to which such additional amount is permitted) and (Y) such Indebtedness, if secured, is secured only by Permitted Liens described in clause (20) of the definition thereof and (iii) "Cash Management Obligations" and "Hedging Obligations" (each as defined in the Term Loan Credit Agreement (or any equivalent term in any document governing any Term Loan Facility));

(2) Guarantees by the Borrower or any Restricted Subsidiary of Indebtedness of the Borrower or any Restricted Subsidiary so long as the Incurrence of such Indebtedness is permitted under the terms of this Agreement; *provided* that any Guarantee by a Non-Guarantor Subsidiary of any Indebtedness under Section 11.04(a) and 11.04(b)(5) (or any Permitted Refinancing Indebtedness in respect thereof) shall only be permitted if such Guarantee meets the requirement of Section 11.04(a);

(3) Indebtedness of the Borrower owing to and held by any Restricted Subsidiary or Indebtedness of a Restricted Subsidiary owing to and held by the Borrower or any Restricted Subsidiary; provided, however, that: any subsequent issuance or transfer of Capital Stock or any other event which results in any such Indebtedness being beneficially held by a Person other than the Borrower or a Restricted Subsidiary; and any sale or other transfer of any such Indebtedness to a Person other than the Borrower or a Restricted Subsidiary, shall be deemed, in each case, to constitute an Incurrence of such Indebtedness by the Borrower or such Restricted Subsidiary, as the case may be; provided further that (x) no such Indebtedness owed to

a Credit Party shall be evidenced by a promissory note unless such promissory note constitutes a negotiable instrument and is pledged to the Collateral Agent in accordance with the terms of the Security Documents, (y) all such Indebtedness of any Credit Party owed to any Restricted Subsidiary that is not a Credit Party shall be unsecured and evidenced by an Intercompany Note and (z) the aggregate principal amount of Indebtedness owing by any Restricted Subsidiary that is a Non-Guarantor Subsidiary to the Borrower or any other Credit Party, when combined with (i) the aggregate amount of all Investments made pursuant to clause (1) of the definition of "Permitted Investment" in any Restricted Subsidiary that is not (or will not become) a Non-Guarantor Subsidiary and (ii) the aggregate amount of all dispositions by a Credit Party to a Restricted Subsidiary that is a Non-Guarantor Subsidiary pursuant to clause (1) of the definition of Asset Dispositions", shall not exceed $10,000,000;

(4) any Indebtedness outstanding on, or pursuant to commitments existing (or anticipated) on, the Closing Date and listed on Schedule 11.04 hereto;

(5) Acquired Indebtedness of any Person that becomes a Restricted Subsidiary or Acquired Indebtedness assumed in connection with an acquisition or other Investment permitted hereunder after the Closing Date; provided that such Indebtedness was not created or incurred in anticipation thereof;

(6) Hedging Obligations (excluding Hedging Obligations entered into for speculative purposes);

(7) (a) Indebtedness represented by Capitalized Lease Obligations or Purchase Money Obligations in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness Incurred pursuant to this clause not to exceed the greater of (x) $25,000,000 and (y) 6.0% of Consolidated Total Assets as of the last day of the most recently ended Calculation Period; and (b) Indebtedness represented by Capitalized Lease Obligations or Purchase Money Obligations with respect to the lease, purchase, repair, and improvement to blast furnaces and any related equipment or components in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness Incurred pursuant to this clause not to exceed $50,000,000; provided that, in the case of the immediately preceding clause (b), (i) the Liens securing such Indebtedness do not extend to any assets other than those purchased with the net proceeds of such incurrence, (ii) any assets so acquired shall not be Collateral, (iii) no Event of Default shall have occurred and be continuing or would result therefrom, (iv) such Indebtedness shall have a final maturity date no earlier than the Initial Revolving Loan Maturity Date and shall not have any scheduled amortization greater than 20% per annum or commitment reductions prior to the Initial Revolving Loan Maturity Date and (v) on the date of such Incurrence the Consolidated Total Leverage Ratio (calculated on a Pro Forma Basis) would be no greater than 3.50:1.00 as of the last day of the most recently ended Calculation Period;

(8) Indebtedness in respect of (a) workers' compensation claims, self-insurance obligations, performance, indemnity, surety, judgment, appeal, advance payment, customs, value added or other tax or other guarantees or other similar bonds, instruments or obligations and completion guarantees and warranties provided by the Borrower or a Restricted

Subsidiary or relating to liabilities, obligations or guarantees Incurred in the ordinary course of business, (b) the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; provided, however, that such Indebtedness is extinguished within five Business Days of Incurrence; (c) customer deposits and advance payments received in the ordinary course of business from customers for goods or services purchased in the ordinary course of business; (d) letters of credit, bankers' acceptances, guarantees or other similar instruments or obligations issued or relating to liabilities or obligations Incurred in the ordinary course of business and (e) any customary cash management, cash pooling or netting or setting off arrangements in the ordinary course of business;

(9) Indebtedness arising from agreements providing for guarantees, indemnification, obligations in respect of earn-outs or other adjustments of purchase price or, in each case, similar obligations, in each case, Incurred or assumed in connection with the acquisition or disposition of any business or assets or Person or any Capital Stock of a Subsidiary (other than Guarantees of Indebtedness Incurred by any Person acquiring or disposing of such business or assets or such Subsidiary for the purpose of financing such acquisition or disposition) and Indebtedness arising from guaranties, letters of credit, bank guaranties, surety bonds, performance bonds or similar instruments in each case securing the performance of the Borrower or any Restricted Subsidiary pursuant to any such agreement;

(10) Indebtedness in an aggregate outstanding principal amount which, when taken together with any Permitted Refinancing Indebtedness in respect thereof and the principal amount of all other Indebtedness Incurred pursuant to this clause and then outstanding, will not exceed 100% of the Net Cash Proceeds received by the Borrower from the issuance or sale (other than to a Restricted Subsidiary) of its Capital Stock (other than Disqualified Stock, Designated Preferred Stock or an amount designated as a Cure Amount or an Excluded Contribution) or otherwise contributed to the equity (other than through the issuance of Disqualified Stock, Designated Preferred Stock or as an amount designated as a Cure Amount or an Excluded Contribution) of the Borrower, in each case, subsequent to the Closing Date; provided, however, that (i) any such Net Cash Proceeds that are so received or contributed shall not increase the amount available for making Restricted Payments to the extent the Borrower and its Restricted Subsidiaries Incur Indebtedness in reliance thereon and (ii) any Net Cash Proceeds that are so received or contributed shall be excluded for purposes of Incurring Indebtedness pursuant to this clause to the extent the Borrower or any of its Restricted Subsidiaries makes a Restricted Payment;

(11) Indebtedness of any Credit Party under the Credit Documents (including any Replacement Revolving Facility);

(12) Indebtedness consisting of promissory notes issued by the Borrower or any of its Restricted Subsidiaries to any current or former employee, director or consultant of the Borrower, any of its Restricted Subsidiaries or any Parent Entity (or permitted transferees, assigns, estates, or heirs of such employee, director or consultant), to finance the purchase or redemption of Capital Stock of the Borrower or any Parent Entity that is permitted by Section 11.03;

(13) Indebtedness of the Borrower or any of its Restricted Subsidiaries consisting of (x) the financing of insurance premiums or (y) take-or-pay obligations contained in supply arrangements, in each case Incurred in the ordinary course of business;

(14) other Indebtedness in an aggregate outstanding principal amount not to exceed the greater of (x) $50,000,000 and (y) 12.0% of Consolidated Total Assets as of the last day of the most recently ended Calculation Period;

(15) Indebtedness of any joint venture or similar arrangement or Indebtedness of the Borrower or any Restricted Subsidiary Incurred on behalf of any such Person or any Guarantees by the Borrower or any Restricted Subsidiary of Indebtedness of any such Person in an aggregate outstanding principal amount not to exceed $15,000,000;

(16) Permitted Shareholder Loans in an aggregate outstanding principal amount not to exceed $50,000,000;

(17) Indebtedness of Non-Guarantor Subsidiaries in an aggregate outstanding principal amount not to exceed $15,000,000;

(18) Indebtedness represented by (i) the Ontario CapEx Facility in an aggregate principal amount not to exceed Can$60,000,000, (ii) the Federal CapEx Facility in an aggregate principal amount not to exceed Can$60,000,000, (iii) the SIF CapEx Facility in an aggregate principal amount not to exceed Can$15,000,000 and (iv) the SIF Grant Facility in an aggregate principal amount not to exceed Can$15,000,000;

(19) (x) Guarantees by Borrower of the obligations of New PortLP in respect of the New PortLP Facility in an aggregate principal amount not to exceed $73,000,000, which shall be an unsecured Guarantee except for a first ranking pledge of the equity of New PortLP and New PortGP and shall be subject to the Inter- Lender Agreement and (y) to the extent constituting Indebtedness, obligations in respect of the New PortLP Payments Amount;

(20) to the extent constituting Indebtedness, obligations in respect of the Construction Claims;

(21) any Permitted Refinancing Indebtedness in respect of any Indebtedness permitted under clauses (1), (2), (4), (5), (7), (10), (11), (14), (15), (16), (17), (18) and (19); and

(22) to the extent constituting Indebtedness, obligations in respect of Parent Entity Expenses or any Related Taxes.

(c) For purposes of determining compliance with, and the outstanding principal amount of any particular Indebtedness Incurred pursuant to and in compliance with, this covenant:

(i) subject to clause (iii) below, in the event that Indebtedness meets the criteria of more than one of the types of Indebtedness described in clauses (a) or (b) of this Section 11.04 (at the time of Incurrence or at a later date), the

Borrower in its sole discretion may divide, classify or from time to time reclassify all or any portion of such Indebtedness in any manner that complies with this Section 11.04 and such Indebtedness shall be treated as having been made pursuant only to the clause or clauses of this Section 11.04 to which such Indebtedness has been classified or reclassified; provided that, (X) upon delivery of any financial statements pursuant to Section 10.01(b) or (c) following the initial incurrence or making of any such reclassifiable item, if such reclassifiable item could, based on such financial statements, have been incurred or made in reliance on clause (a) or any "ratio-based" basket or exception, such reclassifiable item shall automatically be reclassified as having been incurred or made under the applicable provisions of clause (a) or such "ratio-based" basket or exception, as applicable (in each case, subject to any other applicable provision of clause (a) or such "ratio-based" basket or exception, as applicable) and (Y) any Indebtedness need not be permitted solely by reference to one category or clause of this Section 11.04 but may instead be permitted in part under any combination thereof or under any other available exception and only be required to include the amount and type of such Indebtedness in one of the clauses (a) or (b) of this Section 11.04;

(ii) [reserved];

(iii) all Indebtedness outstanding (or permitted to be Incurred) (A) under this Agreement, shall be deemed to have been incurred on the Closing Date under clause (b)(11) of this Section 11.04, (B) under the Capex Facilities Documents, shall be deemed to have been incurred under clause (b)(18) of this Section 11.04, (C) under the New PortLP Facility Documents, shall be deemed to have been incurred under clause (b)(19) of this Section 11.04 and (D) under the Term Loan Facility, will at all times be deemed to be outstanding in reliance only on the exception in Section 11.04(b)(1) and, in each case of (A) through (D), may not be reclassified at any time pursuant to clause (c)(i) of this Section 11.04;

(iv) in the case of any Permitted Refinancing Indebtedness permitted under clause (1), (2), (4), (5), (7), (10), (11), (14), (15), (16), (17), (18), (19) and (21) of clause (b) above or any portion thereof, such Indebtedness shall not include the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses incurred in connection with such refinancing and such Permitted Refinancing Indebtedness shall be deemed permitted thereunder, without duplication of amounts otherwise permitted;

(v) Guaranties of, or obligations in respect of letters of credit, bankers' acceptances or other similar instruments relating to, or Liens securing, Indebtedness that is otherwise included in the determination of a particular amount of Indebtedness shall not be included;

(vi) if obligations in respect of letters of credit, bankers' acceptances or other similar instruments are Incurred pursuant to any Term Loan Facility and are

being treated as Incurred pursuant to clause (1), (7), (10), (11), (14) or (21) of clause (b) above or clause (a) and the letters of credit, bankers' acceptances or other similar instruments relate to other Indebtedness, then such other Indebtedness shall not be included;

(vii) the principal amount of any Disqualified Stock of the Borrower or a Restricted Subsidiary, or Preferred Stock of a Restricted Subsidiary, will be equal to the greater of the maximum mandatory redemption or repurchase price (not including, in either case, any redemption or repurchase premium) or the liquidation preference thereof;

(viii) Indebtedness permitted by this covenant need not be permitted solely by reference to one provision permitting such Indebtedness but may be permitted in part by one such provision and in part by one or more other provisions of this covenant permitting such Indebtedness; and

(ix) the amount of any Indebtedness outstanding as of any date shall be (x)the accreted value thereof in the case of any Indebtedness issued with original issue discount and (y) the principal amount of Indebtedness, or liquidation preference thereof, in the case of any other Indebtedness.

(d) Accrual of interest, accrual of dividends, the accretion of accreted value, the accretion or amortization of original issue discount, the payment of interest in the form of additional Indebtedness, the payment of dividends in the form of additional shares of Preferred Stock or Disqualified Stock or the reclassification of commitments or obligations not treated as Indebtedness due to a change in IFRS, will not be deemed to be an Incurrence of Indebtedness for purposes of this Section 11.04.

(e) If at any time an Unrestricted Subsidiary becomes a Restricted Subsidiary, any Indebtedness of such Subsidiary shall be deemed to be Incurred by a Restricted Subsidiary of the Borrower as of such date (and, if such Indebtedness is not permitted to be Incurred as of such date under this Section 11.04 the Borrower shall be in default of this Section 11.04).

(f) Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that the Borrower or a Restricted Subsidiary may Incur pursuant to this Section 11.04 shall not be deemed to be exceeded solely as a result of fluctuations in the exchange rate of currencies. The principal amount of any Indebtedness Incurred to refinance other Indebtedness, if Incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such Permitted Refinancing Indebtedness is denominated that is in effect on the date of such refinancing.

11.05. Restrictions on Distributions from Restricted Subsidiaries. (a) The Borrower will not, and will not permit any Restricted Subsidiary to, create or otherwise cause or permit to exist or become effective any consensual encumbrance or consensual

restriction on the ability of any Restricted Subsidiary to: (i) pay dividends or make any other distributions in cash or otherwise on its Capital Stock or pay any Indebtedness or other obligations owed to the Borrower or any Restricted Subsidiary; (ii) make any loans or advances to the Borrower or any Restricted Subsidiary; (iii) sell, lease or transfer any of its property or assets to the Borrower or any Restricted Subsidiary or (iv) create, incur, assume or suffer to exist any Lien upon their respective properties or revenues (other than Excluded Assets), whether now owned or hereafter acquired, or which requires the grant of any security for an obligation if security is granted for another obligation; provided that (x) the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common stock and (y) the subordination of (including the application of any standstill requirements to) loans or advances made to the Borrower or any Restricted Subsidiary to other Indebtedness Incurred by the Borrower or any Restricted Subsidiary shall not be deemed to constitute such an encumbrance or restriction.

(b) The provisions of the preceding paragraph (a) will not prohibit:

(i) any encumbrance or restriction pursuant to (x) the Credit Documents, (y) any Term Loan Facility or (z) any other agreement or instrument, in each case, in effect at or entered into on the Closing Date;

(ii) any encumbrance or restriction pursuant to (x) the CapEx Facilities or the (y) the New PortLP Facility;

(iii) any encumbrance or restriction pursuant to an agreement or instrument of a Person or relating to any Capital Stock or Indebtedness of a Person, entered into on or before the date on which such Person was acquired by or merged, amalgamated, consolidated or otherwise combined with or into the Borrower or any Restricted Subsidiary, or was designated as a Restricted Subsidiary or on which such agreement or instrument is assumed by the Borrower or any Restricted Subsidiary in connection with an acquisition of assets (other than Capital Stock or Indebtedness Incurred as consideration in, or to provide all or any portion of the funds utilized to consummate, the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was acquired by the Borrower or was merged, amalgamated, consolidated or otherwise combined with or into the Borrower or any Restricted Subsidiary or entered into in contemplation of or in connection with such transaction) and outstanding on such date; provided that, for the purposes of this clause, if another Person is the Successor Company, any Subsidiary thereof or agreement or instrument of such Person or any such Subsidiary shall be deemed acquired or assumed by the Borrower or any Restricted Subsidiary when such Person becomes the Successor Company;

(iv) any encumbrance or restriction:

(A) that restricts in a customary manner the subletting, assignment or transfer of any property or asset that is subject to a lease, license or similar contract or

agreement, or the assignment or transfer of any lease, license or other contract or agreement;

(B) contained in mortgages, pledges, charges or other security agreements permitted under this Agreement and the Security Documents or securing Indebtedness of the Borrower or a Restricted Subsidiary permitted under this Agreement and the Security Documents to the extent such encumbrances or restrictions restrict the transfer or encumbrance of the property or assets subject to such mortgages, pledges, charges or other security agreements; or

(C) pursuant to customary provisions restricting dispositions of real property interests set forth in any reciprocal easement agreements of the Borrower or any Restricted Subsidiary;

(v) any encumbrance or restriction pursuant to Purchase Money Obligations and Capitalized Lease Obligations permitted under this Agreement and the Security Documents, in each case, that impose encumbrances or restrictions on the property so acquired;

(vi) restrictions relating to any asset (or all of the assets) of and/or the Capital Stock of the Borrower and/or any Restricted Subsidiary which are imposed pursuant to an agreement entered into in connection with any disposition or other transfer, lease or license of such asset (or assets) and/or all or a portion of the Capital Stock of the relevant Person in each case that is permitted by this Agreement, in each case pending the closing of such sale or disposition;

(vii) customary provisions in leases, licenses, joint venture agreements, sale and lease-back agreements, stock sale agreements and other similar agreements and instruments, which limitation is applicable only to the assets that are the subject of such agreements (or the Persons the Capital Stock of which is the subject of such agreement (or any "shell company" parent with respect thereto));

(viii) encumbrances or restrictions arising or existing by reason of Applicable Law or any applicable rule, regulation or order, or required by any regulatory authority;

(ix) any encumbrance or restriction on cash or other deposits or net worth imposed by customers under agreements entered into in the ordinary course of business;

(x) any encumbrance or restriction pursuant to Hedging Obligations;

(xi) other Indebtedness, Disqualified Stock or Preferred Stock of Non-Guarantor Subsidiaries permitted to be Incurred or issued subsequent to the

Closing Date pursuant to the provisions of Section 11.04 that impose restrictions solely on the Non-Guarantor Subsidiaries party thereto or their Subsidiaries;

(xii) any other agreement that does not restrict in any manner (directly or indirectly) Liens created pursuant to the Credit Documents on any Collateral securing the Secured Obligations and does not require the direct or indirect granting of any Lien securing any Indebtedness or other obligation by virtue of the granting of Liens on or pledge of property of any Credit Party to secure the Secured Obligations;

(xiii) any encumbrance or restriction arising pursuant to an agreement or instrument (which, if it relates to any Indebtedness, shall only be permitted if such Indebtedness is permitted to be Incurred pursuant to the provisions of Section 11.04 if the encumbrances and restrictions contained in any such agreement or instrument taken as a whole (A) are not materially less favorable to the Lenders than the encumbrances and restrictions contained in the Credit Documents as in effect on the Closing Date or (B) either (x) the Borrower determines at the time of entry into such agreement or instrument that such encumbrances or restrictions will not adversely affect, in any material respect, the Borrower's ability to make principal or interest payments on Term Loans or (y) such encumbrance or restriction applies only during the continuance of a default relating to such agreement or instrument;

(xiv) any encumbrance or restriction existing by reason of any Lien permitted under Section 11.01; or

(xv) any encumbrance or restriction pursuant to an agreement or instrument effecting a refinancing of Indebtedness Incurred pursuant to, or that otherwise refinances, an agreement or instrument referred to in clauses (i) to (xiv) of this clause (b) (an "Initial Agreement") or contained in any amendment, supplement or other modification to an agreement referred to in clauses (i) to (xiv) of this paragraph or this clause (xv); provided, however, that the encumbrances and restrictions with respect to such Restricted Subsidiary contained in any such agreement or instrument are not materially more restrictive with respect to such encumbrances and other restrictions, taken as a whole, than the encumbrances and restrictions contained in the Initial Agreement or Initial Agreements to which such refinancing or amendment, supplement or other modification relates (as determined in good faith by the Borrower).

11.06. Transactions with Affiliates.

(a) The Borrower will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, enter into or conduct any transaction (including the purchase, sale, lease or exchange of any property or the rendering of any service) with any Affiliate of the Borrower (an "Affiliate Transaction") involving aggregate value in excess of $2,500,000 unless:

(1) the terms of such Affiliate Transaction taken as a whole are not materially less favorable to the Borrower or such Restricted Subsidiary, as the case may be, than those that could be obtained in a comparable transaction at the time of such transaction or the execution of the agreement providing for such transaction in arm's length dealings with a Person who is not such an Affiliate; and

(2) in the event such Affiliate Transaction involves an aggregate value in excess of $30,000,000 and is in the ordinary course of business, the terms of such transaction have been approved by a majority of the members of the Board of Directors; and

(3) in the event such Affiliate Transaction involves an aggregate value in excess of $30,000,000 and is not in the ordinary course of business, the terms of such transaction have been approved by an Independent Financial Advisor (reasonably acceptable to the Administrative Agent); and

(4) in any such Affiliate Transaction, or series of related Affiliated Transactions, at least 100% of the consideration from such Affiliate Transaction received by the Borrower or such Restricted Subsidiary, as the case may be, is in the form of cash or Cash Equivalents (including receivables and payables to be settled in cash or Cash Equivalents).

Any Affiliate Transaction shall be deemed to have satisfied the requirements set forth in clause (a)(2) of this Section 11.06 if such Affiliate Transaction is approved by a majority of the Disinterested Directors, if any.

(b) The provisions of the preceding paragraph (a) will not apply to:

(i) (x) any Restricted Payment permitted to be made pursuant to Section 11.03 or any Permitted Investment, (y) transactions among the Borrower and its Subsidiaries in connection with payments in respect of the New PortLP Payments Amount and the New PortLP Transactions and (z) (I) any transactions constituting any part of a Permitted Reorganization or IPO Reorganization Transaction and (II) issuances of Capital Stock and issuances and incurrences of Indebtedness not restricted by this Agreement and payments pursuant thereto;

(ii) any issuance or sale of Capital Stock, options, other equity-related interests or other securities, or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, or entering into, or maintenance of, any employment, consulting, collective bargaining or benefit plan, program, agreement or arrangement, related trust or other similar agreement and other compensation arrangements, options, warrants or other rights to purchase Capital Stock of the Borrower, any Restricted Subsidiary or any Parent Entity, restricted stock plans, long-term incentive plans, stock appreciation rights plans, participation plans or similar employee benefits or consultants' plans (including valuation, health, insurance, deferred compensation, severance, retirement, savings or similar plans, programs or arrangements) or indemnities provided on

behalf of officers, employees, directors or consultants approved by the Board of Directors of the Borrower, in each case in the ordinary course of business;

(iii) any Management Advances and any waiver or transaction with respect thereto;

(iv) any transaction between or among Holdings, the Borrower and/or one or more Restricted Subsidiaries and/or joint ventures (or any entity that becomes a Restricted Subsidiary or joint venture as a result of such transaction) to the extent permitted or not restricted by this Agreement;

(v) the payment of compensation, reasonable fees and reimbursement of expenses to, and customary indemnities (including under customary insurance policies) and employee benefit and pension expenses provided on behalf of, directors, managers, officers, consultants or employees of the Borrower or any Restricted Subsidiary (whether directly or indirectly and including through any Person owned or controlled by any of such directors, managers, officers or employees);

(vi) the entry into and performance of obligations of the Borrower or any of its Restricted Subsidiaries under the terms of any transaction arising out of, and any payments pursuant to or for purposes of funding, any agreement or instrument in effect as of or on the Closing Date, as these agreements and instruments may be amended, modified, supplemented, extended, renewed or refinanced from time to time in accordance with the other terms of this covenant or to the extent not more disadvantageous to the Lenders in any material respect;

(vii) any transaction or transactions approved by a majority of the Disinterested Directors, if any, at such time;

(viii) transactions with customers, clients, suppliers, licensees, joint ventures, purchasers or sellers of goods or services, in each case in the ordinary course of business, which are fair to the Borrower or the relevant Restricted Subsidiary in the reasonable determination of the Board of Directors or the senior management of the Borrower or the relevant Restricted Subsidiary, or are on terms no less favorable than those that could reasonably have been obtained at such time from an unaffiliated party;

(ix) any transaction between or among the Borrower or any Restricted Subsidiary and any Affiliate of the Borrower or an Associate or similar entity that would constitute an Affiliate Transaction solely because the Borrower or a Restricted Subsidiary owns an equity interest in or otherwise controls such Affiliate, Associate or similar entity;

(x) issuances or sales of Capital Stock (other than Disqualified Stock or Designated Preferred Stock) of the Borrower or options, warrants or other

rights to acquire such Capital Stock and the granting of registration and other customary rights in connection therewith or any contribution to capital of the Borrower or any Restricted Subsidiary;

(xi) (a) payments by the Borrower of any Restricted Subsidiary to any Permitted Holder (whether directly or indirectly) of annual customary management, consulting, monitoring, refinancing, subsequent transaction exit fees, advisory fees and related expenses and (b) customary payments by the Borrower or any Restricted Subsidiary to any Permitted Holder (whether directly or indirectly, including through any Parent Entity) for financial advisory, financing, underwriting or placement services or in respect of other investment banking activities, including in connection with acquisitions or divestitures, which payments are approved by a majority of the Board of Directors in good faith;

(xii) payment to any Permitted Holder of all reasonable out of pocket expenses Incurred by such Permitted Holder in connection with its direct or indirect investment in the Borrower and its Subsidiaries;

(xiii) the Transactions;

(xiv) transactions involving aggregate value not in excess of $30,000,000 in which the Borrower or any Restricted Subsidiary, as the case may be, delivers to the Administrative Agent a letter from an Independent Financial Advisor stating that such transaction is fair to the Borrower or such Restricted Subsidiary from a financial point of view or meets the requirements of clause (a)(1) of this Section 11.06;

(xv) the existence of, or the performance by the Borrower or any Restricted Subsidiaries of its obligations under the terms of, any equityholders agreement (including any registration rights agreement or purchase agreements related thereto) to which it is party as of the Closing Date and any similar agreement that it may enter into thereafter; provided, however, that the existence of, or the performance by the Borrower or any Restricted Subsidiary of its obligations under any future amendment to the equityholders' agreement or under any similar agreement entered into after the Closing Date will only be permitted under this clause to the extent that the terms of any such amendment or new agreement are not otherwise disadvantageous to the Lenders in any material respects;

(xvi) any purchases by the Borrower's Affiliates of Indebtedness or Disqualified Stock of the Borrower or any of its Restricted Subsidiaries permitted under this Agreement the majority of which Indebtedness or Disqualified Stock is purchased by Persons who are not the Borrower's Affiliates; provided that such purchases by the Borrower's Affiliates are on the same terms as such purchases by such Persons who are not the Borrower's Affiliates;

(xvii) payments by the Borrower (and any Parent Entity) and its Restricted Subsidiaries pursuant to any tax sharing agreements in respect of Related Taxes among the Borrower (and any such Parent Entity) and its Restricted Subsidiaries on customary terms to the extent attributable to the ownership or operation of the Borrower and its Subsidiaries;

(xviii) transactions entered into by an Unrestricted Subsidiary with an Affiliate prior to the day such Unrestricted Subsidiary is redesignated as a Restricted Subsidiary; and

(xix) Permitted Shareholder Loans;

provided that, in any such Affiliate Transaction, or series of related Affiliate Transactions under clauses (xvi) or (xix) above, 100% of the consideration from such Affiliate Transaction received by the Borrower or such Restricted Subsidiary, as the case may be, is in the form of cash or Cash Equivalents (including receivables and payables to be settled in cash or Cash Equivalents).

11.07. Modifications of Junior Financing Agreements The Borrower shall not, nor shall it permit any of its Restricted Subsidiaries to, amend or otherwise modify the terms of any Junior Financing in excess of the Threshold Amount ("Restricted Debt") (or the documentation governing any Restricted Debt) if the effect of such amendment or modification, together with all other amendments or modifications made, is materially adverse to the interests of the Administrative Agent or the Lenders (in their capacities as such) without first obtaining the consent of the Administrative Agent (which consent shall not be unreasonably withheld, delayed or conditioned); provided that, for purposes of clarity, it is understood and agreed that the foregoing limitation shall not otherwise prohibit any Permitted Refinancing Indebtedness or any other replacement, refinancing, amendment, supplement, modification, extension, renewal, restatement or refunding of any Restricted Debt, in each case, that is permitted under this Agreement in respect thereof; provided, further that no amendment, modification or change of any term or condition of any Restricted Debt permitted by any subordination provisions set forth therein or in any other stand-alone subordination or intercreditor agreement in respect thereof shall be deemed materially adverse to the interests of the Administrative Agent or the Lenders.

11.08. Limitation on Sales of Assets and Subsidiary Stock.

(a) The Borrower will not, and will not permit any of its Restricted Subsidiaries to, make any Asset Disposition in excess of the Asset Disposition Threshold Amount unless:

(i) the Borrower or such Restricted Subsidiary, as the case may be, receives consideration (including by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise) at least equal to the Fair Market Value (such Fair Market Value to be determined on the date of contractually agreeing to such Asset Disposition) of the shares and assets subject to such Asset Disposition; and

(ii) with respect to (x) any such individual Asset Disposition transaction with respect to assets having a Fair Market Value in excess of $5,000,000 or (y) any such Asset Dispositions transactions with respect to assets having a Fair Market Value in excess of $10,000,000, for all such transactions on an aggregate basis in any Fiscal Year, in each case of (x) and (y), at least 75% (or, in the case of an Asset Disposition of ABL Facility Priority Collateral, 80%) of the consideration from such Asset Dispositions (including by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise) received by the Borrower or such Restricted Subsidiary pursuant to this clause (ii) since the Closing Date (on a cumulative basis), as the case may be, is in the form of cash or Cash Equivalents (as determined in accordance with the provisions of this Section 11.08 below); and

(iii) if such Asset Disposition involves the disposition of ABL Facility Priority Collateral, the Borrower or such Restricted Subsidiary has complied with the provisions of Section 8.04(I)(a).

For the purposes of clause (a)(ii) of this Section 11.08, the following will be deemed to be cash:

(1) the assumption by the transferee of Indebtedness or other liabilities contingent or otherwise of the Borrower or a Restricted Subsidiary (other than Subordinated Indebtedness of the Borrower or a Guarantor or Indebtedness or liabilities incurred in contemplation of such Asset Disposition) and the release of the Borrower or such Restricted Subsidiary from all liability on such Indebtedness or other liability in connection with such Asset Disposition;

(2) securities, notes or other obligations received by the Borrower or any Restricted Subsidiary of the Borrower from the transferee (including earn-outs or similar obligations) that are converted by the Borrower or such Restricted Subsidiary into cash or Cash Equivalents within 180 days following the closing of such Asset Disposition, or by their terms are required to be satisfied for cash or Cash Equivalents (to the extent of the cash or Cash Equivalents received) within 180 days following the closing of such Asset Disposition;

(3) Indebtedness of any Restricted Subsidiary that is no longer a Restricted Subsidiary as a result of such Asset Disposition, to the extent that the Borrower and each other Restricted Subsidiary are released from any Guarantee of payment of such Indebtedness in connection with such Asset Disposition;

(4) consideration consisting of Indebtedness of the Borrower (other than Subordinated Indebtedness) received after the Closing Date from Persons who are not the Borrower or any Restricted Subsidiary;

(5) the amount of any trade-in value applied to the purchase price of any replacement assets acquired in connection with such Asset Disposition;

(6) with respect to disposed assets that are not ABL Facility Priority Collateral, any Designated Non-Cash Consideration received in respect of such Asset Disposition having an aggregate Fair Market Value, taken together with all other Designated Non-Cash Consideration received pursuant to this clause (4) and that is at that time outstanding, not in excess of $15,000,000.

(b) The Borrower will not, and will not permit any of its Restricted Subsidiaries to, dispose of, assign, encumber or pledge any of the Equity Interests in any of the Port Lease Entities without the consent of the Administrative Agent; provided that this clause (b) shall not prohibit any disposition, assignment, encumbrance or pledge of such Equity Interests to the New PortLP Collateral Agent or the lenders under the New PortLP Facility as security for the obligations of New PortLP thereunder.

11.09. [Reserved].

11.10. [Reserved].

11.11. Limitation on Activities. Holdings shall not (A) conduct, transfer or otherwise engage in any material business or operations; provided that the following and any activities incidental to the following shall be permitted: (i) direct or indirect ownership of all of the Capital Stock in, and management of, the Borrower, (ii) action required by law to maintain its existence, (iii) performance of its obligations under this Agreement, the other Credit Documents, the Term Loan Facility, the CapEx Facilities and other agreements contemplated hereby or thereby or other debt, (iv) any public offering of its Capital Stock and (v) the undertaking of any Permitted Reorganization transaction permitted under this Agreement, the payment of dividends and distributions permitted to be made under this Agreement, the making of contributions to the capital of the Borrower, the incurrence of obligations in respect of Parent Entity Expenses or any Related Taxes, the incurrence of Indebtedness permitted to be incurred under this Agreement by Holdings, or the Guaranty of the Indebtedness permitted to be incurred by the Borrower or any Restricted Subsidiary of Holdings under this Agreement (including operating and equipment leases that are not considered to be Indebtedness) or (B) directly or indirectly, create, Incur or permit to exist any Lien on its assets or property that secures obligations under any Indebtedness for borrowed money or any related guarantee on any of its assets or property unless the Guarantee of the Initial Revolving Loans is equally and ratably secured with (or on a senior basis to, in the case such Lien secures any Subordinated Indebtedness) the obligations secured by such Lien until such time as such obligations are no longer secured by a Lien; *provided* that, the foregoing shall not prohibit the Incurrence by Holdings of Indebtedness in respect of (i) workers' compensation claims, self-insurance obligations, performance, indemnity, surety, judgment, appeal, advance payment, customs, value added or other tax or other guarantees or other similar bonds, instruments or obligations and completion guarantees and warranties provided by Holdings, the Borrower or a Restricted Subsidiary or relating to liabilities, obligations or guarantees Incurred, in each case, in the ordinary course of business, (ii) the honoring by a bank or other financial institution of a cheque, draft or similar instrument drawn against insufficient funds in the ordinary course of business; provided, however, that such Indebtedness is extinguished within five Business Days of Incurrence; (iii) customer deposits and advance payments received in the ordinary course of

business from customers for goods or services purchased in the ordinary course of business; (iv) letters of credit, bankers' acceptances, guarantees or other similar instruments or obligations issued or relating to liabilities or obligations Incurred, in each case, in the ordinary course of business and (v) any customary cash management, cash pooling or netting or setting off arrangements, in each case, in the ordinary course of business.

11.12. [Reserved].

11.13. Financial Covenant. During any Compliance Period, the Borrower shall not permit (i) the Fixed Charge Coverage Ratio for the most recently ended four-Fiscal Quarter period prior to the beginning of such Compliance Period for which financial statements have been delivered pursuant to Section 10.01(b) or 10.01(c), as applicable, to be less than 1.00:1.00 and (ii) the Fixed Charge Coverage Ratio for any four-Fiscal Quarter period for which financial statements are required to be delivered pursuant to Section 10.01(b) or 10.01(c), as applicable, during such Compliance Period to be less than 1.00:1.00 (collectively, the "Financial Covenant").

11.14. DB Plans; Plans; ERISA Plans. No Credit Party shall: (a) amend any DB Plan (except as required under Applicable Law) where doing so would reasonably be expected to have a Material Adverse Effect; (b) voluntarily terminate or wind-up any DB Plan (provided that nothing shall prohibit the termination or wind-up of the WRAP Pension Plan when a Credit Party ceases to have any liabilities thereunder); or (c) incur or assume any liabilities under any DB Plan (i) pursuant to a Permitted Acquisition, or (ii) through a Credit Party participating in, contributing to, or assuming any liability under a DB Plan other than the WRAP Pension Plan, the Hourly Pension Plan or the Salaried Pension Plan. The Borrower shall not cease to be the "employer" as such term is defined the Pension Benefits Act (Ontario), for the purposes of the DB Plans. Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, no Credit Party nor any ERISA Affiliate will maintain or contribute to (or have an obligation to contribute to) an ERISA Plan.

11.15. Use of Proceeds. Each Credit Party will not, and will not permit any of its Subsidiaries to (y) use any part of the proceeds of any Loan made hereunder to purchase or carry any Margin Stock or to extend credit to others for the purpose of purchasing or carrying any such Margin Stock or for any purpose that violates the provisions of Regulations T, U or X of the Board of Governors, (y) use any part of the proceeds of any Loan or Letter of Credit or Reimbursement Undertaking, directly or indirectly, to make any payments to a Sanctioned Entity or a Sanctioned Person, to fund any investments, loans or contributions in, or otherwise make such proceeds available to, a Sanctioned Entity or a Sanctioned Person, to fund any operations, activities or business of a Sanctioned Entity or a Sanctioned Person, or in any other manner that would result in a violation of Sanctions by any Person, or (z) use any part of the proceeds of any Loan or Letter of Credit or Reimbursement Undertaking, directly or indirectly, in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Sanctions, Anti-Corruption Laws or Anti-Money Laundering Laws.

SECTION 12. Events of Default, etc.

12.01. Events of Default. Upon the occurrence of any of the following specified events (each, an "Event of Default"):

(a) Payments. The Borrower shall (i) default in the payment when due of any principal of any Loan or any Note or (ii) default, and such default shall continue unremedied for three or more Business Days, in the payment when due of any interest on any Loan or any Note or any Fees or any other amounts owing hereunder or under any other Credit Document; or

(b) Representations, etc. Any representation, warranty or statement made or deemed made by any Credit Party herein or in any other Credit Document or in any certificate delivered to the Administrative Agent or any Lender pursuant hereto or thereto (limited, on the Closing Date, solely to the Specified Representations and the Specified Acquisition Agreement Representations) shall prove to be untrue in any material respect (or, in the case of any representation, warranty or statement qualified by materiality, in any respect) on the date as of which made or deemed made (it being understood and agreed that any breach of representation, warranty, statement or certification resulting from the failure of the Administrative Agent or the Collateral Agent to file any Uniform Commercial Code continuation statement (or other similar statement under the PPSA or any other applicable jurisdiction) shall not result in an Event of Default under this clause (b) or any other provision of any Credit Document); or

(c) Covenants. The Borrower or any of its Restricted Subsidiaries shall default in the due performance or observance by it of any term, covenant or agreement contained in (i) Section10.01(g) (i) (provided that (x) the delivery of a notice of an Event of Default at any time or (y) the curing of the underlying Default or Event of Default with respect to which notice is required to be given will, in each case, cure an Event of Default arising from the failure to timely deliver such notice of Event of Default, as applicable) or Section 11, (ii) Section 8.04(I)(a) and Section 8.04 (I) (b) for a period of five consecutive Business Days (or three consecutive Business Days when delivery of weekly Borrowing Base Certificates is in effect); (iii) Section 8.02 for a period of five consecutive Business Days, (iv) Section 10.04 or (v) any other term, covenant or agreement contained in this Agreement (other than those set forth in clauses (a), (b), (c)(i), (c)(ii), (c)(iii) or (c)(iv) above) and such default shall continue unremedied for a period of 30 days after the earlier of (i) the date on which such default shall first become known to any officer of the Borrower or any other Credit Party or (ii) the date on which written notice thereof is given to the defaulting party by the Administrative Agent or the Required Lenders; or

(d) Default Under Other Agreements. (i) Holdings, the Borrower or any of its Restricted Subsidiaries shall (x) default in any payment of any Indebtedness (other than the Credit Document Obligations) beyond the period of grace, if any, provided in an instrument or agreement under which such Indebtedness was created or (y) default in the observance or performance of any agreement or condition relating to any Indebtedness

(other than the Credit Document Obligations) or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, if the effect of which default or other event or condition is to cause, or to permit the holder or holders of such Indebtedness (or a trustee or agent on behalf of such holder or holders) to cause (determined without regard to whether any notice is required), any such Indebtedness to become due prior to its stated maturity; or (ii) any Indebtedness (other than the Credit Document Obligations) of Holdings, the Borrower or any of its Restricted Subsidiaries shall be declared to be (or shall become) due and payable, or required to be prepaid other than by a regularly scheduled required prepayment, prior to the stated maturity thereof, provided that it shall not be a Default or an Event of Default under this Section 12.01(d) unless the aggregate principal amount of any Indebtedness as described in preceding clauses (i) and (ii) is in excess of the Threshold Amount; provided further that, in the case of the preceding clause (i)(y), (1) any such breach or default with respect to a financial covenant in any such Indebtedness or (2) a breach or default (other than a payment default) by Holdings, the Borrower or any of its Restricted Subsidiaries with respect to the CapEx Facilities and the New PortLP Facility will, in each case of (1) and (2), not constitute an Event of Default unless the agent and/or lenders thereunder have demanded repayment of, or otherwise accelerated, any of the Indebtedness or other obligations thereunder (or terminated commitments thereunder); or

(e) Bankruptcy, etc. Holdings, the Borrower or any of its Restricted Subsidiaries (other than any Immaterial Subsidiary) shall commence a voluntary case concerning itself under Title 11 of the United States Code, 11 U.S.C. §§ 101-1532, as may be amended from time to time, (the "Bankruptcy Code"); or an involuntary case is commenced against Holdings, the Borrower or any of its Restricted Subsidiaries, and the petition with respect to such involuntary case is not dismissed within 60 days after the filing thereof, provided, however, that during the pendency of such period, each Lender shall be relieved of its obligation to extend credit hereunder; or a custodian (as defined in the Bankruptcy Code) is appointed for, or takes charge of, all or substantially all of the property of Holdings, the Borrower or any such Restricted Subsidiary, to operate all or any substantial portion of the business of the Holdings, Borrower or any such Restricted Subsidiaries, or Holdings, the Borrower or any such Restricted Subsidiary commences any other proceeding under any reorganization, arrangement, adjustment of debt, relief of debtors, dissolution, bankruptcy, insolvency, liquidation or any analogous procedure or step is taken in any jurisdiction whether now or hereafter in effect relating to Holdings, the Borrower or any such Restricted Subsidiary (including under any Canadian Insolvency Law), or there is commenced against Holdings, the Borrower or any such Restricted Subsidiary any such proceeding which remains undismissed for a period of 60 days after the filing thereof, or Holdings, the Borrower or any of such Restricted Subsidiary is adjudicated insolvent or bankrupt; or any order of relief or other order approving any such case or proceeding (including the entry of an order of relief against it or for the appointment of a receiver, controller, receiver-manager, trustee, monitor, custodian or similar official for it or for any substantial part of its property) is entered; or Holdings, the Borrower or any of such Restricted Subsidiary makes a general assignment for the benefit

of creditors; or any Company action is taken by Holdings, the Borrower or any such Restricted Subsidiary for the purpose of effecting any of the foregoing; or

(f) Security Documents. Any of the Security Documents shall cease to be in full force and effect, or shall cease to give the Collateral Agent for the benefit of the Secured Parties the Liens, rights, powers and privileges purported to be created thereby (including a perfected security interest and charge in, and Lien on, all of the Collateral, in favor of the Collateral Agent with the Lien priority contemplated by the Credit Documents (in each case other than by reason of a release of Collateral in accordance with the terms hereof or thereof, the occurrence of the Termination Date or any other termination of such Security Document in accordance with the terms thereof) and subject to no other Liens (except as permitted by Section 11.01), or any Credit Party shall default in the due performance or observance of any material term, covenant or agreement on its part to be performed or observed pursuant to any such Security Document and such default shall continue beyond the period of grace, if any, specifically applicable thereto pursuant to the terms of such Security Document; or

(g) Guaranties. Any Guaranty or any provision thereof shall cease to be in full force or effect as to any Guarantor (except as a result of a release of any Subsidiary Guarantor in accordance with the terms thereof), or any Guarantor or any Person acting for or on behalf of such Guarantor shall deny or disaffirm such Guarantor's obligations under the Guaranty or any Guarantor shall default in the due performance or observance of any material term, covenant or agreement on its part to be performed or observed pursuant to such Guaranty; or

(h) Judgments. One or more judgments or decrees shall be entered against Holdings, the Borrower or any of its Restricted Subsidiaries involving in the aggregate for Holdings, the Borrower and such Restricted Subsidiaries a liability (not paid or to the extent not covered by a reputable and solvent insurance company, indemnity from a third party or self-insurance (if applicable)) and such judgments and decrees either shall be final and non-appealable or shall not be vacated, discharged or stayed or bonded pending appeal for any period of 60 consecutive days, and the aggregate amount of all such judgments exceeds the Threshold Amount; or

(i) Change of Control. A Change of Control shall occur; or

(j) Intercreditor Agreements. The ABL Intercreditor Agreement or the Inter-Lender Agreement or any other Acceptable Intercreditor Agreement then extant, or any provision of the foregoing shall cease to be in full force or effect (except in accordance with their terms); or

(k) Employee Plans. Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; (a) a Credit Party amends any DB Plan; (b) a Credit Party or a Governmental Authority terminates or winds-up any DB Plan (provided that nothing shall prohibit the termination or wind-up of the WRAP Pension Plan when a Credit Party ceases to have any liabilities thereunder); (c) a

Credit Party incurs or assumes any liabilities under any DB Plan (i) pursuant to a Permitted Acquisition, (ii) through a Credit Party participating in, contributing to, or assuming any liability under a DB Plan other than the WRAP Pension Plan, the Hourly Pension Plan or the Salaried Pension Plan or (d) a Credit Party adopts, participates in, or has liability (contingent or otherwise), with respect to, an ERISA Plan; or

(l) Invalidity of Credit Documents. Any material provision of the Credit Documents, taken as a whole, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder or the satisfaction in full of all the Obligations (other than contingent obligations not then due and payable), ceases to be in full force and effect; or Holdings, the Borrower or any Subsidiary Guarantor contests in writing the validity or enforceability of the Credit Documents, taken as a whole; or Holdings, the Borrower or any of Subsidiary Guarantor denies in writing that it has any or further liability or obligation under the Credit Documents to which it is a party, taken as a whole, or purports in writing to revoke or rescind the Credit Documents, taken as a whole (in each case, other than by reason of a release of Collateral or any Guaranty in accordance with the terms hereof or thereof, the occurrence of the Termination Date or any other termination of such Credit Document in accordance with the terms thereof);

then, and in any such event, and at any time thereafter, if any Event of Default shall then be continuing, the Administrative Agent, upon the written request of the Required Lenders, shall by written notice to the Borrower, take any or all of the following actions, without prejudice to the rights of the Administrative Agent, any Lender or the holder of any Note to enforce its claims against any Credit Party (provided that, if an Event of Default specified in Section 12.01(e) shall occur with respect to the Borrower, the result which would occur upon the giving of written notice by the Administrative Agent as specified in clauses (i) and (ii) below shall occur automatically without the giving of any such notice): (i) declare the Total Revolving Loan Commitment terminated, whereupon all Revolving Loan Commitments of each Lender shall forthwith terminate immediately and any Commitment Commission shall forthwith become due and payable without any other notice of any kind; (ii) declare the principal of and any accrued interest in respect of all Loans and the Notes and all Credit Document Obligations owing hereunder and thereunder to be, whereupon the same shall become, forthwith due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by each Credit Party; (iii) terminate any Letter of Credit or Reimbursement Undertaking which may be terminated in accordance with its terms; (iv) direct the Borrower to pay (and the Borrower agrees that upon receipt of such notice, or upon the occurrence of an Event of Default specified in Section 12.01(e) with respect to the Borrower, it will pay) to the Collateral Agent into the Agent's Account such additional amount of cash or Cash Equivalents, to be held as security by the Collateral Agent, as is equal to the aggregate Stated Amount of all Letters of Credit issued for the account of the Borrower and then outstanding; (v) enforce, as Collateral Agent, all of the Liens and security interests created pursuant to the Security Documents; (vi) enforce each Guaranty in accordance with the terms therein; (vii) apply any cash collateral held by the Administrative Agent pursuant to Section 5.02 to the repayment of the Obligations; and

(viii) exercise all other rights and remedies available to it under the Credit Documents and Applicable Law.

12.02. Application of Proceeds. Following an Event of Default, subject to the terms of each Acceptable Intercreditor Agreement then extant, the proceeds received by either the Administrative Agent or the Collateral Agent in respect of any sale of, collection from or other realization upon all or any part of the Collateral, whether pursuant to the exercise by the Administrative Agent or the Collateral Agent of its remedies or otherwise (including any payments received with respect to adequate protection payments or other distributions relating to the Obligations during the pendency of any reorganization or insolvency proceeding) shall be applied, in full or in part, together with any other sums then held by the Administrative Agent and the Collateral Agent pursuant to this Agreement and the other Credit Documents, promptly by the Administrative Agent or the Collateral Agent as follows:

(i) first, to the payment of all costs and expenses, fees, commissions and taxes of such sale, collection or other realization including compensation to the Administrative Agent and the Collateral Agent and their agents and counsel, interest and principal on Extraordinary Advances held solely by the Administrative Agent (and in the case of Agent Extraordinary Advances in a principal amount not to exceed $5,000,000), and all expenses, liabilities and advances made or incurred by such Agents in connection therewith and all amounts (including any fees, indemnities, expenses and other amounts incurred in connection with enforcing the rights of the Secured Parties under the Credit Documents) for which the Administrative Agent and the Collateral Agent, as applicable, are entitled to indemnification pursuant to the provisions of any Credit Document, together with interest on each such amount at the highest rate then in effect under this Agreement from and after the date such amount is due, owing or unpaid until paid in full;

(ii) second, to payment in full of interest, followed by principal on Protective Advances (other than Agent Extraordinary Advances), pro rata in accordance with the respective amounts then due and owing to the Lenders,

(iii) third, Unfunded Advances/Participations and all outstanding expenses actually due and payable to the Swingline Lender and the Issuing Lenders (the amounts so applied to be distributed between or among, as applicable, the Administrative Agent, the Swingline Lender and the Issuing Lenders pro rata in accordance with the amounts of Unfunded Advances/Participations owed to them on the date of any such distribution) on a ratable basis;

(iv) fourth, without duplication of amounts applied pursuant to clauses (i) and (ii) and (iii) above, to the payment in full in cash, pro rata, of interest and other amounts constituting Credit Document Obligations (other than principal and Unpaid Drawings and Obligations owed to a Defaulting Lender and

other than Agent Extraordinary Advances), in each case equally and ratably in accordance with the respective amounts thereof then due and owing;

(v) fifth, to the payment in full in cash, pro rata, of (x) the principal amount of the Credit Document Obligations (including Unpaid Drawings, but excluding Agent Extraordinary Advances) and (y) all Hedging Obligations and all Cash Management Obligations, in each case, constituting Obligations but only up to the amount included in the Banking Services Product Reserve with respect thereto, and any breakage, termination or other amounts thereunder under obligations of the type described in clauses (a), (b) and (c) in the definition "Obligations") (this clause, the "Pari Principal Waterfall Clause");

(vi) sixth, without duplication of amounts applied to clause (i) above, to the payment in full in cash of Agent Extraordinary Advances;

(vii) seventh, without duplication of amounts applied pursuant to clause (v) above, to the payment in full in cash, pro rata, of all Hedging Obligations and Cash Management Obligations, in each case, constituting Secured Obligations;

(viii) eighth, to the payment in full in cash, pro rata, of all other Secured Obligations (other than Secured Obligations owing to Defaulting Lenders);

(ix) ninth, to the payment in full, in cash pro rata to any Secured Obligation owing to Defaulting Lenders; and

(x) tenth, the balance, if any, to the Person lawfully entitled thereto (including the applicable Credit Party or its successors or assigns) or as a court of competent jurisdiction may direct.

In the event that any such proceeds are insufficient to pay in full the items described in clauses (i) through (x) of this Section 12.02, the Credit Parties shall remain liable, jointly and severally, for any deficiency.

12.03. Cure Rights

(i) Notwithstanding anything to the contrary in this Agreement (including Article 12.01), if the Borrower reasonably expects to fail (or has failed) to comply with the Financial Covenant for any Fiscal Quarter, the Borrower shall have the right (the "Cure Right") to issue Permitted Cure Securities for cash or otherwise receive cash contributions in respect of Permitted Cure Securities (the "Cure Amount"), and thereupon the Borrower's compliance with the Financial Covenant shall be recalculated giving effect to the following pro forma adjustment: Consolidated EBITDA shall be increased (notwithstanding the absence of a related addback in the definition of "Consolidated EBITDA"), solely for the purpose of determining compliance with the Financial Covenant as of the end of such Fiscal Quarter in which the Cure Amount is so received by the

Borrower and for applicable subsequent periods which include such Fiscal Quarter, by an amount equal to the Cure Amount. If, after giving effect to the foregoing recalculation (but not, for the avoidance of doubt, except as expressly set forth below, taking into account any immediate repayment of Indebtedness in connection therewith), the requirements of the Financial Covenant would be satisfied, then the requirements of the Financial Covenant shall be deemed satisfied as of the end of the relevant Fiscal Quarter with the same effect as though there had been no failure to comply therewith at such date, and the applicable breach or default of the Financial Covenant that had occurred (or would have occurred) shall be deemed cured for the purposes of this Agreement; provided that (i) no more than five (5) Cure Rights may be exercised from the Closing Date to the Latest Maturity Date; (ii) no more than two Cure Rights may be exercised during any period of four consecutive Fiscal Quarters; (iii) no Cure Amount shall exceed the amount necessary to cause compliance with the Financial Covenant for the immediately preceding Fiscal Quarter and the period then ended; (iv) the Cure Amount is actually received by the Borrower at any time during such Fiscal Quarter or thereafter until the date that is 10 Business Days after the later of (x) the commencement of the applicable Compliance Period and (y) the date on which financial statements for such Fiscal Quarter are required to be delivered pursuant to Section 10.01(b) or (c), as applicable (the "Cure Expiration Date"); (v) such Cure Amount shall be added to Consolidated EBITDA solely for purposes of determining compliance with the Financial Covenant for such Fiscal Quarter as described above and not for any other purpose under this Agreement (including not for the any calculations testing pro forma compliance with the Financial Covenant (whether in connection with the Payment Conditions or otherwise) or the Consolidated Total Leverage Ratio, and shall not result in any adjustment to any amounts including the amount of Indebtedness (directly or by way of netting (except to the extent that such proceeds are actually applied to repay such Indebtedness)) and disregarded for purposes of determining the Availability or amount of any covenant basket (including the Available Equity Amount); and (vi) no Lender or Issuing Lender shall be required to make any credit extension hereunder if an Event of Default under the Financial Covenant has occurred and is continuing unless and until the Cure Amount is actually received by the Borrower on or prior to the applicable Cure Expiration Date.

(ii) Upon receipt by the Administrative Agent of written notice, on or prior to the Cure Expiration Date, that the Borrower intends to use the Cure Right in respect of a Fiscal Quarter (a "Cure Notice") and until the Cure Expiration Date to which such Cure Notice relates, no Agent (nor any sub- agent therefor) nor any Lender or other Secured Party may exercise any rights to foreclosure on or take possession of the Collateral or any other right or remedy under any Credit Document (except as set forth in Section 12.03 (a) (i) (vi) above) on the basis of any actual or purported Event of Default with respect to the Financial Covenant

until and unless the Cure Expiration Date has occurred without the Cure Amount having been received and designated by the Borrower.

(iii) Upon receipt by the Borrower of the Net Cash Proceeds of any capital contribution referred to in Section 12.03(i), the Borrower shall then be in compliance with the Financial Covenant, the Borrower shall be deemed to have satisfied the requirements of such covenants as of the relevant date of determination with the same effect as though there had been no failure to comply therewith at such date, and the applicable Event of Default with respect to any such covenant that had occurred shall be deemed cured for all purposes of this Agreement and the other Credit Documents.

SECTION 13. The Administrative Agent and the Collateral Agent.

13.01. Appointment. The Lenders hereby irrevocably designate and appoint (and by entering in an ABL Hedge Letter Agreement, each ABL Hedge Provider party thereto shall be deemed to irrevocably designate and appoint) Wells Fargo as Administrative Agent (for purposes of this Section 13 and Section 14.01, the term "Administrative Agent" also shall include Wells Fargo in its capacity as Collateral Agent pursuant to the Security Documents and the ABL Intercreditor Agreement) to act as specified herein and in the other Credit Documents. Each Lender hereby irrevocably authorizes (and by entering in an ABL Hedge Letter Agreement, each ABL Hedge Provider party thereto shall be deemed to irrevocably authorize), and each holder of any Note by the acceptance of such Note shall be deemed irrevocably to authorize, the Administrative Agent to take such action on its behalf under the provisions of this Agreement, the other Credit Documents and any other instruments and agreements referred to herein or therein and to exercise such powers and to perform such duties hereunder and thereunder as are specifically delegated to or required of the Administrative Agent by the terms hereof and thereof and such other powers as are reasonably incidental thereto. In performing its functions and duties hereunder, the Administrative Agent shall act solely as an agent of the Lenders (and, if applicable, the ABL Hedge Providers) and does not assume and shall not be deemed to have assumed any obligation towards or relationship of agency or trust with or for Holdings or any of its Subsidiaries. Without limiting the generality of the foregoing, the use of the term "agent" in this Agreement with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any Applicable Law. Instead, such term is used merely as a matter of market custom and is intended to create or reflect only an administrative relationship between independent contracting parties. The Administrative Agent may execute any of its duties and exercise its rights and powers under this Agreement or any other Credit Document (including for purposes of holding or enforcing any Lien on the Collateral (or any portion thereof) granted under the Security Documents or of exercising any rights and remedies thereunder) in its sole discretion (except as otherwise expressly provided in this Agreement) and by or through officers, directors, agents, employees, Affiliates or attorneys-in-fact and shall be entitled to advice of counsel and other consultants or experts concerning all matters pertaining to such duties and may rely upon (and be fully protected in relying upon) such advice. The Administrative Agent may delegate any and all such rights and powers to, any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent shall not be responsible for the negligence or

misconduct of any agent or attorney-in-fact that it selects in the absence of gross negligence or willful misconduct by the Administrative Agent, as determined in a final and non-appealable judgment by a court of competent jurisdiction. The exculpatory provisions of this Section 13 shall apply to any such sub-agent of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent.

13.02. Nature of Duties. The Administrative Agent shall not have any duties or responsibilities except those expressly set forth in this Agreement and in the other Credit Documents. Neither the Administrative Agent nor any of its officers, directors, agents, employees or affiliates shall be liable for any action taken or omitted by it or them hereunder or under any other Credit Document or in connection herewith or therewith, unless caused by its or their gross negligence or willful misconduct (as determined by a court of competent jurisdiction in a final and non-appealable decision). The duties of the Administrative Agent shall be mechanical and administrative in nature; the Administrative Agent shall not have or be deemed to have by reason of this Agreement or any other Credit Document a fiduciary relationship in respect of any Lender or the holder of any Note; and nothing in this Agreement or in any other Credit Document, expressed or implied, is intended to or shall be so construed as to impose upon the Administrative Agent any obligations in respect of this Agreement or any other Credit Document except as expressly set forth herein or therein.

(b) The Administrative Agent shall not have any duty to (i) take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Credit Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Credit Documents); provided that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Credit Document or Applicable Law; or (ii) disclose, except as expressly set forth herein and in the other Credit Documents, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Affiliates that is communicated to or obtained by any Person serving as the Administrative Agent or any of its Affiliates in any capacity.

(c) Notwithstanding any other provision of this Agreement or any provision of any other Credit Document, each Lead Arranger is named as such for recognition purposes only, and in its capacity as such shall have no powers, duties, responsibilities or liabilities with respect to this Agreement or the other Credit Documents or the transactions contemplated hereby and thereby; it being understood and agreed that each Lead Arranger shall be entitled to all indemnification and reimbursement rights in favor of the Administrative Agent as, and to the extent, provided for under Sections 13.06 and 14.01. Without limitation of the foregoing, each Lead Arranger shall not have and shall not be deemed to have, solely by reason of this Agreement or any other Credit Documents, any fiduciary relationship in respect of any Lender or any other Person.

13.03. Lack of Reliance on the Administrative Agent. Independently and without reliance upon the Administrative Agent, each Lender, each ABL Hedge Provider, each Secured Party party to a Treasury Services Agreement and the holder of each Note, to the extent it deems appropriate, has made and shall continue to make (i) its own independent investigation of the financial condition and affairs of Holdings and its Subsidiaries in connection with the making and the continuance of the Loans and the taking or not taking of any action in connection herewith and (ii) its own appraisal of the creditworthiness of Holdings and its Subsidiaries and, except as expressly provided in this Agreement, the Administrative Agent shall not have any duty or responsibility, either initially or on a continuing basis, to provide any Lender or the holder of any Note with any credit or other information with respect thereto, whether coming into its possession before the making of the Loans or at any time or times thereafter. The Administrative Agent shall not be responsible or liable to any Lender or the holder of any Note or any participant for (i) any recitals, statements, information, representations or warranties made herein or in any document, certificate, report, statement or other writing referred to or delivered in connection with this Agreement or any other Credit Document and (ii) the execution, effectiveness, genuineness, validity, enforceability, perfection, collectability, priority or sufficiency of this Agreement or any other Credit Document or any other agreement, instrument or document, or the creation, perfection or priority of any Lien, or security interest created or purported to be created under the Security Documents, or for any failure of any Credit Party or any other party to any Credit Document to perform its obligations hereunder. The Administrative Agent shall not (i) be responsible for the financial condition of Holdings or any of its Subsidiaries, (ii) be responsible for or have any duty to ascertain or required to make any inquiry concerning either the performance or observance of any of the terms, provisions or conditions of this Agreement or any other Credit Document, or the financial condition of Holdings or any of its Subsidiaries or the existence or possible existence of any Default or Event of Default, (iii) responsible for or have any duty to ascertain or inquire into the value or the sufficiency of any Collateral, (iv) responsible for or have any duty to ascertain or inquire into the satisfaction of any condition set forth herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent and (v) be under any obligation to inspect the properties, books or records of any Credit Party or any Affiliate thereof. Each Lender, ABL Hedge Provider, Secured Party party to a Treasury Services Agreement and the holder of each Note acknowledges that none of the Administrative Agent or any of its officers, directors, agents, employees, Affiliates or attorneys has made any representation or warranty to it, and that no act by the Administrative Agent hereinafter taken, including any review of the affairs of any Credit Party and its Subsidiaries or Affiliates, shall be deemed to constitute any representation or warranty by the Administrative Agent or any of its officers, directors, agents, employees, Affiliates or attorneys.

13.04. Certain Rights of the Administrative Agent. If the Administrative Agent requests instructions from the Required Lenders with respect to any act or action (including failure to act) in connection with this Agreement or any other Credit Document, the Administrative Agent shall be entitled to refrain from such act or taking such action unless and until the Administrative Agent shall have received instructions from the Required Lenders; and the Administrative Agent shall not incur liability to any Lender by reason of so refraining. Without limiting the foregoing, neither any Lender nor the holder of any Note shall have any

right of action whatsoever against the Administrative Agent as a result of the Administrative Agent acting or refraining from acting hereunder or under any other Credit Document in accordance with the instructions of the Required Lenders and any action taken or failure to act pursuant to instructions from the Required Lenders shall be binding upon all of the Lenders, ABL Hedge Providers, Secured Parties party to a Treasury Services Agreement and the holder of each Note, as applicable.

13.05. Reliance. The Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any note, writing, resolution, notice, statement, certificate, telex, teletype or telecopier message, cablegram, radiogram, order or other document or telephone message signed, sent or made by any Person that the Administrative Agent believed to be the proper Person, and, with respect to all legal matters pertaining to this Agreement and any other Credit Document and its duties hereunder and thereunder, upon advice of counsel (including counsel to the Borrower or any Lender) or any experts selected by the Administrative Agent.

13.06. Indemnification. The Administrative Agent may incur and pay certain expenses to the extent the Administrative Agent reasonably deems necessary or appropriate for the performance and fulfillment of its functions, powers, and obligations pursuant to the Credit Documents, including court costs, attorneys' fees and expenses, fees and expenses of financial accountants, advisors, consultants, and appraisers, costs of collection by outside collection agencies, auctioneer fees and expenses, and costs of security guards or insurance premiums paid to maintain the Collateral, whether or not Borrower is obligated to reimburse the Administrative Agent or Lenders for such expenses pursuant to this Agreement or otherwise. Following any Event of Default and the exercise of rights and remedies with respect thereto, the Administrative Agent is authorized to deduct and retain sufficient amounts from payments or proceeds of the Collateral received by the Administrative Agent to reimburse the Administrative Agent for such out-of-pocket costs and expenses actually incurred by it with respect to such exercise of rights and remedies prior to the distribution of any amounts to the Lenders (or other Secured Parties), in each case in accordance with Section 12.02. To the extent the Administrative Agent (or any affiliate thereof) is not reimbursed and indemnified by the Borrower (whether or not the transactions contemplated hereby are consummated), the Lenders will reimburse and indemnify the Administrative Agent (and any affiliate thereof) on demand in proportion to their respective "percentage" as used in determining the Required Lenders (determined as if there were no Defaulting Lenders) for and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, judgments, costs, expenses or disbursements of whatsoever kind or nature which may be imposed on, asserted against or incurred by the Administrative Agent (or any affiliate thereof) in performing its duties hereunder or under any other Credit Document or in any way relating to or arising out of this Agreement or any other Credit Document; provided that no Lender shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, claims, actions, judgments, suits, costs, expenses or disbursements resulting from the Administrative Agent's (or such affiliate's) gross negligence or willful misconduct (as determined by a court of competent jurisdiction in a final and non-appealable decision).

13.07. The Administrative Agent in its Individual Capacity. With respect to its obligation to make Loans or issue or participate in Letters of Credit under this Agreement, the Administrative Agent shall have the rights and powers specified herein for a "Lender" and may exercise the same rights and powers as though it were not performing the duties specified herein; and the term "Lender," "Required Lenders," "Supermajority Lenders," "Holders of Notes" or any similar terms shall, unless the context clearly indicates otherwise, include the Administrative Agent in its respective individual capacities. The Administrative Agent and its affiliates may, without notice to or consent of any Secured Party, accept deposits from, lend money to, and generally engage in any kind of banking, investment banking, trust or other business with, or provide debt financing, equity capital or other services (including financial advisory services) to any Credit Party or any Affiliate of any Credit Party (or any Person engaged in a similar business with any Credit Party or any Affiliate thereof) as if they were not performing the duties specified herein, and may accept fees and other consideration from any Credit Party or any Affiliate of any Credit Party for services in connection with this Agreement and otherwise without having to account for the same to the Lenders. The Lenders, ABL Hedge Providers and each Secured Party party to a Treasury Services Agreement acknowledge that,

pursuant to the activities described in this Section, Wells Fargo or its Affiliates may receive information regarding a Secured Party or its Affiliates or any other Person party to any Credit Documents that is subject to confidentiality obligations in favor of such Credit Party or such other Person and that prohibit the disclosure of such information to such parties, and that, in such circumstances (and in the absence of a waiver of such confidentiality obligations), the Administrative Agent shall not be under any obligation to provide such information to such Lenders, ABL Hedge Providers and each Secured Party party to a Treasury Services Agreement.

13.08. Holders. The Administrative Agent may deem and treat the payee of any Note as the owner thereof for all purposes hereof unless and until a written notice of the assignment, transfer or endorsement thereof, as the case may be, shall have been filed with the Administrative Agent. Any request, authority or consent of any Person who, at the time of making such request or giving such authority or consent, is the holder of any Note shall be conclusive and binding on any subsequent holder, transferee, assignee or endorsee, as the case may be, of such Note or of any Note or Notes issued in exchange therefor.

13.09. Resignation by the Administrative Agent. (a) The Administrative Agent may resign from the performance of all its respective functions and duties hereunder and/or under the other Credit Documents at any time by giving 15 Business Days' prior written notice to the Lenders (unless such notice is waived by the Required Lenders) and, unless a Default or an Event of Default under Section 12.01(e) then exists, the Borrower (unless such notice is waived by the Borrower). Any such resignation by the Administrative Agent hereunder shall also constitute its resignation as an Issuing Lender and the Swingline Lender, in which case the resigning Administrative Agent (x) shall not be required to issue any further Letters of Credit or make any additional Swingline Loans hereunder and (y) shall maintain all of its rights as Issuing Lender or Swingline Lender, as the case may be, with respect to any Letters of Credit issued by it, or Swingline Loans made by it prior to the date of such resignation. Such resignation shall take effect upon the appointment of a successor Administrative Agent pursuant to clauses (b) and (c) below or as otherwise provided below.

(b) Upon any such notice of resignation by the Administrative Agent (unless waived pursuant to the preceding paragraph), the Required Lenders shall appoint a successor Administrative Agent hereunder or thereunder who shall be a commercial bank or trust company reasonably acceptable to the Borrower, which acceptance shall not be unreasonably withheld or delayed (provided that the Borrower's approval shall not be required if an Event of Default then exists).

(c) If a successor Administrative Agent shall not have been so appointed within such 15 Business Day period, the Administrative Agent, with the consent of the Borrower (which consent shall not be unreasonably withheld or delayed, provided that the Borrower's consent shall not be required if an Event of Default then exists), shall then appoint a successor Administrative Agent who shall serve as Administrative Agent hereunder or thereunder until such time, if any, as the Required Lenders appoint a successor Administrative Agent as provided above.

(d) If no successor Administrative Agent has been appointed pursuant to clause (b) or (c) above by the 20th Business Day after the date such notice of resignation was given by the Administrative Agent, the Administrative Agent's resignation shall become effective and the Required Lenders shall thereafter perform all the duties of the Administrative Agent hereunder and/or under any other Credit Document until such time, if any, as the Required Lenders appoint a successor Administrative Agent as provided above.

(e) Upon a resignation of the Administrative Agent pursuant to this Section 13.09, the retiring (or retired) Administrative Agent shall remain indemnified to the extent provided in this Agreement and the other Credit Documents and the provisions of this Section 13 (and the analogous provisions of the other Credit Documents) shall continue in effect for the benefit of the retiring (or retired) Administrative Agent for all of its actions and inactions while serving as the Administrative Agent and such successor Administrative Agent shall succeed to all the rights, powers, and duties of the retiring Administrative Agent and the term "Administrative Agent" shall mean such successor Administrative Agent.

13.10. Collateral Matters. (a) Each Lender irrevocably authorizes and directs the Collateral Agent to enter into the Credit Documents, including the Security Documents (which, for purposes of this Section 13, also shall include all Control Agreements, Landlord Access Agreements, bailee agreements and similar agreements), the ABL Intercreditor Agreement, the Inter-Lender Agreement and each Acceptable Intercreditor Agreement for the benefit of the Lenders and the other Secured Parties. Each Lender hereby agrees, and each holder of any Note by the acceptance thereof will be deemed to agree, that, except as otherwise set forth herein, any action taken by the Required Lenders in accordance with the provisions of this Agreement, the Security Documents, ABL Intercreditor Agreement, the Inter-Lender Agreement or any Acceptable Intercreditor Agreement, and the exercise by the Required Lenders of the powers set forth herein or therein, together with such other powers as are reasonably incidental thereto, shall be authorized and binding upon all of the Lenders. The Collateral Agent is hereby authorized on behalf of all of the Lenders, without the necessity of any notice to or further consent from any Lender, from time to time prior to an Event of Default, to take any action with respect to any Collateral or Security Documents which may be necessary to perfect and maintain perfected the security interest in and liens upon the Collateral granted pursuant to the Security Documents.

(b) Each of the Secured Parties (x) irrevocably appoints and authorizes the Collateral Agent to act as the agent of (and to hold any security interest created by the Security Documents for and on behalf of) such Secured Party for purposes of acquiring, holding and enforcing any and all Liens on Collateral granted by any of the Credit Parties to secure any of the Obligations, together with such powers and discretion as are reasonably incidental thereto and (y) irrevocably appoints each other Lender as its agent and bailee for the purpose of perfecting Liens (whether pursuant to Section 8-301(a)(2) of the UCC or otherwise), for the benefit of the Secured Parties, in assets in which, in accordance with the UCC or any other Applicable Law, a security interest can be perfected by possession or control. Should any Lender (other than the Collateral Agent)

obtain possession or control of any such Collateral, such Lender shall notify the Collateral Agent thereof, and, promptly following the Collateral Agent's request therefor, shall deliver such Collateral to the Collateral Agent or otherwise deal with such Collateral in accordance with the Collateral Agent's instructions. In this connection, the Collateral Agent (and any co-agents, sub-agents, receivers and attorneys-in-fact appointed by the Collateral Agent pursuant hereto for purposes of holding or enforcing any Lien on the Collateral (or any portion thereof) granted under the Security Documents, or for exercising any rights and remedies thereunder at the direction of the Collateral Agent), shall be entitled to the benefits of all provisions of this Section 13 (including Section 13.06, as though such co-agents, sub-agents, receivers and attorneys-in-fact were the Collateral Agent under the Credit Documents) and Section 14.01 as if set forth in full herein with respect thereto. For the avoidance of doubt, neither the Administrative Agent nor the Collateral Agent shall owe any fiduciary duty, duty of loyalty, duty of care, duty of disclosure or any other obligation whatsoever to any ABL Hedge Provider except as set forth in Section 14.27.

(c) The Lenders hereby irrevocably authorize the Collateral Agent, at its option and in its discretion, to release any Lien granted to or held by the Collateral Agent upon any Collateral (i) upon (A) termination of the Revolving Loan Commitments and payment and satisfaction of all of the Credit Document Obligations (other than inchoate indemnification obligations) at any time arising under or in respect of this Agreement or the Credit Documents or the transactions contemplated hereby or thereby and (B) termination or expiration of all Lender Hedging Agreements (unless collateralized or other arrangements made, in each case, to the satisfaction of the applicable ABL Hedge Provider) and payment in full of all amounts due and payable thereunder, (ii) constituting property being sold or otherwise disposed of (to Persons other than Holdings and its Subsidiaries) upon the sale or other disposition thereof in compliance with Section 11.08, (iii) if approved, authorized or ratified in writing by the Required Lenders (or all of the Lenders hereunder, to the extent required by Section 14.12), (iv) as otherwise may be expressly provided in the relevant Security Documents or the last sentence of each of Sections 11.01 and 11.08 or in any Acceptable Intercreditor Agreement or (v) in lieu of any release permitted pursuant to this Section 13.10(c), the Collateral Agent may subordinate any such Liens on the Collateral to another Lien permitted under clauses (3), (9) and (11) of the definition of "Permitted Liens" and may subordinate any Lien on the Collateral that the Collateral Agent determines in its commercially reasonable judgment was intended by operation of law or otherwise to be subordinated to another Lien pursuant to Section 11.01. Upon request by the Administrative Agent at any time, the Lenders will confirm in writing the Collateral Agent's authority to release particular types or items of Collateral pursuant to this Section 13.10; provided, that anything to the contrary contained in any of the Credit Documents notwithstanding, the Administrative Agent shall not be required to execute any document or take any action necessary to evidence such release on terms that, in the Administrative Agent's opinion, could reasonably be expected to expose the Administrative Agent to liability or create any obligation or entail any consequence other than the release of such Lien without recourse, representation, or warranty. Any such

release or subordination shall be evidenced to the Administrative Agent by an Officer's Certificate certifying that such release or subordination complies with this Agreement.

(d) The Collateral Agent shall have no obligation whatsoever to the Lenders or to any other Person to assure that the Collateral exists or is owned by any Credit Party or is cared for, protected or insured or that the Liens granted to the Collateral Agent herein or pursuant hereto have been properly or sufficiently or lawfully created, perfected, protected or enforced or are entitled to any particular priority, to verify or assure that any particular items of Collateral meet the eligibility criteria applicable in respect thereof, to impose, maintain, increase, reduce, implement, or eliminate any particular reserve hereunder or to determine whether the amount of any reserve is appropriate or not, or to exercise or to continue exercising at all or in any manner or under any duty of care, disclosure or fidelity any of the rights, authorities and powers granted or available to the Collateral Agent in this Section 13.10 or in any of the Security Documents, it being understood and agreed that in respect of the Collateral, or any act, omission or event related thereto, the Collateral Agent may act in any manner it may deem appropriate, in its sole discretion, given the Collateral Agent's own interest in the Collateral as one of the Lenders and that the Collateral Agent shall have no duty or liability whatsoever to the Lenders, except for its gross negligence or willful misconduct (as determined by a court of competent jurisdiction in a final and non-appealable decision).

13.11. Delivery of Information. (a)The Administrative Agent shall not be required to deliver to any Lender originals or copies of any documents, instruments, notices, communications or other information received by the Administrative Agent from any Credit Party, any Subsidiary, the Required Lenders, any Lender or any other Person under or in connection with this Agreement or any other Credit Document except (i) as specifically provided in this Agreement or any other Credit Document and (ii) as specifically requested from time to time in writing by any Lender with respect to a specific document, instrument, notice or other written communication received by and in the possession of the Administrative Agent at the time of receipt of such request and then only in accordance with such specific request.

(b) Notwithstanding the foregoing, by becoming a party to this Agreement, each Lender:

(i) is deemed to have requested that the Administrative Agent furnish such Lender, promptly after it becomes available, a copy of each field examination report respecting any Credit Party or its Subsidiaries (each, a "Report") prepared by or at the request of the Administrative Agent, and the Administrative Agent shall so furnish each Lender with such Reports,

(ii) expressly agrees and acknowledges that the Administrative Agent does not (i) make any representation or warranty as to the accuracy of any Report, and (ii) shall not be liable for any information contained in any Report,

(iii) expressly agrees and acknowledges that the Reports are not comprehensive audits or examinations, that the Administrative Agent or other party performing any field examination will inspect only specific information regarding the Credit Parties and their

Subsidiaries and will rely significantly upon Holdings', the Borrower's and its Subsidiaries' books and records, as well as on representations of Borrower's personnel,

(iv) agrees to keep all Reports and other material, non-public information regarding the Credit Parties and their Subsidiaries and their operations, assets, and existing and contemplated business plans in a confidential manner in accordance with Section 14.16, and

(v) without limiting the generality of any other indemnification provision contained in this Agreement, agrees: (i) to hold the Administrative Agent and any other Lender preparing a Report harmless from any action the indemnifying Lender may take or fail to take or any conclusion the indemnifying Lender may reach or draw from any Report in connection with any loans or other credit accommodations that the indemnifying Lender has made or may make to the Borrower, or the indemnifying Lender's participation in, or the indemnifying Lender's purchase of, a loan or loans of the Borrower, and (ii) to pay and protect, and indemnify, defend and hold the Administrative Agent, and any such other Lender preparing a Report harmless from and against, the claims, actions, proceedings, damages, costs, expenses, and other amounts (including, legal fees and costs) incurred by the Administrative Agent and any such other Lender preparing a Report as the direct or indirect result of any third parties who might obtain all or part of any Report through the indemnifying Lender.

(c) In addition to the foregoing, (x) any Lender may from time to time request of the Administrative Agent in writing that the Administrative Agent provide to such Lender a copy of any report or document provided by any Credit Party or its Subsidiaries to the Administrative Agent that has not been contemporaneously provided by such Credit Party or such Subsidiary to such Lender, and, upon receipt of such request, the Administrative Agent promptly shall provide a copy of same to such Lender, (y) to the extent that the Administrative Agent is entitled, under any provision of the Credit Documents, to request additional reports or information from any Credit Party or its Subsidiaries, any Lender may, from time to time, reasonably request the Administrative Agent to exercise such right as specified in such Lender's notice to the Administrative Agent, whereupon the Administrative Agent promptly shall request of the Borrower the additional reports or information reasonably specified by such Lender, and, upon receipt thereof from such Credit Party or such Subsidiary, the Administrative Agent promptly shall provide a copy of same to such Lender, and (z) any time that the Administrative Agent renders to the Borrower a statement regarding the Register with respect to Loan balances, the Administrative Agent shall send a copy of such statement to each Lender.

13.12. Certain ERISA Matters.

(a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Credit Party, that at least one of the following is and will be true:

(i) such Lender is not using "plan assets" (within the meaning of Section 3(42) of ERISA or otherwise) of one or more Benefit Plans with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Commitments or this Agreement,

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement,

(iii) (A) such Lender is an investment fund managed by a "Qualified Professional Asset Manager" (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement, or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(b) In addition, unless either (1) sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or (2) a Lender has provided another representation, warranty and covenant in accordance with sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Credit Party, that the Administrative Agent is not a fiduciary with respect to the assets of such Lender involved in such Lender's entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Credit Document or any documents related hereto or thereto).

13.13. Withholding. To the extent required by any Applicable Law, the Administrative Agent may withhold from any payment to any Lender or Issuing Lender an amount equivalent to any withholding tax applicable to such payment. If the Canada Revenue Agency, the IRS or any other Governmental Authority asserts a claim that the Administrative Agent did not properly withhold tax from amounts paid to or for the account of any Lender for tax relating to a payment to a Lender but no deduction has been made from such payments, such Lender and/or Issuing Lender shall indemnify the Administrative Agent fully for all amounts paid, directly or indirectly, by the Administrative Agent as tax or otherwise, including any penalties or interest and together with any and all expenses incurred, unless such amounts have been indemnified by any Borrower, Guarantor or the relevant Lender or Issuing Lender.

13.14. Notice of Default or Event of Default. The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default, except with respect to defaults in the payment of principal, interest, fees, and expenses required to be paid to the Administrative Agent for the account of the Lenders and, except with respect to Events of Default of which the Administrative Agent has actual knowledge, unless the Administrative Agent shall have received written notice from a Lender or the Borrower referring to this Agreement, describing such Default or Event of Default, and stating that such notice is a "notice of default." The Administrative Agent will promptly notify the Lenders of its receipt of any such notice or of any Event of Default of which the Administrative Agent has actual knowledge; provided that such notice may be effected by posting to Syndraks or such other electronic site established by the Administrative Agent for which the Lenders have been granted access. If any Lender obtains actual knowledge of any Event of Default, such Lender promptly shall notify the other Lenders and the Administrative Agent of such Event of Default. Each Lender shall be solely responsible for giving any notices to its Participants, if any or, in the case of the Issuing Lender, to the applicable Underlying Issuer. Subject to Section 13.05, the Administrative Agent shall take such action with respect to such Default or Event of Default as may be requested by the Required Lenders in accordance with Section 12.01; provided, that unless and until the Administrative Agent has received any such request, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable.

13.15. Restrictions on Actions by Lenders; Acting in Concert. Each of the Lenders further agrees that it shall not, unless specifically requested to do so in writing by the Administrative Agent, take or cause to be taken any enforcement action under any Credit Document, including, the commencement of any legal or equitable proceedings to enforce any Credit Document against any Borrower or any Guarantor or to foreclose any Lien on, or otherwise enforce any security interest in, any of the Collateral.

13.16. Payments by the Administrative Agent to the Lenders. All payments to be made by the Administrative Agent to the Lenders (or any other Secured Party) shall be made by bank wire transfer of immediately available funds pursuant to such wire transfer instructions as each party may designate for itself by written notice to the Administrative Agent, or as otherwise agreed in writing.

13.17. Joint Lead Arrangers, Joint Book Runners, Co-Syndication Agents, and Co-Documentation Agents. Each of the Joint Lead Arrangers, Joint Book Runners, Co-Syndication Agents, and Co-Documentation Agents, in such capacities, shall not have any right, power, obligation, liability, responsibility, or duty under this Agreement other than those applicable to it in its capacity as a Lender, as Agent, as Swingline Lender, or as Issuing Bank. Without limiting the foregoing, each of the Joint Lead Arrangers, Joint Book Runners, Co-Syndication Agents, and Co-Documentation Agents, in such capacities, shall not have or be deemed to have any fiduciary relationship with any Lender or any Credit Party. Each Lender, Agent, Swingline Lender, Issuing Bank, and each Credit Party acknowledges that it has not relied, and will not rely, on the Joint Lead Arrangers, Joint Book Runners, Co-Syndication Agents, and Co-Documentation Agents in deciding to enter into this Agreement or in taking or not taking action hereunder. Each of the Joint Lead Arrangers, Joint Book Runners, Co-Syndication Agents, and Co-Documentation Agents, in such capacities, shall be entitled to resign at any time by giving notice to the Administrative Agent and the Borrower.

SECTION 14. Miscellaneous.

14.01. Payment of Expenses, etc.

(a) The Borrower hereby agrees to: (i) whether or not the transactions herein contemplated are consummated, pay all reasonable and documented out-of-pocket costs and expenses of the Agents (including the reasonable fees and disbursements of designated counsel and consultants of the Agents) in connection with the preparation, execution, delivery and administration of this Agreement and the other Credit Documents and the documents and instruments referred to herein and therein and any amendment, waiver or consent relating hereto or thereto, of the Administrative Agent and its Affiliates in connection with its or their syndication efforts with respect to this Agreement and of the Administrative Agent, the Agents and the Lenders (taken as a whole) in connection with the enforcement of this Agreement and the other Credit Documents and the documents and instruments referred to herein and therein or in connection with any refinancing or restructuring of the credit arrangements provided under this Agreement in the nature of a "work-out" or pursuant to any insolvency or bankruptcy proceedings (including, in each case without limitation, the reasonable fees and disbursements of consultants and one counsel for the Agents and the Issuing Lenders and each other Lender (taken as a whole) (and one local counsel in each applicable jurisdiction and, in the case of any actual or potential conflict of interest, one additional counsel to each similarly affected group of parties)); and (ii) indemnify the Agents, each Issuing Lender, each Underlying Issuer and each Lender, and their respective officers, directors, employees, representatives, agents, affiliates, trustees and investment advisors and their respective successors (each, an "Indemnified Person") from and hold each of them harmless against any and all liabilities, obligations (including removal or remedial actions), losses, damages, penalties, claims, actions, judgments, suits, costs, expenses and disbursements (including reasonable attorneys' and consultants' fees and disbursements) incurred by, imposed on or assessed against any of them as a result of, or arising out of, or in any way related to, or by reason of, (a) any investigation, litigation or other proceeding (whether or not any Agent, any Issuing Lender or any Lender is a party thereto and whether or not such investigation,

litigation or other proceeding is brought by or on behalf of any Credit Party) related to the entering into and/or performance of this Agreement or any other Credit Document or the use of any Letter of Credit or Reimbursement Undertaking or the proceeds of any Loans hereunder or the consummation of the Transactions or any other transactions contemplated herein or in any other Credit Document or the exercise of any of their rights or remedies provided herein or in the other Credit Documents, or (b) the actual or alleged presence of Hazardous Materials in the air, surface water or groundwater or on the surface or subsurface of any Real Property at any time owned, leased, managed, controlled or operated by Holdings, the Borrower or any of its Restricted Subsidiaries (in each case, relating to such ownership, lease, management, control or operation), the generation, storage, transportation, handling or disposal of Hazardous Materials by Holdings, the Borrower or any of its Restricted Subsidiaries at any location, whether or not owned, leased or operated by Holdings, the Borrower or any of its Restricted Subsidiaries, the non-compliance by Holdings, the Borrower or any of its Restricted Subsidiaries with any Environmental Law (including applicable Environmental Permits thereunder), or any Environmental Claim asserted against Holdings, the Borrower or any of its Restricted Subsidiaries, including, in each case, without limitation, the reasonable fees and disbursements of counsel and other consultants (including environmental consulting firms) incurred in connection with any such investigation, litigation or other proceeding (but excluding any losses, liabilities, claims, obligations, penalties, judgments, costs, suits, disbursements, damages or expenses to extent incurred, assessed or imposed by reason of (i) the bad faith, gross negligence, willful misconduct or material breach of the Indemnified Person to be indemnified (as determined by a court of competent jurisdiction in a final and non-appealable decision) and (ii) disputes among Indemnified Persons (other than claims arising out of any act or omission of Holdings or any of its Subsidiaries). Notwithstanding the foregoing, this Section 12.01(a) shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim. To the extent that the undertaking to indemnify, pay or hold harmless any Agent, any Issuing Lender or any Lender set forth in the preceding sentence may be unenforceable because it is violative of any law or public policy, the Borrower shall make the maximum contribution to the payment and satisfaction of each of the indemnified liabilities which is permissible under Applicable Law. Except to the extent required to be paid on the Closing Date, all amounts due under this paragraph (a) shall be payable by the Borrower within 30 days of receipt by the Borrower of an invoice setting forth such expenses in reasonable detail, together with backup documentation supporting the relevant reimbursement request.

(b) To the full extent permitted by Applicable Law, each of Holdings and the Borrower shall not assert, and hereby waives, any claim against any Indemnified Person, on any theory of liability, for special, indirect, consequential or incidental damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan or the use of the proceeds thereof. No Indemnified Person shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through

telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Credit Documents or the transactions contemplated hereby or thereby, except to the extent the liability of such Indemnified Person results from such Indemnified Person's bad faith, gross negligence, willful misconduct or material breach (as determined by a court of competent jurisdiction in a final and non-appealable decision). The Borrower shall not be liable for any settlement of any legal proceeding effected without its consent (which consent shall not be unreasonably withheld or delayed), but if settled with the Borrower's written consent, or if there is a final judgment for the plaintiff against an Indemnified Person in any such legal proceeding, the Borrower agrees to indemnify and hold harmless each Indemnified Person in the manner set forth above. The Borrower shall not, without the prior written consent of an Indemnified Person (which consent shall not be unreasonably withheld or delayed), effect any settlement of any pending or threatened legal proceeding against such Indemnified Person in respect of which indemnity could have been sought hereunder by such Indemnified Person unless (a) such settlement includes an unconditional release of such Indemnified Person from all liability or claims that are the subject matter of such legal proceeding and (b) such settlement does not include any statements as to any admission of fault, culpability or failure to act by or on behalf of such Indemnified Person.

14.02. Right of Setoff. In addition to any rights now or hereafter granted under Applicable Law or otherwise, and not by way of limitation of any such rights, upon the occurrence and during the continuance of an Event of Default, the Administrative Agent and each Lender is hereby authorized at any time or from time to time, without presentment, demand, protest or other notice of any kind to any Credit Party or to any other Person, any such notice being hereby expressly waived, to set off and to appropriate and apply any and all deposits (general or special) and any other Indebtedness at any time held or owing by the Administrative Agent or such Lender (including by branches and agencies of the Administrative Agent or such Lender wherever located) to or for the credit or the account of Holdings, the Borrower or any of its Restricted Subsidiaries against and on account of the Credit Document Obligations and liabilities of the Credit Parties to the Administrative Agent or such Lender under this Agreement or under any of the other Credit Documents, including all interests in Credit Document Obligations purchased by such Lender pursuant to Section 14.04(b), and all other claims of any nature or description arising out of or connected with this Agreement or any other Credit Document, irrespective of whether or not the Administrative Agent or such Lender shall have made any demand hereunder and although said Credit Document Obligations, liabilities or claims, or any of them, shall be contingent or unmatured. To the extent permitted by law, each Participant also shall be entitled to the benefits of this Section 14.02 as though it were a Lender; provided that such Participant agrees to be subject to Section 14.06(b) as though it were a Lender.

14.03. Notices. (a) Except as otherwise expressly provided herein, all notices and other communications provided for hereunder shall be in writing (including telegraphic, telecopier or cable communication) and mailed, telegraphed, telecopied, cabled or delivered: if to any Credit Party, at the address specified below or in the other relevant Credit Documents; if to any Lender, at its address set forth in its Administrative Questionnaire; and if to

the Administrative Agent or the Collateral Agent, at the Notice Office; or, as to any Credit Party or the Administrative Agent, at such other address as shall be designated by such party in a written notice to the other parties hereto and, as to each Lender, at such other address as shall be designated by such Lender in a written notice to the Borrower and the Administrative Agent. All such notices and communications shall, when mailed, telegraphed, telecopied, or cabled or sent by overnight courier, be effective when deposited in the mails, delivered to the telegraph company, cable company or overnight courier, as the case may be, or sent by telecopier, except that notices and communications to the Administrative Agent, the Collateral Agent and the Borrower shall not be effective until received by the Administrative Agent, the Collateral Agent or the Borrower, as the case may be.

If to any Credit Party, to such Credit Party in the care of the Borrower at:

Algoma Steel Inc.
105 West Street,
Sault Ste. Marie
Ontario, Canada P6A 7B4
Attention: Rajat Marwah, Chief Financial Officer
Email: rajat.marwah@algoma.com

(b) Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communications pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices pursuant to Section 2 unless otherwise agreed by the Administrative Agent and the applicable Lender. Each of the Administrative Agent, Holdings and the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

(c) If any payment item is received into Agent's Account on a non-Business Day or after 1:30 p.m. (Toronto time) on a Business Day (unless the Administrative Agent, in its sole discretion, elects to credit it on the date received), it shall be deemed to have been received by the Administrative Agent as of the opening of business on the immediately following Business Day.

14.04. Benefit of Agreement; Assignments; Participations. (a) This Agreement shall be binding upon and inure to the benefit of and be enforceable by the respective successors and assigns of the parties hereto; provided, however, neither Holdings nor the Borrower may assign or transfer any of their rights, obligations or interest hereunder without the prior written consent of the Lenders (and any attempted assignment or transfer without such consent shall be null and void) and, provided further, that, although any Lender may grant participations to Eligible Transferees in its rights hereunder (a "Participant"), such Lender shall remain a "Lender" for all purposes hereunder (and may not transfer or assign all or any portion of its Revolving Loan Commitments hereunder except as provided in Sections 2.13 and 14.04(b)) and the participant shall not constitute a "Lender" hereunder and, provided further, that any agreement or instrument pursuant to which a Lender sells such a participation shall

provide that such Lender shall retain the sole right to enforce this Agreement and any other Credit Document and to approve any amendment, modification or waiver of any provision of this Agreement or any other Credit Agreement; provided further that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver to the extent such amendment, modification or waiver would (i) extend the final scheduled maturity of any Loan, Note or Letter of Credit or Reimbursement Undertaking (unless such Letter of Credit or Reimbursement Undertaking is not extended beyond the Revolving Loan Maturity Date) in which such participant is participating, or reduce the rate or extend the time of payment of interest or Fees thereon (except in connection with a waiver of applicability of any post-default increase in interest rates) or reduce the principal amount thereof (it being understood that any amendment or modification to the financial definitions in this Agreement or to Section 14.07(a) shall not constitute a reduction in the rate of interest or Fees payable hereunder), or increase the amount of the participant's participation over the amount thereof then in effect (it being understood that a waiver of any Default or Event of Default or of a mandatory reduction in the Total Revolving Loan Commitment or a mandatory prepayment of the Loans shall not constitute a change in the terms of such participation, and that an increase in any Revolving Loan Commitment (or the available portion thereof) or Loan shall be permitted without the consent of any participant if the participant's participation is not increased as a result thereof), (ii) consent to the assignment or transfer by Holdings or the Borrower of any of their rights and obligations under this Agreement or (iii) release all or substantially all of the Collateral under all of the Security Documents (except as expressly provided in the Credit Documents) supporting the Loans and/or Letters of Credit thereunder in which such participant is participating or release all or substantially all of the value of the Guaranty made by the Subsidiary Guarantors (except as expressly provided in the Credit Documents). In the case of any such participation, except as otherwise set forth in Section 14.04(e), the participant shall not have any rights under this Agreement or any of the other Credit Documents (the participant's rights against such Lender in respect of such participation to be those set forth in the agreement executed by such Lender in favor of the participant relating thereto) and all amounts payable by the Borrower hereunder shall be determined as if such Lender had not sold such participation.

(b) Notwithstanding the foregoing, any Lender (or any Lender together with one or more other Lenders) may (x) assign all or a portion of its Revolving Loan Commitments and related outstanding Credit Document Obligations hereunder to (i)(A) its parent company and/or any Affiliate of such Lender which is at least 50% owned by such Lender or its parent company or (B) to one or more other Lenders or any Affiliate of any such other Lender which is at least 50% owned by such other Lender or its parent company (provided that any fund that invests in loans and is managed or advised by the same investment advisor of another fund which is a Lender (or by an Affiliate of such investment advisor) shall be treated as an Affiliate of such other Lender for the purposes of this sub- clause (x)(i)(B)), provided, that no such assignment may be made to any such Person that is, or would at such time constitute, a Defaulting Lender or a Disqualified Lender or (ii) in the case of any Lender that is a fund that invests in loans, any other fund that invests in loans and is managed or advised by the same investment advisor as such Lender or by an Affiliate of such investment advisor or (y) assign all, or if less than all, a

portion equal to at least $1,000,000 (or such lesser amount as the Administrative Agent and, so long as no Specified Event of Default then exists and is continuing, the Borrower may otherwise agree) in the aggregate for the assigning Lender or assigning Lenders, of such Revolving Loan Commitments and related outstanding Credit Document Obligations hereunder to one or more Eligible Transferees (treating any fund that invests in loans and any other fund that invests in loans and is managed or advised by the same investment advisor of such fund or by an Affiliate of such investment advisor as a single assignor or Eligible Transferee (as applicable) (if any)), each of which assignees shall become a party to this Agreement as a Lender by execution of an Assignment and Assumption Agreement, provided that (i) at such time, Schedule 1.01(a) shall be deemed modified to reflect the Revolving Loan Commitments and/or outstanding Loans, as the case may be of such new Lender and of the existing Lenders, (ii) upon the surrender of the relevant Notes by the assigning Lender (or, upon such assigning Lender's indemnifying the Borrower for any lost Note pursuant to a customary indemnification agreement) new Notes will be issued, at the Borrower's expense, to such new Lender and to the assigning Lender upon the request of such new Lender or assigning Lender, such new Notes to be in conformity with the requirements of Section 2.05 (with appropriate modifications) to the extent needed to reflect the revised Revolving Loan Commitments and/or outstanding Loans, as the case may be, (iii) the consent of the Administrative Agent, each Issuing Lender and the Swingline Lender shall be required in connection with any such assignment pursuant to clause (y) above (such consent, in each case, not to be unreasonably withheld, delayed or conditioned), (iv) so long as no Event of Default under Section 12.01(a) or (e) (with respect to the Borrower) then exists, the consent of the Borrower shall be required in connection with any such assignment pursuant to clause (y) above (such consent, in any case, not to be unreasonably withheld, delayed or conditioned); provided that (I) the Borrower may, in its sole discretion, withhold its consent to any assignment to any Person that is not a Disqualified Lender but is known by the Borrower to be an Affiliate of a Disqualified Lender regardless of whether such Person is identifiable as an Affiliate of a Disqualified Lender on the basis of such Affiliate's name and (II) the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within five Business Days after having received notice thereof, (v) the Administrative Agent shall receive at the time of each such assignment, from the assigning or assignee Lender, the payment of a non-refundable assignment fee of $3,500 (provided that only one such fee shall be payable in the case of one or more concurrent assignments by or to investment funds managed or advised by the same investment advisor or an affiliated investment advisor), and (vi) no such transfer or assignment will be effective until recorded by the Administrative Agent on the Register pursuant to Section 14.15. To the extent of any assignment pursuant to this Section 14.04(b), the assigning Lender shall be relieved of its obligations hereunder with respect to its assigned Revolving Loan Commitments and outstanding Loans. To the extent that an assignment of all or any portion of a Lender's Revolving Loan Commitments and related outstanding Credit Document Obligations pursuant to Section 2.13 or this Section 14.04(b) would, at the time of such assignment, result in increased costs under Section 2.10 from those being charged by the respective assigning Lender prior to such assignment, then the Borrower shall not be obligated to pay such

increased costs (although the Borrower, in accordance with and pursuant to the other provisions of this Agreement, shall be obligated to pay any other increased costs of the type described above resulting from changes after the date of the respective assignment). Any attempted assignment in violation of this Section 14.04 shall be null and void. Notwithstanding anything herein to the contrary, the Administrative Agent shall not be responsible or have any liability for, or have any duty to ascertain, inquire into, monitor or enforce, compliance with the provisions hereof relating to the Disqualified Lenders.

(c) Nothing in this Agreement shall prevent or prohibit any Lender from pledging its Loans and Notes hereunder to a Federal Reserve Bank in support of borrowings made by such Lender from such Federal Reserve Bank, any Lender which is a fund may pledge all or any portion of its Loans and Notes to its trustee or to a collateral agent providing credit or credit support to such Lender in support of its obligations to such trustee, such collateral agent or a holder of such obligations, as the case may be. No pledge pursuant to this clause (c) shall release the transferor Lender from any of its obligations hereunder.

(d) Any Lender which assigns all of its Revolving Loan Commitments and/or Loans hereunder in accordance with Section 14.04 (b) shall cease to constitute a "Lender" hereunder, except with respect to indemnification provisions under this Agreement (including Sections 2.10, 2.11, 5.04, 13.06, 14.01 and 14.06), which shall survive as to such assigning Lender.

(e) The Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.10 and 5.04 (subject to the requirements and limitations therein, including the requirements under Section 5.04(f) (it being understood that the documentation required under Section 5.04(f) shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment; provided that such Participant (A) agrees to be subject to the provisions of Section 2.13 as if it were an assignee under paragraph (b) of this Section; and (B) shall not be entitled to receive any greater payment under Sections 2.10 or 5.04, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation shall, acting solely for this purpose as an agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Revolving Loans or other obligations under the Credit Documents (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Credit Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such

participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(f) [Reserved].

(g) [Reserved].

(h) (i) Any assignment or participation by a Lender without the Borrower's consent (A) to any Disqualified Lender or any Affiliate thereof or (B) to the extent the Borrower's consent is required under this Section 14.04, to any other Person, shall be null and void, and the Borrower shall be entitled to seek specific performance to unwind any such assignment or participation and/or specifically enforce this Section 14.04(h) in addition to injunctive relief (without posting a bond or presenting evidence of irreparable harm) or any other remedies available to the Borrower at law or in equity; it being understood and agreed that Holdings, the Borrower and its subsidiaries will suffer irreparable harm if any Lender breaches any obligation under this Section 14.04 as it relates to any assignment, participation or pledge of any Loan or Revolving Loan Commitment to any Disqualified Lender or any Affiliate thereof or any other Person to whom the Borrower's consent is required but not obtained. Nothing in this Section 14.04(h) shall be deemed to prejudice any right or remedy that Holdings or the Borrower may otherwise have at law or equity or pursuant to Section 14.04(h)(ii) below.

(ii) If any assignment or participation under this Section 14.04 is made to any Affiliate of any Disqualified Lender (other than any Bona Fide Debt Fund that is not itself a Disqualified Lender) without the Borrower's prior written consent (any such person, a "Disqualified Person"), then the Borrower may, at its sole expense and effort, upon notice to the applicable Disqualified Person and the Administrative Agent, (A) terminate any Revolving Loan Commitment of such Disqualified Person and repay all obligations of each Borrower owing to such Disqualified Person, and/or (B) require such Disqualified Person to assign, without recourse (in accordance with and subject to the restrictions contained in this Section 14.04), all of its interests, rights and obligations under this Agreement to one or more Eligible Transferees and if such person does not execute and deliver to the Administrative Agent a duly executed Assignment and Assumption Agreement reflecting such assignment within five Business Days of the date on which the Eligible Transferee executes and delivers such Assignment and Assumption Agreement to such person, then such person shall be deemed to have executed and delivered such Assignment and Assumption Agreement without any action on its part; provided that (I) in the case of clauses (A) and (B), the Borrower shall not be liable to the relevant Disqualified Person under Section 2.10 if any LIBOR Loan owing to such Disqualified Person is repaid or purchased other than on the last day of the Interest Period relating thereto, (II) in the case of clause (B), the relevant assignment shall otherwise comply with this Section 14.04 (except that no registration and processing fee required under this Section 14.04 shall be required with any assignment pursuant to this paragraph. Further, any Disqualified Person identified by the Borrower to the Administrative

Agent (A) shall not be permitted to (x) receive information or reporting provided by any Credit Party, the Administrative Agent or any Lender and/or (y) attend and/or participate in conference calls or meetings attended solely by the Lenders and the Administrative Agent, (B) (x) shall not for purposes of determining whether the Required Lenders, the Supermajority Lenders or the majority Lenders under any Tranche have (i) consented (or not consented) to any amendment, modification, waiver, consent or other action with respect to any of the terms of any Credit Document or any departure by any Credit Party therefrom, (ii) otherwise acted on any matter related to any Credit Document or (iii) directed or required the Administrative Agent or any Lender to undertake any action (or refrain from taking any action) with respect to or under any Credit Document, have a right to consent (or not consent), otherwise act or direct or require the Administrative Agent or any Lender to take (or refrain from taking) any such action; it being understood that all Revolving Loans held by any Disqualified Person shall be deemed to be not outstanding for all purposes of calculating whether the Required Lenders, the Supermajority Lenders, majority Lenders under any Tranche or all Lenders have taken any action and (y) shall be deemed to vote in the same proportion as Lenders that are not Disqualified Persons in any proceeding under any Debtor Relief Law commenced by or against the any Borrower or any other Credit Party and (C) shall not be entitled to receive the benefits of Section 14.01. For the sake of clarity, the provisions in this Section 14.04(h) shall not apply to any Person that is an assignee of any Disqualified Person, if such assignee is not a Disqualified Person.

(iii) Upon the request of any Lender, the Administrative Agent may and the Borrower will make the list of Disqualified Lenders (other than any Disqualified Lender that is a reasonably identifiable Affiliate of another Disqualified Lender on the basis of such Person's name) at the relevant time and such Lender may provide the list to any potential assignee for the purpose of verifying whether such Person is a Disqualified Lender, in each case so long as such Lender and such potential assignee agree to keep the list of Disqualified Lenders confidential in accordance with the terms hereof.

14.05. No Waiver; Remedies Cumulative. No failure or delay on the part of the Administrative Agent, the Collateral Agent, any Issuing Lender or any Lender in exercising any right, power or privilege hereunder or under any other Credit Document and no course of dealing between the Borrower or any other Credit Party and the Administrative Agent, the Collateral Agent, any Issuing Lender or any Lender shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or under any other Credit Document preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder or thereunder. The rights, powers and remedies herein or in any other Credit Document expressly provided are cumulative and not exclusive of any rights, powers or remedies which the Administrative Agent, the Collateral Agent, any Issuing Lender or any Lender would otherwise have. No notice to or demand on any Credit Party in any case shall entitle any Credit Party to any other or further notice or demand in similar or other circumstances

or constitute a waiver of the rights of the Administrative Agent, the Collateral Agent, any Issuing Lender or any Lender to any other or further action in any circumstances without notice or demand.

14.06. Payments Pro Rata. (a) Except as otherwise provided in this Agreement, the Administrative Agent agrees that promptly after its receipt of each payment from or on behalf of the Borrower in respect of any Credit Document Obligations hereunder, the Administrative Agent shall distribute such payment to the Lenders entitled thereto (other than any Lender that has consented in writing to waive its pro rata share of any such payment) pro rata based upon their respective shares, if any, of the Credit Document Obligations with respect to which such payment was received.

(b) Each of the Lenders agrees that, if it should receive any amount hereunder (whether by voluntary payment, by realization upon security, by the exercise of the right of setoff or banker's lien, by counterclaim or cross action, by the enforcement of any right under the Credit Documents, or otherwise), which is applicable to the payment of the principal of, or interest on, the Loans, Unpaid Drawings, Commitment Commission or Letter of Credit Fees, of a sum which with respect to the related sum or sums received by other Lenders is in a greater proportion than the total of such Credit Document Obligations then owed and due to such Lender bears to the total of such Credit Document Obligation then owed and due to all of the Lenders immediately prior to such receipt, then such Lender receiving such excess payment shall purchase for cash without recourse or warranty from the other Lenders an interest in the Credit Document Obligations of the respective Credit Party to such Lenders in such amount as shall result in a proportional participation by all the Lenders in such amount; provided that if all or any portion of such excess amount is thereafter recovered from such Lenders, such purchase shall be rescinded and the purchase price restored to the extent of such recovery, but without interest.

(c) Notwithstanding anything to the contrary contained herein, the provisions of the preceding Sections 14.06(a) and (b) shall be subject to the express provisions of this Agreement which require, or permit, differing payments to be made to Non-Defaulting Lenders as opposed to Defaulting Lenders.

(d) For the avoidance of doubt, the provisions of this Section 14.06 shall not be construed to apply to (A) the assignments and participations described in Section 14.04, (B) any Extension described in Section 2.15 or (C) the incurrence of any Credit Agreement Refinancing Indebtedness.

14.07. Calculations; Computations (a) The financial statements to be furnished to the Lenders pursuant hereto shall be made and prepared in accordance with IFRS consistently applied throughout the periods involved (except as set forth in the notes thereto or as otherwise disclosed in writing by the Borrower to the Lenders).

(b) All computations of interest Commitment Commission and other Fees hereunder shall be made on the basis of a year of 360 days (except for interest calculated by reference to subsection (c) of the definition of Base Rate, Canadian CDOR

Rate or Canadian Prime Rate, which shall be based on a year of 365 or 366 days, as applicable) for the actual number of days (including the first day but excluding the last day except that in the case of Letter of Credit Fees and Facing Fees, the last day shall be included) occurring in the period for which such interest, Commitment Commission or Fees are payable.

(c) For the purposes of the Interest Act (Canada), in any case in which an interest or fee rate is stated in this Agreement to be calculated on the basis of a number of days that is other than the number in a calendar year, the yearly rate to which such interest or fee rate is equivalent is equal to such interest or fee rate multiplied by the actual number of days in the year in which the relevant interest or fee payment accrues and divided by the number of days used as the basis for such calculation. The principle of deemed reinvestment of interest does not apply to any interest calculation under this Agreement and the rates of interest stipulated in this Agreement are intended to be nominal rates and not effective rates or yields. The Administrative Agent agrees that if requested in writing by the Borrower it shall calculate the nominal and effective per annum rate of interest on any outstanding Loan at any time and provide such information to the Borrower, provided that any error in any such calculation, or any failure to provide such information on request, shall not relieve the Borrower or any of the other Credit Parties of any of its obligations under this Agreement or any other Credit Documents, nor result in any liability to the Administrative Agent or the Lenders. The Borrower hereby irrevocably agrees not to plead or assert, whether by way of defence or otherwise, in any proceeding relating to the Credit Documents, that the interest payable under the Credit Documents and the calculation thereof has not been adequately disclosed to the Borrower or any Credit Party, whether pursuant to Section 4 of the Interest Act (Canada) or any other applicable law or legal principle.

14.08. GOVERNING LAW; SUBMISSION TO JURISDICTION; VENUE; WAIVER OF JURY TRIAL. (a) THIS AGREEMENT AND THE OTHER CREDIT DOCUMENTS (EXCEPT, FOR GREATER CERTAINTY, THE ABL INTERCREDITOR AGREEMENT) AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER AND THEREUNDER SHALL, EXCEPT AS OTHERWISE PROVIDED IN ANY SECURITY DOCUMENT, BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAWS OF THE PROVINCE OF ONTARIO AND THE FEDERAL LAWS OF CANADA APPLICABLE THEREIN REGARDLESS OF THE LAWS THAT MIGHT OTHERWISE GOVERN UNDER APPLICABLE PRINCIPLES OF CONFLICTS OF LAWS. ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT (OTHER THAN AS PROVIDED OTHERWISE IN ANY SECURITY DOCUMENTS, WITH RESPECT TO SUCH SECURITY DOCUMENT) SHALL BE BROUGHT IN THE COURTS OF THE PROVINCE OF ONTARIO, AND, BY EXECUTION AND DELIVERY OF THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT, EACH OF HOLDINGS, THE BORROWER AND EACH OTHER CREDIT PARTY HEREBY IRREVOCABLY ACCEPTS FOR ITSELF AND IN RESPECT OF ITS PROPERTY (OTHER THAN AS PROVIDED OTHERWISE IN ANY SECURITY DOCUMENTS, WITH RESPECT TO SUCH SECURITY

DOCUMENT), GENERALLY AND UNCONDITIONALLY, THE EXCLUSIVE JURISDICTION OF THE AFORESAID COURTS. EACH OF HOLDINGS, THE BORROWER AND EACH OTHER CREDIT PARTY HEREBY FURTHER IRREVOCABLY WAIVES ANY CLAIM THAT ANY SUCH COURTS LACK PERSONAL JURISDICTION OVER SUCH CREDIT PARTY, AND AGREES NOT TO PLEAD OR CLAIM, IN ANY LEGAL ACTION PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT (OTHER THAN AS PROVIDED OTHERWISE IN ANY SECURITY DOCUMENTS, WITH RESPECT TO SUCH SECURITY DOCUMENT) BROUGHT IN ANY OF THE AFOREMENTIONED COURTS, THAT SUCH COURTS LACK PERSONAL JURISDICTION OVER SUCH CREDIT PARTY. EACH OF HOLDINGS, THE BORROWER AND EACH OTHER CREDIT PARTY FURTHER IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OUT OF ANY OF THE AFOREMENTIONED COURTS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, TO SUCH CREDIT PARTY AT ITS ADDRESS SET FORTH IN SECTION 14.03 ITS SIGNATURE BELOW, SUCH SERVICE TO BECOME EFFECTIVE 30 DAYS AFTER SUCH MAILING. EACH OF HOLDINGS, THE BORROWER AND EACH OTHER CREDIT PARTY HEREBY IRREVOCABLY WAIVES ANY OBJECTION TO SUCH SERVICE OF PROCESS AND FURTHER IRREVOCABLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY ACTION OR PROCEEDING COMMENCED HEREUNDER OR UNDER ANY OTHER CREDIT DOCUMENT THAT SERVICE OF PROCESS WAS IN ANY WAY INVALID OR INEFFECTIVE. NOTHING HEREIN, HOWEVER, SHALL AFFECT THE RIGHT OF THE ADMINISTRATIVE AGENT, ANY LENDER OR THE HOLDER OF ANY NOTE TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO COMMENCE LEGAL PROCEEDINGS OR OTHERWISE PROCEED AGAINST HOLDINGS, THE BORROWER OR ANY OTHER CREDIT PARTY IN ANY OTHER JURISDICTION.

(b) EACH OF HOLDINGS, THE BORROWER AND EACH OTHER CREDIT PARTY HEREBY IRREVOCABLY WAIVES ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY OF THE AFORESAID ACTIONS OR PROCEEDINGS ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT BROUGHT IN THE COURTS REFERRED TO IN CLAUSE (a) ABOVE AND HEREBY FURTHER IRREVOCABLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(c) EACH OF THE PARTIES TO THIS AGREEMENT HEREBY IRREVOCABLY WAIVES ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE OTHER CREDIT DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

14.09. Counterparts; Electronic Execution. This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which, when so executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute one and the same Agreement. Delivery of an executed counterpart of this Agreement by telefacsimile or other electronic method of transmission shall be equally as effective as delivery of an original executed counterpart of this Agreement. Any party delivering an executed counterpart of this Agreement by telefacsimile or other electronic method of transmission also shall deliver an original executed counterpart of this Agreement but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Agreement. The foregoing shall apply to each other Credit Document *mutatis mutandis*.

14.10. [Reserved].

14.11. Headings Descriptive. The headings of the several sections and subsections of this Agreement are inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this Agreement.

14.12. Amendment or Waiver; etc. Neither this Agreement nor any other Credit Document nor any terms hereof or thereof may be changed, waived, discharged or terminated unless such change, waiver, discharge or termination is in writing signed by the respective Credit Parties party hereto or thereto and the Required Lenders (although additional parties may be added to (and annexes may be modified to reflect such additions), and Subsidiaries of the Borrower may be released from, the relevant Guaranty and the relevant Security Documents in accordance with the provisions hereof and thereof (without the consent of the other Credit Parties party thereto or the Required Lenders), provided that no such change, waiver, discharge or termination shall, without the consent of each Lender (other than, except with respect to following clause (i), a Defaulting Lender) (with Credit Document Obligations being directly affected in the case of following clauses (1)(z) and (vi) or whose Credit Document Obligations are being extended in the case of following clause (i)(x) or (i)(y)), (i)(x) extend the final scheduled maturity of any Loan or Note, (y) reduce the amount of, or extend the stated expiration date of, any Letter of Credit or Reimbursement Undertaking beyond the Revolving Loan Maturity Date or (z) reduce the rate or extend the time of payment of interest or Fees thereon (except in connection with the waiver of applicability of any post-default increase in interest rates), or reduce (or forgive) the principal amount thereof (it being understood that any amendment or modification to the financial definitions in this Agreement or to Section 14.07(a) shall not constitute a reduction in the rate of interest or Fees for the purposes of this clause (i)), (ii) release all or substantially all of the Collateral under all the Security Documents (except as expressly provided in the Credit Documents) or release all or substantially all of the value of the Guaranty made by the Subsidiary Guarantors (except as expressly provided in the Credit Documents), (iii) amend, modify or waive any provision of this Section 14.12 (except for technical amendments with respect to additional extensions of credit pursuant to this Agreement which afford the protections to such additional extensions of credit of the type provided to the Revolving Loan Commitments on the Closing Date), (iv) reduce the "majority" voting threshold specified

in the definition of Required Lenders or the Supermajority Lenders (it being understood that, with the consent of the Required Lenders, additional extensions of credit pursuant to this Agreement may be included in the determination of the Required Lenders on sub-stantially the same basis as the extensions of Revolving Loan Commitment are included on the Closing Date), (v) consent to the assignment or transfer by the Borrower of any of its rights and obligations under this Agreement, (vi) amend, waive or modify the priority of payments set forth in Section 12.02, (vii) except as expressly provided in the Credit Documents, subordinate the Liens granted for the benefit of the Lenders in respect of the Collateral or (viii) amend, modify or waive any provision of Section 14.06; provided further, that no such change, waiver, discharge or termination shall (1) increase the Revolving Loan Commitments of any Lender over the amount thereof then in effect without the consent of such Lender (it being understood that waivers or modifications of conditions precedent, covenants, Defaults or Events of Default or of a mandatory reduction in the Total Revolving Loan Commitment or a mandatory repayment of Loans shall not constitute an increase of the Revolving Loan Commitment of any Lender, and that an increase in the available portion of any Revolving Loan Commitment of any Lender shall not constitute an increase of the Revolving Loan Commitment of such Lender), (2) without the consent of each Issuing Lender, amend modify or waive the Letter of Credit Sublimit, any provision of Section 3 or alter its rights or obligations with respect to Letters of Credit, (3) without the consent of the Swingline Lender, amend, modify or waive any provision hereof relating to the Maximum Swingline Amount or the Swingline Lender's rights or obligations with respect to Swingline Loans, (4) without the consent of Supermajority Lenders, (x) increase the advance rates applicable to the Borrowing Base over those in effect on the Closing Date (it being understood that the establishment, modification or elimination of Reserves and adjustment, establishment and elimination of criteria for Eligible Accounts and Eligible Inventory, in each case by the Administrative Agent in accordance with the terms hereof, will not be deemed such an increase in advance rates), (y) amend the definition of Supermajority Lenders (it being understood that, with the consent of the Required Lenders, additional extensions of credit pursuant to this Agreement may be included in the determination of Supermajority Lenders on substantially the same basis as the extensions of Loans and Commitments are included on the Closing Date) or (z) amend or expand any of the following definitions, in each case the effect of which would be to increase the amounts available for borrowing hereunder: Borrowing Base, Eligible Accounts and Eligible Inventory (including, in each case, the defined terms used therein) (it being understood that the establishment, modification or elimination of Reserves, in each case by the Administrative Agent in accordance with the terms hereof, will not be deemed to require a Supermajority Lender consent), (5) without the consent of the Administrative Agent, amend, modify or waive any provision of Section 13 or any other provision as same relates to the rights or obligations of the Administrative Agent, (6) without the consent of Collateral Agent, amend, modify or waive any provision relating to the rights or obligations of the Collateral Agent, or (7) amend, modify or waive this Agreement (including, without limitation, Section 12.02) or any other Credit Document so as to alter the ratable treatment of Obligations arising under the Credit Documents and Obligations arising under Lender Hedging Agreements or the definition of "ABL Hedge Provider", "Lender Hedging

Agreement", "Secured Parties", "Obligations", "Secured Obligations" (as such terms (or terms with similar meanings) are defined in this Agreement or any applicable Credit Document), in each case in a manner adverse to any ABL Hedge Provider without the written consent of any such ABL Hedge Provider.

(b) If, in connection with any proposed change, waiver, discharge or termination of or to any of the provisions of this Agreement as contemplated by clauses (i) through (viii) of Section 14.12(a), inclusive, of the first proviso to Section 14(a), the consent of the Required Lenders is obtained but the consent of one or more of such other Lenders whose consent is required is not obtained, then the Borrower shall have the right, so long as all non-consenting Lenders whose individual consent is required are treated as described in either clause (A) or (B) below, to either (A) replace only the Revolving Loan Commitments of the respective non-consenting Lender or Lenders with one or more Replacement Lenders pursuant to Section 2.13 so long as at the time of such replacement, each such Replacement Lender consents to the proposed change, waiver, discharge or termination or (B) terminate such non-consenting Lender's Revolving Loan Commitment and repay each Tranche of outstanding Loans of such Lender and/or cash collateralize its applicable RL Percentage of the Letter of Credit Outstandings, in accordance with Sections 4.03 and/or 5.01(b), provided that, unless the Revolving Loan Commitments which are terminated and Loans which are repaid pursuant to preceding clause (B) are immediately replaced in full at such time through the addition of new Lenders or the increase of the Revolving Loan Commitments and/or outstanding Loans of existing Lenders (who in each case must specifically consent thereto), then in the case of any action pursuant to preceding clause (B), the Required Lenders (determined after giving effect to the proposed action) shall specifically consent thereto, provided further, that the Borrower shall not have the right to replace a Lender, terminate its Revolving Loan Commitments or repay its Loans solely as a result of the exercise of such Lender's rights (and the withholding of any required consent by such Lender) pursuant to the second proviso to Section 14.12(a).

(c) Notwithstanding the foregoing, any provision of this Agreement may be amended by an agreement in writing entered into by the Borrower, the Required Lenders and the Administrative Agent (and, if their rights or obligations are affected thereby, each Issuing Lender and the Swingline Lender) if (i) by the terms of such agreement the Revolving Loan Commitments of each Lender not consenting to the amendment provided for therein shall terminate upon the effectiveness of such amendment and (ii) at the time such amendment becomes effective, each Lender not consenting thereto receives payment (including pursuant to an assignment to a replacement Lender in accordance with Section 14.04) in full of the principal of and interest accrued on each Loan made by it and all other amounts owing to it or accrued for its account under this Agreement and (y) this Agreement may be amended (or amended and restated) with the written consent of the Required Lenders, the Administrative Agent and the Borrower (a) to add one or more additional credit facilities to this Agreement and to permit the extensions of credit from time to time outstanding thereunder and the accrued interest and fees in respect thereof to share ratably in the benefits of this Agreement and the other

Credit Documents with the Loans and the accrued interest and fees in respect thereof and (b) to include appropriately the Lenders holding such credit facilities in any determination of the Required Lenders.

(d) In addition, notwithstanding the foregoing, this Agreement may be amended or amended and restated with the written consent of the Administrative Agent, the Borrower and the Lenders providing the relevant Replacement Revolving Facility or Revolving Loan Commitments or to permit the refinancing of all outstanding Loans or Revolving Loan Commitments under the applicable Tranche (any such Revolving Loan Commitment being refinanced or replaced, a "Replaced Revolving Facility") with a replacement revolving facility hereunder (a "Replacement Revolving Facility"), in each case pursuant to a Refinancing Amendment; provided that:

(i) the aggregate principal amount of any Replacement Revolving Facility shall not exceed the aggregate principal amount of the Replaced Revolving Facility (plus the amount of accrued interest, penalties and premium thereon, any committed but undrawn amounts and underwriting discounts, fees (including upfront fees and original issue discount), commissions and expenses associated therewith);

(ii) no Replacement Revolving Facility may have a final maturity date (or require commitment reductions) prior to the final maturity date of the relevant Replaced Revolving Facility at the time of such refinancing;

(iii) any Replacement Revolving Facility may be pari passu or junior in right of payment and pari passu (without regard to the control of remedies) or junior with respect to the Collateral with the remaining portion of the Revolving Loan Commitments or any Additional Revolving Loan Commitments (provided that if pari passu or junior as to payment or Collateral, such Replacement Revolving Facility shall be subject to an Acceptable Intercreditor Agreement and may be, at the option of the Borrower, documented in a separate agreement or agreements), or be unsecured;

(iv) if any Replacement Revolving Facility is secured, it may not be secured by any assets other than the Collateral;

(v) if any Replacement Revolving Facility is guaranteed, it may not be guaranteed by any Person other than one or more Credit Parties;

(vi) any Replacement Revolving Facility shall be subject to the "ratability" provisions applicable to Extended Revolving Loan Commitments and Extended Revolving Loans set forth in the proviso to clause (i) of Section 2.15(a), *mutatis mutandis*, to the same extent as if fully set forth in this Section 14.12(d);

(vii) any Replacement Revolving Facility shall have pricing (including interest, fees and premiums) and, subject to preceding clause (vi), optional

prepayment and redemption terms as the Borrower and the lenders providing such Replacement Revolving Facility may agree;

(viii) the covenants and events of default of any Replacement Revolving Facility (excluding pricing, interest, fees, rate floors, premiums, optional prepayment or redemption terms, security and maturity, subject to preceding clauses (ii) through (vii)) shall be (x) substantially identical to, or (taken as a whole) no more favorable (as determined by the Borrower in good faith) to the lenders providing such Replacement Revolving Facility than those applicable to the Replaced Revolving Facility (other than covenants or other provisions applicable only to periods after the Latest Maturity Date of such Replaced Revolving Facility (in each case, as of the date of incurrence of the relevant Replacement Revolving Facility), (y) then-current market terms (as determined by the Borrower in good faith) for the applicable type of Indebtedness or (z) reasonably acceptable to the Administrative Agent (it being agreed that covenants and events of default of any Replacement Revolving Facility that are more favorable to the lenders or the agent of such Replacement Revolving Facility than those contained in the Credit Documents and are then conformed (or added) to the Credit Documents pursuant to the applicable Refinancing Amendment shall be deemed satisfactory to the Administrative Agent), and

(ix) the Revolving Loan Commitments in respect of the Replaced Revolving Facility shall be terminated, and all Revolving Loans outstanding thereunder and all fees thereunder and payable in connection therewith shall be paid in full, in each case on the date such Replacement Revolving Facility is implemented.

Each party hereto hereby agrees that, upon the effectiveness of any Refinancing Amendment, this Agreement shall be amended by the Borrower, the Administrative Agent and the lenders providing the relevant Replacement Revolving Facility, as applicable, to the extent (but only to the extent) necessary to reflect the existence and terms of such Replacement Revolving Facility, as applicable, incurred or implemented pursuant thereto (including any amendment necessary to treat the loans and commitments subject thereto as a separate "class" and "Tranche" of Revolving Loans and/or Revolving Loan Commitments hereunder). It is understood that any Lender approached to provide all or a portion of any Replacement Revolving Facility may elect or decline, in its sole discretion, to provide such Replacement Revolving Facility.

(e) This Section 14.12 shall be subject to any contrary provision of Section 2.15 or 2.16. In addition, notwithstanding anything to the contrary contained in this Section 14.12, (x) Security Documents (including any additional Security Documents) and related documents executed by Restricted Subsidiaries in connection with this Agreement may be in a form reasonably determined by the Administrative Agent and may be amended, supplemented and waived with the consent of the Administrative Agent and the Borrower without the need to obtain the consent of any other Person if such

amendment, supplement or waiver is delivered in order (i) to comply with local law or advice of local counsel, (ii) to cure ambiguities, omissions, mistakes or defects or (iii) to cause such Security Document or other document to be consistent with this Agreement and the other Credit Documents and (y) if following the Closing Date, the Administrative Agent and any Credit Party shall have jointly identified an ambiguity, inconsistency, obvious error or any error or omission of a technical or immaterial nature, in each case, in any provision of the Credit Documents (other than the Security Documents), then the Administrative Agent and the Credit Parties shall be permitted to amend such provision and such amendment shall become effective without any further action or consent of any other party to any Credit Documents if the same is not objected to in writing by the Required Lenders within five (5) Business Days following receipt of notice thereof.

14.13. Survival. All representations and warranties made by the Borrower and the other Credit Parties in the Credit Documents and in certificates or other instruments delivered in connection with or pursuant to the Credit Documents shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of the Credit Documents, the making of any Loans and the issuance of any Letters of Credit or Reimbursement Undertakings, regardless of any investigation made by any such other party or on its behalf and notwithstanding that any Lender, Issuing Lender or Agent may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as any principal of or accrued interest on any Loan or any fee or other amount payable hereunder is outstanding and unpaid. All indemnities (other than those provided under Section 5.04) set forth herein including in Sections 2.10, 2.11, 13.06 and 14.01 shall survive the execution, delivery and termination of this Agreement and the Notes and the making and repayment of the Credit Document Obligations.

14.14. Domicile of Loans. Each Lender may transfer and carry its Loans at, to or for the account of any office, Subsidiary or Affiliate of such Lender. Notwithstanding anything to the contrary contained herein, to the extent that a transfer of Loans pursuant to this Section 14.14 would, at the time of such transfer, result in increased costs or amounts owed in respect of Indemnified Taxes under Section 2.10, 2.11 or 5.04 from those being charged by the respective Lender prior to such transfer, then the Borrower shall not be obligated to pay such increased costs (although the Borrower shall be obligated to pay any other increased costs of the type described above resulting from changes after the date of the respective transfer).

14.15. Register. The Borrower hereby designates the Administrative Agent to serve as its agent, solely for purposes of this Section 14.15, to maintain a register (the "Register") on which it will record the Revolving Loan Commitments from time to time of each of the Lenders, the Loans made by each of the Lenders (including Extraordinary Advances and Swingline Loans) made by the Administrative Agent, Swingline Lender, or the Lenders to the Borrower or for Borrower's account, the Letters of Credit or Reimbursement Undertakings issued or arranged by Issuing Bank for the Borrowers' account, and all other payment Obligations hereunder or under the other Credit Documents, including, accrued interest, fees and expenses, and each repayment in respect of the principal amount of the Loans of each Lender. Failure to make any such recordation, or any error in such recordation, shall not affect the

Borrower's obligations in respect of such Loans or Obligations. With respect to any Lender, the transfer of the Revolving Loan Commitments of such Lender and the rights to the principal of, and interest on, any Loan made pursuant to such Revolving Loan Commitments shall not be effective until such transfer is recorded on the Register maintained by the Administrative Agent with respect to ownership of such Revolving Loan Commitments and Loans and prior to such recordation all amounts owing to the transferor with respect to such Revolving Loan Commitments and Loans shall remain owing to the transferor. The registration of assignment or transfer of all or part of any Revolving Loan Commitments and Loans shall be recorded by the Administrative Agent on the Register upon and only upon the acceptance by the Administrative Agent of a properly executed and delivered Assignment and Assumption Agreement pursuant to Section 14.04(b). Upon such acceptance and recordation, the assignee specified therein shall be treated as a Lender for all purposes of this Agreement. Coincident with the delivery of such an Assignment and Assumption Agreement to the Administrative Agent for acceptance and registration of assignment or transfer of all or part of a Revolving Loan Commitment and/or a Loan, or as soon thereafter as practicable, the assigning or transferor Lender shall surrender the Note (if any) evidencing such Revolving Loan Commitment and/or a Loan, and thereupon one or more new Notes in the same aggregate principal amount shall be issued to the assigning or transferor Lender and/or the new Lender at the request of any such Lender. The Borrower agrees to indemnify the Administrative Agent from and against any and all losses, claims, damages and liabilities of whatsoever nature which may be imposed on, asserted against or incurred by the Administrative Agent in performing its duties under this Section 14.15. The Register shall be available for inspection by any party hereto at any reasonable time and from time to time upon reasonable prior notice; provided that any review of the Register by any Lender shall be limited to its own Revolving Loan Commitments (and related Obligations) and not those of any other Lender. The Administrative Agent shall make available to the Borrower monthly statements regarding the Register, including the principal amount of the Loans, interest accrued hereunder and fees accrued or charged hereunder or under the other Credit Documents, and each such statement, absent manifest error, shall be conclusively presumed to be correct and accurate and constitute an account stated between the Borrower and the Secured Parties unless, within 30 days after the Administrative Agent first makes such a statement available to the Borrower, the Borrower shall deliver to the Administrative Agent written objection thereto describing the error or errors contained in such statement.

14.16. Confidentiality. The Administrative Agent and Lenders each individually (and not jointly or jointly and severally) agree that material, non-public information regarding the Credit Parties and their Subsidiaries, their operations, assets, and existing and contemplated business plans ("Confidential Information") shall be treated by the Administrative Agent and the Lenders in a confidential manner, and shall not be disclosed by the Administrative Agent and the Lenders to Persons who are not parties to this Agreement, except: (i) to attorneys/counsel for and other advisors, accountants, auditors, and consultants to any of the Secured Parties and to employees, directors and officers of the Secured Parties (the Persons in this clause (i), "Lender Group Representatives") on a "need to know" basis in connection with this Agreement and the transactions contemplated hereby and on a confidential basis, (ii) to Subsidiaries and Affiliates of the Secured Parties (including the ABL Hedge Providers); provided, that any such Subsidiary or Affiliate shall have agreed to receive such information

hereunder subject to the terms of this Section 14.16, (iii) as may be required by regulatory authorities so long as such authorities are informed of the confidential nature of such information, (iv) as may be required by statute, decision, or judicial or administrative order, rule, or regulation; provided, that (x) prior to any disclosure under this clause (iv), the disclosing party agrees to provide the Borrower with prior notice thereof, to the extent that it is practicable to do so and to the extent that the disclosing party is permitted to provide such prior notice to the Borrower pursuant to the terms of the applicable statute, decision, or judicial or administrative order, rule, or regulation and (y) any disclosure under this clause (iv) shall be limited to the portion of the Confidential Information as may be required by such statute, decision, or judicial or administrative order, rule, or regulation, (v) as may be agreed to in advance in writing by the Borrower, (vi) as requested or required by any Governmental Authority pursuant to any subpoena or other legal process; provided, that (x) prior to any disclosure under this clause (vi) the disclosing party agrees to provide the Borrower with prior written notice thereof, to the extent that it is practicable to do so and to the extent that the disclosing party is permitted to provide such prior written notice to the Borrower pursuant to the terms of the subpoena or other legal process and (y) any disclosure under this clause (vi) shall be limited to the portion of the Confidential Information as may be required by such Governmental Authority pursuant to such subpoena or other legal process, (vii) as to any such information that is or becomes generally available to the public (other than as a result of prohibited disclosure by the Administrative Agent or the Lenders or the Lender Group Representatives), (viii) in connection with any assignment, participation or pledge of any Lender's interest under this Agreement; provided, that prior to receipt of Confidential Information any such assignee, participant, or pledgee shall have agreed in writing to receive such Confidential Information either subject to the terms of this Section 14.16 or pursuant to confidentiality requirements substantially similar to those contained in this Section 14.16 (and such Person may disclose such Confidential Information to Persons employed or engaged by them as described in clause (i) above), (ix) in connection with any litigation or other adversary proceeding involving parties hereto which such litigation or adversary proceeding involves claims related to the rights or duties of such parties under this Agreement or the other Credit Documents; provided, that prior to any disclosure to any Person (other than any Credit Party, Agent, any Lender, any of their respective Affiliates, or their respective counsel) under this clause (ix) with respect to litigation involving any Person (other than the Borrower, any Agent, any Lender, any of their respective Affiliates, or their respective counsel), the disclosing party agrees to provide the Borrower with prior written notice thereof, and (x) in connection with, and to the extent reasonably necessary for, the exercise of any secured creditor remedy under this Agreement or under any other Credit Document.

Anything in this Agreement to the contrary notwithstanding, the Administrative Agent may disclose information concerning the terms and conditions of this Agreement and the other Credit Documents to loan syndication and pricing reporting services or in its marketing or promotional materials, with such information to consist of deal terms and other information customarily found in such publications or marketing or promotional materials and may otherwise use the name, logos, and other insignia of the Borrower or the other Credit Parties and the Commitments provided hereunder in any "tombstone" or other advertisements, on its website or in other marketing materials of the Administrative Agent.

Each Credit Party agrees that the Administrative Agent may make materials or information provided by or on behalf of the Borrower hereunder (collectively, "Borrower Materials") available to the Lenders by posting the communications on IntraLinks, SyndTrak or a substantially similar secure electronic transmission system (the "Platform"). The Platform is provided "as is" and "as available." The Administrative Agent does not warrant the accuracy or completeness of the Borrower Materials, or the adequacy of the Platform and expressly disclaims liability for errors or omissions in the communications. No warranty of any kind, express, implied or statutory, including any warranty of merchantability, fitness for a particular purpose, non-infringement of third party rights or freedom from viruses or other code defects, is made by the Administrative Agent in connection with the Borrower Materials or the Platform. In no event shall the Administrative Agent or any of its Affiliates, officers, directors, employees, attorneys, and agents have any liability to the Credit Parties, any Lender or any other person for damages of any kind, including direct or indirect, special, incidental or consequential damages, losses or expenses (whether in tort, contract or otherwise) arising out of any Credit Party's or Administrative Agent's transmission of communications through the Internet, except to the extent the liability of such person is found in a final non-appealable judgment by a court of competent jurisdiction to have resulted from such person's gross negligence or willful misconduct. Each Credit Party further agrees that certain of the Lenders may be "public-side" Lenders (i.e., Lenders that do not wish to receive material non-public information with respect to the Credit Parties or their securities) (each, a "Public Lender"). The Credit Parties shall be deemed to have authorized the Administrative Agent and its Affiliates and the Lenders to treat Borrower Materials marked "PUBLIC" or otherwise at any time filed with the SEC as not containing any material non-public information with respect to the Credit Parties or their securities for purposes of federal and state securities laws. All Borrower Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated as "Public Investor" (or another similar term). The Administrative Agent and its Affiliates and the Lenders shall be entitled to treat any Borrower Materials that are not marked "PUBLIC" or that are not at any time filed with the SEC as being suitable only for posting on a portion of the Platform not marked as "Public Investor" (or such other similar term).

14.17. No Fiduciary Duty. Each Agent, each Lender and their respective Affiliates (collectively, solely for purposes of this paragraph, the "Lenders"), may have economic interests that conflict with those of the Credit Parties, their stockholders and/or their respective affiliates. Each Credit Party agrees that nothing in the Credit Documents or otherwise will be deemed to create an advisory, fiduciary or agency relationship or fiduciary or other implied duty between any Lender, on the one hand, and any Credit Party, its respective stockholders or its respective affiliates, on the other. The Credit Parties acknowledge and agree that: (i) the transactions contemplated by the Credit Documents (including the exercise of rights and remedies hereunder and thereunder) are arm's-length commercial transactions between the Lenders, on the one hand, each Credit Party, on the other, and (ii) in connection therewith and with the process leading thereto, (x) no Lender has assumed an advisory or fiduciary responsibility in favor of any Credit Party, its respective stockholders or its respective affiliates

with respect to the transactions contemplated hereby (or the exercise of rights or remedies with respect thereto) or the process leading thereto (irrespective of whether any Lender has advised, is currently advising or will advise any Credit Party, its respective stockholders or its respective Affiliates on other matters) or any other obligation to any Credit Party except the obligations expressly set forth in the Credit Documents and (y) each Lender is acting solely as principal and not as the agent or fiduciary of such Credit Party, its respective management, stockholders, creditors or any other Person. Each Credit Party acknowledges and agrees that such Credit Party has consulted its own legal, financial, regulatory and tax advisors to the extent it deemed appropriate and that it is responsible for making its own independent judgment with respect to such transactions and the process leading thereto. Each Credit Party agrees that it will not claim that any Lender has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to such Credit Party, in connection with such transaction or the process leading thereto.

14.18. Patriot Act; Due Diligence. Each Lender that is subject to the requirements of the USA PATRIOT ACT (Title III of Pub. Law 107-56 (signed into law October 26, 2001)) (as amended from time to time, the "Patriot Act") hereby notifies the Credit Parties that pursuant to the requirements of the Patriot Act, it is required to obtain, verify and record information that identifies Holdings, the Borrower and the other Credit Parties, which information includes the name and address of each Credit Party and other information that will allow such Lender to identify Holdings, the Borrower and the other Credit Parties in accordance with the Patriot Act. In addition, the Administrative Agent and each Lender shall have the right to periodically conduct due diligence on all Credit Parties, their senior management and key principals and legal and beneficial owners. Each Credit Party agrees to cooperate in respect of the conduct of such due diligence and further agrees that the reasonable costs and charges for any such due diligence by the Administrative Agent shall constitute expenses for the account of the Borrower.

14.19. Waiver of Sovereign Immunity. Each of the Credit Parties, in respect of itself, its Subsidiaries, its process agents, and its properties and revenues, hereby irrevocably agrees that, to the extent that such Credit Party, its Subsidiaries or any of its properties has or may hereafter acquire any right of immunity, whether characterized as sovereign immunity or otherwise, from any legal proceedings, whether in the United States, Canada or elsewhere, to enforce or collect upon the Loans or any Credit Document or any other liability or obligation of such Credit Party or any of its Subsidiaries related to or arising from the transactions contemplated by any of the Credit Documents, including immunity from service of process, immunity from jurisdiction or judgment of any court or tribunal, immunity from execution of a judgment, and immunity of any of its property from attachment prior to any entry of judgment, or from attachment in aid of execution upon a judgment, such Credit Party, for itself and on behalf of its Subsidiaries, hereby expressly waives, to the fullest extent permissible under Applicable Law, any such immunity, and agrees not to assert any such right or claim in any such proceeding, whether in the United States, Canada or elsewhere. Without limiting the generality of the foregoing, each Credit Party further agrees that the waivers set forth in this Section 14.19 shall be effective to the fullest extent permitted under the Foreign Sovereign

Immunities Act of 1976 of the United States and are intended to be irrevocable for purposes of such Act.

14.20. Interest Rate Limitation. Notwithstanding anything to the contrary contained in any Credit Document, the interest paid or agreed to be paid under the Credit Documents shall not exceed the maximum rate of non-usurious interest permitted by Applicable Law (the "Maximum Rate"). If the Administrative Agent or any Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Loans or, if it exceeds such unpaid principal, refunded to the Borrower. In determining whether the interest contracted for, charged, or received by the Administrative Agent or a Lender exceeds the Maximum Rate, such Person may, to the extent permitted by Applicable Law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Credit Document Obligations hereunder.

14.21. Lender Action. Each Lender agrees that it shall not take or institute any actions or proceedings, judicial or otherwise, for any right or remedy against any Credit Party or any other obligor under any of the Credit Documents (including the exercise of any right of setoff, rights on account of any banker's lien or similar claim or other rights of self-help), or institute any actions or proceedings, or otherwise commence any remedial procedures, with respect to any Collateral or any other property of any such Credit Party, unless expressly provided for herein or in any other Credit Document, without the prior written consent of the Administrative Agent. The provisions of this Section 14.21 are for the sole benefit of the Lenders and shall not afford any right to, or constitute a defense available to, any Credit Party.

14.22. Judgment Currency. (a) The Credit Parties' obligations hereunder and under the other Credit Documents to make payments in U.S. Dollars (the "Obligation Currency") shall not be discharged or satisfied by any tender or recovery pursuant to any judgment expressed in or converted into any currency other than the Obligation Currency, except to the extent that such tender or recovery results in the effective receipt by the Administrative Agent, the Collateral Agent or the respective Lender of the full amount of the Obligation Currency expressed to be payable to the Administrative Agent, the Collateral Agent or such Lender under this Agreement or the other Credit Documents. If for the purpose of obtaining or enforcing judgment against any Credit Party in any court or in any jurisdiction, it becomes necessary to convert into or from any currency other than the Obligation Currency (such other currency being hereinafter referred to as the "Judgment Currency") an amount due in the Obligation Currency, the conversion shall be made, at the rate of exchange (as quoted by the Administrative Agent or if the Administrative Agent does not quote a rate of exchange on such currency, by a known dealer in such currency designated by the Administrative Agent) determined, in each case, as of the day on which the judgment is given (such day being hereinafter referred to as the "Judgment Currency Conversion Date").

(b) If there is a change in the rate of exchange prevailing between the Judgment Currency Conversion Date and the date of actual payment of the amount due, the Borrower covenants and agrees to pay, or cause to be paid, such additional amounts, if

any (but in any event not a lesser amount), as may be necessary to ensure that the amount paid in the Judgment Currency, when converted at the rate of exchange prevailing on the date of payment, will produce the amount of the Obligation Currency which could have been purchased with the amount of Judgment Currency stipulated in the judgment or judicial award at the rate or exchange prevailing on the Judgment Currency Conversion Date.

For purposes of determining any rate of exchange for this Section, such amounts shall include any premium and costs payable in connection with the purchase of the Obligation Currency.

14.23. OTHER LIENS ON COLLATERAL; TERMS OF ABL INTERCREDITOR AGREEMENT AND ANY ACCEPTABLE INTERCREDITOR AGREEMENT; ETC. (a) EACH LENDER UNDERSTANDS, ACKNOWLEDGES AND AGREES THAT LIENS MAY BE CREATED ON THE COLLATERAL PURSUANT TO THE TERM LOAN FACILITY DOCUMENTS AND THE CAPEX FACILITIES DOCUMENTS, WHICH LIENS SHALL BE SUBJECT TO THE TERMS AND CONDITIONS OF THE ABL INTERCREDITOR AGREEMENT AS OF THE CLOSING DATE AND ANY ACCEPTABLE INTERCREDITOR AGREEMENT ENTERED INTO AFTER THE CLOSING DATE, AS APPLICABLE. THE EXPRESS TERMS OF THE ABL INTERCREDITOR AGREEMENT AND EACH ACCEPTABLE INTERCREDITOR AGREEMENT, RESPECTIVELY, SHALL PROVIDE THAT, IN THE EVENT OF ANY CONFLICT BETWEEN THE TERMS OF EITHER THE ABL INTERCREDITOR AGREEMENT OR SUCH ACCEPTABLE INTERCREDITOR AGREEMENT, ON THE ONE HAND, AND ANY OF THE CREDIT DOCUMENTS, ON THE OTHER HAND, THE PROVISIONS OF THE ABL INTERCREDITOR AGREEMENT AND SUCH ACCEPTABLE INTERCREDITOR AGREEMENT, RESPECTIVELY, SHALL GOVERN AND CONTROL.

(b) EACH LENDER AUTHORIZES AND INSTRUCTS THE ADMINISTRATIVE AGENT AND THE COLLATERAL AGENT TO ENTER INTO THE ABL INTERCREDITOR AGREEMENT, THE INTER-LENDER AGREEMENT AND EACH ACCEPTABLE INTERCREDITOR AGREEMENT ON BEHALF OF THE LENDERS, AND TO TAKE ALL ACTIONS (AND EXECUTE AMENDMENTS THERETO AND ALL OTHER DOCUMENTS) REQUIRED (OR DEEMED ADVISABLE) BY IT IN ACCORDANCE WITH THE TERMS OF THE ABL INTERCREDITOR AGREEMENT, THE INTER-LENDER AGREEMENT AND ANY ACCEPTABLE INTERCREDITOR AGREEMENT.

(c) THE PROVISIONS OF THIS SECTION 14.23 ARE NOT INTENDED TO SUMMARIZE ALL RELEVANT PROVISIONS OF THE ABL INTERCREDITOR AGREEMENT, THE FORM OF WHICH IS ATTACHED AS AN EXHIBIT TO THIS AGREEMENT, THE INTER-LENDER AGREEMENT NOR ANY ACCEPTABLE INTERCREDITOR AGREEMENT. REFERENCE MUST BE MADE TO EACH OF THE ABL INTERCREDITOR AGREEMENT, THE INTER-LENDER AGREEMENT AND ANY ACCEPTABLE INTERCREDITOR AGREEMENT, RESPECTIVELY, TO UNDERSTAND ALL TERMS AND CONDITIONS THEREOF.

EACH LENDER IS RESPONSIBLE FOR MAKING ITS OWN ANALYSIS AND REVIEW OF EACH OF THE ABL INTERCREDITOR AGREEMENT, THE INTER-LENDER AGREEMENT AND ANY ACCEPTABLE INTERCREDITOR AGREEMENT, RESPECTIVELY, AND THE TERMS AND PROVISIONS THEREOF, AND NEITHER THE ADMINISTRATIVE AGENT NOR ANY OF ITS AFFILIATES MAKES ANY REPRESENTATION TO ANY LENDER AS TO THE SUFFICIENCY OR ADVISABILITY OF THE PROVISIONS CONTAINED IN THE ABL INTERCREDITOR AGREEMENT, THE INTER-LENDER AGREEMENT OR ANY ACCEPTABLE INTERCREDITOR AGREEMENT.

14.24. Severability. If any provision of this Agreement or the other Credit Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Credit Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

14.25. Reinstatement. If any claim is ever made upon the Administrative Agent or any Lender for repayment or recovery of any amount or amounts received in payment or on account of any of the Obligations and any of the aforesaid payees repays all or part of said amount by reason of (i) any judgment, decree or order of any court or administrative body having jurisdiction over such payee or any of its property or (ii) any such payment is rescinded or recovered, directly or indirectly, from the Administrative Agent or any Lender as a preference, fraudulent transfer or otherwise, then and in such event the Borrower agrees that any such judgment, decree, order, rescission or recovery shall be binding upon the Borrower, notwithstanding any revocation hereof or the cancellation of any Note, any Security Document or any other instrument evidencing any liability of the Borrower, and the Borrower shall be and remain liable to the aforesaid payees hereunder for the amount so repaid or recovered to the same extent as if such amount had never originally been received by any such payee.

14.26. Integration. This Agreement, together with the other Credit Documents and any separate letter agreements with respect to fees payable to any Agent, comprises the complete and integrated agreement of the parties on the subject matter hereof and thereof and supersedes all prior agreements, written or oral, on such subject matter.

14.27. ABL Hedge Provider. Each ABL Hedge Provider shall be deemed a third party beneficiary hereof and of the provisions of the other Credit Documents for purposes of any reference in a Credit Document to the parties for whom the Administrative Agent or the Collateral Agent is acting. Each Agent hereby agrees to act as agent for such ABL Hedge Providers and, by virtue of entering into an ABL Hedge Letter Agreement, as applicable, the applicable ABL Hedge Provider shall be automatically deemed to have appointed such Agent as its agent and to have accepted the benefits of the Credit Documents; it being understood and agreed that the rights and benefits of each ABL Hedge Provider under the Credit Documents consist exclusively of such ABL Hedge Provider's being a beneficiary of the Liens and security

interests (and guarantees) granted to the Collateral Agent and the right to share in payments and collections out of the Collateral (and such guarantees) as more fully set forth herein and the consent rights expressly set forth in Section 14.12(a). In connection with any such distribution of payments or proceeds of Collateral (or any payment under the Guaranty), each Agent shall be entitled to assume no amounts are due or owing to any ABL Hedge Provider unless such ABL Hedge Provider has provided written notice (setting forth a reasonably detailed calculation) to each Agent as to the amounts that are due and owing to it and such written notice is received by each Agent a reasonable period of time prior to the making of such distribution. No Agent shall have any obligation to calculate the amount due and payable with respect to any Hedging Agreements, but may rely upon the written notice of the amount due and payable from the relevant ABL Hedge Provider. In the absence of an updated notice, each Agent shall be entitled to assume that the amount due and payable to the relevant ABL Hedge Provider is the amount last reported to the Agents by such ABL Hedge Provider as being due and payable (less any distributions made to such ABL Hedge Provider on account thereof). The Credit Parties may obtain transactions under Hedging Agreements from any ABL Hedge Provider, although the Credit Parties are not required to do so. The Credit Parties acknowledge and agree that no ABL Hedge Provider has committed to provide any transactions under Hedging Agreements and that the providing of transactions under Hedging Agreements by any ABL Hedge Provider is in the sole and absolute discretion of such ABL Hedge Provider. Notwithstanding anything to the contrary in this Agreement or any other Credit Document, except as set forth in Section 14.12(a), no ABL Hedge Provider shall have any voting or approval rights hereunder (or be deemed a Lender) solely by virtue of its status as a ABL Hedge Provider, nor shall the consent of any such ABL Hedge Provider be required (other than in their capacities as Lenders, to the extent applicable) for any matter hereunder or under any of the other Credit Documents, including as to any matter relating to the Collateral or the release of Collateral or Guarantors.

14.28. Acknowledgement and Consent to Bail-In of EEA Financial Institutions. Notwithstanding anything to the contrary in any Credit Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA Financial Institution arising under any Credit Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder that may be payable to it by any party hereto that is an EEA Financial Institution; and

(b) the effects of any Bail-in Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent

undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Credit Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution Authority.

SECTION 15. Guarantee.

15.01. The Guarantee. The Guarantors hereby jointly and severally guarantee, as a primary obligor and not as a surety to each Secured Party and their respective successors and assigns, the prompt payment in full when due (whether at stated maturity, by required prepayment, declaration, demand, by acceleration or otherwise) of (x) the principal of and interest (including any interest, fees, costs or charges that would accrue but for the provisions of the Title 11 of the United States Code after any bankruptcy or insolvency petition under Title 11 of the United States Code) on the Loans made by the Lenders to, and the Notes held by each Lender of, the Borrower, and (y) all other Secured Obligations from time to time owing to the Secured Parties by any Credit Party under any Credit Document or any Lender Hedging Agreement or Treasury Services Agreement entered into with a counterparty that is a Secured Party, in each case strictly in accordance with the terms thereof (such obligations being herein collectively called the "Guaranteed Obligations"). The Guarantors hereby jointly and severally agree that if the Borrower or other Guarantor(s) shall fail to pay in full when due (whether at stated maturity, by acceleration or otherwise) any of the Guaranteed Obligations, the Guarantors will promptly pay the same in cash, without any demand or notice whatsoever, and that in the case of any extension of time of payment or renewal of any of the Guaranteed Obligations, the same will be promptly paid in full when due (whether at extended maturity, by acceleration or otherwise) in accordance with the terms of such extension or renewal.

15.02. Obligations Unconditional. The obligations of the Guarantors under Section 15.01 shall constitute a guaranty of payment and to the fullest extent permitted by applicable Requirements of Law, are absolute, irrevocable and unconditional, joint and several, irrespective of the value, genuineness, validity, regularity or enforceability of the Guaranteed Obligations of the Borrower under this Agreement, the Notes, if any, or any other agreement or instrument referred to herein or therein, or any substitution, release or exchange of any other guarantee of or security for any of the Guaranteed Obligations, and, irrespective of any other circumstance whatsoever that might otherwise constitute a legal or equitable discharge or defense of a surety or Guarantor (except for payment in full). Without limiting the generality of the foregoing, it is agreed that the occurrence of any one or more of the following shall not alter or impair the liability of the Guarantors hereunder which shall remain absolute, irrevocable and unconditional under any and all circumstances as described above:

(i) at any time or from time to time, without notice to the Guarantors, the time for any performance of or compliance with any of the Guaranteed

Obligations shall be extended, or such performance or compliance shall be waived;

(ii) any of the acts mentioned in any of the provisions of this Agreement or the Notes, if any, or any other agreement or instrument referred to herein or therein shall be done or omitted;

(iii) the maturity of any of the Guaranteed Obligations shall be accelerated, or any of the Guaranteed Obligations shall be amended in any respect (included any increase or decrease in the principal amount thereof or the rate of interest or fees thereon), or any right under the Credit Documents or any other agreement or instrument referred to herein or therein shall be amended or waived in any respect or any other guarantee of any of the Guaranteed Obligations or any security therefor shall be released or exchanged in whole or in part or otherwise dealt with;

(iv) any Lien or security interest granted to, or in favor of, any Lender or Agent as security for any of the Guaranteed Obligations shall fail to be perfected;

(v) the release of any other Guarantor pursuant to Section 15.09; or

(vi) taking of any other action which would, under otherwise applicable principles of common law, give rise to a legal or equitable discharge of any Guarantor from its liabilities under this Guaranty.

Except as cannot be waived under Applicable Law, the Guarantors hereby expressly waive diligence, presentment, demand of payment, protest and all notices whatsoever, and any requirement that any Secured Party exhaust any right, power or remedy or proceed against the Borrower under this Agreement or the Notes, if any, or any other agreement or instrument referred to herein or therein, or against any other person under any other guarantee of, or security for, any of the Guaranteed Obligations. The Guarantors waive any and all notice of the creation, renewal, extension, waiver, termination or accrual of any of the Guaranteed Obligations and notice of or proof of reliance by any Secured Party upon this Guarantee or acceptance of this Guarantee, and the Guaranteed Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred in reliance upon this Guarantee, and all dealings between the Borrower and the Secured Parties shall likewise be conclusively presumed to have been had or consummated in reliance upon this Guarantee. This Guarantee shall be construed as a continuing, absolute, irrevocable and unconditional guarantee of payment without regard to any right of offset with respect to the Guaranteed Obligations at any time or from time to time held by Secured Parties, and the obligations and liabilities of the Guarantors hereunder shall not be conditioned or contingent upon the pursuit by the Secured Parties or any other person at any time of any right or remedy against the Borrower or against any other person which may be or become liable in respect of all or any part of the Guaranteed Obligations or against any collateral security or guarantee therefor or right of offset with respect thereto. This Guarantee shall remain in full force and effect and be binding in accordance with

and to the extent of its terms upon the Guarantors and the successors and assigns thereof, and shall inure to the benefit of the Lenders, and their respective successors and assigns, notwithstanding that from time to time during the term of this Agreement there may be no Guaranteed Obligations outstanding.

15.03. Reinstatement. The obligations of the Guarantors under this Section 15 shall be automatically reinstated if and to the extent that for any reason any payment by or on behalf of the Borrower or another Credit Party in respect of the Guaranteed Obligations is rescinded or must be otherwise restored by any holder of any of the Guaranteed Obligations, whether as a result of any proceedings in bankruptcy or reorganization or otherwise. The Guarantors jointly and severally agree that they will indemnify each Secured Party on demand for all reasonable costs and expenses (including reasonable fees of counsel) incurred by such Secured Party in connection with such rescission or restoration, including any such costs and expenses incurred in defending against any claim alleging that such payment constituted a preference, fraudulent transfer or similar payment under any bankruptcy, insolvency or similar law, other than any costs or expenses resulting from the bad faith or willful misconduct of such Secured Party.

15.04. Subrogation; Subordination. Each Guarantor hereby agrees that until the payment and satisfaction in full in cash of all Guaranteed Obligations and the expiration and termination of the Revolving Loan Commitments of the Lenders under this Agreement it shall waive any claim and shall not exercise any right or remedy, direct or indirect, arising by reason of any performance by it of its guarantee in Section 15.01, whether by subrogation or otherwise, against the Borrower or any other Guarantor of any of the Guaranteed Obligations or any security for any of the Guaranteed Obligations. Any Indebtedness of any Credit Party owed to any Restricted Subsidiary that is not a Credit Party permitted pursuant to Section 11.04 shall be subordinated to such Credit Party's Secured Obligations in the manner set forth in the Intercompany Note evidencing such Indebtedness.

15.05. Remedies. Subject to the terms of the ABL Intercreditor Agreement, the Guarantors jointly and severally agree that, as between the Guarantors and the Lenders, the obligations of the Borrower under this Agreement and the Notes, if any, may be declared to be forthwith due and payable as provided in Section 12.01 (and shall be deemed to have become automatically due and payable in the circumstances provided in Section 12.01) for purposes of Section 15.01, notwithstanding any stay, injunction or other prohibition preventing such declaration (or such obligations from becoming automatically due and payable) as against the Borrower and that, in the event of such declaration (or such obligations being deemed to have become automatically due and payable), such obligations (whether or not due and payable by the Borrower) shall forthwith become due and payable by the Guarantors for purposes of Section 15.01.

15.06. Instrument for the Payment of Money. Each Guarantor hereby acknowledges that the guarantee in this Section 15 constitutes an instrument for the payment of money, and consents and agrees that any Lender or Agent, at its sole option, in the event of a dispute by such Guarantor in the payment of any moneys due hereunder, shall have the right to bring a motion-action under New York CPLR Section 3213.

15.07. Continuing Guarantee. The guarantee in this Section 15 is a continuing guarantee of payment, and shall apply to all Guaranteed Obligations whenever arising.

15.08. General Limitation on Guarantee Obligations. In any action or proceeding involving any state corporate, limited partnership or limited liability company law, or any applicable state, federal or foreign bankruptcy, insolvency, reorganization or other law affecting the rights of creditors generally, if the obligations of any Guarantor under Section 15.01 would otherwise be held or determined to be void, voidable, invalid or unenforceable, or subordinated to the claims of any other creditors, on account of the amount of its liability under Section 15.01, then, notwithstanding any other provision to the contrary, the amount of such liability shall, without any further action by such Guarantor, any Credit Party or any other person, be automatically limited and reduced to the highest amount after giving effect to the rights of contribution established in Section 15.10.

15.09. Release of Guarantors. If, in compliance with the terms and provisions of the Credit Documents, Equity Interests or property of any Subsidiary Guarantor are sold or otherwise transferred (a "Transferred Guarantor") to a person or persons, none of which is Holdings, the Borrower or a Subsidiary resulting in such Subsidiary Guarantor becoming an Excluded Subsidiary, such Transferred Guarantor shall, upon the consummation of such sale or transfer, be released from its obligations under this Agreement (including under Section 14.01 hereof) and its obligations to pledge and grant any Collateral owned by it pursuant to any Security Document and, in the case of a sale of all or substantially all of the Equity Interests of the Transferred Guarantor, the pledge of such Equity Interests to the Collateral Agent pursuant to the Security Agreement shall be released, and the Collateral Agent shall, at the Borrower's sole cost and expense, take such actions as are necessary to effect each release described in this Section 15.09 in accordance with the relevant provisions of the Security Documents; provided that such Guarantor is also released from its obligations under the Term Loan Facility Documents and the CapEx Facilities on the same terms.

15.10. Right of Contribution. Each Subsidiary Guarantor hereby agrees that to the extent that a Subsidiary Guarantor shall have paid more than its proportionate share of any payment made hereunder, such Subsidiary Guarantor shall be entitled to seek and receive contribution from and against any other Subsidiary Guarantor hereunder which has not paid its proportionate share of such payment. Each Subsidiary Guarantor's right of contribution shall be subject to the terms and conditions of Section 15.04. The provisions of this Section 15.10 shall in no respect limit the obligations and liabilities of any Subsidiary Guarantor to the Agents and the Lenders, and each Subsidiary Guarantor shall remain liable to the Agents and the Lenders for the full amount guaranteed by such Subsidiary Guarantor hereunder.

15.11. Qualified ECP Guarantor. Each Qualified ECP Guarantor hereby jointly and severally absolutely, unconditionally and irrevocably undertakes to provide such funds or other support as may be needed from time to time by each other Guarantor to honor all of its obligations under this Section 15 in respect of Swap Obligations (provided, however, that each Qualified ECP Guarantor shall only be liable under this Section 15.11 for the maximum amount of such liability that can be hereby incurred without rendering its obligations under this

Section 15.11, as it relates to such other Subsidiary Guarantor, voidable under Applicable Law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations of each Qualified ECP Guarantor under this Section 15.11 shall remain in full force and effect until all of the Guaranteed Obligations have been paid in full in cash and the commitments of the Lenders hereunder have been terminated. Each Qualified ECP Guarantor intends that this Section 15.11 constitute, and this Section 15.11 shall be deemed to constitute, a "keepwell, support, or other agreement" for the benefit of each other Credit Party for all purposes of Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

15.12. Payments. All payments made by the Guarantors pursuant to this Section 15 in respect of any Guaranteed Obligation, shall be made in the currency of such Guaranteed Obligation and will be made without setoff, counterclaim or other defense and shall be subject to the provisions of Sections 5.03 and 5.04.

15.13. Confirmation. Each Guarantor hereby consents to the Acquisition and agrees that its Guaranty continues to be valid and enforceable against it in accordance with its terms and continues to guarantee its Guaranteed Obligations after giving effect to the Acquisition.

* * *

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized officers or directors, as the case may be, to execute and deliver this Agreement as of the date first above written.

ALGOMA STEEL INTERMEDIATE HOLDINGS INC., as Holdings

By: /s/ Joanna Anderson
Name: Joanna Anderson
Title: Director

ALGOMA STEEL INC., as Borrower

By: /s/ Joanna Anderson
Name: Joanna Anderson
Title: Director

ALGOMA STEEL USA INC., as a Subsidiary Guarantor

By: /s/ Joanna Anderson
Name: Joanna Anderson
Title: President

WELLS FARGO CAPITAL FINANCE CORPORATION CANADA, as Administrative Agent and Collateral Agent

By: /s/ Kevin Freer
Name: Kevin Freer
Title: Vice President Relationship Manager
Wells Fargo Capital Finance Corporation Canada

By: _____
Name:
Title:

[Signature Page to ABL Credit Agreement]

WELLS FARGO CAPITAL FINANCE CORPORATION CANADA, as a Lender, Issuing Lender and Swingline Lender

By: /s/ Kevin Freer

Name: Kevin Freer
Title: Vice President, Relationship Manager
Wells Fargo Capital Finance Corporation Canada

By: _____

Name:
Title:

[Signature Page to ABL Credit Agreement]

BANK OF MONTREAL, as a Lender

By: /s/ Karen Patey
Name: Karen Patey
Title: Managing Director Corporate Finance, ABL
BMO Bank of Montreal

By: /s/ Robert Fasken
Name: Robert Fasken
Title: Director Asset Based Lending Corporate
Finance Division

[Signature Page to ABL Credit Agreement]

BARCLAYS BANK PLC, as a Lender

By: /s/ Craig Malloy
Name: Craig Malloy
Title: Director

By: _____
Name:
Title:

[Signature Page to ABL Credit Agreement]

GOLDMAN SACHS BANK USA, as a Lender

By: /s/ Thomas M. Manning
Name: Thomas M. Manning
Title: Authorized Signatory

By: _____
Name:
Title:

[Signature Page to ABL Credit Agreement]

JPMORGAN CHASE BANK, N.A., TORONTO BRANCH,
as a Lender

By: /s/ Bruce Watson
Name: Bruce Watson
Title: Authorized Officer

By: _____
Name:
Title:

Exhibit 10.7

EXECUTION VERSION

TERM LOAN CREDIT AGREEMENT

among

ALGOMA STEEL INTERMEDIATE HOLDINGS INC.,

ALGOMA STEEL INC.,

CERTAIN SUBSIDIARIES OF ALGOMA STEEL INC.
FROM TIME TO TIME PARTY HERETO,

VARIOUS LENDERS

and

CORTLAND CAPITAL MARKET SERVICES LLC,

as ADMINISTRATIVE AGENT and as COLLATERAL AGENT

Dated as of November 30, 2018

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SCHEDULES:

EXHIBITS:

TERM LOAN CREDIT AGREEMENT, dated as of November 30, 2018, among ALGOMA STEEL INTERMEDIATE HOLDINGS INC., a corporation incorporated under the laws of the Province of British Columbia ("Holdings"), ALGOMA STEEL INC. (f/k/a 1076318 B.C. LTD.), a corporation incorporated under the laws of the Province of British Columbia (the "Borrower"), the Subsidiary Guarantors party hereto from time to time, the Lenders party hereto from time to time, and CORTLAND CAPITAL MARKET SERVICES LLC, as Administrative Agent and Collateral Agent. All capitalized terms used herein and defined in Section 1.01 are used herein as therein defined.

W I T N E S S E T H:

WHEREAS, as of November 9, 2015 (the "Filing Date"), Essar Steel Algoma Inc., a corporation amalgamated under the laws of Canada ("ESAI"), Essar Steel Algoma Inc. USA, a corporation established under the laws of Delaware ("Algoma USA") and certain of their subsidiaries (the "Subsidiary Debtors" and, collectively with ESAI and Algoma USA, each, a "Debtor" and collectively, the "Debtors") were applicants in proceedings (collectively, the "CCAA Proceedings") in the Ontario Superior Court of Justice (Commercial List) (the "CCAA Court") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") and debtors and debtors-in-possession in proceedings (collectively with the CCAA Proceedings, the "Bankruptcy Proceedings") in the Bankruptcy Court for the District of Delaware (the "Chapter 15 Court" and, together with the CCAA Court, collectively, the "Bankruptcy Courts" and each, a "Bankruptcy Court");

WHEREAS, in connection with the Bankruptcy Proceedings, (x) the Debtors, in consultation with their advisors and certain key stakeholders, developed a sale and investment solicitation process (the "SISP") to solicit interest in and opportunities for a sale, restructuring or recapitalization of the Debtors' business and the SISP was approved by the CCAA Court on February 10, 2016 and (y) pursuant to that certain Amended and Restated Restructuring Support Agreement dated as of August 15, 2017 by and among certain "Consenting Lenders" and "Consenting Noteholders" (each as defined therein) (collectively, together with any of their respective Affiliates, funds, partnerships or other co-investment vehicles managed, advised or controlled thereby, the "Consenting Creditors") under the Prepetition Term Loan Credit Facility and the Prepetition 9.5% Notes Indenture, respectively, party thereto (together with all schedules, documents and exhibits contained therein, as amended, supplemented, modified or waived, the "Restructuring Support Agreement"), the parties thereto agreed to support a restructuring transaction for the Debtors' business pursuant to the SISP and subject to the terms set forth in the Restructuring Support Agreement;

WHEREAS, (x) pursuant to the Asset Purchase Agreement dated as of July 20, 2018 (together with the exhibits and schedules thereto, and as amended, supplemented, otherwise modified, or consented to or waived, the "Acquisition Agreement") by and among ESAI, Algoma USA (together with ESAI in such capacities, collectively, the "Sellers") and the Borrower, the Borrower will, directly or indirectly through one or more Wholly-Owned Subsidiaries, purchase from the Sellers (the "Acquisition") the "Purchased Assets" (as defined in the Acquisition Agreement), which constitute a substantial portion of the property and assets owned by the Sellers and used in connection with the Sellers' business of integrated steel production, including the production of certain raw steel inputs, steelmaking, and the sale and distribution of steel products (the "Acquired Business") and (y) the CCAA Court has approved the terms and conditions of the Acquisition Agreement;

WHEREAS, in connection with the New PortLP Transactions referred to below, the New PortLP Cash Consideration (as defined below) will be applied to the partial repayment of the loans and other obligations outstanding under that certain credit agreement dated November 14, 2014 (as amended, restated or revised from time to time prior to the Closing Date, the "GIP Credit Agreement") among Port of Algoma, Inc. ("Old PortCo"), as borrower, Algoma Port Holding Company Inc., as guarantor, the

investors identified therein and Deutsche Bank Trust Company Americas as administrative agent and collateral agent (collectively, the "GIP Credit Agreement Payment");

WHEREAS, the Borrower will, indirectly through Algoma Docks Limited Partnership, a newly formed and Wholly-Owned Subsidiary of the Borrower that is an Ontario limited partnership ("New PortLP"), purchase from Old PortCo, certain port assets in respect of the cargo port facility located at Sault Ste. Marie, together with the port lease related thereto, for a total consideration of approximately $173,000,000 comprised of (i) approximately $100,000,000 in cash upon the closing of the Acquisition (the "New PortLP Cash Consideration") and (ii) new take-back paper in an aggregate principal amount of $73,000,000 under the New PortLP Facility and, contemporaneously therewith, the port lease will be amended and restated (as amended and restated, the "New PortLP Head Lease") and New PortLP will enter into a new sublease (as amended, supplemented or otherwise modified from time to time, the "New PortLP Sublease", and together with the New PortLP Head Lease, collectively, the "New PortLP Leases") with the Borrower pursuant to which New PortLP will sublease the port lands and the port assets to the Borrower in exchange for rent payments sufficient to fund New PortLP's obligations under the New PortLP Facility (collectively, the "New PortLP Transactions");

WHEREAS, to consummate the Transactions, the Borrower has requested that (a) pursuant to the terms of the Backstop Commitment Letter (as defined in the Restructuring Support Agreement) (the "Backstop Commitment Letter"), Consenting Creditors, together with any financial institutions or other institutional lenders party to this Agreement as of the Closing Date, extend credit in the form of Initial Term Loans in an original aggregate principal amount equal to $285,000,000 and (b) the lenders under the ABL Credit Agreement establish commitments to extend credit thereunder in an original aggregate principal amount of $250,000,000, in each case, subject to increase as provided herein or therein; and

WHEREAS, subject to and upon the terms and conditions set forth herein, the Lenders are willing to make available to the Borrower the Credit Facilities provided for herein.

NOW, THEREFORE, IT IS AGREED:

Section 1. Definitions and Accounting Terms.

1.01. Defined Terms. As used in this Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"ABL Administrative Agent" shall mean Wells Fargo Bank, N.A., in its capacity as the initial administrative agent under the ABL Facility Documents, or any successor administrative agent under the ABL Facility Documents.

"ABL Borrowing Base" shall mean the "Borrowing Base" as defined in the ABL Credit Agreement (as in effect on the date hereof).

"ABL Collateral Agent" shall mean Wells Fargo Bank, N.A., in its capacity as the initial collateral agent under the ABL Facility Documents, or any successor collateral agent under the ABL Facility Documents.

"ABL Credit Agreement" shall mean the Revolving Credit Agreement, dated as of the Closing Date, among Holdings, the Borrower, the other guarantors from time to time party thereto, the

lenders from time to time party thereto, the ABL Administrative Agent, as administrative agent and collateral agent, and the other agents and arrangers from time to time party thereto.

"ABL Facility" shall mean (a) the ABL Credit Agreement and (b) one or more other asset based revolving credit facilities evidencing Permitted Refinancing Indebtedness in respect of the credit agreement referenced in clause (a) above or any asset based revolving credit facility in this clause (b); provided that the holders of such Indebtedness under this clause (b) or a representative acting on behalf of the holders of such Indebtedness under this clause (b) shall have become a party to the ABL Intercreditor Agreement.

"ABL Facility Documents" shall mean the "Credit Documents" (or any similar term) as defined in the ABL Credit Agreement or any other ABL Facility.

"ABL Facility Loans" shall mean the revolving loans and swingline loans from time to time outstanding under any ABL Facility.

"ABL Facility Obligations" shall mean the "Credit Document Obligations" (or any equivalent term) as defined in any ABL Facility.

"ABL Facility Priority Collateral" shall mean "ABL Facility Priority Collateral" as defined in the ABL Intercreditor Agreement.

"ABL Facility Secured Parties" shall mean the "Secured Parties" (or equivalent term) defined in any ABL Facility.

"ABL Incremental Debt" shall mean any Indebtedness under an ABL Facility in respect of "Incremental Commitments" as defined in the ABL Credit Agreement (or any equivalent term under any ABL Facility).

"ABL Intercreditor Agreement" shall mean that certain intercreditor agreement, dated as of the Closing Date, by and among the Borrower, the other Guarantors party thereto, the Collateral Agent, the ABL Collateral Agent and the lenders under the CapEx Facilities from time to time that are secured by a Lien on the Collateral (or the collateral representative in respect thereof), substantially in the form of Exhibit O-1.

"Acceptable Intercreditor Agreement" means the ABL Intercreditor Agreement, a Market Intercreditor Agreement, or another intercreditor agreement that is reasonably satisfactory to the Administrative Agent (subject to Required Lenders Negative Consent).

"Account" shall mean any and all assets which constitute "accounts," as such term is defined (x) in the case of a U.S. Credit Party, in the UCC as in effect on the date hereof in the State of New York and (y) in the case of a Canadian Credit Party, in the PPSA as in effect on the date hereof, and (in either case) in which the relevant Person now or hereafter has rights.

"Acquired Business" has the meaning assigned to such term in the recitals to this Agreement.

"Acquired Indebtedness" shall mean Indebtedness (1) of a Person or any of its Subsidiaries existing at the time such Person becomes a Restricted Subsidiary, (2) assumed in connection with the acquisition of assets from a Person, in each case whether or not Incurred by such Person in connection with such Person becoming a Restricted Subsidiary of the Borrower or such acquisition or (3)

of a Person at the time such Person merges or amalgamates with or into or consolidates or otherwise combines with the Borrower or any Restricted Subsidiary. Acquired Indebtedness shall be deemed to have been Incurred, with respect to clause (1) of the preceding sentence, on the date such Person becomes a Restricted Subsidiary and, with respect to clause (2) of the preceding sentence, on the date of consummation of such acquisition of assets and, with respect to clause (3) of the preceding sentence, on the date of the relevant merger, amalgamation, consolidation or other combination.

"Acquisition" has the meaning assigned to such term in the recitals to this Agreement.

"Acquisition Agreement" has the meaning assigned to such term in the recitals to this Agreement.

"Additional Commitment" means any commitment hereunder added pursuant to Sections 2.14, 2.15, 2.16 or 12.12(d).

"Additional Credit Facilities" means any credit facilities added pursuant to Sections 2.14, 2.15, 2.16 or 12.12(d).

"Additional Lender" has the meaning assigned to such term in Section 2.16(b).

"Additional Loans" means any Additional Revolving Loans and any Additional Term Loans.

"Additional Revolving Credit Commitment" means any revolving credit commitment added pursuant to Sections 2.14, 2.15, 2.16 or 12.12 (d).

"Additional Revolving Credit Exposure" means, with respect to any Lender at any time, the aggregate Outstanding Amount at such time of all Additional Revolving Loans of such Lender, plus the aggregate amount at such time of such Lender's exposure with respect to any letters of credit issued or swingline loans made hereunder, in each case, attributable to its Additional Revolving Credit Commitment.

"Additional Revolving Facility" means any revolving credit facility added hereunder pursuant to Sections 2.14, 2.15, 2.16 or 12.12(d).

"Additional Revolving Lender" means any Lender with an Additional Revolving Credit Commitment or any Additional Revolving Credit Exposure.

"Additional Revolving Loans" means any revolving loan added hereunder pursuant to Sections 2.14, 2.15, 2.16 or 12.12(d).

"Additional Term Loan Commitment" means any term loan commitment added hereunder pursuant to Sections 2.14, 2.15, 2.16 or 12.12 (d).

"Additional Term Loans" means any term loan added hereunder pursuant to Sections 2.14, 2.15, 2.16 or 12.12(d).

"Administrative Agent" shall mean Cortland Capital Market Services LLC in its capacity as Administrative Agent for the Lenders hereunder and under the other Credit Documents, and shall include any successor to the Administrative Agent appointed pursuant to Section 11.09.

"Administrative Questionnaire" shall mean the lender information form provided by any Lender to the Administrative Agent in form and substance satisfactory to the Administrative Agent.

"Affiliate" shall mean, when used with respect to a specified Person, another person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"Affiliate Transaction" shall have the meaning provided in Section 9.06.

"Affiliated Lender" shall mean any Non-Debt Fund Affiliate, Holdings, the Borrower and/or any of its Restricted Subsidiaries; provided that in no event shall the Consenting Creditors constitute Affiliated Lenders for purposes of this Agreement.

"Agents" shall mean and include the Administrative Agent and the Collateral Agent.

"Agreement" shall mean this Term Loan Credit Agreement.

"Algoma USA" has the meaning assigned to such term in the recitals to this Agreement.

"Anti-Corruption Laws" shall mean The United States Foreign Corrupt Practices Act of 1977 (Pub. L. No. 95 213, §§101 104), as amended, the UK Bribery Act of 2010, the Corruption of Foreign Public Officials Act (Canada), as amended, and any related or similar laws, rules, regulations or guidelines, which in each case are issued, administered or enforced by any Governmental Authority having jurisdiction over the Borrower or any other Credit Party, or to which the Borrower or any other Credit Party is subject.

"Anti-Money Laundering Laws" shall mean all applicable financial recordkeeping and reporting requirements and the money laundering statutes and the rules and regulations thereunder and any related or similar rules, regulations or guidelines, which in each case are issued, administered or enforced by any Governmental Authority having jurisdiction over the Borrower or any other Credit Party, or to which the Borrower or any other Credit Party is subject.

"Anti-Terrorism Laws" shall have the meaning provided in Section 7.20(a).

"Applicable Excess Cash Flow Percentage" shall mean, with respect to any Excess Cash Flow Payment Date, 75%; provided that, with respect to any Excess Cash Flow Period commencing after the first full Fiscal Year of the Borrower following the Closing Date, if the Consolidated First Lien Leverage Ratio as of the last day of the relevant Excess Cash Flow Period is (i) less than or equal to 1.20:1.00 but greater than 0.95:1.00, then the Applicable Excess Cash Flow Percentage shall instead be 50%, (ii) less than or equal to 0.95:1.00 but greater than 0.70:1.00, then the Applicable Excess Cash Flow Percentage shall instead be 25% or (iii) less than or equal to 0.70:1.00, then the Applicable Excess Cash Flow Percentage shall instead be 0%; it being understood and agreed that, for purposes of this definition as it applies to the determination of the amount of Excess Cash Flow that is required to be applied to prepay Subject Loans under Section 4.02(d) for any Excess Cash Flow Period, the Consolidated First Lien Leverage Ratio shall be determined on the applicable Excess Cash Flow Payment Date (after giving pro forma effect to such prepayment and to any other repayment or prepayment at or prior to the time such Excess Cash Flow prepayment is due).

"Applicable Law" shall mean, in relation to a Person, all federal, provincial, state, regional, county, municipal, foreign and international statutes, acts, codes, ordinances, decrees, treaties, rules, regulations, municipal by-laws, judicial or arbitral or administrative or ministerial or departmental

or regulatory judgments, orders, decisions, rulings or awards or any provisions of the foregoing, including general principles of common and civil law and equity, and all policies, practices and guidelines of any Governmental Authority binding on the Person referred to in the context in which such word is used (including, in the case of tax matters, any accepted practice or application or official interpretation of any relevant taxation authority applicable to such Person).

"Applicable Margin" shall mean a percentage per annum equal to, (i) in the case of Initial Term Loans maintained as Base Rate Loans, 7.50%, and (ii) in the case of Initial Term Loans maintained as LIBOR Loans, 8.50%; provided that if the PIK Election is exercised with respect to any Initial Term Loans for any interest payment date in accordance with Sections 2.08(c) and (d), the Applicable Margin with respect thereto shall in each case of (i) and (ii) be increased by 1.00% per annum with respect to the applicable interest period for which such PIK Election applies. Notwithstanding the foregoing, (1) the Applicable Margin in respect of any Class of Extended Term Loans shall be the applicable percentages per annum set forth in the relevant Extension Amendment, (2) the Applicable Margin in respect of any Class of Specified Refinancing Term Loans shall be the applicable percentages per annum set forth in the relevant Refinancing Amendment and (3) the Applicable Margin in respect of any other Class of Incremental Loans shall be the applicable percentages per annum set forth in the relevant Incremental Facility Amendment.

"Applicable Percentage" means (a) with respect to any Lender with a Term Loan of any Class, a percentage equal to a fraction the numerator of which is the aggregate outstanding principal amount of the Term Loans and unused Additional Term Loan Commitments of such Lender under such Class and the denominator of which is the aggregate outstanding principal amount of the Term Loans and unused Additional Term Loan Commitments of all Lenders under such Class and (b) with respect to any Additional Revolving Lender of any Class, the percentage of the aggregate amount of the Additional Revolving Credit Commitments of such Class represented by such Lender's Additional Revolving Credit Commitment of such Class; provided that, when there is a Defaulting Lender, such Defaulting Lender's Additional Revolving Credit Commitment shall be disregarded for any relevant calculation. In the case of clause (b), in the event that the Additional Revolving Credit Commitments of any Class have expired or been terminated, the Applicable Percentage of any Additional Revolving Lender of such Class shall be determined on the basis of the Additional Revolving Credit Exposure of such Additional Revolving Lender with respect to such Class, giving effect to any assignments and to any Additional Revolving Lender's status as a Defaulting Lender at the time of determination.

"Applicable Price" has the meaning assigned to such term in the definition of "Dutch Auction".

"Appropriate Lender" shall mean, at any time, with respect to any Credit Facility, a Lender that has a Commitment with respect to such Credit Facility or holds a Loan of the applicable Class at such time.

"Approved Fund" means, with respect to any Lender, any Person (other than a natural person) that is engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its activities and is administered, advised or managed by (a) such Lender, (b) any Affiliate of such Lender or (c) any entity or any Affiliate of any entity that administers, advises or manages such Lender.

"Asset Disposition" shall mean (a) the sale, conveyance, transfer, license, sub-license or other disposition, whether in a single transaction or a series of related transactions, of property, rights or assets (including by way of a Sale and Leaseback Transaction) of the Borrower or any of its Restricted Subsidiaries, (in each case other than Capital Stock of the Borrower) (each referred to in this definition as

a "disposition") or (b) the issuance or sale of Capital Stock of any Restricted Subsidiary (other than Disqualified Stock of Restricted Subsidiaries issued in compliance with Section 9.04 or directors' qualifying shares and shares issued to foreign nationals as required under Applicable Law), whether in a single transaction or a series of related transactions, in each case, other than:

(1) a disposition by a Restricted Subsidiary to the Borrower or by the Borrower or a Restricted Subsidiary to a Restricted Subsidiary; provided that the aggregate amount of all dispositions by a Credit Party to a Restricted Subsidiary that is a Non-Guarantor Subsidiary, when combined with (i) the aggregate amount of Investments made in Non-Guarantor Subsidiaries (or Persons that will not become Subsidiary Guarantors) pursuant to clause (1) of the definition of Permitted Investments and (ii) the aggregate principal amount of Indebtedness owing by any Non-Guarantor Subsidiary to a Credit Party outstanding pursuant to Section 9.04(b)(3), shall not exceed $10,000,000;

(2) a disposition of cash, Cash Equivalents or Investment Grade Securities;

(3) a disposition of inventory or other assets in the ordinary course of business (including allowing any registrations or any applications for registrations of any intellectual property rights to lapse or go abandoned in the ordinary course of business);

(4) a disposition of obsolete, surplus, worn out, uneconomical, negligible or surplus property, equipment or other assets or property, equipment or other assets that are no longer used or useful in the conduct of the business of the Borrower and its Restricted Subsidiaries;

(5) transactions permitted under Section 9.02;

(6) an issuance of Capital Stock by a Restricted Subsidiary to the Borrower or to another Restricted Subsidiary or as part of or pursuant to an equity incentive or compensation plan approved by the Board of Directors;

(7) any dispositions of Capital Stock, properties or assets in a single transaction or series of related transactions with a Fair Market Value not to exceed, in any Fiscal Year, $15,000,000, which amounts if not used in any Fiscal Year may be carried forward to succeeding Fiscal Years (until so applied);

(8) any Restricted Payment that is permitted to be made, and is made, under and the making of any Permitted Payment or Permitted Investment or, solely for purposes of clause (3) of the first paragraph under Section 9.08, asset sales, the proceeds of which are used to make such Restricted Payments or Permitted Investments;

(9) dispositions in connection with Permitted Liens;

(10) dispositions of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements;

(11) the licensing or sub-licensing of intellectual property or other general intangibles and licenses, sub-licenses, leases or subleases of other property, in each case, in the ordinary course of business;

(12) foreclosure, condemnation or any similar action with respect to any property or other assets;

(13) the sale or discount (with or without recourse, and on customary or commercially reasonable terms and for credit management purposes) of accounts receivable or notes receivable arising in the ordinary course of business, or the conversion or exchange of accounts receivable for notes receivable;

(14) any disposition of Capital Stock, Indebtedness or other securities of an Unrestricted Subsidiary;

(15) any disposition of Capital Stock of a Restricted Subsidiary pursuant to an agreement or other obligation with or to a Person (other than the Borrower or a Restricted Subsidiary) from whom such Restricted Subsidiary was acquired, or from whom such Restricted Subsidiary acquired its business and assets (having been newly formed in connection with such acquisition), made as part of such acquisition and in each case comprising all or a portion of the consideration in respect of such sale or acquisition;

(16) (i) dispositions of property to the extent that such property is exchanged for credit against the purchase price of similar replacement property that is promptly purchased, (ii) dispositions of property to the extent that the proceeds of such disposition are promptly applied to the purchase price of such replacement property (which replacement property is actually promptly purchased) and (iii) to the extent allowable under Section 1031 of the Code, any exchange of like property (excluding any boot thereon) for use in a Similar Business;

(17) the disposition of an account receivable in connection with the collection or compromise thereof in the ordinary course of business;

(18) any financing transaction with respect to property constructed, acquired, replaced, repaired or improved (including any reconstruction, refurbishment, renovation and/or development of real property) by the Borrower or any Restricted Subsidiary after the Closing Date, including Sale and Leaseback Transactions permitted pursuant to clause (25) of this definition and asset securitizations, permitted by this Agreement;

(19) dispositions of Investments in joint ventures or similar entities to the extent required by, or made pursuant to customary buy/sell arrangements between, the parties to such joint venture set forth in joint venture arrangements and similar binding arrangements;

(20) any surrender or waiver of contract rights or the settlement, release or surrender of contract, tort or other claims of any kind;

(21) the unwinding of any Hedging Obligations pursuant to its terms;

(22) the surrender or waiver of any contractual rights and the settlement or waiver of any contractual or litigation claims in each case in the ordinary course of business;

(23) any swap of assets in exchange for services or other assets in the ordinary course of business of comparable or greater value of usefulness to the business as determined in good faith by the Borrower;

(24) dispositions of non-core assets (including Capital Stock) acquired in any acquisition or other Investment permitted hereunder, including such dispositions (x) made to obtain the approval of any anti-trust authority or otherwise necessary or advisable in the good faith determination of the Borrower to consummate any acquisition or other Investment permitted hereunder or (y) made to comply with an order of any agency or state authority or other Governmental Authority or any Applicable Law;

(25) dispositions that constitute (or are made in order to effectuate) Sale and Leaseback Transactions so long as either (a) the Borrower is in compliance on a Pro Forma Basis with the applicable ratio set forth in clause (c)(iii) of the Incremental Cap or (b)(i) such Sale and Leaseback Transaction is made in exchange for cash consideration (provided that the cash consideration requirements set forth in the last paragraph of Section 9.08 shall apply in determining whether or not the cash consideration requirements in this clause are satisfied) and (ii) the aggregate Fair Market Value of the assets sold subject to all Sale and Leaseback Transactions under this clause (b) shall not exceed $15,000,000;

(26) dispositions of assets that do not constitute Collateral having a Fair Market Value of not more than, in any Fiscal Year, $5,000,000, which amounts if not used in any Fiscal Year may be carried forward to subsequent Fiscal Years (until so applied);

(27) dispositions constituting any part of a Permitted Reorganization and/or an IPO Reorganization Transaction; and

(28) dispositions contemplated on the Closing Date and described on Schedule 9.08 hereto.

In the event that an Asset Disposition meets the criteria of more than one of the types of Asset Dispositions (at the time made or at a later date), the Borrower in its sole discretion may divide, classify or from time to time reclassify all or any portion of such Asset Disposition in any manner that complies with this definition and such Asset Disposition shall be treated as having been made pursuant only to the clause or clauses of the definition of Asset Disposition to which such Asset Disposition has been classified or reclassified; provided that (X) upon delivery of any financial statements pursuant to Section 8.01(a) or (b) following the initial incurrence or making of any such reclassifiable item, if such reclassifiable item could, based on such financial statements, have been incurred or made in reliance on any "ratio-based" basket or exception, such reclassifiable item shall automatically be reclassified as having been incurred or made under the applicable provisions of such "ratio-based" basket or exception, as applicable (in each case, subject to any other applicable provision of such "ratio-based" basket or exception, as applicable) and (Y) a disposition need not be permitted solely by reference to one category or clause of this definition but may instead be permitted in part under any combination thereof or under

any other available exception; provided, however, that the foregoing shall not apply to clause (28) of this definition.

"Asset Disposition Threshold Amount" shall mean with respect to any Asset Disposition, properties or assets with a Fair Market Value in excess of (i) with respect to any such single Asset Disposition, $5,000,000 and (ii) with respect to one or more such Asset Dispositions during any Fiscal Year period, $10,000,000.

"Assignment and Assumption Agreement" shall mean an Assignment and Assumption Agreement substantially in the form of Exhibit I (appropriately completed), or such other form as agreed by the Administrative Agent.

"Associate" shall mean (i) any Person engaged in a Similar Business of which the Borrower or its Restricted Subsidiaries are the legal and beneficial owners of between 20% and 50% of all outstanding Voting Stock and (ii) any joint venture entered into by the Borrower or any Restricted Subsidiary of the Borrower.

"Auction Agent" shall mean (a) the Administrative Agent or (b) any other financial institution or advisor employed by the Borrower (whether or not an Affiliate of the Administrative Agent) to act as an arranger in connection with any purchase pursuant to a Dutch Auction; provided that the Borrower shall not designate the Administrative Agent as the Auction Agent without the written consent of the Administrative Agent (it being understood that the Administrative Agent shall be under no obligation to agree to act as the Auction Agent); provided, further, that neither the Borrower nor any of its Affiliates may act as the Auction Agent.

"Auction" has the meaning assigned to such term in the definition of "Dutch Auction".

"Auction Amount" has the meaning assigned to such term in the definition of "Dutch Auction".

"Auction Notice" has the meaning assigned to such term in the definition of "Dutch Auction".

"Auction Party" has the meaning assigned to such term in the definition of "Dutch Auction".

"Auction Response Date" has the meaning assigned to such term in the definition of "Dutch Auction".

"Authorized Officer" shall mean, with respect to (i) delivering the Notice of Borrowing, Notices of Conversion/Continuation and similar notices, any person or persons that has or have been authorized by the Board of Directors of the Borrower to deliver such notices pursuant to this Agreement, (ii) delivering financial information and officer's certificates pursuant to this Agreement, the chief financial officer, vice president, finance, the treasurer or the principal accounting officer of the Borrower, and (iii) any other matter in connection with this Agreement or any other Credit Document, any officer (or a Person or Persons who is duly authorized to represent any such entity) of the Borrower or other Credit Party, as applicable.

"Available Amount" means, at any time, an amount equal to, without duplication:

(a) the sum of:

(i) $25,000,000; *plus*

(ii) the Retained Excess Cash Flow Amount; *plus*

(iii) the amount of any cash capital contributions or other cash proceeds of any issuance of Capital Stock (other than any amounts (x) constituting an Excluded Contribution or proceeds of an issuance of Disqualified Stock, (y) received from the Borrower or any Restricted Subsidiary or (z) consisting of the proceeds of any loan or advance constituting an Investment made pursuant to Section 9.03(a)) received as cash equity by the Borrower, plus the Fair Market Value, as determined by the Borrower in good faith, of Cash Equivalents, marketable securities or other property received by the Borrower as a capital contribution or in return for any issuance of Capital Stock (other than any amounts (x) constituting an Excluded Contribution or proceeds of any issuance of Disqualified Stock or (y) received from the Borrower or any Restricted Subsidiary), in each case, during the period from and including the day immediately following the Closing Date through and including such time; plus

(iv) the aggregate principal amount of any Indebtedness or Disqualified Stock, in each case, of the Borrower or any Restricted Subsidiary issued after the Closing Date (other than Indebtedness or such Disqualified Stock issued to the Borrower or any Restricted Subsidiary), which has been converted into or exchanged for Capital Stock of the Borrower, any Restricted Subsidiary or any Parent Entity that does not constitute Disqualified Stock, together with the Fair Market Value of any cash or Cash Equivalents and the Fair Market Value of any property or assets received by the Borrower or such Restricted Subsidiary upon such exchange or conversion, in each case, during the period from and including the day immediately following the Closing Date through and including such time; plus

(v) the net proceeds received by the Borrower or any Restricted Subsidiary during the period from and including the day immediately following the Closing Date through and including such time in connection with the disposition to any Person (other than the Borrower or any Restricted Subsidiary) of any Investment made pursuant to Section 9.03(a); plus

(vi) to the extent not already reflected as a return of capital with respect to such Investment for purposes of determining the amount of such Investment, the proceeds received by the Borrower or any Restricted Subsidiary during the period from and including the day immediately following the Closing Date through and including such time in connection with cash returns, cash profits, cash distributions and similar cash amounts, including cash principal repayments of loans and interest payments on loans, in each case received in respect of any Investment made after the Closing Date pursuant to Section 9.03(a) or, without duplication, otherwise received by the Borrower or any Restricted Subsidiary from an Unrestricted Subsidiary (including any proceeds received on account of any issuance of Capital Stock by any Unrestricted Subsidiary (other than solely on account of the issuance of Capital Stock to the Borrower or any Restricted Subsidiary)); plus

(vii) an amount equal to the sum of (A) the amount of any Investments by the Borrower or any Restricted Subsidiary pursuant to Section 9.03(a) in any Unrestricted Subsidiary that has been re-designated as a Restricted Subsidiary, (B) the amount of any Investments by the Borrower or any Restricted Subsidiary pursuant to Section 9.03(a) in any Unrestricted Subsidiary or any joint venture that is not a Restricted Subsidiary that has been merged, consolidated or amalgamated with or into, or is liquidated, wound up or dissolved into, the Borrower or any Restricted Subsidiary and (C) the Fair Market Value of the property or assets of any Unrestricted Subsidiary or any joint venture that is not a Restricted Subsidiary that have been transferred, conveyed or otherwise distributed to the Borrower or any Restricted Subsidiary, in each case, during the period from and including the day immediately following the Closing Date through and including such time; plus

(viii) the amount of any Declined Proceeds; minus

(b) an amount equal to the aggregate amount of Restricted Payments made pursuant to Section 9.03(a) after the Closing Date and prior to such time or contemporaneously therewith.

"Available RDP Capacity Amount" means the amount of Restricted Debt Payments that may be made at the time of determination pursuant to Section 9.03(b)(17)(ii) minus the amount of the Available RDP Capacity Amount utilized by the Borrower or any Restricted Subsidiary to make Investments pursuant to clause (23) of the definition of Permitted Investments.

"Available RP Capacity Amount" means the amount of Restricted Payments that may be made at the time of determination pursuant to Section 9.03(b)(6), (b)(10) and (b)(17)(i) minus the aggregate amount of the Available RP Capacity Amount utilized by the Borrower or any Restricted Subsidiary to make (a) Investments pursuant to clause (23) of the definition of Permitted Investments and (b) Restricted Debt Payments pursuant to Section 9.03(b)(17)(C).

"Backstop Commitment Letter" has the meaning assigned to such term in the recitals to this Agreement.

"Bail-In Action" means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

"Bail-In Legislation" means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time that is described in the EU Bail-In Legislation Schedule.

"Bankruptcy Code" shall have the meaning provided in Section 10.01(e).

"Bankruptcy Courts" has the meaning assigned to such term in the recitals to this Agreement.

"Base Rate" shall mean, at any time, a rate per annum equal to the highest of (i) the Prime Lending Rate at such time, (ii) 1/2 of 1% per annum in excess of the overnight Federal Funds Rate at such time and (iii) the LIBO Rate for a LIBOR Loan denominated in dollars with a one-month interest period commencing on such day plus 1.00%. For purposes of this definition, the LIBO Rate shall be determined using the LIBO Rate as otherwise determined by the Administrative Agent in accordance with the definition of LIBO Rate, except that (x) if a given day is a Business Day, such determination shall be made on such day (rather than two Business Days prior to the commencement of an Interest Period) or (y) if a given day is not a Business Day, the LIBO Rate for such day shall be the rate determined by the Administrative Agent pursuant to preceding clause (x) for the most recent Business Day preceding such day. Any change in the Base Rate due to a change in the Prime Lending Rate, the Federal Funds Rate or such LIBO Rate shall be effective as of the opening of business on the day of such change in the Prime Lending Rate, the Federal Funds Rate or such LIBO Rate, respectively.

"Base Rate Loan" shall mean each Term Loan designated or deemed designated as such by the Borrower at the time of the incurrence thereof or conversion thereto.

"Beneficial Ownership Certification" shall mean a certification regarding beneficial ownership as required by the Beneficial Ownership Regulation.

"Beneficial Ownership Regulation" shall mean 31 C.F.R. § 1010.230.

"Benefit Plan" shall mean any of (a) an "employee benefit plan" (as defined in ERISA) that is subject to Title I of ERISA, (b) a "plan" as defined in and subject to Section 4975 of the Code or (c) any Person whose assets include (for purposes of ERISA Section 3(42) or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such "employee benefit plan" or "plan".

"BIA" shall mean the Bankruptcy and Insolvency Act (Canada) as such legislation now exists or may from time to time hereafter be amended, modified, recodified, supplemented or replaced, together with all rules, regulations and interpretations thereunder or related thereto.

"Board of Directors" shall mean, with respect to any Person, (i) in the case of any corporation (including, for the avoidance of doubt, any company incorporated under the laws of Canada or any province or territory thereof), the board of directors of such Person, (ii) in the case of any limited liability company or *société en commandite par actions* (SCA), the board of managers of such Person, (iii) in the case of any partnership, the Board of Directors of the general partner of such person and (iv) in any other case or where the foregoing may not be applicable, the functional equivalent of the foregoing.

"Board of Governors" means the Board of Governors of the Federal Reserve System of the United States (or any successor).

"Bona Fide Debt Fund" means any debt fund, investment vehicle, regulated bank entity or unregulated lending entity engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of business and which is managed, sponsored or advised by any Person controlling, controlled by or under common control with (a) any competitor of the Borrower and/or any of its Subsidiaries or (b) any Affiliate of such competitor, but, in each case, with respect to which no personnel involved with any investment in such Person or the management, control or operation of such Person (i) makes, has the right to make or participates with others in making any investment decisions with respect to such Person or (ii) has access to any information (other than information that is publicly available) relating to Holdings, the Borrower or its subsidiaries or any entity that forms a part of any of their respective businesses; it being understood and agreed that the term "Bona Fide Debt Fund" shall not include any Person that is separately identified to the Administrative Agent in accordance with clause (a)(i) or (a)(ii) of the definition of "Disqualified Lender" or any reasonably identifiable Affiliate of any such Person on the basis of such Affiliate's name.

"Borrower" shall have the meaning provided in the first paragraph of this Agreement.

"Borrowing" shall mean the borrowing of one Type of Loan of any Class on a given date (or resulting from a conversion or conversions on such date) having in the case of LIBOR Loans the same Interest Period; provided that Base Rate Loans incurred pursuant to Section 2.10(b) shall be considered part of the related Borrowing of LIBOR Loans.

"Borrowing Base Certificate" shall have the meaning provided in the ABL Facility.

"Business Day" shall mean (i) for all purposes other than as covered by clause (ii) below, any day except Saturday, Sunday and any day which shall be in New York, New York or Toronto, Ontario, a legal holiday or a day on which banking institutions are authorized or required by law or other government action to close and (ii) with respect to all notices and determinations in connection with, and payments of principal and interest on, LIBOR Loans, any day which is a Business Day described in clause (i) above and which is also a day for trading by and between banks in U.S. dollar deposits in the London interbank market.

"Calculation Period" shall mean, with respect to any Specified Transactions or any other event expressly required to be calculated on a Pro Forma Basis pursuant to the terms of this Agreement, the Test Period most recently ended prior to the date of such Specified Transaction or other event for which financial statements have been delivered to the Administrative Agent pursuant to Section 8.01(a) or (b), as applicable.

"Canadian Credit Party" shall mean Holdings, the Borrower and each Subsidiary Guarantor that is a Canadian Restricted Subsidiary of Holdings and is not an Excluded Subsidiary.

"Canadian Dollars" or "Can$" shall mean the freely transferable lawful money of Canada.

"Canadian Insolvency Laws" shall mean any of the BIA, the CCAA and the Winding-Up and Restructuring Act (Canada) and any other applicable insolvency or other similar law of Canada, including any corporate or other law of any applicable jurisdiction permitting a debtor to obtain a stay or a compromise of the claims of its creditors against it.

"Canadian Pledge Agreement" shall mean that certain Canadian pledge agreement, dated as of the Closing Date, entered into by each Canadian Credit Party, pledging all of the Equity Interests (other than Excluded Assets) in any Canadian Restricted Subsidiary of the Borrower, in the form of Exhibit E-2.

"Canadian Restricted Subsidiary" shall mean, at any time, any direct or indirect Canadian Subsidiary of Holdings that is not then an Unrestricted Subsidiary; provided that upon the occurrence of any such Unrestricted Subsidiary ceasing to be an Unrestricted Subsidiary, such Canadian Subsidiary shall be included in the definition of "Canadian Restricted Subsidiary."

"Canadian Security Agreement" shall mean the Canadian Security Agreement dated as of the Closing Date and entered into by each Canadian Credit Party as of such date, substantially in the form of Exhibit E-1.

"Canadian Subsidiary" of any Person shall mean any Subsidiary of such Person incorporated or organized or resident in Canada or any province or territory thereof.

"CapEx Facilities" shall mean, collectively, those capital expenditure credit facilities provided to the Borrower pursuant to (i) the Ontario CapEx Facility, (ii) the Federal CapEx Facility and (iii) (x) the SIF CapEx Facility and (y) the SIF Grant Facility.

"CapEx Facilities Documents" shall mean the "Loan Documents" or "Canada Documents" (or any similar term) as defined in any CapEx Facility.

"Capital Expenditures" shall mean, for any period, the aggregate of, without duplication, (a) all expenditures (whether paid in cash or accrued as liabilities and including capitalized research and development costs and capitalized software expenditures) by the Borrower and its Restricted Subsidiaries during such period that, in conformity with IFRS, are or are required to be included as additions during such period to property, plant or equipment reflected in the consolidated balance sheet of the Borrower and its Restricted Subsidiaries and (b) Capitalized Lease Obligations Incurred by the Borrower and its Restricted Subsidiaries during such period.

"Capitalized Lease Obligations" of any Person shall mean an obligation that is required to be classified and accounted for as a capitalized lease for financial reporting purposes on the basis of

IFRS (but subject to Section 1.06(b)). The amount of Indebtedness represented by such obligation will be the capitalized amount of such obligation at the time any determination thereof is to be made as determined on the basis of IFRS, and the Stated Maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date such lease may be terminated without penalty.

"Capital Stock" of any Person shall mean any and all shares of, rights to purchase, warrants, options or depositary receipts for, or other equivalents of or partnership or other interests in (however designated), equity of such Person, including any Preferred Stock, but excluding any debt securities convertible into such equity.

"Captive Insurance Subsidiary" shall mean any Restricted Subsidiary of the Borrower that is subject to regulation as an insurance company (or any Restricted Subsidiary thereof).

"Cash Equivalents" shall mean:

(1) (a) United States Dollars, Euro, or any national currency of any member state of the European Union or Canada; or (b) any other foreign currency held by the Borrower and the Restricted Subsidiaries in the ordinary course of business;

(2) securities issued or directly and fully Guaranteed or insured by the United States or Canadian governments, a member state of the European Union or, in each case, or any agency or instrumentality of the foregoing (*provided* that the full faith and credit obligation of such country or such member state is pledged in support thereof), having maturities of not more than two years from the date of acquisition;

(3) certificates of deposit, time deposits, eurodollar time deposits, overnight bank deposits or bankers' acceptances having maturities of not more than one year from the date of acquisition thereof issued by any lender or by any bank or trust company (a) whose commercial paper is rated at least "A-2" or the equivalent thereof by S&P or at least "P-2" or the equivalent thereof by Moody's (or if at the time neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) or (b) (in the event that the bank or trust company does not have commercial paper which is rated) having combined capital and surplus in excess of $250,000,000;

(4) repurchase obligations for underlying securities of the types described in clauses (2), (3) and (7) entered into with any bank meeting the qualifications specified in clause (3) above;

(5) commercial paper rated at least (i) "A-1" or higher by S&P or "P-1" or higher by Moody's (or, if at the time, neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization selected by the Borrower) maturing within two years after the date of creation thereof or (ii) "A-2" or higher by S&P or "P-2" or higher by Moody's (or, if at the time, neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization selected by the Borrower) maturing within one year after the date of creation thereof, or, in each case, if no rating is available in respect of the commercial paper, the issuer of which has an equivalent rating in respect of its long-term debt;

(6) marketable short-term money market and similar securities having a rating of at least "P-2" or "A-2" from either S&P or Moody's, respectively (or, if at the time, neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization selected by the Borrower) and in each case maturing within 24 months after the date of creation or acquisition thereof;

(7) readily marketable direct obligations issued by any state, province, commonwealth or territory of the United States of America or Canada or any political subdivision, taxing authority or public instrumentality thereof, in each case, having one of the two highest ratings categories by S&P or Moody's (or, if at the time, neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization selected by the Borrower) with maturities of not more than two years from the date of acquisition;

(8) readily marketable direct obligations issued by any foreign government or any political subdivision, taxing authority or public instrumentality thereof, in each case, having one of the two highest ratings categories obtainable by S&P or Moody's (or, if at the time, neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization selected by the Borrower) with maturities of not more than two years from the date of acquisition;

(9) Investments with average maturities of 12 months or less from the date of acquisition in money market funds rated within the three highest ratings categories by S&P or Moody's (or, if at the time, neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization selected by the Borrower);

(10) with respect to any Non-U.S. Subsidiary: (i) obligations of the national government of the country in which such Non-U.S. Subsidiary maintains its chief executive office and principal place of business provided such country is a member of the Organization for Economic Cooperation and Development, in each case maturing within one year after the date of investment therein, (ii) certificates of deposit of, bankers acceptance of, or time deposits with, any commercial bank which is organized and existing under the laws of the country in which such Non-U.S. Subsidiary maintains its chief executive office and principal place of business provided such country is a member of the Organization for Economic Cooperation and Development, and whose short-term commercial paper rating from S&P is at least "A-1" or the equivalent thereof or from Moody's is at least "P-1" or the equivalent thereof (any such bank being an "*Approved Non-U.S. Bank*"), and in each case with maturities of not more than 270 days from the date of acquisition and (iii) the equivalent of demand deposit accounts which are maintained with an Approved Non-U.S. Bank;

(11) Indebtedness or Preferred Stock issued by Persons with a rating of (i) "A" or higher from S&P or "A-2" or higher from Moody's (or, if at the time, neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization selected by the Borrower) with maturities of 24 months or less from the date of acquisition, or (ii) "A-" or higher

from S&P or "A-3" or higher from Moody's (or, if at the time, neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization selected by the Borrower) with maturities of 12 months or less from the date of acquisition;

(12) bills of exchange issued in the United States, Canada, a member state of the European Union or Japan eligible for rediscount at the relevant central bank and accepted by a bank (or any dematerialized equivalent);

(13) [Reserved]; and

(14) interests in any investment company, money market, enhanced high yield fund or other investment fund which invests 90% or more of its assets in instruments of the types specified in clauses (1) through (13) above.

Notwithstanding the foregoing, Cash Equivalents shall include amounts denominated in currencies other than those set forth in clause (1) above, *provided* that such amounts are converted into any currency listed in clause (1) as promptly as practicable and in any event within 10 Business Days following the receipt of such amounts.

"Cash Management Services" shall mean any of the following to the extent not constituting a line of credit (other than an overnight draft facility that is not in default): automated clearing house transfers of funds, treasury, depository, credit or debit card, purchasing card, and/or cash management services, including controlled disbursement services, overdraft facilities, foreign exchange facilities and currency management services, deposit and other accounts, merchant services, netting services, check drawing services, automated payment services (including depository, overdraft, controlled disbursement, ACH transactions, return items and interstate depository network services), cash pooling services and any arrangements or services similar to any of the foregoing and/or otherwise in connection with cash management and deposit accounts.

"Casualty Event" shall mean any involuntary loss of title, any involuntary loss of, damage to or any destruction of, or any expropriation or other taking (including by any Governmental Authority) of, any property of Holdings, the Borrower or any of its Restricted Subsidiaries. "Casualty Event" shall include, but not be limited to, (i) any taking of all or any part of any Real Property of any Person or any part thereof, in or by expropriation or other eminent domain proceedings pursuant to any Requirement of Law, or by reason of the temporary requisition of the use or occupancy of all or any part of any Real Property of any Person or any part thereof by any Governmental Authority, civil or military, or any settlement in lieu thereof and (ii) any event that gives rise to the receipt by Holdings, the Borrower or any of its Restricted Subsidiaries of any cash insurance proceeds or condemnation awards payable under any policy of insurance required to be maintained under Section 8.03.

"CCAA" has the meaning assigned to such term in the recitals to this Agreement.

"CCAA Court" has the meaning assigned to such term in the recitals to this Agreement.

"Change of Control" shall mean (i) Holdings shall at any time cease to own, directly or indirectly, 100% of the Equity Interests of the Borrower (or any Successor Company that has complied with the requirements of Section 9.02(a)) or (ii) the acquisition by any Person or group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act as in effect on the Closing Date) (but excluding (x) any Plan of such Person and its Subsidiaries and/or any Person acting in its capacity as the trustee, agent or other fiduciary or administrator of any such Employee Benefit Plan and (y) one or

more Permitted Holders), of Equity Interests representing more than 35% of the total voting power of all of the outstanding voting Equity Interests of Holdings and such percentage of the total voting power of all of the outstanding voting Equity Interests of Holdings is sufficient to elect or appoint a majority of the Board of Directors of Holdings.

"Charge" means any fee, loss, charge, expense, cost, accrual or reserve of any kind.

"Chattel Paper" shall mean any and all assets which constitute "chattel paper," as such term is defined (x) in the case of a U.S. Credit Party, in the UCC as in effect on the date hereof in the State of New York and (y) in the case of a Canadian Credit Party, in the PPSA as in effect on the date hereof, and (in either case) in which the relevant Person now or hereafter has rights.

"Class", when used in reference to (a) any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are Initial Term Loans, Additional Term Loans of any series established as a separate "Class" pursuant to Sections 2.14, 2.15, 2.16 or 12.12(d) or Additional Revolving Loans of any series established as a separate "Class" pursuant to Sections 2.14, 2.15, 2.16 or 12.12(d), (b) any Commitment, refers to whether such Commitment is an Initial Term Loan Commitment, an Additional Term Loan Commitment of any series established as a separate "Class" pursuant to Sections 2.14, 2.15, 2.16 or 12.12(d) or an Additional Revolving Credit Commitment of any series established as a separate "Class" pursuant to Sections 2.14, 2.15, 2.16 or 12.12(d), (c) any Lender, refers to whether such Lender has a Loan or Commitment of a particular Class and (d) any Additional Revolving Credit Exposure, refers to whether such Additional Revolving Credit Exposure is attributable to any Additional Revolving Credit Commitment of a particular Class (or Additional Revolving Loans incurred or letters of credit issued under an Additional Revolving Credit Commitment of a particular Class).

"Closing Date" shall mean the date on which the conditions specified in Section 5 are satisfied (or waiver in accordance with Section 12.12) and the Borrowing of the Initial Term Loans occurs.

"Closing Date Material Adverse Effect" shall have the meaning assigned to the term "Material Adverse Effect" in the Acquisition Agreement as in effect on the Closing Date (it being understood that capitalized terms used in such definition and defined in the Acquisition Agreement shall have the meanings ascribed to such terms in the Acquisition Agreement as in effect on the Closing Date).

"Code" shall mean the Internal Revenue Code of 1986.

"Collateral" shall mean all property (whether real or personal) with respect to which any security interests have been granted (or purported to be granted) pursuant to any Security Document, including all Pledge Agreement Collateral, all Security Agreement Collateral and all Mortgaged Properties; provided that, for the avoidance of doubt, "Collateral" shall not include any Excluded Assets.

"Collateral Agent" shall mean the Administrative Agent acting as collateral agent for the Secured Parties pursuant to the Security Documents.

"Collateral and Guarantee Requirement" means, at any time, subject to (x) the applicable limitations set forth in this Agreement and/or any other Credit Document (including any Acceptable Intercreditor Agreement) and (y) the time periods (and extensions thereof) set forth in Sections 8.12 and 8.18, the requirement that:

(a) the Collateral Agent shall have received (i) a Joinder Agreement or such comparable documentation to become a Subsidiary Guarantor, (ii) a joinder agreement to each applicable Security Document, substantially in the form annexed thereto or, in the case of a Foreign Subsidiary, execute a security agreement compatible with the laws of such Foreign Subsidiary's jurisdiction in form and substance reasonably satisfactory to the Administrative Agent (subject to Required Lenders Negative Consent), (iii) the certificates, if any, representing all of the Equity Interests of the applicable Restricted Subsidiary (other than any such Equity Interests constituting Excluded Assets), together with undated stock powers or other appropriate instruments of transfer executed and delivered in blank by a duly authorized officer of the holder(s) of such Equity Interests, and all intercompany notes owing from such Restricted Subsidiary to any Credit Party together with instruments of transfer executed and delivered in blank by a duly authorized officer of the applicable Credit Party, (iv) if the Restricted Subsidiary required to comply with the requirements set forth in this definition pursuant to Section 8.12 owns registrations of or applications for U.S. or Canadian patents, U.S. or Canadian trademarks and/or U.S. or Canadian copyrights and/or Canadian Industrial Designs that constitute Collateral, intellectual property security agreements for filing with the United States Patent and Trademark Office and United States Copyright Office and Canadian Intellectual Property Office, as applicable, (v) a completed Perfection Certificate, (vi) UCC or PPSA financing statements or financing change statements in appropriate form for filing in such jurisdictions as the Collateral Agent may reasonably request, (vii) an executed joinder to any Acceptable Intercreditor Agreement that is then applicable in substantially the form attached as an exhibit thereto, (viii) such other documents or instruments, or evidence of such other actions taken, in each case as reasonably requested to cause the Lien created by the applicable Security Document to be duly perfected to the extent required by such Security Document in accordance with all applicable Requirements of Law and Perfection Requirements and (ix) to the extent reasonably requested by the Administrative Agent, customary legal opinions, board resolutions and officers' certificates in each case consistent with those delivered on the Closing Date under Section 5 or from time to time pursuant to Section 8.12; and

(b) the Administrative Agent shall have received with respect to each Mortgaged Property:

(i) a Mortgage encumbering each Mortgaged Property in favor of the Collateral Agent, for the benefit of the Secured Parties, duly executed and acknowledged by each Credit Party that is the owner of or holder of any interest in such Mortgaged Property, and registered as a First Priority (subject to each Acceptable Intercreditor Agreement than extant) Mortgage in the registry office where each such Mortgaged Property is situated, and such financing statements and any other instruments necessary to grant a mortgage lien under the laws of any applicable jurisdiction, all of which shall be in form and substance reasonably satisfactory to Collateral Agent;

(ii) such consents, approvals, amendments, supplements, memoranda of leases, or other instruments as required by the Collateral Agent, acting reasonably, to consummate the Transactions in order for the owner or holder of the fee or leasehold interest constituting such Mortgaged Property to grant the Lien contemplated by the Mortgage with respect to such Mortgaged Property, if applicable;

(iii) a policy of title insurance insuring the Lien of such Mortgage as a valid First Priority (subject to each Acceptable Intercreditor Agreement than extant) Mortgage Lien, subject only to Permitted Liens, on the Mortgaged Property in an amount reasonably acceptable to the Collateral Agent (subject to

Required Lenders Negative Consent) (not to exceed the Fair Market Value of such Mortgaged Property) and which policy (each, a "Mortgage Policy") shall (A) be issued by the Title Company, (B) to the extent necessary, include such reinsurance arrangements (with provisions for direct access, if necessary) as shall be reasonably acceptable to the Collateral Agent (subject to Required Lenders Negative Consent), (C) have been supplemented by such endorsements, to the extent not included in the standard coverage, as shall be reasonably requested by the Collateral Agent, and (D) contain no exceptions to title other than Permitted Liens, all of which shall be in form and substance reasonably satisfactory to the Collateral Agent;

(iv) evidence reasonably acceptable to the Collateral Agent (subject to Required Lenders Negative Consent) of payment by the Borrower of all Mortgage Policy premiums, mortgage and similar taxes and other costs and expenses required for the registration of the Mortgages and issuance of the Title Policies referred to above;

(v) copies of all Leases generating annual rent in excess of $500,000 in which the Borrower or any Subsidiary holds the lessor's interest or other agreements relating to possessory interests, if any;

(vi) if requested by the Collateral Agent, evidence that each Credit Party shall have made all notifications, registrations and filings, to the extent required by, and in accordance with, all Governmental Real Property Disclosure Requirements applicable to such Mortgaged Property, if any;

(vii) if requested by the Collateral Agent, with respect to any Mortgage delivered pursuant to Section 8.12(c), a Survey;

(viii) favorable written opinions, addressed to the Collateral Agent and the Secured Parties, of local counsel to the Credit Parties in each jurisdiction (i) where a Mortgaged Property is located and (ii) where the applicable Credit Party granting the Mortgage on such Mortgaged Property is Organized, regarding the due authority, execution, delivery, perfection (with respect to the related personal property) and enforceability of each such Mortgage, the corporate formation, existence and good standing of the applicable Credit Party, and such other matters as may be reasonably requested by the Collateral Agent, each in form and substance reasonably satisfactory to the Collateral Agent; and

(ix) with respect to any Mortgaged Property located in the United States, a "Life-of-Loan" Federal Emergency Management Agency Standard Flood Hazard Determination (together with a notice about special flood hazard area status and flood disaster assistance duly executed by the Borrower or the applicable Credit Party) and, in the event any such property is a Flood Hazard Property, evidence of flood insurance as required by this Agreement.

Notwithstanding any provision of any Credit Document to the contrary, if any mortgage tax or similar tax or charge is owed on the entire amount of the Obligations evidenced hereby in connection with the delivery of a mortgage or UCC and/or PPSA fixture filing pursuant to clause (b) above, then, to the extent permitted by, and in accordance with, applicable Requirements of Law, the amount of such mortgage tax or similar tax or charge shall be calculated based on the lesser of (x) the amount of the Obligations allocated to the applicable Mortgaged Property and (y) the Fair Market Value

of the applicable Mortgaged Property at the time the Mortgage is entered into and determined in a manner reasonably acceptable to Administrative Agent (subject to Required Lenders Negative Consent) and the Borrower.

"Commitments" means any Term Loan Commitment or any Additional Commitment.

"Commodity Exchange Act" shall mean the Commodity Exchange Act (7 U.S.C. § 1 et seq.).

"Company" shall mean any corporation, limited liability company, partnership or other business entity (or the adjectival form thereof, where appropriate).

"Company Competitor" means any competitor of Holdings, the Borrower, the Sellers with respect to the Acquired Business and/or any of their respective subsidiaries.

"Connection Income Taxes" shall mean Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

"Consenting Creditors" has the meaning assigned to such term in the recitals to this Agreement.

"Consolidated Cash Interest Coverage Ratio" shall mean, as of any date of determination, the ratio for the most recently ended Calculation Period of (x) Consolidated Cash Interest Expense for such Calculation Period to (y) the aggregate amount of Consolidated EBITDA of the Borrower for such Calculation Period; provided that, for purposes of calculating the Consolidated Cash Interest Coverage Ratio for any period ending prior to the first anniversary of the Closing Date, Consolidated Cash Interest Expense shall be an amount equal to actual Consolidated Cash Interest Expense from the Closing Date through the date of determination multiplied by a fraction the numerator of which is 365 and the denominator of which is the number of days from the Closing Date through the date of determination.

"Consolidated Cash Interest Expense" shall mean, for any period, cash interest expense for such period (including that attributable to capital leases), net of cash interest income of the Borrower and its Restricted Subsidiaries for such period with respect to all outstanding debt of the Borrower and its Restricted Subsidiaries and net cash costs (less net cash payments) under hedging agreements, but excluding, for the avoidance of doubt, (a) any non-cash interest expense and any capitalized interest, whether paid or accrued, (b) the amortization of original issue discount resulting from the issuance of debt at less than par, (c) amortization of deferred financing costs, debt issuance costs, commissions, fees and expenses, (d) any expenses resulting from discounting of debt in connection with the application of recapitalization accounting or purchase accounting, (e) penalties or interest related to taxes and any other amounts of non-cash interest resulting from the effects of acquisition method accounting or pushdown accounting, (f) the accretion or accrual of, or accrued interest on, discounted liabilities (other than debt) during such period, (g) non-cash interest expense attributable to the movement of the mark-to-market valuation of obligations under hedging agreements or other derivative instruments pursuant to FASB Accounting Standards Codification No. 815-Derivatives and Hedging, (h) any one-time cash costs associated with breakage in respect of hedging agreements for interest rates, (i) any payments with respect to make whole premiums or other breakage costs of any debt, (j) all non-recurring interest expense consisting of liquidated damages for failure to timely comply with registration rights obligations, all as calculated on a consolidated basis in accordance with IFRS and (k) expensing of bridge, arrangement, structuring, commitment or other financing fees.

"Consolidated Current Assets" shall mean, as at any date of determination, the total assets of the Borrower and its Restricted Subsidiaries which may properly be classified as current assets on a consolidated balance sheet of the Borrower and its Restricted Subsidiaries in accordance with IFRS (excluding any (i) cash or Cash Equivalents (including cash and Cash Equivalents held on deposit for third parties by the Borrower and/or any Restricted Subsidiary), (ii) permitted loans to third parties, (iii) deferred bank fees and derivative financial instruments related to Indebtedness, (iv) the current portion of current and deferred Taxes and (v) assets held for sale or pension assets).

"Consolidated Current Liabilities" shall mean, as at any date of determination, the total liabilities of the Borrower and its Restricted Subsidiaries which may properly be classified as current liabilities (other than (x) the current portion of any Loans and (y) the current portion of any other long-term Indebtedness and other long-term liabilities that would otherwise be included therein) on a consolidated balance sheet of the Borrower and its Restricted Subsidiaries in accordance with IFRS, including deferred revenue but excluding, without duplication, (a) the current portion of any Funded Debt, (b) all Indebtedness consisting of Loans and Letter of Credit Exposure (as defined in the ABL Credit Agreement or any other ABL Facility) and Capitalized Lease Obligations to the extent otherwise included therein, (c) the current portion of Consolidated Interest Expense (excluding Consolidated Interest Expense that is due and unpaid), (d) the current portion of current and deferred Taxes, (e) any liabilities that are not Indebtedness and will not be settled in cash or Cash Equivalents during the next succeeding twelve month period after such date, (f) the effects from applying purchase accounting, (g) any accrued professional liability risks, (h) restricted marketable securities and obligations in respect of derivative financial instruments related to Indebtedness, (i) liabilities in respect of unpaid earnouts, (j) accruals relating to restructuring reserves, (k) liabilities in respect of funds of third parties on deposit with the Borrower and/or any Restricted Subsidiary and (l) any liabilities recorded in connection with stock based awards, partnership interest based awards, awards of profits interests, deferred compensation awards and similar initiative based compensation awards or arrangements.

"Consolidated Debt Service Charges" means, for any period, the sum, without duplication, of the amounts determined for the Borrower and its Restricted Subsidiaries on a consolidated basis equal to: (i) Consolidated Cash Interest Expense plus (ii) the aggregate amount of all dividends or distributions on or in respect of the Borrower's or any Restricted Subsidiary's Capital Stock paid in cash in respect of Disqualified Stock.

"Consolidated Depreciation and Amortization Expense" shall mean, with respect to any Person for any period, the total amount of depreciation and amortization expense, including the amortization of deferred financing fees or costs, capitalized expenditures, customer acquisition costs and incentive payments, conversion costs and contract acquisition costs, the amortization of original issue discount resulting from the issuance of Indebtedness at less than par and amortization of favorable or unfavorable lease assets or liabilities, of such Person and its Restricted Subsidiaries for such period on a consolidated basis and otherwise determined in accordance with IFRS.

"Consolidated EBITDA" shall mean, with respect to any Person for any period, the Consolidated Net Income of such Person for such period:

(1) increased (without duplication) by:

(a) provision for taxes based on income or profits or capital, including state, franchise and similar taxes and foreign withholding taxes of such Person paid or accrued during such period, including any penalties and interest relating to any tax examinations, deducted (and not added back) in computing Consolidated Net Income; *plus*

(b) Consolidated Debt Service Charges of such Person for such period, in each case, to the extent the same were deducted (and not added back) in calculating such Consolidated Net Income (including (x) net losses or any Hedging Obligations or other derivative instruments entered into for the purpose of hedging interest rate, currency or commodities risk, (y) bank fees and (z) costs of surety bonds in connection with financing activities, plus amounts excluded from the definition of "Consolidated Interest Expense" pursuant to clauses (t) through (z) in clause (1) thereof), including (i) fees and expenses paid to the Administrative Agent in connection with its services hereunder, (ii) other bank, administrative agency (or trustee) and financing fees (including rating agency fees and other fees in respect of any ABL Facility) and (iii) commissions, discounts and other fees and charges owed with respect to revolving commitments, letters of credit, bank guarantees, bankers' acceptances or any similar facilities or financing and hedging agreements; *plus*

(c) Consolidated Depreciation and Amortization Expense of such Person for such period to the extent the same were deducted (and not added back) in computing Consolidated Net Income; *plus*

(d) any expenses or charges (other than depreciation or amortization expense) related to any Equity Offering, Permitted Investment, acquisition, disposition, recapitalization or the incurrence of Indebtedness permitted to be incurred by this Agreement (including a refinancing thereof) (whether or not successful), including (i) such fees, expenses or charges related to the CapEx Facilities, the New PortLP Facility, this Agreement and any ABL Facility, and (ii) any amendment or other modification of the Credit Documents, the ABL Facility Documents, the CapEx Facilities and the New PortLP Facility, in each case, deducted (and not added back) in computing Consolidated Net Income; *plus*

(e) the amount of any restructuring charge or reserve, integration cost or other business optimization expense or cost that is deducted (and not added back) in such period in computing Consolidated Net Income, including any one-time costs incurred in connection with acquisitions or divestitures after the Closing Date, and costs related to the closure and/or consolidation of facilities and to exiting lines of business; provided that, from and after the fourth full Fiscal Quarter occurring after the Closing Date, the aggregate amount added to or included in Consolidated EBITDA pursuant to this clause (e) shall not, for any Test Period, exceed $20,000,000 in any such Test Period; *plus*

(f) any other non-cash charges, write-downs (in the case of inventory, not exceeding $20,000,000 in any twelve month fiscal period), expenses, losses or items reducing Consolidated Net Income for such period including any impairment charges or the impact of purchase accounting (excluding (i) any such non-cash charge, write-down or item to the extent it represents an accrual or reserve for a cash expenditure for a future period and (ii) any amortization attributable to any prepaid expense that

was paid in cash in a prior period) or other items classified by the Borrower as special items less other non-cash items of income increasing Consolidated Net Income (excluding any such non-cash item of income to the extent it represents a receipt of cash in any future period) not to exceed $20,000,000 per annum; *plus*

(g) the amount of any minority interest expense consisting of Restricted Subsidiary income attributable to minority equity interests of third parties in any non-wholly owned Restricted Subsidiary; *plus*

(h) [Reserved]; *plus*

(i) any costs or expense incurred by the Borrower or a Restricted Subsidiary pursuant to any management equity plan or stock option plan or any other management or employee benefit plan or agreement or any stock subscription or shareholder agreement, to the extent that such cost or expenses are funded with cash proceeds contributed to the capital of the Borrower or net cash proceeds of an issuance of Capital Stock (other than Disqualified Stock) of the Borrower solely to the extent that such net cash proceeds are excluded from the calculation set forth in Section 9.03(a); *plus*

(j) cash receipts (or any netting arrangements resulting in reduced cash expenditures) not representing Consolidated EBITDA or Consolidated Net Income in any period to the extent non-cash gains relating to such income were deducted in the calculation of Consolidated EBITDA pursuant to clause (2) below for any previous period and not added back; *plus*

(k) any net loss included in the Consolidated Net Income attributable to non-controlling interests pursuant to the application of Accounting Standards Codification Topic 810-10-45 ("*Topic 810*"); *plus*

(l) realized foreign exchange losses resulting from the impact of foreign currency changes on the valuation of assets or liabilities on the balance sheet of the Borrower and its Restricted Subsidiaries; *plus*

(m) net realized losses from Hedging Obligations or embedded derivatives that require similar accounting treatment and the application of Accounting Standard Codification Topic 815 and related pronouncements; *plus*

(n) pro forma adjustments, including pro forma "run rate" cost savings, operating expense reductions, operational improvements and synergies (collectively, "Expected Cost Savings") (net of actual amounts realized) (1) that are reasonably identifiable, factually supportable and projected by the Borrower in good faith to result from actions that have been taken or with respect to which substantial steps have been taken or are expected to be taken (in the good faith determination of such Person) or (2) that have been identified to the Administrative Agent prior to the Closing Date (including by inclusion in the Acquisition Agreement, any

financial model, confidential information memorandum or quality of earnings or similar report or analysis) related to (x) the Transactions and (y) any permitted asset sale, acquisition (including the commencement of activities constituting a business line), combination, Investment, Disposition (including the termination or discontinuance of activities constituting a business line), operating improvement, restructuring, cost savings initiative, any similar initiative (including the effect of increased pricing in customer contracts, the renegotiation or renewal of contracts and other arrangements or efficiencies from the shifting of production of one or more products from one manufacturing facility to another) and/or specified transaction, in each case prior to, on or after the Closing Date (any such operating improvement, restructuring, cost savings initiative or similar initiative or specified transaction, a "Cost Saving Initiative") (in each case, calculated on a Pro Forma Basis as though such Expected Cost Savings and/or Cost Saving Initiative had been realized in full on the first day of such period); provided that the results of such Expected Cost Savings and/or Cost Saving Initiatives are projected by the Borrower in good faith to result from actions that have been taken or with respect to which steps have been taken or expected to be taken (in the good faith determination of the Borrower) within 18 months after (i) with respect to the Transactions, the Closing Date and (ii) with respect to any Cost Saving Initiative, the date of any such operating improvement, restructuring, cost savings initiative or similar initiative or specified transaction; provided, further that the aggregate amount added to or included in Consolidated EBITDA pursuant to this clause (n) shall not, for any Test Period, exceed an amount equal to 20% of Consolidated EBITDA for such Test Period, calculated after giving effect to any such add-backs or inclusion;

(2) decreased (without duplication) by: (a) non-cash gains increasing Consolidated Net Income of such Person for such period, excluding any non-cash gains to the extent they represent the reversal of an accrual or reserve for a potential cash item that reduced Consolidated EBITDA in any prior period and any non-cash gains with respect to cash actually received in a prior period so long as such cash did not increase Consolidated EBITDA in such prior period; *plus* (b) realized foreign exchange income or gains resulting from the impact of foreign currency changes on the valuation of assets or liabilities on the balance sheet of the Borrower and its Restricted Subsidiaries; *plus* (c) any net realized income or gains from Hedging Obligations or embedded derivatives that require similar accounting treatment and the application of Accounting Standards Codification Topic 815 and related pronouncements; *plus* (d) any net income included in Consolidated Net Income attributable to non-controlling interests pursuant to the application of Topic 810; *plus* (e) interest income and income/gains related to taxes; and

(3) increased or decreased (without duplication) by, as applicable, any adjustments resulting from the application of Accounting Standards Codification Topic 460 or any comparable regulation.

Notwithstanding anything to the contrary herein, it is agreed that for the purpose of calculating the Consolidated Total Leverage Ratio, the Consolidated First Lien Leverage Ratio, the

Consolidated Cash Interest Coverage Ratio and the Consolidated Total Secured Leverage Ratio for any Test Period that includes (i) the Fiscal Quarter of the Borrower ended December 31, 2017, Consolidated EBITDA for such Fiscal Quarter shall be deemed to be $24,100,000,[1] (ii) the Fiscal Quarter of the Borrower ended March 31, 2018, Consolidated EBITDA for such Fiscal Quarter shall be deemed to be $37,600,000,[2] (iii) the Fiscal Quarter of the Borrower ended June 30, 2018, Consolidated EBITDA for such Fiscal Quarter shall be deemed to be $92,300,000[3] and (iv) the Fiscal Quarter of the Borrower ended September 30, 2018, Consolidated EBITDA for such Fiscal Quarter shall be deemed to be $98,700,000.[4]

"Consolidated First Lien Leverage Ratio" shall mean, as of any date of determination, the ratio of (x) Consolidated Indebtedness as of such date that is secured by a first priority Lien on the Collateral (including Indebtedness under this Agreement and the ABL Facility, but excluding, for the avoidance of doubt, any Indebtedness to the extent secured on a junior basis to the Liens securing the Initial Term Loans) to (y) the aggregate amount of Consolidated EBITDA of the Borrower for the most recently ended Calculation Period.

"Consolidated Indebtedness" shall mean, as at any date of determination, the aggregate amount of all Indebtedness in respect of Indebtedness for borrowed money, Capitalized Lease Obligations, Purchase Money Obligations, Indebtedness evidenced by notes, bonds or similar instruments, unreimbursed drawings under letters of credit, Disqualified Stock and Preferred Stock, in each case, of the Borrower and its Restricted Subsidiaries on a consolidated basis (in each case, including any interest, fees or dividends paid in kind); provided that, the amount of any Indebtedness outstanding as of any date shall be (a) the accreted value thereof in the case of any Indebtedness issued with original issue discount and (b) the principal amount of Indebtedness, or liquidation preference thereof, in the case of any other Indebtedness; provided, further that "Consolidated Indebtedness" shall be calculated (for all purposes hereunder, including as a component of the definitions of Consolidated First Lien Leverage Ratio, Consolidated Total Secured Leverage Ratio and Consolidated Total Leverage Ratio, and any applications of such definitions) (i) net of the Unrestricted Cash Amount, (ii) to exclude any obligation, liability or indebtedness of such Person if, upon or prior to the maturity thereof, such Person has irrevocably deposited with the proper Person in trust or escrow the necessary funds (or evidences of indebtedness) for the payment, redemption or satisfaction of such obligation, liability or indebtedness, and thereafter such funds and evidences of such obligation, liability or indebtedness or other security so deposited are not included in the calculation of the Unrestricted Cash Amount and (iii) to exclude obligations under any Derivative Transaction or under any Indebtedness that is non-recourse to the Borrower and its Restricted Subsidiaries. For the avoidance of doubt, for purposes of determining the permissibility of any action, change, transaction or event that by the terms of the Credit Documents requires a calculation of any financial ratio or financial test (including the Consolidated Total Leverage Ratio, the Consolidated First Lien Leverage Ratio and the Consolidated Total Secured Leverage Ratio) required to be satisfied as a condition to the Incurrence of any Indebtedness, the proceeds of any Indebtedness being Incurred in reliance on such ratio shall not be netted (but the Borrower may give pro forma effect to the repayment of any Indebtedness to be repaid with such proceeds).

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1 To be the US-dollar equivalent of Can$30,800,000 as of the Closing Date.
2 To be the US-dollar equivalent of Can$48,100,000 as of the Closing Date.
3 To be the US-dollar equivalent of Can$118,100,000 as of the Closing Date.
4 To be the US-dollar equivalent of Can$126,300,000 as of the Closing Date.

"Consolidated Interest Expense" shall mean, with respect to any Person for any period, without duplication, the sum of:

(1) consolidated interest expense of such Person and its Restricted Subsidiaries for such period, to the extent such expense was deducted (and not added back) in computing Consolidated Net Income (including (a) amortization of original issue discount or premium resulting from the issuance of Indebtedness at less than par, (b) all commissions, discounts and other fees and charges owed with respect to letters of credit or bankers acceptances, (c) non-cash interest payments (but excluding any non-cash interest expense attributable to the movement in the mark to market valuation of any Hedging Obligations or other derivative instruments pursuant to IFRS), (d) the interest component of Capitalized Lease Obligations, and (e) net payments, if any, pursuant to interest rate Hedging Obligations with respect to Indebtedness, and excluding (s) any interest in relation to pension obligations and other post-employment obligations and benefits, (t) penalties and interest relating to taxes, (u) any additional cash interest owing pursuant to any registration rights agreement, (v) accretion or accrual of discounted liabilities other than Indebtedness, (w) any expense resulting from the discounting of any Indebtedness in connection with the application of purchase accounting in connection with any acquisition, (x) amortization of deferred financing fees, debt issuance costs, commissions, fees and expenses, (y) any expensing of bridge, commitment and other financing fees and (z) interest with respect to Indebtedness of any parent of such Person appearing upon the balance sheet of such Person solely by reason of push-down accounting under IFRS; *plus*

(2) consolidated capitalized interest of such Person and its Restricted Subsidiaries for such period, whether paid or accrued; *less*

(3) other than in connection with the calculation of Consolidated EBITDA, interest income for such period.

"Consolidated Net Income" shall mean, with respect to any Person for any period, the net income (loss) of such Person and its Restricted Subsidiaries for such period determined on a consolidated basis for such period taken as a single accounting period determined in accordance with IFRS; provided, however, that there will not be included in such Consolidated Net Income:

(1) subject to the limitations contained in clause (3) below, any net income (loss) of any Person if such Person is not a Restricted Subsidiary, except that Consolidated Net Income will be increased by the aggregate amount of dividends, distributions or other payments made in cash or Cash Equivalents (or converted into cash or Cash Equivalents) actually distributed by such Person to the Borrower or any other Restricted Subsidiary;

(2) [reserved];

(3) any net gain (or loss) realized upon the sale or other disposition of any asset (including pursuant to any Sale and Leaseback Transaction) or disposed operations of the Borrower or any Restricted Subsidiaries which is not sold or otherwise disposed of in the ordinary course of business (as determined in good faith by an Officer or the Board of Directors of the Borrower);

(4) (i) any extraordinary, exceptional, unusual or nonrecurring gain, loss, charge or expense (including relating to the Transaction Expenses), or (ii) any charges, expenses or reserves in respect of any restructuring, redundancy or severance expense;

(5) the cumulative effect of a change in accounting principles (effected by way of either a cumulative effect adjustment or as a retroactive application, in each case, in accordance with IFRS);

(6) any (i) non-cash compensation charge or expense arising from any grant of stock, stock options or other equity based awards and any non-cash deemed finance charges in respect of any pension liabilities or other provisions and (ii) income (loss) attributable to deferred compensation plans or trusts;

(7) all deferred financing costs written off and premiums paid or other expenses incurred directly in connection with any early extinguishment of Indebtedness and any net gain (loss) from any write-off, forgiveness or early extinguishment of Indebtedness;

(8) any unrealized gains or losses in respect of any Hedging Obligations or any ineffectiveness recognized in earnings related to qualifying hedge transactions or the fair value of changes therein recognized in earnings for derivatives that do not qualify as hedge transactions, in each case, in respect of any Hedging Obligations;

(9) any unrealized foreign currency translation or transaction gains or losses in respect of Indebtedness of any Person denominated in a currency other than the functional currency of such Person and any unrealized foreign exchange gains or losses relating to translation of assets and liabilities denominated in foreign currencies;

(10) any unrealized foreign currency translation or transaction gains or losses in respect of Indebtedness or other obligations of the Borrower or any Restricted Subsidiary owing to the Borrower or any Restricted Subsidiary;

(11) any purchase accounting effects including adjustments to inventory, property and equipment, software and other intangible assets and deferred revenue in component amounts required or permitted by IFRS and related authoritative pronouncements (including the effects of such adjustments pushed down to the Borrower and the Restricted Subsidiaries), as a result of any consummated acquisition, or the amortization or write-off of any amounts thereof (including any write-off of in process research and development);

(12) any goodwill or other intangible asset impairment charge or write-off;

(13) any after-tax effect of income (loss) from the early extinguishment or cancellation of Indebtedness or any Hedging Obligations or other derivative instruments;

(14) accruals and reserves that are established within twelve (12) months after the Closing Date that are so required to be established as a result of the Transactions in accordance with IFRS;

(15) any net unrealized gains and losses resulting from Hedging Obligations or embedded derivatives that require similar accounting treatment and the application of Accounting Standards Codification Topic 815 and related pronouncements;

(16) any deferred tax expense associated with tax deductions or net operating losses arising as a result of the Transaction, or the release of any valuation allowances related to such item; and

(17) to the extent covered by insurance and actually reimbursed, or, so long as the Borrower has made a determination that there exists reasonable evidence that such amount will in fact be reimbursed by the insurer and only to the extent that such amount is (A) not denied by the applicable carrier in writing within 180 days and (B) in fact reimbursed within 365 days of the date of such evidence (with a deduction for any amount so added back to the extent not so reimbursed within 365 days), expenses with respect to liability or casualty events or business interruption.

In addition, to the extent not already included in the calculation of Consolidated Net Income of such Person and its Restricted Subsidiaries, notwithstanding anything to the contrary in the foregoing, Consolidated Net Income shall (i) exclude any expenses and charges that are reimbursed by indemnification or other reimbursement provisions in connection with any investment or any sale, conveyance, transfer or other disposition of assets permitted hereunder and (ii) include the proceeds of business interruption insurance in an amount representing the earnings for the applicable period that such proceeds are intended to replace (whether or not received so long as the Borrower in good faith expects to receive such proceeds within the next four fiscal quarters (with a deduction in the applicable future period for any amount so added back to the extent not so received within the next four fiscal quarters)).

"Consolidated Total Assets" shall mean the total assets of the Borrower and its Restricted Subsidiaries on a consolidated basis, as shown on the most recent balance sheet of the Borrower delivered pursuant to Section 8.01(a) or (b); provided that for the period prior to the time any such statements are so delivered pursuant to Section 8.01(a) or (b), the financial statements delivered on the Closing Date pursuant to Section 5.12.

"Consolidated Total Leverage Ratio" shall mean, on any date of determination, the ratio of (x) Consolidated Indebtedness on such date to (y) Consolidated EBITDA for the Calculation Period, as applicable, most recently ended on or prior to such date.

"Consolidated Total Secured Leverage Ratio" shall mean, as of any date of determination, the ratio of (x) Consolidated Indebtedness as of such date that is secured by a Lien on the Collateral to (y) the aggregate amount of Consolidated EBITDA of the Borrower for the most recently ended Calculation Period.

"Construction Claims" shall mean the prepetition claims of third-party contractors to ESAI in connection with services provided to ESAI with respect to the Acquired Business prior to the Filing Date in an aggregate principal amount not to exceed Can$6,000,000.

"Construction Claims Account(s)" shall mean a reserve account or accounts designated in writing by the Borrower to the Administrative Agent held by the CCAA Court-appointed Monitor of the Sellers in respect of the Construction Claims.

"Contingent Obligation" shall mean, with respect to any Person, any obligation of such Person guaranteeing in any manner, whether directly or indirectly, any operating lease, dividend or other obligation that does not constitute Indebtedness ("primary obligations") of any other Person (the "primary obligor"), including any obligation of such Person, whether or not contingent:

(1) to purchase any such primary obligation or any property constituting direct or indirect security therefor;

(2) to advance or supply funds:

(a) for the purchase or payment of any such primary obligation; or

(b) to maintain the working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; or

(3) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation against loss in respect thereof.

"Control" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ownership of voting securities, by contract or otherwise, and the terms "Controlling" and "Controlled" shall have meaning correlative thereto.

"Control Agreement" shall have the meaning provided to such term in the applicable Security Agreement.

"Cortland" shall mean Cortland Capital Market Services LLC and its successors.

"Court" shall mean the Ontario Superior Court of Justice (Commercial List).

"Credit Agreement Refinancing Indebtedness" means (a) Permitted First Priority Refinancing Debt, (b) Permitted Junior Priority Refinancing Debt or (c) Permitted Unsecured Refinancing Debt, in each case, issued in exchange for, or to extend, renew, replace, repurchase, retire or refinance, in whole or part, any Class of existing Term Loans, or any then-existing Credit Agreement Refinancing Indebtedness (the "Refinanced Debt"); provided that (i) such Credit Agreement Refinancing Indebtedness has a maturity no earlier than the Refinanced Debt and a Weighted Average Life to Maturity equal to or greater than, the Refinanced Debt, in each case, as determined on the date of Incurrence thereof; provided, that the foregoing limitations in this clause (i) shall not apply to (A) customary bridge loans with a maturity date not longer than one year which, subject to customary conditions, provide for automatic conversion or exchange into Indebtedness that otherwise complies with the requirements of this clause (i) and (B) any such Credit Agreement Refinancing Indebtedness having an aggregate principal amount outstanding, together with the aggregate principal amount of any Refinancing Debt excluded from Section 2.14(a)(v), not exceeding $50,000,000, (ii) subject to Section 1.06(g), such Credit Agreement Refinancing Indebtedness shall not have a greater principal amount than the principal amount (or accreted value, if applicable) of the Refinanced Debt plus accrued interest, fees, premiums (if any) and penalties thereon,

any committed but undrawn amount and underwriting discounts, commissions, fees (including upfront fees, original issue discount or initial yield payments) and expenses associated with the refinancing, (iii) the covenants and events of default of such Credit Agreement Refinancing Indebtedness (excluding optional prepayment or redemption terms) shall be either (A) substantially identical to, or (taken as a whole) no more favorable (as determined by the Borrower in good faith) to the lenders thereof than those applicable to the Refinanced Debt (other than covenants and events of default (x) applicable only to periods after the then Latest Maturity Date existing at the time of such refinancing or (y) that are more favorable to the lenders or the agent of such Refinanced Debt than those contained in the Credit Documents and are then conformed (or added) to the Credit Documents (it being understood that no consent of the Administrative Agent or any existing Lender shall be required to add any such more favorable provision to the Credit Documents)) or (B) then-current market terms (as determined by the Borrower in good faith at the time of Incurrence (or the obtaining of a commitment with respect thereto)) for the applicable type of Credit Agreement Refinancing Indebtedness, (iv) the Effective Yield with respect such Credit Agreement Refinancing Indebtedness shall be determined by the Borrower and those providing such Credit Agreement Refinancing Indebtedness, (v) such Refinanced Debt shall be repaid, repurchased, retired, defeased or satisfied and discharged, and all accrued interest, fees, premiums (if any) and penalties in connection therewith shall be paid, on the date such Credit Agreement Refinancing Indebtedness is Incurred, (vi) such Credit Agreement Refinancing Indebtedness is not at any time borrowed or guaranteed by any Person other than the Borrower and the Guarantors, (vii) to the extent secured, such Credit Agreement Refinancing Indebtedness is not secured by property other than the Collateral, (viii) if the Refinanced Debt is subordinated in right of payment to, or to the Liens securing, the Credit Document Obligations, then such Credit Agreement Refinancing Indebtedness shall be subordinated in right of payment to, or to the Liens securing, the Obligations, as applicable, on terms reasonably acceptable to the Administrative Agent (subject to Required Lenders Negative Consent), (ix) such Credit Agreement Refinancing Indebtedness shall be *pari passu* or junior in right of payment and, if secured, secured on a *pari passu* or junior basis with respect to security, with respect to the Term Facility to the extent outstanding and (x) if the Refinanced Debt is unsecured, then such Credit Agreement Refinancing Indebtedness shall be unsecured.

"Credit Document Obligations" shall mean obligations of Borrower and the other Credit Parties from time to time arising under or in respect of the due and punctual payment of (i) the principal of and premium, if any, and interest (including interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding at the rate provided for herein, regardless of whether allowed or allowable in such proceeding) on the Loans, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise and (ii) all other monetary obligations, including fees, costs, expenses and indemnities, whether primary, secondary, direct, contingent, fixed or otherwise (including monetary obligations incurred during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), of Borrower and the other Credit Parties under this Agreement and the other Credit Documents.

"Credit Documents" shall mean collectively (i) each Initial Credit Document and (ii) each Acceptable Intercreditor Agreement executed and delivered after the Closing Date, any Extension Amendment, any Refinancing Amendment, any Incremental Facility Amendment and, after the execution and delivery thereof pursuant to the terms of this Agreement, each Term Note, and each other Security Document executed after the Closing Date, any amendment or joinder to this Agreement and any other document or instrument designated by the Borrower and the Administrative Agent as a "Credit Document".

"Credit Facilities" means the Term Facility and any Additional Revolving Facility.

"Credit Party" shall mean Holdings, the Borrower and each Subsidiary Guarantor.

"DB Plan" shall mean each Plan that is a defined benefit pension plan or which contains a defined benefit pension provision and is contributed to, or is required to be contributed to, by a Credit Party and that is or is required to be registered under the PBA, provided for greater certainty that the WRAP Pension Plan shall not be considered a DB Plan under this Agreement until such time that the WRAP Pension Plan has been assumed by the Borrower in accordance with the applicable Pension Matters Documents.

"Debt Fund Affiliate" means any Affiliate (other than a natural person) of an Investor that is a bona fide debt fund or investment vehicle that is engaged in, or advises funds or other investment vehicles that are engaged in, making, purchasing, holding or otherwise investing in commercial loans, bonds and similar extensions of credit in the ordinary course of business.

"Debt Issuance" shall mean the Incurrence by the Borrower or any of its Restricted Subsidiaries of any Indebtedness after the Closing Date (other than as permitted by Section 9.04, excluding any Specified Refinancing Debt, Credit Agreement Refinancing Indebtedness and any Incremented Equivalent Debt Incurred to refinance all or a portion of any Subject Loans in accordance with the requirements of Section 2.14 or 12.12(d)).

"Debtor Relief Laws" means the Bankruptcy Code, the Canadian Insolvency Laws, and all other liquidation, conservatorship, bankruptcy, general assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization or similar debtor relief laws of the U.S., Canada or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

"Declined Proceeds" has the meaning assigned to such term in Section 4.02(h).

"Default" shall mean any event, act or condition which with notice or lapse of time, or both, would constitute an Event of Default.

"Default Rate" shall mean an interest rate equal to (after as well as before judgment), (a) with respect to any overdue principal or interest for any Initial Term Loan, the applicable interest rate for such Initial Term Loan plus 2.00% per annum and (b) with respect to any other overdue amount, the interest rate applicable to Initial Term Loans that are Base Rate Loans plus 2.00% per annum, in each case, to the fullest extent permitted by Applicable Law.

"Defaulting Lender" shall mean any Lender with respect to which a Lender Default is in effect.

"Deposit Account" shall mean a demand, time, savings, passbook or like account with a bank, savings and loan association, credit union or like organization; provided that Deposit Account shall not include any Excluded Account (as defined in the ABL Credit Agreement or any other ABL Facility).

"Designated Non-Cash Consideration" means the Fair Market Value of non-cash consideration received by the Borrower or any Restricted Subsidiary in connection with any Asset Disposition pursuant to Section 9.08 that is designated as Designated Non-Cash Consideration pursuant to a certificate of an Authorized Officer of the Borrower, setting forth the basis of such valuation (which amount will be reduced by the amount of cash or Cash Equivalents received in connection with a subsequent sale or conversion of such Designated Non-Cash Consideration to cash or Cash Equivalents).

"Designated Person" shall mean a Person:

(a) listed in the annex to, or otherwise subject to the provisions of, the Executive Order;

(b) that is named as a "specially designated national and blocked person" ("SDN") on the most current list published by OFAC at its official website or any replacement website or other replacement official publication of such list or a Person that is designated under the Special Economic Measures Act (Canada);

(c) in which an SDN or Person described in subparagraph (d) of this definition has 50% or greater ownership interest;

(d) listed on any other Sanctions-related list maintained by OFAC or the U.S. Department of State according to the most current version published by OFAC or the U.S. Department of State at its or their official website or any replacement website or other replacement official publication of such list or lists;

(e) with which any Lender is prohibited from dealing or otherwise engaging in any transaction by any Sanctions; or

(f) listed in any other applicable Sanctions-related list of blocked Persons, including the annexes to any of the restrictive measures adopted by the EU in the frame work of the Common Foreign and Security Policy or, additionally, by the United Kingdom or a "designated person" under any Canadian Anti-Terrorism Law.

"Designated Preferred Stock" shall mean, with respect to the Borrower, Preferred Stock (other than Disqualified Stock) (a) that is issued for cash (other than to the Borrower or a Subsidiary of the Borrower or an employee stock ownership plan or trust established by the Borrower or any such Subsidiary for the benefit of their employees to the extent funded by the Borrower or such Subsidiary) and (b) that is designated as "Designated Preferred Stock" pursuant to an Officer's Certificate of the Borrower at or prior to the issuance thereof, the Net Cash Proceeds of which are excluded from the calculation set forth in Section 9.03(a).

"DIP Facility" shall mean that certain Amended and Restated Senior Secured, Priming and Superpriority Debtor-in-Possession Credit Agreement, dated as of November 9, 2015, and as amended and restated as of November 13, 2015, further amended and restated as of September 30, 2016, and amended January 31, 2017, March 31, 2017, July 21, 2017, March 23, 2018, July 31, 2018 and as of September 28, 2018, among ESAI, as borrower, certain affiliates of ESAI party thereto, the lenders referred to therein, Deutsche Bank AG New York Branch, as administrative agent and as collateral agent and the other parties thereto, as further amended, supplemented or otherwise modified from time to time prior to the Closing Date.

"Discount Range" has the meaning specified in clause (a) of the definition of "Dutch Auction."

"Disinterested Director" shall mean, with respect to any Affiliate Transaction, a member of the Board of Directors of the Borrower having no material direct or indirect financial interest in or with respect to such Affiliate Transaction. A member of the Board of Directors of the Borrower shall be deemed not to have such a financial interest by reason of such member's holding Capital Stock of the Borrower or any options, warrants or other rights in respect of such Capital Stock.

"Disqualified Lenders" shall mean:

(a) (i) any Person identified as such in writing by or on behalf of the Borrower to the Administrative Agent on or prior to November 19, 2018, (ii) any Affiliate of any Person described in clause (i) above that is reasonably identifiable as an Affiliate of such Person on the basis of such Affiliate's name and (iii) any other Affiliate of any Person described in clause (i) above that is identified by the Borrower in a written notice to the Administrative Agent (in each case with respect to clause (a)(ii) and (a)(iii) of this paragraph, other than Bona Fide Debt Funds (other than any such Bona Fide Debt Fund that was designated as a Disqualified Lending Institution pursuant to clause (a)(i) of this paragraph)) (each such person described in clauses (i) through (iii) above, a "Disqualified Lending Institution"); and

(b) (i) any Person that is or becomes a Company Competitor and/or any Affiliate of any Company Competitor (other than any Affiliate that is a Bona Fide Debt Fund) and is identified by the Borrower (or its attorneys) as such in writing to the Administrative Agent, (ii) any Affiliate of any Person described in clause (i) above that is reasonably identifiable as an Affiliate of such person on the basis of such Affiliate's name and (iii) any other Affiliate of any Person described in clause (i) above that is identified by the Borrower in a written notice to the Administrative Agent (in each case with respect to clause (b)(ii) and (b)(iii) of this paragraph, other than Bona Fide Debt Funds (other than any such Bona Fide Debt Fund that was designated as a Disqualified Lending Institution pursuant to clause (a)(i) above)));

it being understood and agreed that no written notice delivered pursuant to clauses (a)(iii), (b)(i) and/or (b)(iii) above shall apply retroactively to disqualify any Person that has previously acquired an assignment or participation interest in any Loans if such Person was not a Disqualified Lender at the time of such assignment or granting of such participation interest.

"Disqualified Stock" shall mean any Capital Stock which, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable), or upon the happening of any event, (a) matures (excluding any maturity as the result of an optional redemption by the issuer thereof) or is mandatorily redeemable (other than for Qualified Capital Stock), pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof (other than for Qualified Capital Stock), in whole or in part, on or prior to 91 days following the Latest Maturity Date, at the time such Capital Stock is issued (it being understood that if any such redemption is in part, only such part coming into effect on or prior to 91 days following the Latest Maturity Date at the time such Capital Stock is issued shall constitute Disqualified Stock), (b) is or becomes convertible into or exchangeable (unless at the sole option of the issuer thereof) for (i) debt securities or (ii) any Capital Stock that would constitute Disqualified Stock, in each case at any time on or prior to 91 days following the Latest Maturity Date at the time such Capital Stock is issued, (c) contains any mandatory repurchase obligation or any other repurchase obligation at the option of the holder thereof (other than for Qualified Capital Stock), in whole or in part, which may come into effect on or prior to 91 days following the Latest Maturity Date at the time such Capital Stock is issued (it being understood that if any such repurchase obligation is in part, only such part coming into effect on or prior to 91 days following such Latest Maturity Date at the time such Capital Stock is issued shall constitute Disqualified Stock) or (d) provides for the scheduled payments of dividends in cash on or prior to 91 days following the Latest Maturity Date at the time such Capital Stock is issued; provided, however, that any Capital Stock that would not constitute Disqualified Stock but for provisions thereof giving holders thereof (or the holders of any security into or for which such Capital Stock is convertible, exchangeable or exercisable) the right to require the issuer thereof to redeem such Capital Stock upon the occurrence of a change in control, Qualifying IPO or any disposition occurring on or prior to 91 days following the Latest Maturity Date at the time such Capital Stock is

issued shall not constitute Disqualified Stock if such Capital Stock provides that the issuer thereof will not redeem any such Capital Stock pursuant to such provisions prior to the Termination Date.

Notwithstanding the preceding sentence, (A) if such Capital Stock is issued pursuant to any plan for the benefit of directors, officers, employees, members of management, managers, independent contractors or consultants or by any such plan to such directors, officers, employees, members of management, managers, independent contractors or consultants, in each case in the ordinary course of business of Holdings, the Borrower or any Restricted Subsidiary, such Capital Stock shall not constitute Disqualified Stock solely because it may be required to be repurchased by the issuer thereof in order to satisfy applicable statutory or regulatory obligations and (B) no Capital Stock held by any future, current or former director, officer, employee, member of management, manager, independent contractor or consultant (or any Immediate Family Member or transferee of any of the foregoing) of Holdings, the Borrower or any Restricted Subsidiary or Parent Entity shall be considered Disqualified Stock because such stock is redeemable or subject to repurchase pursuant to any management equity subscription agreement, stock option, stock appreciation right or other stock award agreement, stock ownership plan, put agreement, stockholder agreement or similar agreement that may be in effect from time to time.

"Domestic Foreign Holdco" means any Subsidiary of a U.S. Subsidiary that has no material assets other than the Capital Stock and/or Indebtedness of one or more Foreign Subsidiaries, IP Rights related to such Foreign Subsidiaries, Cash or Cash Equivalents and other incidental assets related thereto.

"Dutch Auction" shall mean an auction (an "Auction") conducted by an Affiliated Lender (any such Person, the "Auction Party") in order to purchase Term Loans under any Class in accordance with the following procedures; provided that no Auction Party shall initiate any Auction unless (I) at least five Business Days shall have passed since the consummation of the most recent purchase of Term Loans pursuant to an Auction conducted hereunder; or (II) at least three Business Days shall have passed since the date of the last Failed Auction which was withdrawn pursuant to clause (c)(i) below:

(a) Notice Procedures. In connection with an Auction, the Auction Party will provide notification to the Auction Agent (for distribution to the Appropriate Lenders) of the Class of Term Loans that will be the subject of the Auction (an "Auction Notice"). Each Auction Notice shall be in a form reasonably acceptable to the Auction Agent and shall (i) specify the maximum aggregate principal amount of the Term Loans subject to the Auction, in a minimum amount of $5,000,000 and whole increments of $1,000,000 in excess thereof (or, in any case, such lesser amount as is otherwise reasonably acceptable to the Auction Agent) (the "Auction Amount"), (ii) specify the discount to par, which may be a range (the "Discount Range") of percentages of the par principal amount of the Term Loans subject to such Auction, that represents the range of purchase prices that the Auction Party would be willing to accept in the Auction, (iii) be extended, at the sole discretion of the Auction Party, to (x) each Lender and/or (y) each Lender with respect to any Term Loans on an individual Class basis and (iv) remain outstanding through the Auction Response Date. The Auction Agent will promptly provide each Appropriate Lender with a copy of such Auction Notice and a form of the Return Bid to be submitted by a responding Lender to the Auction Agent (or its delegate) by no later than 5:00 p.m., New York City time, on the date specified in such Auction Notice (or such later date as the Auction Party may agree to extend with the reasonable consent of the Auction Agent) (the "Auction Response Date").

(b) Reply Procedures. In connection with any Auction, each Lender holding the relevant Term Loans subject to such Auction may, in its sole discretion, participate in such Auction and may provide the Auction Agent with a notice of participation (the "Return Bid") which shall be in a form reasonably acceptable to the Auction Agent, and shall specify (i) a discount to par (that must be expressed as a price at which it is willing to sell all or any portion of such Term Loans) (the "Reply Price"), which

(when expressed as a percentage of the par principal amount of such Term Loans) must be within the Discount Range, and (ii) a principal amount of such Term Loans, which must be in whole increments of $1,000,000 (or, in any case, such lesser amount as is specified in the Auction Notice) (the "Reply Amount"). A Lender may avoid the minimum amount condition specified in clause (ii) of the preceding sentence solely when submitting a Reply Amount equal to the Lender's entire remaining amount of such Term Loans. Lenders may only submit one Return Bid per Auction but each Return Bid may contain up to three bids only one of which may result in a Qualifying Bid (as defined below). In addition to the Return Bid, the participating Lender must execute and deliver, to be held in escrow by the Auction Agent, an Assignment and Assumption Agreement with the U.S. Dollar amount of the Term Loans to be assigned to be left in blank, which amount shall be completed by the Auction Agent in accordance with the final determination of such Lender's Qualifying Bid pursuant to clause (c) below. Any Lender whose Return Bid is not received by the Auction Agent by the Auction Response Date shall be deemed to have declined to participate in the relevant Auction with respect to all of its Term Loans.

(c) Acceptance Procedures. Based on the Reply Prices and Reply Amounts received by the Auction Agent prior to the applicable Auction Response Date, the Auction Agent, in consultation with the Auction Party, will determine the applicable price (the "Applicable Price") for the Auction, which will be the lowest Reply Price for which the Auction Party can complete the Auction at the Auction Amount; provided that, in the event that the Reply Amounts are insufficient to allow the Auction Party to complete a purchase of the entire Auction Amount (any such Auction, a "Failed Auction"), the Auction Party shall either, at its election, (i) withdraw the Auction or (ii) complete the Auction at an Applicable Price equal to the highest Reply Price sufficient to complete a purchase of the entire Auction Amount. The Auction Party shall purchase the relevant Term Loans (or the respective portions thereof) from each Lender with a Reply Price that is equal to or lower than the Applicable Price ("Qualifying Bids") at the Applicable Price; provided that if the aggregate proceeds required to purchase all Term Loans subject to Qualifying Bids would exceed the Auction Amount for such Auction, the Auction Party shall purchase such Term Loans at the Applicable Price ratably based on the principal amounts of such Qualifying Bids (subject to rounding requirements specified by the Auction Agent in its discretion). If a Lender has submitted a Return Bid containing multiple bids at different Reply Prices, only the bid with the lowest Reply Price that is equal to or less than the Applicable Price will be deemed to be the Qualifying Bid of such Lender (e.g., a Reply Price of $100 with a discount to par of 1.0%, when compared to an Applicable Price of $100 with a 2.0% discount to par, will not be deemed to be a Qualifying Bid, while, however, a Reply Price of $100 with a discount to par of 2.50% would be deemed to be a Qualifying Bid). The Auction Agent shall promptly, and in any case within five Business Days following the Auction Response Date with respect to an Auction, notify (I) the Administrative Agent (if not the Auction Agent) and the Borrower of the respective Lenders' responses to such solicitation, the effective date of the purchase of Term Loans pursuant to such Auction, the Applicable Price, and the aggregate principal amount of the Term Loans and the tranches thereof to be purchased pursuant to such Auction, (II) each participating Lender of the effective date of the purchase of Term Loans pursuant to such Auction, the Applicable Price, and the aggregate principal amount and the tranches of Term Loans to be purchased at the Applicable Price on such date, (III) each participating Lender of the aggregate principal amount and the tranches of the Term Loans of such Lender to be purchased at the Applicable Price on such date and (IV) if applicable, each participating Lender of any rounding and/or proration pursuant to the second preceding sentence. Each determination by the Auction Agent of the amounts stated in the foregoing notices to the Borrower and Lenders shall be conclusive and binding for all purposes absent manifest error.

(d) Additional Procedures.

(i) Once initiated by an Auction Notice, the Auction Party may not withdraw an Auction other than a Failed Auction. Furthermore, in connection with any Auction, upon submission by a Lender

of a Qualifying Bid, such Lender (each, a "Qualifying Lender") will be obligated to sell the entirety or its allocable portion of the Reply Amount, as the case may be, at the Applicable Price.

(ii) To the extent not expressly provided for herein, each purchase of Term Loans pursuant to an Auction shall be consummated pursuant to procedures consistent with the provisions in this definition, established by the Auction Agent acting in its reasonable discretion and as reasonably agreed by the Borrower.

(iii) In connection with any Auction, the Borrower and the Lenders acknowledge and agree that the Auction Agent may require as a condition to any Auction, the payment of customary fees and expenses by the Auction Party in connection therewith as agreed between the Auction Party and the Auction Agent.

(iv) Notwithstanding anything in any Credit Document to the contrary, for purposes of this definition, each notice or other communication required to be delivered or otherwise provided to the Auction Agent (or its delegate) shall be deemed to have been given upon the Auction Agent's (or its delegate's) actual receipt during normal business hours of such notice or communication; provided that any notice or communication actually received outside of normal business hours shall be deemed to have been given as of the opening of business on the next Business Day.

(v) The Borrower and the Lenders acknowledge and agree that the Auction Agent may perform any and all of its duties under this definition by itself or through any Affiliate of the Auction Agent and expressly consent to any such delegation of duties by the Auction Agent to such Affiliate and the performance of such delegated duties by such Affiliate. The exculpatory provisions pursuant to this Agreement shall apply to the Auction Agent and each Affiliate of the Auction Agent and its respective activities in connection with any purchase of Term Loans provided for in this definition as well as activities of the Auction Agent.

"EEA Financial Institution" means (a) any credit institution or investment firm established in any EEA Member Country that is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country that is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country that is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"EEA Member Country" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"EEA Resolution Authority" means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"ECP" shall have the meaning set forth in the definition of Excluded Swap Obligation.

"Effective Yield" shall mean, as to any Indebtedness, the effective yield on such Indebtedness in the reasonable determination of the Administrative Agent in consultation with the Borrower in a manner consistent with generally accepted financial practices, taking into account (a) the applicable interest rate margins, (b) any interest rate floors (the effect of which floors shall be determined in a manner set forth in the proviso below), (c) any amendment to the relevant interest rate margins and interest rate floors prior to the applicable date of determination and (d) original issue discount and upfront or similar fees (amortized over the shorter of (i) the remaining life of such Indebtedness and (ii) the four

years following the date of incurrence thereof), but excluding (i) any advisory, arrangement, commitment, consent, structuring, success, underwriting, ticking, unused line fees, amendment fees and/or any similar fees payable in connection therewith (regardless of whether any such fees are paid to or shared in whole or in part with any lender) and (ii) any other fee that is not paid directly by the Borrower generally to all relevant lenders ratably (or, if only one lender (or affiliated group of lenders) is providing such Indebtedness, are fees of the type not customarily shared with lenders generally); provided that, with respect to any Indebtedness that includes a "LIBOR floor" or "Base Rate floor", (a) to the extent that the LIBO Rate (for an Interest Period of three months) or Base Rate (in each case without giving effect to any floors in such definitions, as applicable, on the date that the Effective Yield is being calculated) is less than such floor, the amount of such difference shall be deemed added to the interest rate margin applicable to such Indebtedness for the purpose of calculating the Effective Yield and (b) to the extent that the LIBO Rate (for an Interest Period of three months) or Base Rate (in each case, without giving effect to any floor specified in the definitions thereof) is greater than such floor, the floor will be disregarded in calculating the Effective Yield.

"Eligible Transferee" shall mean and include (a) any Lender, (b) a commercial bank, an insurance company, a finance company, a financial institution, any fund that invests in loans or any other "accredited investor" (as defined in Regulation D of the Securities Act), (c) any Affiliate of any Lender or (d) any Approved Fund of any Lender, but, in each case, excluding Disqualified Lenders and any natural person; provided, that, in the case of assignments pursuant to Section 12.04(f) and (g), the definition of Eligible Transferee shall include any Affiliated Lender or any Debt Fund Affiliate.

"Environment" shall mean air, surface water and groundwater (including potable water, navigable water and wetlands), the land surface and subsurface strata, natural resources, and as additionally defined in any Environmental Law, and it includes the natural environment.

"Environmental Claim" shall mean any written claim, notice, demand, order, action, suit, proceeding or other written communication alleging or imposing liability or responsibility for or an obligation with respect to any investigation, remediation, mitigation, removal, cleanup, Response, corrective action, damages to natural resources, personal injury, property damage, fines, penalties or costs resulting from, related to or arising out of (i) the presence, Release or threatened Release in or into the Environment of Hazardous Materials at any location, including any adverse effects thereon; or (ii) any violation or alleged violation of any Environmental Law, and shall include any claim seeking damages, contribution, indemnification, cost recovery, compensation or injunctive relief resulting from, related to or arising out of the presence, Release or threatened Release of Hazardous Materials.

"Environmental Law" shall mean the common law and any and all foreign or domestic, federal, provincial, municipal, territorial or state (or any subdivision of any of them) treaties, laws, statutes, ordinances, regulations, rules, decrees, certificates, approvals, permits, licenses, orders, judgments, consent orders, consent decrees, codes or other binding requirements of any Governmental Authority relating to protection of the Environment, the protection of human health (as related to the exposure to Hazardous Materials and any adverse effect thereon), the Release or threatened Release of Hazardous Materials and any adverse effects thereon, natural resources or natural resource damages and any and all Environmental Permits.

"Environmental Permit" shall mean any permit, license, approval, certificate, registration, notification, exemption, consent or other authorization required by or from a Governmental Authority under Environmental Law.

"Equity Interests" shall mean, with respect to any person, any and all shares, interests, participations or other equivalents, including membership interests (however designated, whether voting

or nonvoting), of equity of such Person, including, if such Person is a partnership, partnership interests (whether general or limited) and any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of property of, such partnership, whether outstanding on the date hereof or issued after the Closing Date, but excluding debt securities convertible or exchangeable into such equity.

"Equity Offering" shall mean (x) a sale of Capital Stock of the Borrower (other than Disqualified Stock) other than offerings registered on Form S-8 (or any successor form) under the Securities Act or any similar offering in other jurisdictions, or (y) the sale of Capital Stock or other securities, the proceeds of which are contributed to the equity (other than through the issuance of Disqualified Stock or through an Excluded Contribution) of the Borrower or any of its Restricted Subsidiaries.

"ERISA" shall mean the U.S. Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations promulgated thereunder.

"ERISA Affiliate" shall mean any Person that for purposes of Title I or Title IV of ERISA or Section 412 of the Code would be deemed at any relevant time to be a single employer or otherwise aggregated with Holdings or any of its Subsidiaries under Section 414(b) or (c) of the Code or Section 4001 of ERISA.

"ERISA Plan" shall mean any "employee benefit plan" as defined in Section 3(3) of ERISA subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA.

"ESAI" has the meaning assigned to such term in the recitals to this Agreement.

"EU Bail-In Legislation Schedule" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

"Event of Default" shall have the meaning provided in Section 10.

"Excess Cash Flow" shall mean, for any Excess Cash Flow Period, Consolidated EBITDA for such Excess Cash Flow Period, minus, without duplication:

(a) Consolidated Debt Service Charges for such Excess Cash Flow Period to the extent not financed with the proceeds of long-term indebtedness (other than revolving loans);

(b) the aggregate amount of (1) all principal payments of Indebtedness for borrowed money of the Borrower and its Restricted Subsidiaries (including the principal component of payments in respect of Capitalized Lease Obligations but excluding any (x) optional prepayment of Indebtedness that is deducted in calculating the amount of any Excess Cash Flow payment in accordance with Section 4.02(d) or (y) revolving Indebtedness except to the extent any related commitment is permanently reduced in connection with such repayment) and (2) the aggregate amount of any premiums, make-whole or penalty payments actually paid in Cash by the Borrower and/or any Restricted Subsidiary that are or were required to be made in connection with any prepayment of Indebtedness, in each case, except to the extent financed with long-term Indebtedness (other than revolving Indebtedness), in each case made during such period or, at the

option of the Borrower, after such period to the extent paid prior to the date of the applicable Excess Cash Flow Payment Date;

(c) the aggregate amount of (i) cash used during such Excess Cash Flow Period to fund any Permitted Acquisition, (ii) Capital Expenditures (including expenditures with respect to improvements to blast furnaces and any related equipment or components and the costs associated therewith) that are paid in cash during such Excess Cash Flow Period and (iii) all cash payments made to acquire IP Rights, in each case except to the extent financed with the proceeds of long-term Indebtedness (other than revolving loans);

(d) the aggregate consideration (i) required to be paid in cash by the Borrower or its Restricted Subsidiaries pursuant to binding contracts entered into prior to or during such period relating to Permitted Investments, Capital Expenditures (including expenditures with respect to improvements to blast furnaces and any related equipment or components and the costs associated therewith), acquisitions or other Restricted Investments permitted by Section 9.03(b) or otherwise consented to by the Required Lenders and/or (ii) otherwise committed or budgeted to be made in connection with Permitted Investments, Capital Expenditures (including expenditures with respect to improvements to blast furnaces and any related equipment or components and the costs associated therewith), acquisitions or other Investments described in clause (e) below, in each case with respect to this clause (d) except any such consideration to the extent financed with the proceeds of long-term Indebtedness (other than revolving loans) (clauses (i) and (ii) of this clause (d), the "Scheduled Consideration") (other than Investments in (x) cash and Cash Equivalents or (y) the Borrower or any Credit Party) to be consummated or made during the period of four consecutive Fiscal Quarters of the Borrower following such Excess Cash Flow Payment Date; provided that to the extent the aggregate amount actually utilized to finance such Permitted Investments, Capital Expenditures, acquisitions or Restricted Investments during such subsequent period of four consecutive Fiscal Quarters is less than the Scheduled Consideration, the amount of the resulting shortfall shall be added to the calculation of Excess Cash Flow at the end of such subsequent period of four consecutive Fiscal Quarters;

(e) cash payments in respect of any Permitted Investment (but excluding Permitted Investments described in clauses (1)(a), (3), (4), (7), (8), (12) and (15) of the definition thereof) or otherwise consented to by the Required Lenders and/or any Restricted Payments permitted by Section 9.03(b) (other than Section 9.03(b)(19)) or otherwise consented to by the Required Lenders, in each case except to the extent financed with the proceeds of long-term Indebtedness (other than revolving loans);

(f) taxes of the Borrower and its Restricted Subsidiaries that were paid in cash during such Excess Cash Flow Period or will be paid in cash within six months after the end of such Excess Cash Flow Period and for which reserves have been established;

(g) Permitted Tax Distributions that are paid in cash during the respective Excess Cash Flow Period or will be paid in cash within six months after the close of such Excess Cash Flow Period;

(h) the absolute value of the difference, if negative, of the amount of Net Working Capital at the end of the prior Excess Cash Flow Period over the amount of Net Working Capital at the end of such Excess Cash Flow Period;

(i) losses excluded from the calculation of Consolidated Net Income by operation of clause (3) of the definition thereof that are paid in cash during such Excess Cash Flow Period;

(j) to the extent added to determine Consolidated EBITDA, all items that did not result from a cash payment to the Borrower or any of its Restricted Subsidiaries on a consolidated basis during such Excess Cash Flow Period;

(k) the aggregate amount of any cash payments made in connection with pension obligations during such Excess Cash Flow Period, in each case, except to the extent financed with long-term Indebtedness (other than revolving Indebtedness);

(l) reimbursable or insured expenses incurred during such period to the extent such reimbursement has not yet been received and to the extent not deducted in arriving at Consolidated Net Income;

(m) any foreign translation losses paid or payable in Cash (including any currency re-measurement of Indebtedness, any net gain or loss resulting from Hedging Agreements for currency exchange risk resulting from any intercompany Indebtedness, any foreign currency translation or transaction or any other currency-related risk) to the extent included in calculating Consolidated EBITDA;

provided that any amount deducted pursuant of any of the foregoing clauses that will be paid after the close of such Excess Cash Flow Period shall not be deducted again in a subsequent Excess Cash Flow Period;

plus, without duplication:

(i) the difference, if positive, of the amount of Net Working Capital at the end of the prior Excess Cash Flow Period over the amount of Net Working Capital at the end of such Excess Cash Flow Period;

(ii) to the extent any permitted Capital Expenditures referred to in clause (d) above do not occur in the Excess Cash Flow Period specified in the certificate of the Borrower provided pursuant to clause (d) above, such amounts of Capital Expenditures that were not so made in the Excess Cash Flow Period specified in such certificates;

(iii) to the extent excluded from the calculation of Consolidated Net Income, any return on or in respect of Investments received in cash during such period, which Investments were Permitted Investments or were made pursuant to Section 9.03(b) and reduced Excess Cash Flow in such Excess Cash Flow Period or in a prior Excess Cash Flow Period;

(iv) to the extent the payment of any taxes or Permitted Tax Distributions referred to in clause (f) or (g) above that were deducted (but not paid in cash) in the

immediately preceding Excess Cash Flow Period were not paid in cash during the Excess Cash Flow Period, such amounts of taxes and Permitted Tax Distributions that were not so paid in cash in such Excess Cash Flow Period;

(v) income or gain excluded from the calculation of Consolidated Net Income pursuant to the definition thereof that is realized in cash during such Excess Cash Flow Period;

(vi) to the extent subtracted in determining Consolidated EBITDA, all items that did not result from a cash payment by the Borrower or any of its Restricted Subsidiaries on a consolidated basis during such Excess Cash Flow Period; and

(vii) cash received during such period in respect of reimbursable or incurred expenses for which a deduction from Excess Cash Flow was made in a pro forma period pursuant to clause (l) above; and

(viii) to the extent any permitted Investments referred to in clause (d) above do not occur in the Excess Cash Flow Period specified in the certificate of the Borrower provided pursuant to clause (d) above, such amounts of Investments that were not so made in the Excess Cash Flow Period specified in such certificates.

"Excess Cash Flow Period" shall mean, with respect to the repayment required on each Excess Cash Flow Payment Date, the immediately preceding Fiscal Year of the Borrower.

"Excess Cash Flow Payment Date" shall mean the date no later than the fifth Business Day after the date on which the financial statements with respect to each Fiscal Year of the Borrower are delivered pursuant to Section 8.01(b) (commencing with the Fiscal Year of the Borrower ending March 31, 2020).

"Exchange Act" shall mean the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder, as amended.

"Excluded Assets" means each of the following (with each capitalized terms used in this definition and not defined herein having the meaning ascribed thereto in the UCC or the PPSA, as applicable):

(a) any asset (including any contract, instrument, lease, license, permit, agreement or other document, or any property or other right subject thereto (including pursuant to a purchase money security interest, capital lease or similar arrangement or, in the case of after-acquired property, pre-existing secured Indebtedness not incurred in anticipation of the acquisition by the Credit Party of such property)) the grant or perfection of a security interest in which would (i) constitute a violation of a restriction in favor of a third party (other than a Credit Party or a Restricted Subsidiary) or result in the abandonment, invalidation or unenforceability of any right or assets of the relevant Credit Party, (ii) result in a breach, termination (or a right of termination) or default under any such contract, instrument, lease, license, permit, agreement or other document (including pursuant to any "change of control" or similar provision) unless and until any relevant consent has been obtained (there being no requirement pursuant to any Credit Document to obtain any consent in respect thereof from any Person that is not also a Credit Party or Restricted Subsidiary) or (iii) permit any Person (other than any Credit Party or a Restricted Subsidiary) to amend any rights, benefits and/or obligations of the relevant Credit Party or Restricted Subsidiary in respect of such relevant asset or permit such Person to require any Credit Party or any subsidiary of the Borrower to take any action materially adverse to the interests of such subsidiary or

Credit Party; provided, however, that any such asset will only constitute an Excluded Asset under clause (i) or clause (ii) above to the extent such violation or breach, termination (or right of termination) or default would not be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the UCC (or any successor provision or provisions) or Section 40(4) of the PPSA of the Province of Ontario or equivalent in any other province or territory in Canada (or any successor provision or provisions) or any equivalent provision or provisions of any relevant jurisdiction or any other applicable Requirement of Law; provided, further, that any such asset shall cease to constitute an Excluded Asset at such time as the condition causing such violation, breach, termination (or right of termination) or default or right to amend or require other actions no longer exists and to the extent severable, the security interest granted under the applicable Security Document shall attach immediately to any portion of such right that does not result in any of the consequences specified in clauses (i) through (iii) above,

(b) the Capital Stock of any (i) Captive Insurance Subsidiary, (ii) Unrestricted Subsidiary, (iii) broker-dealer subsidiary, (iv) not-for-profit subsidiary, (v) any Person that is not a Wholly-Owned Restricted Subsidiary, (vi) Immaterial Subsidiary and/or (vii) special purpose entity used for any securitization facility,

(c) any intent-to-use U.S. trademark application prior to the filing of a "Statement of Use," "Amendment to Allege Use" with respect thereto, only to the extent, if any, that, and solely during the period, if any, in which, the grant of a security interest therein may impair the validity or enforceability, or result in the voiding of, such intent-to-use trademark application or any registration issuing therefrom under Applicable Law,

(d) any asset or property (including Capital Stock), the grant or perfection of a security interest in which would (A) require any governmental or regulatory consent, approval, license or authorization that has not been obtained (there being no requirement under any Credit Document to obtain the consent, approval, license or authorization of any Governmental Authority or other Person (other than any Credit Party), including no requirement to comply with the Federal Assignment of Claims Act, the Financial Administration Act (Canada) or any similar statute), (B) be prohibited or restricted by applicable Requirements of Law (including enforceable anti-assignment provisions of applicable Requirements of Law), except, in the case of the foregoing clause (A) and this clause (B), to the extent such prohibition would be rendered ineffective under applicable anti-assignment provisions of the UCC or any equivalent provision or provisions under the PPSA or of any relevant jurisdiction notwithstanding such prohibition, (C) trigger termination of any contract pursuant to a "change of control" or similar provision or (D) reasonably be expected to result in material adverse tax or adverse regulatory consequences to any Credit Party or any of its Restricted Subsidiaries or Parent Entities as determined by the Borrower in good faith,

(e) (i) except to the extent a security interest therein can be perfected by the filing of an "all-assets" UCC-1 financing statement or an "all present and after-acquired property" financing statement under the PPSA, any leasehold interest that is not a Material Real Estate Asset and (ii) any Real Property that is not a Material Real Estate Asset,

(f) any Margin Stock,

(g) any equity interest of any Foreign Subsidiary of any U.S. Subsidiary or Domestic Foreign Holdco in excess of 65% of the equity interest of such Foreign Subsidiary or Domestic Foreign Holdco, as applicable,

(h) (i) any Letter-of-Credit-Right (other than to the extent a security interest in such Letter-of-Credit-Right can be perfected solely by filing an "all-assets" UCC financing statement or an "all

present and after-acquired property" financing statement under the PPSA) and (ii) Commercial Tort Claims that are not Material Commercial Tort Claims,

(i) any cash or Cash Equivalents except (1) to the extent constituting ABL Facility Priority Collateral (with the exception in this clause (1) to apply solely while the ABL Credit Agreement (or any other ABL Facility) is in effect) and (2) cash and Cash Equivalents representing identifiable proceeds of other Collateral, a security interest in which (in the case of this clause (2)) can be perfected solely through the filing of an "all-assets" UCC financing statement or an "all present and after-acquired property" PPSA financing statement,

(j) any Deposit Account or commodity or securities account (including any securities entitlement and any related asset) except (1) to the extent constituting ABL Facility Priority Collateral (with the exception in this clause (1) to apply solely while the ABL Credit Agreement (or any other ABL Facility) is in effect) and (2) to the extent a security interest therein can be perfected solely through the filing of an "all assets" UCC financing statement or a financing statement under the PPSA; it being understood that the exception in this clause (2) does not apply to cash or Cash Equivalents other than cash and Cash Equivalents representing identifiable proceeds of other Collateral as referred to in the preceding clause (i),

(k) any motor vehicle, airplane or other asset subject to a certificate of title (other than to the extent a security interest therein can be perfected solely by filing an "all assets" UCC financing statement or an "all present and after-acquired property" financing statement under the PPSA and without the requirement to list any VIN, serial or similar number),

(l) any governmental or regulatory lease, license or state, province or local franchise, charter, consent, permit, tenure, mineral claim or authorization to the extent the granting of a security interest therein is prohibited or restricted thereby or by applicable Requirements of Law; provided, however, that any such asset will only constitute an Excluded Asset under this clause (l) to the extent such prohibition or restriction would not be rendered ineffective pursuant to applicable anti-assignment provisions of the UCC or the PPSA of any relevant jurisdiction,

(m) Excluded Accounts (as defined in the ABL Credit Agreement or any other ABL Facility),

(n) any assets of an Excluded Subsidiary that is not a Credit Party,

(o) the Construction Claims Account(s) and all cash and cash equivalents (including any securities entities and any related asset) held therein,

(p) the last day of the term of any lease or any agreement to lease, and

(q) any asset with respect to which the Administrative Agent and the relevant Credit Party have determined in good faith that the cost, burden, difficulty or consequence (including any effect on the ability of the relevant Credit Party to conduct its operations and business in the ordinary course of business) of obtaining or perfecting a security interest therein outweighs, or is excessive in light of, the benefit of a security interest to the relevant Secured Parties afforded thereby.

"Excluded Contribution" shall mean the aggregate amount of cash or Cash Equivalents or the Fair Market Value of other property or assets received by the Borrower or any Restricted Subsidiary after the Closing Date from: (1) contributions in respect of Qualified Capital Stock (other than any amounts or other assets received from the Borrower or any of its Restricted Subsidiaries), and (2) the sale

of Qualified Capital Stock of the Borrower or any of its Restricted Subsidiaries (other than (x) to the Borrower or any Restricted Subsidiary of the Borrower or (y) pursuant to any management equity plan or stock option plan or any other management or employee benefit plan), in each case, which are (x) excluded from the calculation of amounts available for Restricted Payments under the Available Amount pursuant to Section 9.03(a) and (y) designated as an Excluded Contribution pursuant to an Officer's Certificate of the Borrower on the date such capital contributions are made or the date such Capital Stock is sold, as the case may be.

"Excluded Information" shall mean information regarding the Borrower or its Affiliates that may be material to a decision made by a Lender to participate in any assignment with an Affiliated Lender, including any information which is (a) not publicly available, (b) material with respect to any Parent Entity, the Borrower and their respective Subsidiaries or their respective securities for purposes of U.S. federal, Canadian federal and state and provincial securities laws and (c) not of a type that would be publicly disclosed in connection with any issuance by such Parent Entity, the Borrower or any of their respective Subsidiaries of debt or equity securities issued pursuant to a public offering, a Rule 144A offering or other private placement where assisted by a placement agent.

"Excluded Subsidiary" shall mean any Subsidiary (other than any additional Guarantor) that is (a) an Unrestricted Subsidiary, (b) not Wholly-Owned directly or indirectly by the Borrower, (c) an Immaterial Subsidiary that is designated as such by the Borrower, (d) a Subsidiary that is prohibited or restricted by Applicable Law, from providing a Guaranty, or which would require a governmental (including regulatory) or third party consent, approval, license or authorization to provide a Guaranty (including under any financial assistance, corporate benefit, thin capitalization, capital maintenance, liquidity maintenance or similar legal principles) for so long as the applicable prohibition or restriction is in effect and unless such consent has been received, it being understood that Holdings and its subsidiaries shall have no obligation to obtain any such consent, approval, license or authorization, (e) a Subsidiary that is prohibited from providing a Guaranty by any contractual obligation in existence on the Closing Date or, in the case of any newly acquired Subsidiary, in existence at the time of acquisition thereof (as long as, in the case of any such contractual obligation, such contractual obligation was not entered into in contemplation of such person becoming a Subsidiary), (f) any special purpose entity (including a special purpose securitization vehicle or entity), (g) not for profit subsidiaries, (h) Captive Insurance Subsidiaries, (i) any Subsidiary for which the provision of a Guaranty would result in material adverse tax consequences as reasonably determined by the Borrower and the Administrative Agent, (j) (x) any Domestic Foreign Holdco or any Subsidiary of a U.S. Subsidiary that has no material assets other than the Capital Stock and/or Indebtedness of one or more Domestic Foreign Holdcos, (y) any Foreign Subsidiary of any U.S. Subsidiary and any Subsidiary that is a direct or indirect Subsidiary thereof, or (z) any direct or indirect Subsidiary of a Domestic Foreign Holdco Domestic Subsidiary, (k) any subsidiary acquired pursuant to a Permitted Acquisition or other Investment permitted by this Agreement that has assumed secured Indebtedness not incurred in contemplation of such Permitted Acquisition or other Investment and any Restricted Subsidiary thereof that guarantees such secured Indebtedness, in each case to the extent the terms of such secured Indebtedness prohibit such subsidiary from becoming a Guarantor and (l) any other Subsidiary with respect to which, as reasonably determined by the Borrower and the Administrative Agent, the cost or other consequences of providing a Guaranty shall be excessive in view of the benefits to be obtained by the Secured Parties therefrom; provided that if a Subsidiary executes the Subsidiary Guaranty as a "Subsidiary Guarantor", then it shall not constitute an "Excluded Subsidiary" (unless released from its obligations under the Subsidiary Guaranty as a "Subsidiary Guarantor" in accordance with the terms hereof and thereof); provided further, that no Subsidiary of the Borrower shall be an Excluded Subsidiary if such Subsidiary is not an "Excluded Subsidiary" (or comparable term) for the purposes of the ABL Facility, the CapEx Facilities, any Material Indebtedness and any Permitted Refinancing Indebtedness in respect of the foregoing (with respect to a Permitted Refinancing of Material Indebtedness, which Permitted Refinancing also constitutes Material Indebtedness).

"Excluded Swap Obligation" shall mean, with respect to any Subsidiary Guarantor, any Swap Obligation if, and to the extent that, all or a portion of the Guaranty of such Subsidiary Guarantor of, or the grant by such Subsidiary Guarantor of a security interest to secure, such Swap Obligation (or any Guaranty thereof) is or becomes illegal or unlawful under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Subsidiary Guarantor's failure for any reason to constitute an "eligible contract participant" as defined in the Commodity Exchange Act and the regulations thereunder (each, an "ECP") at the time the Guaranty of such Subsidiary Guarantor or the grant of such security interest becomes effective with respect to such Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such Guaranty or security interest is or becomes illegal.

"Excluded Taxes" shall mean any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office, located in the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Borrower under Section 2.13) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 4.04, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient's failure to comply with Section 4.04(f), (d) withholdings imposed under FATCA and (e) Taxes imposed by reason of the Recipient or any other Person who receives a payment being a Person (i) with whom a Credit Party was not dealing at arm's-length for purposes of the Income Tax Act (Canada) at the time of making such payment and so long as an Event of Default has not occurred and is continuing at that time or (ii) that is a "specified shareholder" (as defined in subsection 18(5) of the Income Tax Act (Canada)) of the Borrower or does not deal at arm's length (for the purposes of the Income Tax Act (Canada)) with such a "specified shareholder".

"Executive Order" shall have the meaning provided in Section 7.20.

"Existing Indebtedness" shall mean the Indebtedness set forth on Schedule 9.04.

"Extended Revolving Credit Commitment" has the meaning assigned to such term in Section 2.15(a)(i).

"Extended Revolving Loans" has the meaning assigned to such term in Section 2.15(a)(i).

"Extended Term Loans" has the meaning specified in Section 2.15(a)(ii).

"Extending Term Loan Lender" has the meaning specified in Section 2.15(a).

"Extension" has the meaning specified in Section 2.15(a).

"Extension Amendment" means an amendment to this Agreement that is reasonably satisfactory to the Administrative Agent (to the extent required by Section 2.15) (subject to Required

Lenders Negative Consent) and the Borrower, executed by each of (a) the Borrower, (b) the Administrative Agent and (c) each Lender that has accepted the applicable Extension Offer pursuant hereto and in accordance with Section 2.15.

"Extension Offer" has the meaning specified in Section 2.15(a).

"Failed Auction" has the meaning assigned to such term in the definition of "Dutch Auction".

"Fair Market Value" shall mean, with respect to any asset (including any Equity Interests of any Person), the price at which a willing buyer, not an Affiliate of the seller, and a willing seller who does not have to sell, would agree to purchase and sell such asset, as determined in good faith by the Borrower or, pursuant to a specific delegation of authority by the Board of Directors of the Borrower, a designated Authorized Officer, of the Borrower, or the Subsidiary of the Borrower selling such asset.

"FATCA" shall mean Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreements entered into pursuant to current Section 1471(b)(1) of the Code (or any amended or successor version described above) and any fiscal or regulatory legislation, rules or practices pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities and implementing such Sections of the Code.

"Federal CapEx Facility" shall mean that certain amended and restated contribution agreement to be dated after the Closing Date among the Borrower, as recipient, Holdings and the other guarantors party thereto, and Her Majesty the Queen in Right of Canada, as represented by the Minister responsible for the Federal Economic Development Agency for Southern Ontario, providing for capital expenditure credit facilities in an initial aggregate principal amount of Can$60,000,000.

"Federal Funds Rate" shall mean, for any period, a fluctuating interest rate equal for each day during such period to the weighted average of the rates on overnight Federal Funds transactions with members of the Federal Reserve System, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations for such day on such transactions received by the Administrative Agent from three Federal Funds brokers of recognized standing selected by the Administrative Agent; provided, that, if the Federal Funds Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

"Fee Letter" means that certain Term Facility Fee Letter, dated as of November 30, 2018, by and among the Borrower and the Administrative Agent.

"Fees" shall mean all amounts payable pursuant to or referred to in Section 3.01.

"Filing Date" has the meaning assigned to such term in the recitals to this Agreement.

"First Priority" shall mean, with respect to any Lien purported to be created on any Collateral pursuant to any Security Document, that such Lien is prior in right to any other Lien thereon, other than any Permitted Liens applicable to such Collateral which as a matter of law (and giving effect to any actions taken pursuant to the last paragraph of Section 9.01) have priority over the respective Liens on such Collateral created pursuant to the relevant Security Document (it being understood that the ABL Administrative Agent shall have prior Liens on the ABL Facility Priority Collateral).

"Fiscal Quarter" shall mean, for any Fiscal Year, (i) the fiscal period commencing on April 1 of such Fiscal Year and ending on June 30 of such Fiscal Year, (ii) the fiscal period commencing on July 1 of such Fiscal Year and ending on September 30 of such Fiscal Year, (iii) the fiscal period commencing on October 1 of such Fiscal Year and ending on December 31 of such Fiscal Year and (iv) the fiscal period commencing on January 1 of such Fiscal Year and ending on March 31 of such Fiscal Year, in each case subject to Section 8.08.

"Fiscal Year" shall mean, subject to Section 8.08, the fiscal year of the Borrower ending March 31 of each calendar year.

"Fixed Amounts" has the meaning assigned to such term in Section 1.06(d).

"Flood Hazard Property" means any Mortgaged Property located in the United States in an area designated by the Federal Emergency Management Agency as having special flood or mud slide hazards.

"Flood Insurance Laws" means, collectively, (i) the National Flood Insurance Act of 1968, (ii) the Flood Disaster Protection Act of 1973, (iii) the National Flood Insurance Reform Act of 1994, (iv) the Flood Insurance Reform Act of 2004 and (v) the Biggert–Waters Flood Insurance Reform Act of 2012, each as now or hereafter in effect or any successor statute thereto, and in each case, together with all statutory and regulatory provisions consolidating, amending, replacing, supplementing, implementing or interpreting any of the foregoing, as amended or modified from time to time.

"Foreign Subsidiary" of any Person shall mean any Subsidiary of such Person that is not a U.S. Subsidiary.

"Funded Debt" shall mean all Indebtedness of the Borrower and the Restricted Subsidiaries for borrowed money that (x) by its terms matures more than one year from the date of its Incurrence by the Borrower or such Restricted Subsidiaries or (y) matures within one year from such date but that (in the case of this clause (y)) is renewable or extendable, at the option of the Borrower or any Restricted Subsidiary, to a date more than one year from the date of its creation or arises under a revolving credit or similar agreement that obligates the lender or lenders thereunder to extend credit during a period of more than one year from such date (including all amounts of such Funded Debt required to be paid or prepaid within one year from the date of its creation).

"Governmental Authority" shall mean the government of Canada or the United States or any other nation, or of any political subdivision thereof, whether state, provincial, territorial, regional, county, municipal or local, and any agency, authority, instrumentality, regulatory body, ministry, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"Government Official" shall mean any officer or employee of any Governmental Authority.

"Governmental Real Property Disclosure Requirements" shall mean any Requirement of Law of any Governmental Authority requiring notification of the buyer, lessee, mortgagee, assignee or other transferee of any Real Property, facility, establishment or business, or notification, registration or filing to or with any Governmental Authority, in connection with the sale, lease, mortgage, assignment or other transfer (including any transfer of control) of any Real Property, facility, establishment or business, of the actual or threatened presence or Release in or into the Environment, or the use, disposal or handling

of Hazardous Material on, at, under or near the Real Property, facility, establishment or business to be sold, leased, mortgaged, assigned or transferred.

"Guarantee" shall mean any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any other Person, including any such obligation, direct or indirect, contingent or otherwise, of such Person:

(1) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness of such other Person (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take-or-pay or to maintain financial statement conditions or otherwise); or

(2) entered into primarily for purposes of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part);

provided, *however*, that the term "Guarantee" will not include endorsements for collection or deposit in the ordinary course of business. The term "Guarantee" used as a verb has a corresponding meaning.

"Guaranteed Obligations" shall have the meaning assigned to such term in Section 13.01.

"Guarantors" shall mean Holdings, the Borrower (other than with respect to its Obligations) and each other Subsidiary Guarantor, it being understood that any guarantor under the ABL Facility, the CapEx Facilities, any other Material Indebtedness or any Permitted Refinancing Indebtedness in respect of the foregoing (with respect to a Permitted Refinancing of Material Indebtedness, which Permitted Refinancing also constitutes Material Indebtedness) shall be required to become a Guarantor hereunder.

"Guaranty" shall mean the guaranty issued pursuant to Section 13 by Holdings, the Borrower (other than with respect to its Obligations) and the Subsidiary Guarantors.

"Hazardous Materials" shall mean the following: hazardous substances; toxic substances; polychlorinated biphenyls ("PCBs") or any substance, element or compound containing PCBs; asbestos or any asbestos-containing materials in any form or condition; radon or any other radioactive materials including any source, special nuclear or by-product material; petroleum, crude oil or any fraction thereof; and any other pollutant, deleterious substance, contaminant, chemical, waste of any nature, material, compound, constituent, derivative, element or substance regulated under any Environmental Laws .

"Hedging Agreement" shall mean any swap, cap, collar, forward purchase or similar agreements or arrangements dealing with interest rates, currency exchange rates or commodity prices, either generally or under specific contingencies entered into for the purposes of hedging Borrower's exposure to interest or exchange rates, loan credit exchanges, security or currency valuations or commodity prices.

"Hedging Obligations" shall mean obligations under or with respect to Hedging Agreements.

"Holdings" shall have the meaning provided in the first paragraph of this Agreement.

"Holdings Reorganization Transaction" means (a) the contribution by Holdings of 100% of the Equity Interests of the Borrower to a newly formed domestic "shell" company owned or controlled by the Permitted Holders or (b) the merger, amalgamation or other consolidation of Holdings with another Person that after giving effect thereto shall hold 100% of the Equity Interests of the Borrower, in each case, so long as, contemporaneously therewith (as applicable) (i) New Holdings delivers to the Administrative Agent any new certificate issued (if any) to evidence the contributed Equity Interests of the Borrower and grants a security interest in such Equity Interests in favor of the Administrative Agent pursuant to the Security Agreement or a joinder thereto in a form reasonably satisfactory to the Administrative Agent (subject to Required Lenders Negative Consent) and (ii) New Holdings assumes the Guaranty provided by Holdings and all other obligations of Holdings under this Agreement and each of the other Credit Documents to which Holdings is a party pursuant to a supplement hereto or thereto that is reasonably acceptable to the Administrative Agent (subject to Required Lenders Negative Consent).

"Hourly Pension Plan" means the Essar Steel Algoma Inc. Pension Plan for Hourly Employees (Canada Revenue Agency and Financial Services Commission of Ontario Registration No. 1079904).

"IFRS" shall mean International Financial Reporting Standards as in effect from time to time; provided that determinations in accordance with IFRS for purposes of Sections 4.02 and Section 9, including defined terms as used therein, and for all purposes of determining the Consolidated Total Leverage Ratio, are subject (to the extent provided therein) to Section 1.06 and Section 12.07(b).

"Immaterial Subsidiary" shall mean, as of any date, each Restricted Subsidiary of the Borrower that (i) has not guaranteed any other Indebtedness of the Borrower and (ii)(x) has total assets together with all other Immaterial Subsidiaries (other than Unrestricted Subsidiaries) (as determined in accordance with IFRS) of less than 2.50% of the Consolidated Total Assets of the Borrower (measured, at the end of the most recent fiscal period for which internal financial statements are available) and (y) "earnings before interest, taxes, depreciation and amortization" (calculated in a manner consistent with the definition of "Consolidated EBITDA"), together with all other Immaterial Subsidiaries (other than Unrestricted Subsidiaries) of less than 2.50% of the Consolidated EBITDA of the Borrower (measured for the most recently ended four consecutive fiscal quarters for which internal consolidated financial statements are available), in each case measured on a pro forma basis giving effect to any acquisitions or depositions of companies, division or lines of business since such balance sheet date or the start of such four quarter period, as applicable, and on or prior to the date of acquisition of such Subsidiary; provided, that if internal financial statements are not available, this definition shall be applied based on the financial statements delivered (1) pursuant to Section 8.01(a) or (b) or (2) at all times prior to the delivery of financial statements pursuant to Section 8.01(a) or (b), pursuant to Section 5.12.

"Immediate Family Member" means, with respect to any individual, such individual's child, stepchild, grandchild or more remote descendant, parent, stepparent, grandparent, spouse, former spouse, domestic partner, former domestic partner, sibling or step-sibling (and any linear descendant thereof), mother-in-law, father-in-law, son-in-law and daughter-in-law (including adoptive relationships), any trust, partnership or other bona fide estate-planning vehicle the only beneficiaries of which are any of the foregoing individuals, any of the foregoing individual's (including the initial individual's) estate (or an executor or administrator acting on its behalf), heirs or legatees or any private foundation or fund that is controlled by any of the foregoing individuals or any donor-advised fund of which any such individual is the donor.

"Incremental Cap" means, at any time:

(a) $75,000,000, *plus*

(b) (i) the amount of any optional prepayment of any Term Loan (including any Incremental Term Loan and any Specified Refinancing Term Loan) in accordance with Section 4.01(a) and/or the amount of any permanent reduction of any ABL Facility or any Additional Revolving Credit Commitment, (ii) the amount of any optional prepayment, redemption, repurchase or retirement of Incremental Equivalent Debt incurred pursuant to clause (a) of the Incremental Cap and (iii) the aggregate amount of any Indebtedness referred to in clauses (i) and (ii) repaid or retired resulting from any assignment of such Indebtedness to (and/or assignment and/or purchase of such Indebtedness by) Holdings, the Borrower and/or any Restricted Subsidiary; provided that for each of clauses (i) through (iii), the relevant prepayment, redemption, repurchase, retirement or assignment and/or purchase was not funded with the proceeds of any long-term Indebtedness (other than revolving Indebtedness), *plus*

(c) an unlimited amount so long as, in the case of this clause (c), on a Pro Forma Basis after giving effect to the incurrence of the Incremental Facility or the Incremental Equivalent Debt, as applicable, and the application of the proceeds thereof (other than any cash funded to the consolidated balance sheet of the Borrower) and to any relevant Subject Transaction (and, in the case of any Incremental Revolving Facility or delayed draw Incremental Term Facility then being established, assuming a full drawing thereunder), (i) if such Indebtedness is secured by a First Priority Lien on the Collateral, the Consolidated First Lien Leverage Ratio does not exceed the greater of (x) 1.20:1.00 and (y) if such Indebtedness is incurred to finance an acquisition or other Investment permitted hereunder, the Consolidated First Lien Leverage Ratio as of the last day of the most recently ended Calculation Period, (ii) if such Indebtedness is secured by a Lien on the Collateral other than a First Priority Lien, the Consolidated Total Secured Leverage Ratio does not exceed the greater of (x) 2.20:1.00 and (y) if such Indebtedness is incurred to finance an acquisition or other Investment permitted hereunder, the Consolidated Total Secured Leverage Ratio as of the last day of the most recently ended Calculation Period and (iii) if such Indebtedness is unsecured or is secured by a Lien on assets that do not constitute Collateral, at the election of the Borrower, either (A) the Consolidated Total Leverage Ratio does not exceed the greater of (x) 3.20:1.00 and (y) if such Indebtedness is incurred to finance an acquisition or other Investment permitted hereunder, the Consolidated Total Leverage Ratio as of the last day of the most recently ended Calculation Period or (B) the Consolidated Cash Interest Coverage Ratio is not less than the lesser of (x) 2.00:1.00 and (y) if such Indebtedness is incurred to finance an acquisition or other Investment permitted hereunder, the Consolidated Cash Interest Coverage Ratio as of the last day of the most recently ended Calculation Period; provided that:

(1) any Incremental Facility and/or Incremental Equivalent Debt may be incurred under one or more of clauses (a) through (c) of this definition as selected by the Borrower in its sole discretion (provided that, in the case of clause (c), an Incremental Facility may be incurred only under clause (i) thereof),

(2) if any Incremental Facility or Incremental Equivalent Debt is intended to be incurred under clause (c) of this definition and any other clause of this definition in a single transaction or series of related transactions, (A) the incurrence of the portion of such Incremental Facility or Incremental Equivalent Debt to be incurred or implemented under clause (c) of this definition shall be calculated first without giving effect to any Incremental Facilities or Incremental Equivalent Debt to be incurred under any other clause of this definition, but giving full pro forma effect to the use of proceeds of the entire amount of such Incremental Facility or Incremental Equivalent Debt and the related transactions and (B) the incurrence of the portion of such Incremental Facility or Incremental Equivalent Debt to be incurred or implemented under the other applicable clauses of this definition shall be calculated thereafter, and

(3) any portion of any Incremental Facility or Incremental Equivalent Debt that is incurred under clauses (a) or (b) of this definition, unless otherwise elected by the Borrower, shall automatically and without need for action by any Person, be reclassified as having been incurred under

clause (c) of this definition if, at any time after the incurrence thereof, when financial statements required pursuant to Section 8.01(a) or (b) are delivered or, if earlier, become internally available, such portion of such Incremental Facility or Incremental Equivalent Debt would, using the figures reflected in such financial statements, be (or have been) permitted under the Consolidated First Lien Leverage Ratio, Consolidated Total Secured Leverage Ratio, Consolidated Total Leverage Ratio or Consolidated Cash Interest Coverage Ratio test, as applicable, set forth in clause (c) of this definition.

"Incremental Commitment" means any commitment made by a lender to provide all or any portion of any Incremental Facility or Incremental Loans.

"Incremental Equivalent Debt" means any Indebtedness that satisfies the following conditions:

(a) the Weighted Average Life to Maturity of such Indebtedness is no shorter than the remaining Weighted Average Life to Maturity of the Initial Term Loans and the final maturity date of such Indebtedness is no earlier than the Latest Maturity Date, in each case as determined on the date of issuance or incurrence, as applicable, thereof; provided, that the foregoing limitations shall not apply to (i) customary bridge loans with a maturity date not longer than one year which, subject to customary conditions, provides for automatic conversion or exchange into Indebtedness that otherwise complies with the requirements of this clause (a) and (ii) Indebtedness having an aggregate principal amount outstanding not exceeding $50,000,000 (as selected by the Borrower);

(b) subject to clause (c), such Indebtedness may otherwise have an amortization schedule as determined by the Borrower and the lenders providing such Indebtedness;

(c) if such Indebtedness is in the form of broadly syndicated Dollar denominated term loans that are *pari passu* with the Initial Term Loans in right of payment and with respect to security (other than customary bridge loans with a maturity date not longer than one year that are convertible or exchangeable into, or are intended to be refinanced with, any Indebtedness other than term loans that are *pari passu* with the Initial Term Loans in right of payment and with respect to security), the MFN Provisions shall apply to such Indebtedness (as if, but only to the extent, including after giving effect to applicable exclusions and sunset provisions, such Indebtedness was an Incremental Term Facility of the type subject to the provisions of Section 2.16 (a)(v), *mutatis mutandis*);

(d) if such Indebtedness is secured by assets that constitute Collateral, the holders of such Indebtedness (or a representative therefor) shall be party to an Acceptable Intercreditor Agreement; and

(e) such Indebtedness may provide for the ability to participate (1) on a pro rata basis or non-pro rata basis in any voluntary prepayment of Term Loans made pursuant to Section 4.01(a) and (2) to the extent secured on a *pari passu* basis with the Initial Term Loans, on a pro rata basis (but not on a greater than pro rata basis other than in the case of a prepayment with proceeds of Indebtedness refinancing such Incremental Equivalent Debt) in any mandatory prepayment of Term Loans required pursuant to Section 4.02(b), (c), (d) or (e) or less than a pro rata basis with the then-outstanding Term Facility.

"Incremental Facilities" has the meaning assigned to such term in Section 2.16(a).

"Incremental Facility Amendment" means an amendment to this Agreement that is reasonably satisfactory to the Administrative Agent (solely for purposes of giving effect to Section 2.16) (subject to Required Lenders Negative Consent) and the Borrower executed by each of (a) Holdings and

the Borrower, (b) the Administrative Agent and (c) each Lender that agrees to provide all or any portion of the Incremental Facility being incurred pursuant thereto and in accordance with Section 2.16.

"Incremental Loans" has the meaning assigned to such term in Section 2.16(a).

"Incremental Revolving Facility" has the meaning assigned to such term in Section 2.16(a).

"Incremental Revolving Facility Lender" means, with respect to any Incremental Revolving Facility, each Additional Revolving Lender providing any portion of such Incremental Revolving Facility.

"Incremental Revolving Loans" has the meaning assigned to such term in Section 2.16(a).

"Incremental Term Facility" has the meaning assigned to such term in Section 2.16(a).

"Incremental Term Loans" has the meaning assigned to such term in Section 2.16(a).

"Incur" shall mean issue, create, assume, enter into any Guaranty of, incur, extend or otherwise become liable for; provided, however, that any Indebtedness or Capital Stock of a Person existing at the time such Person becomes a Restricted Subsidiary (whether by merger, amalgamation, consolidation, acquisition or otherwise) will be deemed to be Incurred by such Restricted Subsidiary at the time it becomes a Restricted Subsidiary and the terms "Incurred" and "Incurrence" have meanings correlative to the foregoing and any Indebtedness hereunder or pursuant to any other revolving credit or similar facility shall only be "Incurred" at the time any funds are borrowed hereunder or thereunder.

"Incurrence-Based Amounts" has the meaning assigned to such term in Section 1.06(d).

"Indebtedness" shall mean, with respect to any Person on any date of determination (without duplication):

(1) the principal of indebtedness of such Person for borrowed money;

(2) the principal of obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;

(3) all reimbursement obligations of such Person in respect of letters of credit, bankers' acceptances or other similar instruments (the amount of such obligations being equal at any time to the aggregate then undrawn and unexpired amount of such letters of credit or other instruments plus the aggregate amount of drawings thereunder that have been reimbursed) (except to the extent such reimbursement obligations relate to trade payables and such obligations are satisfied within 30 days of Incurrence);

(4) the principal component of all obligations of such Person to pay the deferred and unpaid purchase price of property (except trade payables and in each case excluding (a) any earn out obligation or purchase price adjustment until such obligation (I) becomes a liability on the balance sheet of such Person (excluding the footnotes thereto) in accordance with IFRS and (II) has not been paid within 60 days after becoming due and payable following expiration of any dispute

resolution mechanics set forth in the applicable agreement governing the applicable transaction, (b) any such obligations incurred under ERISA or under any employee consulting agreements, (c) accrued expenses, trade accounts payable, accruals for payroll and other liabilities accrued in the ordinary course of business (including on an intercompany basis) and (d) liabilities associated with customer prepayments and deposits), which purchase price is due more than one year after the date of placing such property in service or taking final delivery and title thereto;

(5) Capitalized Lease Obligations of such Person;

(6) the principal component of all obligations, or liquidation preference, of such Person with respect to any Disqualified Stock or, with respect to any Person, any Preferred Stock (including, in each case, any accrued dividends);

(7) the principal component of all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; *provided*, *however*, that the amount of such Indebtedness will be the lesser of (a) the Fair Market Value of such asset at such date of determination and (b) the amount of such Indebtedness of such other Persons;

(8) Guarantees by such Person of the principal component of Indebtedness of other Persons to the extent Guaranteed by such Person; and

(9) to the extent not otherwise included in this definition, net obligations of such Person under Hedging Obligations (the amount of any such obligations to be equal at any time to the net payments under such agreement or arrangement giving rise to such obligation that would be payable by such Person at the termination of such agreement or arrangement); *provided* that in no event shall any Hedging Obligations be deemed "Indebtedness" for any calculation of the Consolidated Total Leverage Ratio, the Consolidated First Lien Leverage Ratio, the Consolidated Total Secured Leverage Ratio, the Consolidated Cash Interest Coverage Ratio or any other financial ratio under this Agreement.

The amount of Indebtedness of any Person at any time in the case of a revolving credit or similar facility shall be the total amount of funds borrowed and then outstanding. The amount of any Indebtedness outstanding as of any date shall be (a) the accreted value thereof in the case of any Indebtedness issued with original issue discount and (b) the principal amount of Indebtedness, or liquidation preference thereof, in the case of any other Indebtedness. Notwithstanding anything herein to the contrary, the term "Indebtedness" shall not include, and shall be calculated without giving effect to, (x) the effects of Accounting Standards Codification Topic 815 and related interpretations to the extent such effects would otherwise increase or decrease an amount of Indebtedness for any purpose hereunder as a result of accounting for any embedded derivatives created by the terms of such Indebtedness (it being understood that any such amounts that would have constituted Indebtedness hereunder but for the application of this proviso shall not be deemed an incurrence of Indebtedness hereunder), (y) the effects of Statement of Financial Accounting Standards No. 133 and related interpretations to the extent such effects would otherwise increase or decrease an amount of Indebtedness for any purpose hereunder as a result of accounting for any embedded derivative created by the terms of such Indebtedness (it being understood that any such amounts that would have constituted Indebtedness hereunder but for the application of this proviso shall not be deemed to be an incurrence of Indebtedness hereunder) and

(z) Indebtedness of any Parent Entity appearing on the balance sheet of the Borrower or any of its Subsidiaries solely by reason of push-down accounting under IFRS.

Notwithstanding the above provisions, in no event shall the following constitute Indebtedness:

(i) Contingent Obligations Incurred in the ordinary course of business; (ii) Cash Management Services;

(iii) in connection with the purchase by the Borrower or any Restricted Subsidiary of any business, any post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing; *provided*, *however*, that, at the time of closing, the amount of any such payment is not determinable and, to the extent such payment thereafter becomes fixed and determined, the amount is paid in a timely manner;

(iv) for the avoidance of doubt, any obligations in respect of workers' compensation claims, early retirement or termination obligations, pension fund obligations or contributions or similar claims, obligations or contributions or social security or wage Taxes; or

(v) any obligations with respect to trade payables.

"Indebtedness to be Refinanced" shall have the meaning provided in Section 5.08(a).

"Indemnified Person" shall have the meaning provided in Section 12.01.

"Indemnified Taxes" shall mean (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of a Credit Party under any Credit Document and (b) to the extent not otherwise described in preceding clause (a), Other Taxes.

"Independent Financial Advisor" shall mean an investment banking or accounting firm of international standing or any third party appraiser of international standing; provided, however, that such firm or appraiser is not an Affiliate of the Borrower.

"Initial Agreement" shall have the meaning provided in Section 9.05.

"Initial Credit Documents" shall mean this Agreement, the Canadian Pledge Agreement, the U.S. Pledge Agreement, the Security Agreements, the Fee Letter, the Mortgage with respect to the New PortLP Sublease, the ABL Intercreditor Agreement and the Inter-Lender Agreement.

"Initial Term Commitment" shall mean, as to each Initial Term Lender, its obligation to make Initial Term Loans to the Borrower pursuant to Section 2.01 in an aggregate principal amount not to exceed the amount set forth opposite such Initial Term Lender's name on Schedule 1.01(a) under the caption "Initial Term Commitment" or opposite such caption in the Assignment and Assumption Agreement pursuant to which such Initial Term Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement. The initial aggregate amount of the Initial Term Commitments is $285,000,000.

"Initial Term Lender" shall mean (a) at any time on or prior to the Closing Date, any Lender that has an Initial Term Commitment at such time and (b) at any time after the Closing Date, any Lender that holds Initial Term Loans and/or Initial Term Commitments at such time.

"Initial Term Loan" has the meaning specified in Section 2.01(a).

"Initial Term Loan Maturity Date" shall mean November 30, 2025 (or if such day is not a Business Day, the Business Day immediately succeeding such day).

"Instruments" shall mean any and all assets which constitute "instruments," as such term is defined in the UCC as in effect on the date hereof in the State of New York or "instruments" as defined in the PPSA as in effect on the date hereof, and in which the relevant Person now or hereafter has rights.

"Insurance Policies" shall mean the insurance policies and coverages required to be maintained by each Credit Party which is an owner or holder of Mortgaged Property with respect to the applicable Mortgaged Property pursuant to Section 8.03 and all renewals and extensions thereof.

"Insurance Requirements" shall mean, collectively, all provisions of the Insurance Policies and all requirements of the issuer of any of the Insurance Policies binding upon each Credit Party which is an owner or holder of Mortgaged Property and applicable to the Mortgaged Property or any use or condition thereof.

"Intellectual Property" shall have the meaning provided in Section 7.19(a).

"Inter-Lender Agreement" shall mean that certain inter-lender agreement, dated as of the Closing Date, by and among, *inter alios,* the Borrower, New PortLP, the Collateral Agent, the ABL Collateral Agent, the New PortLP Facility Collateral Agent and the lenders under the CapEx Facilities from time to time (or the collateral representative in respect thereof), substantially in the form of Exhibit O-2.

"Intercompany Debt" shall mean any Indebtedness, payables or other obligations, whether now existing or hereafter incurred, owed by Holdings or any Restricted Subsidiary of Holdings to Holdings or any Restricted Subsidiary of Holdings.

"Intercompany Note" shall mean a promissory note evidencing Intercompany Debt, duly executed and delivered substantially in the form of Exhibit J (or such other form as shall be satisfactory to the Administrative Agent (subject to Required Lenders Negative Consent)), with blanks completed in conformity herewith.

"Interest Determination Date" shall mean, with respect to any LIBOR Loan, the second Business Day prior to the commencement of any Interest Period relating to such LIBOR Loan.

"Interest Period" shall have the meaning provided in Section 2.09.

"Interpolated Screen Rate" shall mean, with respect to the applicable LIBOR Loan, the rate which results from interpolating on a linear basis between:

(a) the applicable LIBOR Screen Rate for the longest period for which a LIBOR Screen Rate is available for such LIBOR Loan, which period is less than the Interest Period of such LIBOR Loan; and

(b) the applicable LIBOR Screen Rate for the shortest period for which a LIBOR Screen Rate is available for such LIBOR Loan, which period exceeds the Interest Period of such LIBOR Loan.

In each case, as determined by the Administrative Agent at approximately 11:00 a.m. (London time) on the date that is two (2) Business Days prior to the commencement of such Interest Period.

"Investment" shall mean, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of any direct or indirect advance, loan or other extensions of credit (other than advances or extensions of credit to customers, suppliers, directors, officers or employees of any Person in the ordinary course of business, and excluding any debt or extension of credit represented by a bank deposit other than a time deposit) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or the Incurrence of a Guarantee of any obligation of, or any purchase or acquisition of Capital Stock, Indebtedness or other similar instruments issued by, such other Persons and all other items that are or would be classified as investments on a balance sheet prepared on the basis of IFRS; provided, however, that endorsements of negotiable instruments and documents in the ordinary course of business will not be deemed to be an Investment. If the Borrower or any Restricted Subsidiary issues, sells or otherwise disposes of any Capital Stock of a Person that is a Restricted Subsidiary such that, after giving effect thereto, such Person is no longer a Restricted Subsidiary, any Investment by the Borrower or any Restricted Subsidiary in such Person remaining after giving effect thereto will be deemed to be a new Investment at such time. For purposes of covenant compliance, the amount of any Investment shall be the amount actually invested (measured at the time made), without adjustment for subsequent increases or decreases in the value of such Investment, or write-ups, write-downs or write-offs with respect thereto, but giving effect to any returns or distributions of capital or repayment of principal actually received in cash by such Person with respect thereto (but only to the extent that the aggregate amount of all such returns, distributions and repayments with respect to such Investment does not exceed the original principal amount of such Investment and less any such amounts which increase the ability to make a Restricted Payment pursuant to Section 9.03(a)).

For purposes of Sections 8.21 and 9.03:

(1) "Investment" will include the portion (proportionate to the Borrower's equity interest in a Restricted Subsidiary to be designated as an Unrestricted Subsidiary) of the Fair Market Value of the net assets of such Subsidiary attributable to the Borrower's equity interest therein as determined by the Borrower in good faith at the time that such Subsidiary is designated an Unrestricted Subsidiary; provided, however, that upon a redesignation of such Subsidiary as a Restricted Subsidiary, the Borrower will be deemed to continue to have an "Investment" in the resulting Restricted Subsidiary in an amount (if positive) equal to (a) the Borrower's "Investment" in such Subsidiary at the time of such redesignation less (b) the portion (proportionate to the Borrower's equity interest in such Subsidiary) of the Fair Market Value of the net assets of such Subsidiary attributable to the Borrower's equity interest therein as determined by the Borrower in good faith at the time that such Subsidiary is so re-designated a Restricted Subsidiary; and

(2) any property transferred to or from an Unrestricted Subsidiary will be valued at its Fair Market Value at the time of such transfer.

"Investment Grade Securities" shall mean:

(1) securities issued or directly and fully Guaranteed or insured by the United States or Canadian government or any agency or instrumentality thereof (other than Cash Equivalents);

(2) securities issued or directly and fully guaranteed or insured by a member of the European Union, or any agency or instrumentality thereof (other than Cash Equivalents);

(3) debt securities or debt instruments with a rating of "A " or higher from S&P or "A3" or higher by Moody's or the equivalent of such rating by such rating organization or, if no rating of Moody's or S&P then exists, the equivalent of such rating by any other Nationally Recognized Statistical Ratings Organization, but excluding any debt securities or instruments constituting loans or advances among the Borrower and its Subsidiaries; and

(4) investments in any fund that invests exclusively in investments of the type described in clauses (1), (2) and (3) above which fund may also hold cash and Cash Equivalents pending investment or distribution.

"Investors" means (a) collectively, Bain Capital, LP, Barclays Bank PLC, Marathon Asset Management, LP, GoldenTree Asset Management, LP (in each case, collectively with the funds, partnerships or other co-investment vehicles managed, advised or controlled thereby) and (b) the Management Investors as of the Closing Date.

"IPO Reorganization Transaction" means any transaction taken in connection with and reasonably related to consummating a Qualifying IPO by the Borrower or any Parent Entity thereof so long as, after giving effect thereto, (a) the Credit Parties are in compliance with the Collateral and Guarantee Requirements and Section 8.12 and (b) the security interest of the Secured Parties in the Collateral, taken as a whole, is not materially impaired (including by a material portion of the assets that constitute Collateral immediately prior to such IPO Reorganization Transaction no longer constituting Collateral) as a result of such IPO Reorganization Transaction.

"IRS" shall mean the United States Internal Revenue Service.

"Joinder Agreement" shall mean a joinder agreement substantially in the form of Exhibit L.

"Judgment Currency" shall have the meaning provided in Section 12.22(a).

"Judgment Currency Conversion Date" shall have the meaning provided in Section 12.22(a).

"Junior Financing" shall mean, collectively, the CapEx Facilities and any Subordinated Indebtedness and any Permitted Refinancing Indebtedness in respect thereof that constitutes Subordinated Indebtedness; provided, that Junior Financing shall not include any Intercompany Debt or any Indebtedness under the New PortLP Facility for so long as the borrower in respect thereof is New PortLP and New PortLP is an Unrestricted Subsidiary.

"Junior Lien Priority" shall mean a Lien on Collateral that ranks junior in priority to the Liens securing the Obligations; provided that, such junior priority Lien shall be subject to intercreditor arrangements reasonably satisfactory to the Administrative Agent (subject to Required Lenders Negative Consent) and the Borrower.

"Landlord Access Agreement" shall mean a landlord waiver, collateral access agreement or similar subordination or other agreement, in form and substance reasonably satisfactory to the Administrative Agent (subject to Required Lenders Negative Consent).

"Latest Maturity Date" shall mean, as of any date of determination, the latest Maturity Date applicable to any Loan or Commitment hereunder at such time.

"Latest Revolving Loan Maturity Date" means, as of any date of determination, the latest maturity or expiration date applicable to any revolving loan or revolving credit commitment hereunder at such time; provided that if no Additional Revolving Loan or Additional Revolving Credit Commitment is outstanding at any time, the Latest Revolving Loan Maturity Date shall be deemed to be the date that is five years from the Closing Date.

"Latest Term Loan Maturity Date" means, as of any date of determination, the latest maturity or expiration date applicable to any term loan or term commitment hereunder at such time.

"Leases" shall mean the New PortLP Leases and any and all other leases, subleases, tenancies, options, concession agreements, rental agreements, occupancy agreements, franchise agreements, access agreements and any other agreements (including all amendments, extensions, replacements, renewals, modifications and/or guarantees thereof), whether or not of record and whether now in existence or hereafter entered into, affecting the use or occupancy of all or any portion of any Real Property.

"Legal Reservations" means the application of relevant Debtor Relief Laws, general principles of equity and/or principles of good faith and fair dealing.

"Lender" shall mean each Initial Term Lender, any lender with an Additional Commitment or an outstanding Additional Loan and any other Person that becomes a "Lender" hereunder pursuant to Section 2.13, 2.14, 2.16, 12.04(b) or 12.12(d), other than any such Person that ceases to be a party hereto pursuant to an Assignment Agreement or as a result of the application of Section 12.04(f).

"Lender Default" shall mean, as to any Lender, (i) the wrongful refusal (which has not been retracted) of such Lender to make available its portion of any Borrowing, (ii) such Lender having been deemed insolvent or having become the subject of a bankruptcy or insolvency proceeding or a takeover by a regulatory authority or having become the subject of a Bail-in Action, in each case, after the Closing Date, or (iii) such Lender having notified the Administrative Agent and/or any Credit Party (x) that it does not intend to comply with its obligations under Section 2.01 in circumstances where such non-compliance would constitute a breach of such Lender's obligations under such Section 2.01 or (y) of the events described in preceding clause (ii); provided that, the term "Lender Default" shall also include, as to any Lender, any Affiliate of such Lender that has "control" (within the meaning provided in the definition of "Affiliate") of such Lender having been deemed insolvent or having become the subject of a bankruptcy or insolvency proceeding or a takeover by a regulatory authority or having become the subject of a Bail-in Action, in each case, after the Closing Date.

"LIBO Rate" shall mean, with respect to any Borrowing of LIBOR Loans for any Interest Period, the higher of (A) (i) (x) the rate per annum equal to the rate determined by the Administrative

Agent at approximately 11:00 a.m. (London time) on the date that is two (2) Business Days prior to the commencement of such Interest Period to be the London interbank offered rate as administered by ICE Benchmark Administration Limited (or any other Person that takes over the administration of such rate) that appears on the Reuters Screen LIBOR01 Page (or, in the event such rate does not appear on a Reuters page or screen, on any successor or substitute page on such screen that displays such rate, or on the appropriate page of such other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion, in each case, the "LIBOR Screen Rate") for deposits in U.S. Dollars (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period (or, if such LIBOR Screen Rate is not available for the Interest Period of that Loan, the LIBO Rate shall be the rate per annum determined by the Administrative Agent to be the Interpolated Screen Rate for such Loan), or, if different, the date on which quotations would customarily be provided by leading banks in the London interbank market for deposits in U.S. Dollars for delivery on the first day of such Interest Period, or (y) if the rates referenced in the preceding clause (i) (x) are not available, the rate per annum equal to the rate at which the Administrative Agent is offered deposits in U.S. Dollars at approximately 11:00 a.m. (London time), two (2) Business Days prior to the first day of such Interest Period in the London interbank market for delivery on the first day of such Interest Period for the number of days comprised therein and in an amount comparable to its portion of the amount of such LIBOR Borrowing to be outstanding during such Interest Period or, if different, the date on which quotations would customarily be provided by leading banks in the London interbank market for deposits of amounts in U.S. Dollars for delivery of the first day of such Interest Period, divided by (ii) a percentage equal to 100% minus the then stated maximum rate of all reserve requirements (including any marginal, emergency, supplemental, special or other reserves required by Applicable Law) applicable to any member bank of the Federal Reserve System in respect of Eurocurrency funding or liabilities as defined in Regulation D (or any successor category of liabilities under Regulation D) and (B) 1.50%.

"LIBOR Loan" shall mean each Term Loan designated as such by the Borrower at the time of the incurrence thereof or conversion thereto.

"LIBOR Screen Rate" shall have the meaning provided in the definition of "LIBO Rate" contained herein.

"Lien" shall mean, any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including any conditional sale or other title retention agreement or lease in the nature thereof).

"Loans" means any Initial Term Loan, any Additional Term Loan and/or any Additional Revolving Loan.

"Management Advances" shall mean loans or advances made to, or Guaranties with respect to loans or advances made to, directors, officers, employees or consultants of any Parent Entity, the Borrower or any Restricted Subsidiary:

(1) (a) in respect of travel, entertainment or moving related expenses Incurred in the ordinary course of business or (b) for purposes of funding any such person's purchase of Capital Stock (or similar obligations) of the Borrower, its Subsidiaries or any Parent Entity with (in the case of this sub-clause (b)) the approval of the Board of Directors;

(2) in respect of moving related expenses Incurred in connection with any closing or consolidation of any facility or office; or

(3) not exceeding $3,000,000 in the aggregate outstanding at any time.

"Management Investors" means the officers, directors, managers, employees and members of management of the Borrower, any Parent Entity and/or any subsidiary of the Borrower and their Immediate Family Members.

"Margin Stock" shall have the meaning provided in Regulation U of the Board of Governors as in effect from time to time.

"Market Capitalization" means, at any date of determination pursuant to Section 1.05, the amount equal to (a) the total number of then issued and outstanding shares of common Capital Stock of the Borrower or any Parent Entity multiplied by (b) the arithmetic mean of the closing prices per share of such common Capital Stock on the principal securities exchange on which such common Capital Stock are traded for the 30 consecutive trading days immediately preceding such date.

"Market Intercreditor Agreement" means an intercreditor or subordination agreement or arrangement the terms of which are either (a) consistent with market terms governing intercreditor arrangements for the sharing or subordination of liens or arrangements relating to the distribution of payments, as applicable, at the time the applicable agreement or arrangement is proposed to be established in light of the type of Indebtedness subject thereto or (b) in the case of the ABL Intercreditor Agreement, or in the event a "Market Intercreditor Agreement" has been entered into after the Closing Date meeting the requirement of preceding clause (a), the terms of which are, taken as a whole, not materially less favorable to the Lenders than the terms of the ABL Intercreditor Agreement or such Market Intercreditor Agreement, as applicable, to the extent such agreement governs similar priorities, in each case of clause (a) or (b) as determined by the Borrower and the Administrative Agent (subject to Required Lenders Negative Consent) in good faith.

"Material Acquisition" means any Permitted Acquisition or other similar Investment (including any Investment in a Similar Business) in each case the aggregate consideration for which exceeds $50,000,000.

"Material Adverse Effect" means (a) on the Closing Date, a Closing Date Material Adverse Effect and (b) after the Closing Date, a material adverse effect on (i) the business, financial condition or results of operations, in each case, of the Borrower and its Restricted Subsidiaries, taken as a whole or (ii) the material rights and remedies (taken as a whole) of the Administrative Agent under the applicable Credit Documents.

"Material Commercial Tort Claim" means Commercial Tort Claims involving a claim of in excess of $5,000,000 (as determined in good faith by the Borrower).

"Material Indebtedness" shall mean (i) Indebtedness under the ABL Facility and (ii) any other Indebtedness (other than the Loans) or Hedging Obligations of Holdings or any of its Restricted Subsidiaries in an aggregate outstanding principal amount exceeding, in the case of this clause (ii), the Threshold Amount. For purposes of determining Material Indebtedness, the "principal amount" in respect of any Hedging Obligations of Holdings or any of its Restricted Subsidiaries at any time shall be the maximum aggregate amount (giving effect to any netting agreements) that Holdings or such Restricted Subsidiary would be required to pay if the related Hedging Agreement were terminated at such time.

"Material Real Estate Asset" means collectively, (i) each Real Property identified on Schedule 8(a) to the Perfection Certificate dated the Closing Date, (ii) each Real Property owned in fee by any Credit Party as is acquired by such Credit Party after the Closing Date and that, together with any

improvements thereon, individually has a Fair Market Value of at least $2,000,000, (iii) the New PortLP Sublease and (iv) unless the Collateral Agent otherwise consents, each leased Real Property of any Credit Party which lease individually has a Fair Market Value of at least $2,000,000 that may be mortgaged under the express terms of the lease without the consent of the lessor thereunder (in each case unless the subject property is already mortgaged to a third party to the extent permitted by Section 9.01).

"Maturity Date" shall mean (a) with respect to the Initial Term Loans, the Initial Term Loan Maturity Date, (b) with respect to any Replacement Term Loans or Replacement Revolving Facility, the final maturity date for such Replacement Term Loans or Replacement Revolving Facility, as the case may be, as set forth in the applicable Refinancing Amendment, (c) with respect to any Incremental Facility, the final maturity date set forth in the applicable Incremental Facility Amendment and (d) with respect to any Extended Revolving Credit Commitment or Extended Term Loans, the final maturity date set forth in the applicable Extension Amendment; provided that if any such day is not a Business Day, the applicable Maturity Date shall be the Business Day immediately succeeding such day.

"Maximum Rate" shall have the meaning provided in Section 12.20.

"Minimum Borrowing Amount" shall mean $5,000,000.

"Model" means the financial model delivered by or on behalf of the Borrower on September 10, 2018 (together with any updates or modifications thereto).

"Moody's" shall mean Moody's Investors Service, Inc.

"Mortgage" shall mean any agreement, including, but not limited to, a mortgage, debenture, deed of trust, leasehold mortgage, leasehold deed of trust, or any other document, creating and evidencing a Lien on a Mortgaged Property granted to the Collateral Agent as security for a Credit Party's obligations, which shall be substantially in the form of Exhibit M-1 or M-2, as applicable, or, subject to the terms of the ABL Intercreditor Agreement, other form reasonably satisfactory to the Administrative Agent (subject to Required Lenders Negative Consent), in each case, with such schedules and including such provisions as shall be necessary to conform such document to applicable local or foreign law or as shall be customary under applicable local or foreign law.

"Mortgage Policy" shall have the meaning assigned to such term in the definition of "Collateral and Guarantee Requirement".

"Mortgaged Property" shall mean (a) each Material Real Estate Asset identified as a Mortgaged Property on Schedule 8(a) to the Perfection Certificate dated the Closing Date and (b) any other Material Real Estate Asset which is encumbered (or required to be encumbered) by a Mortgage pursuant to the terms hereof.

"NAIC" shall mean the National Association of Insurance Commissioners.

"Nationally Recognized Statistical Rating Organization" shall mean a nationally recognized statistical rating organization within the meaning of Rule 436 under the Securities Act.

"Net Available Cash" from (a) an Asset Disposition shall mean cash payments received (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or otherwise and net proceeds from the sale or other disposition of any securities received as consideration, but only as and when received, but excluding any other consideration received in the form of assumption by the acquiring person of Indebtedness or other obligations relating to the

properties or assets that are the subject of such Asset Disposition or received in any other non-cash form) therefrom, in each case net of:

(1) all legal, accounting, banking, title and recording tax expenses, commissions and other fees and expenses Incurred, and all Taxes paid, reasonably estimated to be actually payable or accrued as a liability under IFRS (including, for the avoidance of doubt, any income, withholding and other Taxes payable as a result of the distribution of such proceeds to the Borrower and after taking into account any available tax credits or deductions and any tax sharing agreements), as a consequence of such Asset Disposition;

(2) all payments made on any Indebtedness which is secured by any assets subject to such Asset Disposition (other than to the extent secured by a Lien which ranks pari passu with or is junior to the Liens securing the Obligations), in accordance with the terms of any Lien upon such assets, or which by Applicable Law be repaid out of the proceeds from such Asset Disposition (provided that, to the extent such amounts are not used to make payments in respect of such Taxes, such proceeds shall constitute Net Available Cash);

(3) all distributions and other payments required to be made to minority interest holders (other than any Parent Entity, the Borrower or any of its respective Subsidiaries) in Subsidiaries or joint ventures as a result of such Asset Disposition; and

(4) the deduction of appropriate amounts required to be provided by the seller as a reserve, on the basis of IFRS, against any liabilities associated with the assets disposed of in such Asset Disposition and retained by the Borrower or any Restricted Subsidiary after such Asset Disposition; provided that, to the extent at any time any such amounts are released from such reserve (other than in connection with a payment of such liability), such amounts shall constitute Net Available Cash; and

(b) any Casualty Event, the cash insurance proceeds, condemnation awards and other compensation received in respect thereof, net of all reasonable costs and expenses incurred in connection with the collection of such proceeds, awards or other compensation in respect of such Casualty Event.

"Net Cash Proceeds" shall mean (a) with respect to any issuance or sale of Capital Stock, the cash proceeds of such issuance or sale net of attorneys' fees, accountants' fees, underwriters' or placement agents' fees, listing fees, discounts or commissions and brokerage, consultant and other fees and charges actually Incurred in connection with such issuance or sale and net of Taxes paid or reasonably estimated to be actually payable as a result of such issuance or sale (including, for the avoidance of doubt, any income, withholding and other Taxes payable as a result of the distribution of such proceeds to the Borrower and after taking into account any available tax credit or deductions and any tax sharing agreements) (provided that, to the extent such amounts are not used to make payments in respect of such Taxes, such proceeds shall constitute Net Cash Proceeds); and

(b) with respect to any Debt Issuance, the excess, if any, of (i) the sum of the cash received in connection with such Debt Issuance over (ii) the bank fees, underwriting discounts and commissions, premiums, expenses, accrued interest and fees related thereto, taxes reasonably estimated to be payable and other out-of-pocket expenses and other customary expenses, incurred by the Borrower or such Restricted Subsidiary in connection with such Debt Issuance.

"Net Working Capital" shall mean, at any time, Consolidated Current Assets at such time minus Consolidated Current Liabilities at such time.

"New Holdings" means the Person that shall, immediately following the consummation of a Holdings Reorganization Transaction in accordance with the provisions of the definition thereof, hold 100% of the Capital Stock of the Borrower.

"New PortGP" shall mean Algoma Docks GP Inc., a British Columbia corporation and the general partner of New PortLP.

"New PortLP" has the meaning assigned to such term in the recitals to this Agreement.

"New PortLP Cash Consideration" has the meaning assigned to such term in the recitals to this Agreement.

"New PortLP Facility" shall mean that certain senior secured term loan credit agreement dated as of the Closing Date, among the Borrower, as guarantor, New PortLP, as borrower, New PortGP, and the investors and financial institutions party thereto from time to time.

"New PortLP Facility Administrative Agent" shall mean Cortland Capital Market Services LLC, in its capacity as the administrative agent under the New PortLP Facility Documents, or any successor administrative agent under the New PortLP Facility Documents.

"New PortLP Facility Collateral Agent" shall mean Cortland Capital Market Services LLC, in its capacity as the collateral agent under the New PortLP Facility Documents, or any successor collateral agent under the New PortLP Facility Documents.

"New PortLP Facility Documents" shall mean that certain Senior Secured Term Loan Credit Agreement dated on or about the date hereof among New PortLP, New PortGP, the Borrower, GIP Primus L.P., as an investor, Brightwood Loan Services LLC, as an investor, the New PortLP Facility Administrative Agent and the New PortLP Facility Collateral Agent, as the same may be amended, supplemented, restated or replaced from time to time and all "Loan Documents" as defined therein.

"New PortLP Head Lease", "New PortLP Sublease", and "New PortLP Leases" each has the meaning assigned to such term in the recitals to this Agreement.

"New PortLP Payments Amount" shall mean, collectively, (a) the aggregate amount of (i) the tax and other claim liabilities of New PortLP and New PortGP (collectively, the "Port Lease Entities") required to be paid by the Port Lease Entities and all costs incurred by the Borrower or the Port Lease Entities in connection with reporting obligations under or otherwise incurred in connection with compliance with Applicable Law of any Governmental Authority related to the New PortLP Lease and the ownership or operation of the port lands and the port assets, (ii) rent and other payments required to be paid under the New PortLP Leases, general corporate overhead expenses, including professional fees and expenses, and other operational expenses of the Port Lease Entities and of the Borrower related to the New PortLP Leases and the ownership or operation of the port lands and the port assets and (iii) payments on account of the New PortLP Cash Consideration and any principal, interest, premiums or other amounts required to be paid by New PortLP under, and in accordance with, the New PortLP Facility and (b) without duplication of clause (a), payments on account of principal, interest, premiums or other amounts under the New PortLP Facility, regardless of whether then due and payable, so long as following such payment, the New PortLP Facility is paid in full.

"New PortLP Transaction Documents" means, collectively, the New PortLP Facility, the New PortLP Head Lease, the New PortLP Sublease and the Inter-Lender Agreement.

"New PortLP Transactions" has the meaning assigned to such term in the recitals to this Agreement.

"Non-Debt Fund Affiliate" means the Investors and any Affiliate of an Investor, other than any Debt Fund Affiliate.

"Non-Defaulting Lender" shall mean and include each Lender other than a Defaulting Lender.

"Non-Guarantor Subsidiary" shall mean each Restricted Subsidiary that is not a Subsidiary Guarantor.

"Non-Wholly Owned Subsidiary" shall mean, as to any Person, each Subsidiary of such Person which is not a Wholly-Owned Subsidiary of such Person.

"Notice of Borrowing" shall have the meaning provided in Section 2.03(a).

"Notice of Conversion/Continuation" shall have the meaning provided in Section 2.06.

"Notice Office" shall mean the office of the Administrative Agent located at 225 W Washington Street, 9th Floor, Chicago, Illinois 60606, Attention: Frances Real and Legal Department, email: CPCAgency@cortlandglobal.com and legal@cortlandglobal.com or such other office or person as the Administrative Agent may hereafter designate in writing as such to the other parties hereto.

"Obligation Currency" shall have the meaning provided in Section 12.22(a).

"Obligations" shall mean (a) the Credit Document Obligations and (b) the due and punctual payment and performance of all obligations of the Borrower and any and all of the other Credit Parties under and in respect of each Term Lender Hedging Agreement (other than Excluded Swap Obligations). Notwithstanding anything to the contrary contained herein or in any other Credit Document, in no event will Obligations include any Excluded Swap Obligations.

"OFAC" shall mean the U.S. Treasury Department Office of Foreign Assets Control.

"Officer's Certificate" shall mean, with respect to any Person, a certificate, signed by an Authorized Officer of such Person with respect to compliance with a condition or covenant provided for in this Agreement or any other Credit Document including (a) a statement that the Person making such certificate has read such covenant or condition and (b) a statement as to whether or not such condition or covenant has been satisfied.

"Ontario CapEx Facility" shall mean that certain Credit Agreement dated as of the Closing Date among the Borrower, as borrower, and Her Majesty the Queen in Right of Ontario, as represented by the Minister of Northern Development and Mines, as lender, providing for capital expenditure credit facilities in an initial aggregate principal amount of Can$60,000,000.

"Opinion of Counsel" shall mean a written opinion from legal counsel reasonably satisfactory to the Administrative Agent (subject to Required Lenders Negative Consent). The counsel may be an employee of or counsel to the Borrower or its Restricted Subsidiaries.

"Organizational Documents" shall mean, with respect to any Person, (i) in the case of any corporation, the certificate of incorporation and by-laws (or similar documents) of such Person, (ii) in the case of any limited liability company, the certificate of formation or deed of incorporation and operating agreement and articles of association (or similar documents) of such Person, (iii) in the case of any limited partnership, the certificate of formation and limited partnership agreement (or similar documents) of such Person, (iv) in the case of any general partnership, the partnership agreement (or similar document) of such Person, (v) with respect to any Foreign Subsidiary, the equivalent of the foregoing in such Foreign Subsidiary's jurisdiction of incorporation or organization, and (vi) in any other case, the functional equivalent of the foregoing.

"Other Applicable Indebtedness" shall have the meaning assigned to such term in Section 4.02(f).

"Other Connection Taxes" shall mean, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Credit Document, or sold or assigned an interest in any Term Loan or Credit Document).

"Other Taxes" shall mean all present or future stamp, excise, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Credit Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.13).

"Parent Entity" shall mean any direct or indirect parent of the Borrower.

"Parent Entity Expenses" shall mean:

(1) costs (including all professional fees and expenses) Incurred by any Parent Entity in connection with reporting obligations under or otherwise Incurred in connection with compliance with Applicable Law, rules or regulations of any governmental, regulatory or self-regulatory body or stock exchange, or any agreement or instrument relating to Indebtedness of the Borrower or any Restricted Subsidiary, including in respect of any reports filed with respect to the Securities Act, Exchange Act or the respective rules and regulations promulgated thereunder;

(2) customary indemnification obligations of any Parent Entity owing to directors, officers, employees or other Persons under its charter or by-laws or pursuant to written agreements with any such Person to the extent relating to the Borrower and its Restricted Subsidiaries;

(3) obligations of any Parent Entity in respect of director and officer insurance (including premiums therefor) to the extent relating to the Borrower and its Restricted Subsidiaries;

(4) general corporate overhead expenses, including professional fees and expenses and other operational expenses of any Parent Entity related to the ownership or

operation of the business of the Borrower or any of its Restricted Subsidiaries and franchise or similar Taxes;

(5) expenses Incurred by any Parent Entity in connection with any public offering or other sale of Capital Stock or Indebtedness:

(x) where the net proceeds of such offering or sale are intended to be received by or contributed to the Borrower or a Restricted Subsidiary,

(y) in a pro-rated amount of such expenses in proportion to the amount of such net proceeds intended to be so received or contributed, or

(z) otherwise on an interim basis prior to completion of such offering so long as any Parent Entity shall cause the amount of such expenses to be repaid to the Borrower or the relevant Restricted Subsidiary out of the proceeds of such offering promptly if completed;

(6) without duplication of (5) above, (x) fees and expenses related to any debt and/or equity offerings (including refinancings), investments and/or acquisitions permitted or not restricted by this Agreement (whether or not consummated, and including advisory, refinancing, subsequent transaction and exit fees of any Parent Entity) and expenses and indemnities of any trustee, agent, arranger, underwriter or similar role and (y) after the consummation of an initial public offering or the issuance of debt securities, Public Company Costs;

(7) for greater certainty, sales Taxes, commodity Taxes and other similar Taxes exigible in respect of any payment described in (1) to (6) above; and

(8) customary guarantee obligations in respect of any payment described in (1) to (7) above.

"Participant" shall have the meaning provided in Section 12.04(a).

"Participant Register" shall have the meaning provided in Section 12.04(e).

"Patriot Act" shall have the meaning provided in Section 12.18.

"Payment Office" shall mean the office or account of the Administrative Agent or such other office or account as the Administrative Agent may hereafter designate in writing as such to the other parties hereto.

"PBA" shall mean the *Pension Benefits Act* (Ontario) and all regulations made thereunder, as amended from time to time, and any corresponding pension benefits standards legislation of other jurisdictions in Canada.

"Pension Matters Documents" shall mean, collectively (a) the Salaried Pension Plan Exemption Agreement; (b) Hourly Pension Plan Exemption Agreement; (c) Memorandum of Settlement re Pension Matters with USW Local 2251, (d) Memorandum of Settlement re Pension Matters with USW Local 2724, (e) Amended Pension Matters Agreement with USW Local 2251 and with USW Local 2724, (f) WRAP Pension Plan Agreement and (g) the WRAP Pension Plan Order.

"Pension Regulatory Relief" shall mean the obtaining by the Borrower of (a) regulatory relief from the application of s. 57(3) of the Pension Benefits Act (Ontario) in relation to the Hourly Pension Plan and Salaried Pension Plan, with respect to any contributions due and not paid into the hourly and salaried plans prior to the Closing Date; and (b) permanent regulatory relief from the application of s. 57(4) of the Pension Benefits Act (Ontario) in respect of the Hourly Pension Plan and the Salaried Pension Plan and, in the event that the WRAP Pension Plan is assumed by the Borrower pursuant to the applicable Pension Matters Documents, shall mean, (c) regulatory relief from the application of s. 57(3) of the Pension Benefits Act (Ontario), in relation to the WRAP Pension Plan, with respect to any contributions due and not paid prior to the Closing Date, and (d) permanent regulatory relief from the application of s. 57(4) of the Pension Benefits Act (Ontario) in respect of the WRAP Pension Plan.

"Perfection Certificate" shall mean a certificate in the form of Exhibit N-1 or any other form approved by the Administrative Agent (subject to Required Lenders Negative Consent), as the same shall be supplemented from time to time by a Perfection Certificate Supplement or otherwise.

"Perfection Certificate Supplement" shall mean a certificate supplement in the form of Exhibit N-2 or any other form approved by the Administrative Agent (subject to Required Lenders Negative Consent).

"Perfection Requirements" means (a) (i) the filing of appropriate UCC financing statements with the office of the Secretary of State or other appropriate office in the state of organization of each Credit Party (or equivalent location or office in the applicable jurisdiction) and (ii) the filing of appropriate PPSA financing statements in each province or territory in Canada where a Credit Party is located (as determined under the PPSA) and each province and territory in Canada where a Credit Party owns tangible personal property, (b) the filing of Intellectual Property Security Agreements or other appropriate assignments or notices with the U.S. Patent and Trademark Office, the U.S. Copyright Office and/or the Canadian Intellectual Property Office, as applicable, (c) the proper recording or filing, as applicable, of Mortgages with respect to any Material Real Estate Asset constituting Collateral, in each case in favor of the Collateral Agent for the benefit of the Secured Parties, (d) the delivery to the Collateral Agent of any stock certificate or promissory note to the extent required to be delivered by the applicable Credit Documents and (e) other filings, recordings and registrations necessary to perfect the Liens on the Collateral granted by the Credit Parties in favor of the Collateral Agent or to enforce the rights of the Collateral Agent and the Secured Parties under the Credit Documents.

"Permitted Acquisition" shall mean any acquisition by the Borrower or any of its Restricted Subsidiaries, whether by purchase, merger, amalgamation or otherwise, of all or a substantial portion of the assets of, or any business line, unit or division or product line (including research and development and related assets in respect of any product or facility) of, any Person or of a majority of the outstanding Capital Stock of any Person (and, in any event, including any Investment in (x) any Restricted Subsidiary which serves to increase the Borrower's or any Restricted Subsidiary's respective equity ownership in such Restricted Subsidiary or (y) any joint venture or similar arrangement for the purpose of increasing the Borrower's or its relevant Restricted Subsidiary's ownership interest in such joint venture or similar arrangement), in each case if (1) the target Person, assets, business or division in respect of such acquisition is a business permitted under Section 8.22, (2)(a) such Person is or becomes a Restricted Subsidiary or (b) such Person, in one transaction or a series of related transactions, is amalgamated, merged or consolidated with or into, or transfers or conveys all or a substantial portion of its assets (or such division, business line, unit or product line or facility) to, or is liquidated into, the Borrower and/or any Restricted Subsidiary as a result of such transaction, (3) to the extent applicable, such target Person and the Credit Parties shall comply with the Collateral and Guarantee Requirements and Section 8.12 with respect to any such target Person (other than any such target Person that is or becomes an Excluded Subsidiary) and (4) at the applicable time elected by the Borrower in accordance

with Section 1.05, with respect to such acquisition, no Specified Event of Default shall have occurred and be continuing.

"Permitted Encumbrance" shall mean, with respect to any Mortgaged Property, such exceptions to title as are set forth in the Mortgage Policy delivered with respect thereto and accepted by the Administrative Agent, including the Liens listed on Schedule 9.01 registered on title to the Mortgaged Properties identified on Schedule 8(a) to the Perfection Certificate.

"Permitted First Priority Refinancing Debt" means any secured Indebtedness incurred by the Borrower or any other Credit Party in the form of one or more series of senior secured notes; provided that (i) such Indebtedness is designated as "Additional First Lien Obligations" under (and as defined in) the ABL Intercreditor Agreement and (ii) such Indebtedness otherwise meets the requirements contained in the proviso to the definition of "Credit Agreement Refinancing Indebtedness".

"Permitted Holders" shall mean, collectively, (1) the Investors, (2) any Person who is acting solely as an underwriter in connection with a public or private offering of Capital Stock of any Parent Entity or the Borrower, acting in such capacity and (3) any group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act or any successor provision) of which any of the foregoing are members; provided that, in the case of such group set forth in this clause (3) and without giving effect to the existence of such group or any other group, the persons identified in clause (1) collectively have beneficial ownership of more than 50% of the total voting power of the Voting Stock of the Borrower or any of its direct or indirect Parent Entities held by such group.

"Permitted Investment" means (in each case, by the Borrower or any of its Restricted Subsidiaries):

(1) Investments in (a) a Restricted Subsidiary (including the Capital Stock of a Restricted Subsidiary) or the Borrower or (b) a Person (including the Capital Stock of any such Person) that will, upon the making of such Investment, become a Restricted Subsidiary; provided that the aggregate amount of all Investments made pursuant to this clause (1) in any Restricted Subsidiary that is not (or will not become) a Subsidiary Guarantor, when combined with (i) the aggregate amount of all dispositions by a Credit Party to a Restricted Subsidiary that is not a Credit Party pursuant to clause (1) of the definition of Asset Disposition and (ii) the aggregate principal amount of Indebtedness owing by any Non-Guarantor Subsidiary to a Credit Party outstanding pursuant to Section 9.04(b)(3), shall not exceed $10,000,000 at any one time outstanding;

(2) Permitted Acquisitions;

(3) Investments in cash, Cash Equivalents or Investment Grade Securities;

(4) Investments in receivables owing to the Borrower or any Restricted Subsidiary created or acquired in the ordinary course of business;

(5) Investments in payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business;

(6) Management Advances;

(7) Investments received in settlement of debts created in the ordinary course of business and owing to the Borrower or any Restricted Subsidiary or in exchange for any other Investment or accounts receivable held by the Borrower or any such Restricted Subsidiary, or as a result of foreclosure, perfection or enforcement of any Lien, or in satisfaction of judgments or pursuant to any plan of reorganization or similar arrangement including upon the bankruptcy or insolvency of a debtor or otherwise with respect to any secured Investment or other transfer of title with respect to any secured Investment in default;

(8) Investments made as a result of the receipt of non-cash consideration from a sale or other disposition of property or assets, including an Asset Disposition;

(9) Investments existing or pursuant to agreements or arrangements in effect on the Closing Date and any modification, replacement, renewal or extension thereof; *provided* that the amount of any such Investment may not be increased except (a) as required by the terms of such Investment as in existence on the Closing Date or (b) as otherwise permitted under this Agreement;

(10) Hedging Obligations, which transactions or obligations are Incurred in compliance with Section 9.04;

(11) pledges or deposits with respect to leases or utilities provided to third parties in the ordinary course of business or Liens otherwise described in the definition of "Permitted Liens" or made in connection with Liens permitted under Section 9.01;

(12) any Investment to the extent made using Capital Stock of the Borrower (other than Disqualified Stock) or Capital Stock of any Parent Entity as consideration;

(13) (i) Investments made in connection with the Transactions, (ii) Investments existing on, or contractually committed to or contemplated as of, the Closing Date and described on Schedule 9.03 and (iii) any modification, replacement, renewal or extension of any Investment described in clause (ii) above so long as no such modification, replacement, renewal or extension thereof increases the amount of such Investment except by the terms thereof as in effect on the Closing Date (including as a result of the accrual or accretion of interest or original issue discount or the issuance of payment-in-kind securities);

(14) Investments consisting of purchases and acquisitions of inventory, supplies, materials and equipment or licenses, sublicenses or leases of intellectual property, in any case, in the ordinary course of business and to the extent not otherwise prohibited by this Agreement;

(15) (i) Guarantees of Indebtedness not prohibited by Section 9.04 and (other than with respect to Indebtedness) guarantees, keepwells and similar arrangements in the ordinary course of business; provided, that any Guarantee by any Non- Guarantor Subsidiary of any Indebtedness that is Incurred under Section 9.04(a) or Section 9.04(b)(5)) shall be subject to the same caps set forth therein, and (ii) performance guarantees with respect to obligations that are permitted by this Agreement;

(16) Investments consisting of earn out money deposits required in connection with a purchase agreement, or letter of intent, or other acquisitions to the extent not otherwise prohibited by this Agreement;

(17) Investments of a Restricted Subsidiary acquired after the Closing Date or of an entity merged or amalgamated into the Borrower or merged or amalgamated into or consolidated with a Restricted Subsidiary after the Closing Date to the extent that such Investments were not made in contemplation of or in connection with such acquisition, merger, amalgamation or consolidation and were in existence on the date of such acquisition, merger, amalgamation or consolidation;

(18) Investments consisting of licensing, sublicensing or contribution of intellectual property pursuant to joint marketing arrangements with other Persons;

(19) contributions to a "rabbi" trust for the benefit of employees or other grantor trust subject to claims of creditors in the case of a bankruptcy of the Borrower;

(20) (A) Investments in joint ventures and similar entities having an aggregate Fair Market Value, when taken together with all other Investments made pursuant to this clause (A) that are at the time outstanding, not to exceed $30,000,000; and (B) Investments in Unrestricted Subsidiaries having an aggregate Fair Market Value, when taken together with all other Investments made pursuant to this clause (B) that are at the time outstanding, not to exceed the sum of (I) in the case of Investments in New PortLP and New PortGP, the New PortLP Payments Amount *plus* (II) $15,000,000;

(21) (A) additional Investments having an aggregate Fair Market Value, taken together with all other Investments made pursuant to this clause (21)(A) that are at that time outstanding, not to exceed the greater of (x) $50,000,000 and (y) 12% of Consolidated Total Assets as of the last day of the most recently ended Calculation Period, plus the amount of any distributions, dividends, payments or other returns in respect of such Investments (without duplication for purposes Section 9.03 of any amounts applied pursuant to the Available Amount) and (B) additional Investments so long as, as measured at the time provided for in Section 1.05, on a Pro Forma Basis, the Consolidated First Lien Leverage Ratio would not exceed 1.20:1.00; *provided* that, in each case, if such Investment is in Capital Stock of a Person that subsequently becomes a Restricted Subsidiary, such Investment shall thereafter be deemed permitted under clause (1) above and shall not be included as having been made pursuant to this clause (21)(A) or (21)(B), as applicable;

(22) without duplication of clause (20), Investments in any Similar Business (including any joint venture engaged in a Similar Business) having an aggregate Fair Market Value, when taken together with all other Investments made pursuant to this clause that are at the time outstanding, not to exceed $30,000,000;

(23) other Investments in an aggregate amount at any time outstanding not to exceed the Available RP Capacity Amount plus the Available RDP Capacity Amount;

(24) [reserved];

(25) Investments in Restricted Subsidiaries and joint ventures pursuant to any Permitted Reorganization and/or any IPO Reorganization Transaction;

(26) Investments to the extent that payment therefor is made solely with Capital Stock of any Parent Entity or Capital Stock (other than Disqualified Capital Stock) of the Borrower or any Restricted Subsidiary, in each case, to the extent not resulting in a Change of Control and to the extent such Capital Stock does not increase the Available Amount;

(27) loans and advances of payroll payments or other compensation to present or former employees, directors, members of management, officers, managers or consultants of any Parent Entity (to the extent such payments or other compensation relate to services provided to such Parent Entity (but excluding, for the avoidance of doubt, the portion of any such amount, if any, attributable to the ownership or operations of any subsidiary of any Parent Entity other than the Borrower and/or its subsidiaries)), the Borrower and/or any subsidiary in the ordinary course of business;

(28) Investments made in joint ventures as required by, or made pursuant to, buy/sell arrangements between the joint venture parties set forth in joint venture agreements and similar binding arrangements in effect on the Closing Date or entered into after the Closing Date in the ordinary course of business; and

(29) (i) Investments in any Parent Entity (or any other Person) in amounts and for purposes for which Permitted Payments or Restricted Payments to such Parent Entity (or such other Person) are permitted under Section 9.03; provided that any Investment made as provided above in lieu of any such Restricted Payment shall reduce availability under the applicable Restricted Payment basket under Section 9.03 and (ii) Investments consisting of loans and advances to any Parent Entity in connection with the reimbursement of expenses incurred on behalf of the Borrower or any Restricted Subsidiary in the ordinary course of business.

In the event that a Permitted Investment meets the criteria of more than one of the types of Permitted Investments (at the time made or at a later date), the Borrower in its sole discretion may divide, classify or from time to time reclassify all or any portion of such Permitted Investment in any manner that complies with this definition and such Permitted Investment shall be treated as having been made pursuant only to the clause or clauses of the definition of Permitted Investment to which such Permitted Investment has been classified or reclassified; provided that, (X) upon delivery of any financial statements pursuant to Section 8.01(a) or (b) following the initial incurrence or making of any such reclassifiable item, if such reclassifiable item could, based on such financial statements, have been incurred or made in reliance on clause (21)(B) or any "ratio-based" basket or exception, such reclassifiable item shall automatically be reclassified as having been incurred or made under the applicable provisions of clause (21)(B) or such "ratio-based" basket or exception, as applicable (in each case, subject to any other applicable provision of clause (21)(B) or such "ratio-based" basket or exception, as applicable) and (Y) an Investment need not be permitted solely by reference to one category or clause of this definition but may instead be permitted in part under any combination thereof or under any other available exception; provided, however, that the foregoing shall not apply to clause (13) of this definition.

"Permitted Junior Priority Refinancing Debt" means secured Indebtedness incurred by the Borrower in the form of one or more series of second lien (or other junior lien) secured notes; provided that (i) such Indebtedness is secured by the Collateral on a second priority (or other junior priority) basis to the Liens securing the Obligations and the obligations in respect of any Permitted First Priority Refinancing Debt, (ii) such Indebtedness is designated as "Additional Junior Lien Obligations" under (and as defined in) the ABL Intercreditor Agreement and (iii) such Indebtedness otherwise meets the requirements contained in the proviso to the definition of "Credit Agreement Refinancing Indebtedness".

"Permitted Liens" shall mean, with respect to any Person:

(1) Liens on assets or property of a Restricted Subsidiary that is not a Guarantor securing Indebtedness of any Restricted Subsidiary that is not a Guarantor;

(2) pledges, deposits or Liens under workmen's compensation laws, payroll taxes, unemployment insurance laws, social security laws or similar legislation, or insurance related obligations (including pledges or deposits securing liability to insurance carriers under insurance or self-insurance arrangements), or in connection with bids, tenders, completion guarantees, contracts (other than for borrowed money) or leases, or to secure utilities, licenses, public or statutory obligations, or to secure surety, indemnity, judgment, appeal or performance bonds, guarantees of government contracts (or other similar bonds, instruments or obligations), or as security for contested taxes or import or customs duties or for the payment of rent, or other obligations of like nature, in each case Incurred in the ordinary course of business;

(3) Liens imposed by law, including carriers', warehousemen's, mechanics', landlords', materialmen's, repairmen's, construction contractors', Liens imposed pursuant to the PBA for amounts required to be remitted but not yet due, or other like Liens, in each case for sums not yet overdue for a period of more than 60 days or that are bonded or being contested in good faith by appropriate proceedings;

(4) Liens for Taxes which are not overdue for a period of more than 60 days or which are being contested in good faith by appropriate proceedings; *provided* that appropriate reserves required pursuant to IFRS have been made in respect thereof;

(5) easements (including reciprocal easement agreements), survey exceptions, restrictions or reservations of, or rights of others for, licenses, rights of way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning, building codes or other restrictions (including minor defects or irregularities in title and similar encumbrances) as to the use of real properties or Liens incidental to the conduct of the business of the Borrower and its Restricted Subsidiaries or to the ownership of their properties which do not (i) secure Indebtedness, (ii) in the aggregate materially adversely affect the value of said properties or (iii) materially impair their use in the operation of the business of the Borrower and its Restricted Subsidiaries;

(6) Liens (a) on assets or property of the Borrower or any Restricted Subsidiary securing Hedging Obligations or Cash Management Services (other than with a

Secured Party hereunder under a Term Lender Hedging Agreement and all Lender Hedging Agreements (as defined in the ABL Credit Agreement or any other ABL Facility) and Cash Management Obligations (as defined in the ABL Credit Agreement or any other ABL Facility) that constitute "Obligations" under the ABL Credit Agreement) permitted under Section 9.04; (b) that are contractual rights of set-off or, in the case of clauses (i) or (ii) below, other bankers' Liens (i) relating to treasury, depository and cash management services or any automated clearing house transfers of funds in the ordinary course of business and not given in connection with the issuance of Indebtedness, (ii) relating to pooled deposit or sweep accounts to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business of the Borrower or any Restricted Subsidiary or (iii) relating to purchase orders and other agreements entered into with customers of the Borrower or any Restricted Subsidiary in the ordinary course of business; (c) on cash accounts securing Indebtedness incurred under Section 9.04(b)(8) with financial institutions; (d) encumbering reasonable customary initial deposits and margin deposits and similar Liens attaching to commodity trading accounts or other brokerage accounts incurred in the ordinary course of business, consistent with past practice and not for speculative purposes; and/or (e) (i) of a collection bank arising under Section 4-210 of the Uniform Commercial Code on items in the course of collection and (ii) in favor of a banking institution arising as a matter of law encumbering deposits (including the right of set-off) arising in the ordinary course of business in connection with the maintenance of such accounts and (iii) arising under customary general terms of the account bank in relation to any bank account maintained with such bank and attaching only to such account and the products and proceeds thereof, which Liens, in any event, do not to secure any Indebtedness;

(7) leases, subleases and licenses and sublicenses of assets (including Real Property and intellectual property rights), in each case entered into in the ordinary course of business;

(8) Liens arising out of judgments, decrees, orders or awards not giving rise to an Event of Default so long as (a) any appropriate legal proceedings which may have been duly initiated for the review of such judgment, decree, order or award have not been finally terminated, (b) the period within which such proceedings may be initiated has not expired or (c) no more than 60 days have passed after (i) such judgment, decree, order or award has become final or (ii) such period within which such proceedings may be initiated has expired;

(9) Liens (i) on assets or property of the Borrower or any Restricted Subsidiary for the purpose of securing Capitalized Lease Obligations, or Purchase Money Obligations, or securing the payment of all or a part of the purchase price of, or securing other Indebtedness Incurred to finance or refinance the acquisition, improvement or construction of, assets or property acquired or constructed in the ordinary course of business; *provided* that (a) the aggregate principal amount of Indebtedness secured by such Liens is otherwise permitted to be Incurred pursuant to Section 9.04(b)(7) and (b) any such Liens may not extend to any assets or property of the Borrower or any Restricted Subsidiary other than assets or property acquired, improved, constructed or leased with the proceeds of such Indebtedness and any improvements or accessions to such assets and property

(cross-collateralized) and (ii) any interest or title of a lessor under any Capitalized Lease Obligations or operating lease;

(10) Liens arising from precautionary Uniform Commercial Code or PPSA financing statement filings (or similar filings in other applicable jurisdictions) regarding operating leases entered into by the Borrower and its Restricted Subsidiaries in the ordinary course of business;

(11) Liens existing on the Closing Date and described on Schedule 9.01 and any modification, replacement, refinancing, renewal or extension thereof; provided that (i) no such Lien extends to any additional property after the Closing Date other than (X) after-acquired property that is affixed or incorporated into the property covered by such Lien as of the Closing Date and (Y) proceeds and products of the property covered by such Lien as of the Closing Date, replacements, accessions or additions thereto and improvements thereon and (ii) any such modification, replacement, refinancing, renewal or extension of the obligations secured or benefited by such Liens, if constituting Indebtedness, is permitted by Section 9.04;

(12) Liens on property, other assets or shares of stock of a Person at the time such Person becomes a Restricted Subsidiary (or at the time the Borrower or a Restricted Subsidiary acquires such property, other assets or shares of stock, including any acquisition by means of a merger, amalgamation, consolidation or other business combination transaction with or into the Borrower or any Restricted Subsidiary); *provided*, *however*, that such Liens are not created, Incurred or assumed in anticipation of or in connection with such other Person becoming a Restricted Subsidiary (or such acquisition of such property, other assets or stock); *provided*, *further*, that such Liens are limited to all or part of the same property, other assets or stock (plus improvements, accession, proceeds or dividends or distributions in connection with the original property, other assets or stock) that secured (or, under the written arrangements under which such Liens arose, could secure) the obligations to which such Liens relate;

(13) Liens on assets or property of the Borrower or any Restricted Subsidiary that is not a Subsidiary Guarantor securing Indebtedness or other obligations of the Borrower or such Restricted Subsidiary owing to the Borrower or another Restricted Subsidiary that is not a Subsidiary Guarantor, or Liens in favor of the Borrower or any Restricted Subsidiary;

(14) Liens securing Permitted Refinancing Indebtedness Incurred to refinance Indebtedness that was previously so secured, and permitted to be secured under this Agreement; provided that any such Lien is limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured (or, under the written arrangements under which the original Lien arose, could secure) the Indebtedness being refinanced or is in respect of property that is or could be the security for or subject to a Permitted Lien (and on the same priority that such Permitted Lien may be incurred) hereunder;

(15) (a) mortgages, liens, security interests, restrictions, encumbrances or any other matters of record that have been placed by any government, statutory or

regulatory authority, developer, landlord or other third party on property over which the Borrower or any Restricted Subsidiary of the Borrower has easement rights or on any leased property and subordination or similar arrangements relating thereto and (b) any condemnation or eminent domain proceedings affecting any Real Property;

(16) any encumbrance or restriction (including put and call arrangements, customary rights of first refusal and tag, drag and similar rights in joint venture agreements) with respect to Capital Stock of any joint venture or similar arrangement pursuant to any joint venture or similar agreement;

(17) Liens on property or assets under construction (and related rights) in favor of a contractor or developer or arising from progress or partial payments by a third party relating to such property or assets;

(18) Liens arising out of conditional sale, title retention, hire purchase, consignment or similar arrangements for the sale of goods entered into in the ordinary course of business;

(19) Liens pursuant to the Security Documents securing the Secured Obligations (including any Specified Refinancing Debt);

(20) Liens securing Indebtedness permitted to be Incurred pursuant to Section 9.04(b)(1) (including any ABL Facility and any Permitted Refinancing Indebtedness in respect thereof); provided that in the case of such Liens Incurred pursuant to this clause (20) that are on Term Loan Priority Collateral, any such Liens on the Term Loan Priority Collateral shall be expressly subordinated to the Lien on the Term Loan Priority Collateral securing the Obligations and the holders of such Indebtedness (or their agent or other representative) shall become a party to the ABL Intercreditor Agreement;

(21) Liens on (x) the Capital Stock of New PortLP and New PortGP held by the Borrower that secure Indebtedness under the New PortLP Facility (including any Permitted Refinancing Indebtedness in respect thereof) and (y) Capital Stock or other securities or assets of, any Subsidiary that is not a Credit Party that secure Indebtedness or other obligations of a Subsidiary that is not a Credit Party that is permitted pursuant to Section 9.04;

(22) any security granted over the marketable securities portfolio described in clause (9) of the definition of "Cash Equivalents" in connection with the disposal thereof to a third party;

(23) Liens on specific items of inventory of other goods and proceeds of any Person securing such Person's obligations in respect of bankers' acceptances issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(24) Liens on equipment of the Borrower or any Restricted Subsidiary and located on the premises of any client or supplier in the ordinary course of business;

(25) Liens on assets or securities deemed to arise in connection with and solely as a result of the execution, delivery or performance of contracts to sell such assets or securities if such sale is otherwise permitted by this Agreement;

(26) Liens arising by operation of law or contract on insurance policies and the proceeds thereof to secure premiums thereunder (including Liens on insurance policies and the proceeds thereof securing the financing of the premiums with respect thereto), and Liens, pledges and deposits in the ordinary course of business securing liability for premiums or reimbursement or indemnification obligations of (including obligations in respect of letters of credit or bank guarantees for the benefits of) insurance carriers;

(27) Liens solely on any cash earnest money deposits made by the Borrower or any Restricted Subsidiary in connection with any letter of intent or purchase agreement permitted under this Agreement;

(28) Liens (i) on cash advances in favor of the seller of any property to be acquired in an Investment permitted pursuant to Permitted Investments to be applied against the purchase price for such Investment, and (ii) consisting of an agreement to sell any property in an asset sale permitted under Section 9.08 in each case, solely to the extent such Investment or asset sale, as the case may be, would have been permitted on the date of the creation of such Lien;

(29) Liens securing Indebtedness and other obligations in an aggregate principal amount not to exceed at any one time outstanding $50,000,000; *provided* that (i) to the extent such Liens secure Subordinated Indebtedness, such Liens shall be limited to the Collateral and (ii) at the election of the Borrower, with respect to any such Lien permitted under this clause (29) on the Collateral, the holder of such Indebtedness and other obligations or their duly appointed agent shall become party to each applicable Acceptable Intercreditor Agreement;

(30) Liens Incurred to secure any Incremental Equivalent Debt; provided that in the case of such Liens Incurred pursuant to this clause (30) and secured by the Collateral, the holders of such Indebtedness, or their duly appointed agent, shall become a party to each applicable Acceptable Intercreditor Agreement; provided further that, if the ABL Facility is still outstanding, any Liens on the ABL Facility Priority Collateral Incurred to secure obligations referred to in this clause (30) shall be expressly subordinated to the Lien on the ABL Facility Priority Collateral securing the "Obligations" (as defined in the ABL Credit Agreement) and the holders of such Indebtedness (or their duly appointed agent or other representative), shall become a party to the ABL Intercreditor Agreement;

(31) Liens on assets that are not Collateral securing Indebtedness in an aggregate principal amount not to exceed $15,000,000;

(32) Liens on the Collateral securing obligations in respect of the CapEx Facilities permitted to be Incurred pursuant to Section 9.04(b)(18) (including any Permitted Refinancing Indebtedness in respect thereof); provided that, any Liens on the Collateral Incurred to secure obligations referred to in this clause (32) shall be expressly subordinated to the Lien on the Collateral securing the Obligations and the holders of such Indebtedness (or their duly appointed agent or other

representative) shall become a party to each Acceptable Intercreditor Agreement then extant;

(33) Liens on the Collateral in favor of the Collateral Agent for the benefit of the Secured Parties relating to the Collateral Agent's administrative expenses with respect to the Collateral;

(34) Liens on the Collateral securing (x) Permitted First Priority Refinancing Debt and (y) Permitted Junior Priority Refinancing Debt, in each case subject to each applicable Acceptable Intercreditor Agreement then extant;

(35) any Permitted Encumbrances;

(36) the reservations, limitations, provisos and conditions, if any, expressed in any original grant from the Crown of any real property or any interest therein or in any comparable grant in jurisdictions other than Canada, provided they do not materially reduce the value of the property or assets of the Person or materially interfere with the access or use of such assets or property in the operation of the business of the Person;

(37) servicing agreements, development agreements, site plan agreements, and other agreements with any Governmental Authority pertaining to the use or development of any of the Mortgaged Property of the Person, provided same are complied with and do not materially reduce the value of the Mortgaged Property of the Person or materially interfere with the use of such Mortgaged Property in the operation of the business of the Person including any obligations to deliver letters of credit and other security as required;

(38) the right reserved to or vested in any Governmental Authority (i) by any statutory provision or (ii) by the terms of any lease, license, franchise, grant or permit of the Person to terminate any such lease, license, franchise, grant or permit;

(39) Easements and rights of way granted to a public utility or any municipality or governmental or other public authority to access and maintain overhead electric, telephone and cable television lines and underground electric, water, sewer, telephone, and cable television lines when required by such utility or other authority in connection with the operation of the business or the ownership of the Mortgaged Property, provided that such Liens do not materially reduce the value of the Mortgaged Property or materially interfere with the access or use of such Mortgaged Property in the operation of the business of the Person;

(40) Liens created or arising under, or pursuant to, the New PortLP Leases, including the easements and rights of way in connection therewith or granted thereunder;

(41) Liens securing obligations in respect of letters of credit, bank guaranties, surety bonds, performance bonds or similar instruments permitted to be Incurred under Section 9.04(b)(9); and

(42) Liens imposed on Real Property pursuant to (i) an order of a Bankruptcy Court or (ii) the Construction Act, R.S.O. 1990, c. C.30, as amended, arising in connection with or incidental to construction or maintenance in the ordinary course of

business, in respect of obligations which are not more than thirty (30) days overdue, or if so due, have either been bonded off or the validity of which are being contested diligently and in good faith by all appropriate proceedings, and for which reasonable reserves under IFRS are maintained, so long as, during the period of such contestation there shall be no enforcement of such Liens or seizure or forfeiture of any Real Property of any Borrower subject thereto, and any Liens on cash and Cash Equivalents (including any securities entitlement and any related asset) held as of the Closing Date in the Construction Claims Account;

For purposes of this definition, the term Indebtedness shall be deemed to include interest on such Indebtedness including interest which increases the principal amount of such Indebtedness.

In the event that a Permitted Lien meets the criteria of more than one of the types of Permitted Liens (at the time of Incurrence or at a later date), the Borrower in its sole discretion may divide, classify or from time to time reclassify all or any portion of such Permitted Lien in any manner that complies with this definition and such Permitted Lien shall be treated as having been made pursuant only to the clause or clauses of the definition of Permitted Lien to which such Permitted Lien has been classified or reclassified; provided that, (X) upon delivery of any financial statements pursuant to Section 8.01(a) or (b) following the initial incurrence or making of any such reclassifiable item, if such reclassifiable item could, based on such financial statements, have been incurred or made in reliance on clause (30) or any "ratio-based" basket or exception, such reclassifiable item shall automatically be reclassified as having been incurred or made under the applicable provisions of clause (30) or such "ratio-based" basket or exception, as applicable (in each case, subject to any other applicable provision of clause (30) or such "ratio-based" basket or exception, as applicable) and (Y) any Lien need not be permitted solely by reference to one category or clause of this definition but may instead be permitted in part under any combination thereof or under any other available exception; provided, however, that the foregoing shall not apply to clauses (19), (20), (21) or (32) of this definition.

"Permitted Payments" shall have the meaning provided in Section 9.03(b).

"Permitted Refinancing Indebtedness" shall mean any Indebtedness of the Borrower or any of its Restricted Subsidiaries issued in exchange for, or the Net Cash Proceeds of which are used to extend, renew, refund, refinance, replace, defease or discharge other Indebtedness of the Borrower or any of its Restricted Subsidiaries, as applicable; provided that:

(i) subject to Section 1.06(g), the principal amount (or accreted value, if applicable) of such Permitted Refinancing Indebtedness does not exceed the principal amount (or accreted value, if applicable or, in the case of an ABL Facility, the aggregate commitments then in effect in respect thereof) of the Indebtedness being extended, renewed, refunded, refinanced, replaced, defeased or discharged (plus all interest thereon that has been paid-in-kind, all accrued and unpaid interest on such Indebtedness being extended, renewed, refunded, refinanced, replaced, defeased or discharged and the amount of all premiums (including tender premiums), penalties, fees and expenses (including upfront fees and original issue discount), incurred in connection therewith);

(ii) such Permitted Refinancing Indebtedness has a final maturity date later than the final maturity date of, and has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, the Indebtedness being extended, renewed, refunded, refinanced, replaced, defeased or discharged; provided, that the foregoing limitation shall not apply to customary bridge loans

with a maturity date of not longer than one year which, subject to customary conditions, provides for automatic conversion or exchange into Indebtedness that otherwise complies with the requirements of this clause (ii);

(iii) if the Indebtedness being extended, renewed, refunded, refinanced, replaced, defeased or discharged is subordinated in right of payment to the Obligations, such Permitted Refinancing Indebtedness is subordinated in right of payment to the Obligations on terms at least as favorable to the holders of the Obligations as those contained in the documentation governing the Indebtedness being extended, renewed, refunded, refinanced, replaced, defeased or discharged;

(iv) such Permitted Refinancing Indebtedness is incurred by the Person who is the obligor on the Indebtedness being extended, renewed, refunded, refinanced, replaced, defeased or discharged and does not add any additional obligors or guarantors with respect thereto;

(v) if such Permitted Refinancing Indebtedness is secured, it shall not be secured by any assets other than the assets that secured (or under the written arrangements under which the original Lien arose, could secure) the Indebtedness being extended, renewed, refunded, refinanced, replaced, defeased or discharged;

(vi) such Permitted Refinancing Indebtedness is guaranteed only by those Persons that are guarantors of the Indebtedness being extended, renewed, refunded, refinanced, replaced, defeased or discharged; and

(vii) if the Indebtedness being extended, renewed, refunded, refinanced, replaced, defeased or discharged is secured by Liens that are subordinated to the Liens securing the Obligations, such Permitted Refinancing Indebtedness is unsecured or secured by Liens that are subordinated to the Liens securing the Obligations on terms at least as favorable to the holders of the Obligations as those contained in the documentation governing the Indebtedness being extended, renewed, refunded, refinanced, replaced, defeased or discharged, and if secured by Liens on the Collateral, the holders of such Indebtedness (or their duly appointed agent or other representative) shall become a party to each applicable Acceptable Intercreditor Agreement then extant.

"Permitted Reorganization" means any transaction or undertaking, including Investments, in connection with internal reorganizations and or restructurings (including in connection with tax planning and corporate reorganizations), so long as, after giving effect thereto, (a) the Credit Parties shall comply with the Collateral and Guarantee Requirements and Section 8.12 and (b) the security interest of the Secured Parties in the Collateral, taken as a whole, is not materially impaired (including by a material portion of the assets that constitute Collateral immediately prior to such Permitted Reorganization no longer constituting Collateral) as a result of such Permitted Reorganization.

"Permitted Shareholder Loans" shall mean unsecured loans made by any Permitted Holder to the Borrower or any Restricted Subsidiary (a) expressly subordinated in right of payment to the Obligations which provide for no payments of principal or interest (other than payment in kind interest), (b) are not convertible or exchangeable into securities of the Borrower or any of its Restricted Subsidiaries (other than Capital Stock (other than Disqualified Stock) of the Borrower), (c) contain no defaults and (d) are not mandatorily redeemable or redeemable at the option of the holder in the case of each of (a), (b), (c) and (d) prior to the date of the Latest Maturity Date.

"Permitted Tax Distributions" shall mean payments, dividends or distributions by the Borrower to Holdings in order to permit Holdings or another Parent Entity to pay the tax liability in respect of consolidated or combined federal, state, provincial or local taxes not payable directly by the Borrower or any of its Restricted Subsidiaries which payments by the Borrower are not in excess of the tax liabilities that would have been payable by the Borrower and its Restricted Subsidiaries on a stand-alone basis.

"Permitted Unsecured Refinancing Debt" shall mean unsecured Indebtedness incurred by the Borrower in the form of one or more series of unsecured notes; provided that such Indebtedness otherwise meets the requirements contained in the proviso to the definition of "Credit Agreement Refinancing Indebtedness".

"Person" shall mean any individual, partnership, joint venture, firm, corporation, association, limited liability company, trust or other enterprise or any Governmental Authority.

"PIK Election" shall have the meaning provided in Section 2.08(e).

"Plan" shall mean any material employee benefit plan, program, policy, arrangement or agreement maintained or contributed to by a Credit Party.

"Pledge Agreement Collateral" shall mean all Equity Interests, Indebtedness and related property, proceeds and rights pledged or granted as collateral pursuant to the Canadian Pledge Agreement and the U.S. Pledge Agreement and delivered (a) subject to the last paragraph of Section 5, on the Closing Date or (b) thereafter pursuant to Section 8.12.

"PPSA" shall mean the Personal Property Security Act (Ontario) (and other equivalent personal property security legislation in any other applicable Canadian province or territory) and the Regulations thereunder, as from time to time in effect, provided, however, if attachment, perfection or priority of the Collateral Agent's security interest in any Collateral is governed by the personal property security laws of any jurisdiction in Canada other than Ontario, with respect to such Collateral, PPSA shall mean those personal property security laws in such other jurisdiction of Canada for the purposes of the provisions hereof relating to such attachment, perfection or priority and for the definitions related to such provisions.

"Preferred Stock" as applied to the Capital Stock of any Person, shall mean Capital Stock of any class or classes (however designated) which is preferred as to the payment of dividends or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person.

"Premises" shall have the meaning provided in the applicable Mortgage.

"Prepetition 9.5% Notes" shall mean the 9.50% Senior Notes due 2019 issued under the Prepetition 9.5% Notes Indenture.

"Prepetition 9.5% Notes Indenture" shall mean that certain Indenture dated as of November 14, 2014, among ESAI, as issuer, certain affiliates of ESAI, as guarantors and Wilmington Trust, National Association, as trustee, as amended, supplemented or otherwise modified from time to time prior to the Filing Date.

"Prepetition ABL Credit Facility" means that certain Revolving Credit Agreement, dated as of November 14, 2014 among Algoma Holdings B.V., Essar Tech Algoma Inc., ESAI, certain

subsidiaries of ESAI party thereto, the lenders party thereto and Deutsche Bank AG, as administrative agent and as collateral agent (as amended, supplemented or otherwise modified from time to time prior to the Filing Date).

"Prepetition Indebtedness" shall have the meaning provided in Section 5.08(b).

"Prepetition Term Loan Credit Facility" shall mean that certain Term Loan Credit Agreement, dated as of November 14, 2014, among Algoma Holdings B.V., ESAI, as borrower, certain affiliates of ESAI, as guarantors, the lenders referred to therein, Cortland Capital Market Services LLC, as successor administrative agent and collateral agent and the other parties thereto, as amended, supplemented or otherwise modified from time to time prior to the Filing Date.

"Prime Lending Rate" shall mean the rate of interest last quoted by The Wall Street Journal as the "Prime Rate" in the U.S. or, if The Wall Street Journal ceases to quote such rate, the highest per annum interest rate published by the Federal Reserve Board in Federal Reserve Statistical Release H.15 (519) (Selected Interest Rates) as the "bank prime loan" rate or, if such rate is no longer quoted therein, any similar rate quoted therein (as reasonably determined by the Administrative Agent) or any similar release by the Federal Reserve Board (as reasonably determined by the Administrative Agent).

"Pro Forma Basis" shall mean, with respect to compliance with any test or covenant or calculation or any ratio hereunder, the determination or calculation of such test, covenant or ratio (including in connection with Specified Transactions) in accordance with Section 1.04.

"Proceedings" has the meaning assigned to such term in the recitals to this Agreement.

"Projections" shall mean the projections that are contained in any confidential information memorandum with respect to the Term Loans (or supplemented thereto).

"PTE" means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

"Public Company Costs" means Charges associated with, or in anticipation of, or preparation for, compliance with the requirements of the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated in connection therewith and Charges relating to compliance with the provisions of the Securities Act and the Exchange Act (and, in each case, any similar Requirement of Law under any other applicable jurisdiction), as applicable to companies with equity or debt securities held by the public, the rules of national securities exchange companies with listed equity or debt securities, directors' or managers' compensation, fees and expense reimbursement, Charges relating to investor relations, shareholder meetings and reports to shareholders or debtholders, directors' and officers' insurance, listing fees and all executive, legal and professional fees and costs related to the foregoing.

"Purchase Money Obligations" shall mean any Indebtedness Incurred to finance or refinance the acquisition, leasing, construction, repair or improvement of property (real or personal), plant, equipment or other assets (including Capital Stock), and whether acquired through the direct acquisition of such property or assets or the acquisition of the Capital Stock of any Person owning such property or assets, or otherwise.

"Qualified ECP Guarantor" shall mean, in respect of any Swap Obligation, each Subsidiary Guarantor that has total assets exceeding $10,000,000 at the time the relevant Guaranty or grant of the relevant security interest becomes effective with respect to such Swap Obligation or such

other Person as constitutes an ECP under the Commodity Exchange Act or any regulations promulgated thereunder and can cause another person to qualify as an ECP at such time by entering into a keepwell under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

"Qualified Capital Stock" of any Person means any Capital Stock of such Person that is not Disqualified Capital Stock.

"Qualified Preferred Stock" of any Person shall mean any Preferred Stock of such Person that is not Disqualified Stock.

"Qualifying Bid" has the meaning assigned to such term in the definition of "Dutch Auction".

"Qualifying IPO" means any transaction or series of related transactions that results in any of the common Equity Interests of Holdings, any Parent Entity or the Borrower being publicly traded on any U.S. national securities exchange or any analogous exchange or any recognized securities exchange in Canada, the United Kingdom or any country in the European Union.

"Quarterly Payment Date" shall mean April 1, 2019 and the first Business Day of each July, October, January and April occurring thereafter.

"Real Property" shall mean, collectively, all right, title and interest (including any leasehold, mineral or other estate) in and to any and all parcels of or interests in real property owned, leased, managed, controlled or operated by any person, whether by lease, license or other means, together with, in each case, all easements, hereditaments and appurtenances relating thereto, all improvements and appurtenant fixtures and other property and rights incidental to the ownership, lease or operation thereof.

"Recipient" shall mean (a) the Administrative Agent, and (b) any Lender, as applicable.

"Refinanced Debt" has the meaning set forth in the definition of "Credit Agreement Refinancing Indebtedness."

"Refinanced Term Loans" shall mean the refinancing transactions described in Section 2.14 or 12.12(d), as applicable.

"Refinancing" shall have the meaning specified in Section 6.08.

"Refinancing Amendment" shall mean an amendment to this Agreement that is reasonably satisfactory to the Administrative Agent (subject to Required Lenders Negative Consent) and the Borrower executed by (a) Holdings and the Borrower, (b) the Administrative Agent and (c) each Lender that agrees to provide all or any portion of the Replacement Term Loans or the Replacement Revolving Facility, as applicable, being incurred pursuant thereto and in accordance with Section 2.14 or 12.12(d), as applicable.

"Refinancing and Discharge of Obligations" shall mean the Refinancing and the Discharge of Prepetition Obligations, each as defined and described in Section 5.08.

"Refunding Capital Stock" shall have the meaning provided in Section 9.03(b)(2).

"Register" shall have the meaning provided in Section 12.15.

"Regulation D" shall mean Regulation D of the Board of Governors as from time to time in effect and any successor to all or a portion thereof establishing reserve requirements.

"Regulation T" shall mean Regulation T of the Board of Governors as from time to time in effect and any successor to all or a portion thereof.

"Regulation U" shall mean Regulation U of the Board of Governors as from time to time in effect and any successor to all or a portion thereof.

"Regulation X" shall mean Regulation X of the Board of Governors as from time to time in effect and any successor to all or a portion thereof.

"Related Parties" shall mean, with respect to any Person, such Person's Affiliates and the partners, directors, officers and employees of such Person and of such Person's Affiliates, provided that, for purposes of the definition of Permitted Holders, Related Parties shall mean (i) any controlling stockholder or 60% (or more) owned Subsidiary of such Permitted Holder or, in the case of an individual, any Immediate Family Member of such individual; or (ii) any trust, corporation, partnership or other entity, the beneficiaries, stockholders, partners, owners or persons beneficially holding a 60% (or more) controlling interest of which consist of such Permitted Holder and/or such other persons referred to in the immediately preceding clause (i).

"Related Taxes" shall mean:

(1) franchise and similar Taxes, and other fees and expenses, required to maintain such Parent Entity's corporate existence;

(2) payroll, employer health, employment insurance, health insurance, social security and other similar Taxes;

(3) income Tax (including corporate income Tax, municipal business Tax and solidarity surcharge) and net wealth Tax;

(4) for any taxable period for which the Borrower and/or any of its Subsidiaries are members of a consolidated, combined or similar income tax group for Canadian or U.S. federal and/or applicable provincial, state or local income Tax purposes of which a direct or indirect parent of the Borrower is the common parent (a "Tax Group"), the portion of any Canadian or U.S. federal, provincial, state or local income Taxes (as applicable) of such Tax Group for such taxable period that are attributable to the income of the Borrower and/or its Restricted Subsidiaries; provided that the amount of such dividends or other distributions for any taxable period shall not exceed the amount of such Taxes that the Borrower and/or its Restricted Subsidiaries, as applicable, would have paid had the Borrower and/or its Restricted Subsidiaries, as applicable, been a stand-alone taxpayer (or a stand-alone group);

(5) the amount of any Tax obligation of the Borrower and/or any Restricted Subsidiary that is estimated in good faith by the Borrower as due and payable (but is not currently due and payable) by the Borrower and/or any Restricted Subsidiary as a result of the repatriation of any dividend or similar distribution of net income of any Foreign Subsidiary to the Borrower and/or any Restricted Subsidiary;

(6) any withholding Tax obligation payable by a Parent Entity under Part XIII of the Income Tax Act (Canada) on distributions permitted to be paid to a Parent Entity by the Borrower under the Credit Documents; or

(7) for any quarter for which any Parent Entity is treated as a partnership or other pass-through entity for U.S. federal income tax purposes, the amount equal to the product of (A) the Parent Entity's items of taxable income and gain less items of taxable loss and deduction (other than miscellaneous itemized deductions or, for the avoidance of doubt, foreign taxes) and (B) the highest marginal combined U.S. federal, New York State and New York City tax rate applicable to individuals or corporations (whichever is higher) on ordinary income and capital gain (taking into account the deductibility of state and local taxes for federal income tax purposes and any difference in the tax rate resulting from the applicable holding period).

"Release" shall mean any spilling, leaking, seepage, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, disposing, depositing, dispersing, emanating or migrating of any Hazardous Material in, into, onto or through the Environment.

"Replaced Lender" shall have the meaning provided in Section 2.13.

"Replaced Term Loans" has the meaning assigned to such term in Section 12.12(d).

"Replacement Debt" means any Refinancing Indebtedness (whether borrowed in the form of secured or unsecured loans, issued in a public offering, Rule 144A under the Securities Act or other private placement or bridge financing in lieu of the foregoing or otherwise) incurred in respect of Indebtedness permitted under Section 9.04(b)(11) (and any subsequent refinancing of such Replacement Debt).

"Replacement Lender" shall have the meaning provided in Section 2.13.

"Replacement Term Loans" has the meaning assigned to such term in Section 12.12(d).

"Reply Amount" has the meaning assigned to such term in the definition of "Dutch Auction".

"Reply Price" has the meaning assigned to such term in the definition of "Dutch Auction".

"Repricing Event" shall mean (i) the optional prepayment or repayment of the Initial Term Loans, in whole or in part, or conversion of any portion thereof, in each case substantially concurrently with the incurrence by any Credit Party of any broadly syndicated term loan facility secured on a pari passu basis with the Initial Term Loans having an Effective Yield that is less than the Effective Yield applicable to such portion of the Initial Term Loans so prepaid, repaid or converted (as such comparative yields are determined in the reasonable judgment of the Administrative Agent consistent with generally accepted financial practices) and (ii) any amendment, amendment and restatement or other modification to this Agreement that would have the effect of reducing the Effective Yield applicable to the Initial Term Loans (and any assignment pursuant to Section 2.13 in connection therewith); provided that, in each case, the primary purpose (as determined by the Borrower in good faith) of such prepayment, repayment, refinancing, substitution, replacement, amendment, waiver or other modification was to reduce the Effective Yield applicable to the Initial Term Loans; provided, further, that in no event shall

any such prepayment, repayment, conversion, amendment, amendment and restatement or other modification in connection with a Change of Control, Qualifying IPO, Material Acquisition or Transformative Disposition, dividend recapitalization, any transaction resulting in an upsizing of the Term Facility or any other transaction not otherwise permitted by the Credit Documentation constitute a Repricing Event.

"Required Lenders" shall mean, at any time, Non-Defaulting Lenders the sum of whose outstanding Loans at such time represents at least a majority of the sum of all outstanding Loans of Non- Defaulting Lenders.

"Required Lenders Negative Consent" shall mean, with respect to any instrument, agreement, term or condition provided for in this Agreement or any other Credit Document, that such instruction, agreement, term or condition has been presented to the Lenders by the Administrative Agent and the same has not been objected to in writing by the Required Lenders (acting reasonably) within five (5) Business Days following the Administrative Agent's delivery of notice thereof. Following such five (5) Business Days period without objection by the Required Lenders, the Administrative Agent and the applicable Credit Parties shall be permitted to enter into, execute and deliver such instrument or agreement, and/or such term or condition shall be deemed satisfied, in each case under this Agreement and the other Credit Documents.

"Requirements of Law" shall mean, with respect to any Person, any and all requirements of any Governmental Authority applicable to such Person having the force of law, including any and all laws, judgments, orders, decrees, ordinances, rules, regulations, statutes or case law.

"Response" shall mean all actions required by any Governmental Authority or voluntarily undertaken to (i) investigate, assess, clean up, remove, mitigate, treat, abate, risk assess or in any other way address or respond to any Hazardous Material in the Environment or adverse effects thereon, (ii) prevent the Release or threat of Release, or minimize the further Release, of any Hazardous Material, or (iii) perform studies and investigations in connection with, or as a precondition to, or to determine the necessity of the activities described in, clause (i) or (ii) above.

"Restricted Debt Payment" shall have the meaning provided in Section 9.03(3).

"Restricted Investment" shall mean any Investment other than a Permitted Investment.

"Restricted Payment" shall have the meaning provided in Section 9.03(4).

"Restricted Subsidiary" shall mean, at any time, any Canadian Restricted Subsidiary or U.S. Restricted Subsidiary.

"Restructuring Support Agreement" has the meaning assigned to such term in the recitals to this Agreement.

"Retained Excess Cash Flow Amount" means, at any date of determination, an amount, determined on a cumulative basis, that is equal to the aggregate cumulative sum of the Excess Cash Flow that is not required to be applied as a mandatory prepayment under Section 4.02(d) on any Excess Cash Flow Payment Date for any Fiscal Year of the Borrower ending after the Closing Date and prior to such date; provided that such amount shall not be less than zero for any period.

"Salaried Pension Plan" means the Essar Steel Algoma Inc. Pension Plan for Salaried Employees (Canada Revenue Agency and Financial Services Commission of Ontario Registration No.1079896).

"Sale and Leaseback Transaction" shall mean any arrangement, directly or indirectly, with any Person whereby it shall sell or transfer any property, real or personal, used or useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such property or other property which it intends to use for substantially the same purpose or purposes as the property being sold or transferred.

"Sanctions" shall mean economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) OFAC or the U.S. Department of State, (b) the United Nations Security Council, (c) the European Union in the framework of its Common Foreign and Security Policy or any supplementary measures adopted by any of the EU Member States (including the United Kingdom) and (d) the Canadian government.

"S&P" shall mean Standard & Poor's Ratings Services, a division of McGraw-Hill, Inc.

"Scheduled Term Loan Repayment" shall have the meaning provided in Section 4.02(a).

"Scheduled Term Loan Repayment Date" shall have the meaning provided in Section 4.02(a).

"SEC" shall have the meaning provided in Section 8.01(g).

"Secured Obligations" shall mean the Obligations.

"Secured Parties" shall mean, collectively, the Administrative Agent, the Collateral Agent, each other Agent, the Lenders, and each Term Hedge Provider.

"Securities Act" shall mean the Securities Act of 1933.

"Securities Collateral" shall have the meaning assigned to such term in the applicable Security Agreement.

"Security Agreements" shall mean the Canadian Security Agreement and/ or the U.S. Security Agreement, as applicable, each dated as of the Closing Date, and entered into by each Credit Party.

"Security Agreement Collateral" shall mean all property pledged or granted as collateral pursuant to the Security Agreements delivered (a) subject to the last paragraph of Section 5, on the Closing Date or (b) thereafter pursuant to Section 8.12.

"Security Documents" shall mean the Security Agreements, the Mortgages, the U.S. Pledge Agreement, the Canadian Pledge Agreement, the Guaranty and each other security document or pledge agreement delivered in accordance with applicable local or foreign law to grant a valid, perfected security interest in any property as collateral for the Secured Obligations, and all UCC or PPSA or other financing statements or financing change statements, intellectual property security agreements or instruments of perfection required by this Agreement, the Security Agreements, the Canadian Pledge Agreement, the U.S. Pledge Agreement, any Mortgage or any other such security document or pledge agreement to be filed with respect to the security interests in property and fixtures created pursuant to the

Security Agreements, the Canadian Pledge Agreement, the U.S. Pledge Agreement, or any Mortgage and any other document or instrument utilized to pledge or grant or purport to pledge or grant a security interest or lien on any property as collateral for the Obligations.

"Sellers" has the meaning assigned to such term in the recitals to this Agreement.

"SIF" shall mean the Strategic Innovation Fund.

"SIF CapEx Facility" shall mean that certain contribution agreement to be dated after the Closing Date among the Borrower, as recipient, the other Credit Parties party thereto from time to time, as guarantors, and Her Majesty the Queen in Right of Canada, as represented by Minister of Industry or by SIF, providing for capital expenditure credit facilities in an initial aggregate principal amount of Can$15,000,000.

"SIF Grant Facility" shall mean that certain grant facility to be provided to the Borrower by Her Majesty the Queen in Right of Canada, as represented by Minister of Industry or by SIF providing for grants to finance capital expenditures in an initial aggregate principal amount of Can$15,000,000.

"Similar Business" shall mean (a) any businesses, services or activities engaged in by the Borrower or any of its Restricted Subsidiaries or any Associates on the Closing Date and (b) any businesses, services and activities engaged in by the Borrower or any of its Restricted Subsidiaries or any Associates that are related, complementary, incidental, ancillary or similar to any of the foregoing or are extensions or developments of any thereof.

"Specified Acquisition Agreement Representations" means the representations and warranties made by the Sellers (as defined in the Acquisition Agreement) or with respect to the Acquired Business in the Acquisition Agreement which are material to the interests of the Lenders, but only to the extent that the Borrower (or its applicable affiliate) has the right to terminate its obligations under the Acquisition Agreement or to decline to consummate the Acquisition as a result of a breach of such representations and warranties.

"Specified Event of Default" means an Event of Default pursuant to Section 10.01(a) or Section 10.01(e) (with respect to the Borrower).

"Specified Refinancing Debt" has the meaning specified in Section 2.14(a).

"Specified Refinancing Revolving Commitment" has the meaning specified in Section 2.14(a).

"Specified Refinancing Term Commitment" has the meaning specified in Section 2.14(a).

"Specified Refinancing Term Loans" has the meaning specified in Section 2.14(a).

"Specified Representations" means the representations and warranties set forth in Section 7.01(a)(i) (as it relates to Holdings and the Borrower), Section 7.02 (as it relates to the due authorization, execution, delivery and performance of the Credit Documents and the enforceability thereof), Section 7.03(iii) (limited to the execution, delivery and performance of the Credit Documents, incurrence of the Indebtedness thereunder and the granting of the Guaranty and Liens in respect thereof), Section 7.08(b), Section 7.11 (as it relates to the creation, validity and perfection of the security

interests in the Collateral, subject to the last sentence of Section 5), Section 7.15, Section 7.20 and Section 7.22.

"Specified Transaction" shall mean, with respect to any Test Period, (a) the Transactions, (b) any Permitted Acquisition or any other acquisition, whether by purchase, merger, amalgamation or otherwise, of all or substantially all of the assets of, or any business line, unit or division of, any Person or any facility, or of a majority of the outstanding Capital Stock of any Person, in each case that is permitted by this Agreement, (c) any disposition of all or substantially all of the assets or Capital Stock of a Subsidiary (or any business unit, line of business or division of the Borrower or a Restricted Subsidiary) not prohibited by this Agreement, (d) the designation of a Restricted Subsidiary as an Unrestricted Subsidiary or an Unrestricted Subsidiary as a Restricted Subsidiary in accordance with Section 8.21, (e) any incurrence or repayment of Indebtedness (other than revolving Indebtedness), (f) any Cost Saving Initiative and/or (g) any other event that by the terms of the Credit Documents requires pro forma compliance with a test or covenant hereunder or requires such test or covenant to be calculated on a pro forma basis.

"Stated Maturity" shall mean, with respect to any security, the date specified in such security as the fixed date on which the payment of principal of such security is due and payable, including pursuant to any mandatory redemption provision, but shall not include any contingent obligations to repay, redeem or repurchase any such principal prior to the date originally scheduled for the payment thereof.

"Subject Loans" means, as of any date of determination, (a) Initial Term Loans and (b) any Additional Term Loans that are subject to ratable prepayment requirements in accordance with Sections 4.02(b), (c), (d) or (e) on such date.

"Subordinated Indebtedness" shall mean Indebtedness of the Borrower or any Guarantor that is by its terms subordinated in right of payment to the Obligations of the Borrower and such Guarantor, as applicable.

"Subsidiary" shall mean, as to any Person, (i) any corporation more than 50% of whose stock of any class or classes having by the terms thereof ordinary voting power to elect a majority of the directors of such corporation (irrespective of whether or not at the time stock of any class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time owned by such Person and/or one or more Subsidiaries of such Person and (ii) any partnership, limited liability company, association, joint venture or other entity in which such Person and/or one or more Subsidiaries of such Person has more than a 50% of the voting power of the equity interests at the time. Unless otherwise qualified, all references to a "Subsidiary" or to "Subsidiaries" in this Agreement shall refer to a Subsidiary or Subsidiaries of Holdings.

"Subsidiary Guarantor" shall mean the Borrower and each other Restricted Subsidiary, whether existing on the Closing Date or established, created or acquired after the Closing Date, unless and until such time as the respective Restricted Subsidiary is released from all of its obligations under the Guaranty in accordance with the terms and provisions thereof; provided that (A) subject to immediately succeeding clause (B), no Excluded Subsidiary shall be a Subsidiary Guarantor and (B) notwithstanding anything to the contrary contained in this Agreement, no Restricted Subsidiary shall be excluded as a Subsidiary Guarantor if such Restricted Subsidiary enters into, or is required to enter into, a guarantee of (or is required to become a borrower or other obligor under) the ABL Facility, the CapEx Facilities, any Material Indebtedness or any Permitted Refinancing Indebtedness in respect of the foregoing (with respect to a Permitted Refinancing of Material Indebtedness, which Permitted Refinancing also constitutes Material Indebtedness). Notwithstanding the foregoing, the Borrower may from time to time,

upon notice to the Administrative Agent, elect to cause any Subsidiary that would otherwise be an Excluded Subsidiary to become a Subsidiary Guarantor hereunder (but shall have no obligation to do so), subject to the satisfaction of the Collateral and Guarantee Requirements or guarantee and collateral requirements otherwise reasonably acceptable to the Borrower and the Administrative Agent (subject to Required Lenders Negative Consent) (which shall include, in the case of a Foreign Subsidiary, guarantee and collateral requirements customary under local law, including customary local limitations).

"Successor Company" shall have the meaning provided in Section 9.02(a)(1).

"Survey" shall mean a survey which is (a) (i) prepared by a surveyor or engineer licensed to perform surveys in the jurisdiction where such Mortgaged Property is located, (ii) certified by the surveyor (in a manner reasonably acceptable to the Administrative Agent (subject to Required Lenders Negative Consent)) to the Administrative Agent, the Collateral Agent and the Title Company, and (iii) sufficient for the Title Company to remove all standard survey exceptions from the Mortgage Policy and issue the survey related endorsements or (b) otherwise acceptable to the Administrative Agent (subject to Required Lenders Negative Consent).

"Swap Obligation" shall mean, with respect to any Subsidiary Guarantor, any obligations under any interest rate protection agreement or other Hedging Agreement to pay or perform under any agreement, contract or transaction that constitutes a "swap" within the meaning of Section 1a(47) of the Commodity Exchange Act.

"Tax Return" shall mean all returns, statements, filings, attachments and other documents or certifications required to be filed in respect of Taxes.

"Taxes" shall mean all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Term Facility" shall mean a facility in respect of any Term Loan Tranche, as the context may require.

"Term Hedge Letter Agreement" shall mean a letter agreement substantially in the form of Exhibit K, or in such other form reasonably satisfactory to the Administrative Agent (subject to Required Lenders Negative Consent), duly executed by the applicable counterparty to the Term Lender Hedging Agreement, the Borrower, the Administrative Agent and, in any event, acknowledged by the Borrower pursuant to which such Person (i) appoints the Administrative Agent and the Collateral Agent as its agent under the applicable Credit Documents and (ii) agrees to be bound by the provisions of Section 11.03, Section 11.06, the ABL Intercreditor Agreement and each Security Document as if it were a Lender.

"Term Hedge Provider" shall mean any Person described in clause (a)(ii) of the definition of "Term Lender Hedging Agreement", in its capacity as a party to a Term Lender Hedging Agreement.

"Term Lender Hedging Agreement" shall mean any Hedging Agreement (a) between (i) the Borrower or any other Credit Party and (ii) any Person that was an Agent, a Lender or an Affiliate of the foregoing or any Person designated by the Borrower and reasonably satisfactory to the Administrative Agent (subject to Required Lenders Negative Consent), in each case, at the time it entered into such Hedging Agreement whether or not such Person has ceased to be an Agent, a Lender or an Affiliate of the foregoing and (b) which has been designated by such Person and the Borrower as a Term Lender Hedging Agreement, by notice to the Administrative Agent in the form of a Term Hedge Letter

Agreement not later than thirty (30) days after the execution of such Hedging Agreement; provided that such Term Hedge Letter Agreement is not otherwise secured by any of the ABL Facility Documents.

"Term Loan" shall mean (i) an Initial Term Loan and (ii) any other advance made by any Lender under any Term Facility.

"Term Loan Commitment" shall mean, as to each Lender, (a) its Initial Term Commitment, (b) a Specified Refinancing Term Commitment or (c) an Incremental Commitment to make Incremental Term Loans. The amount of each Lender's Initial Term Commitment is as set forth in the definition thereof and the amount of each Lender's other Term Loan Commitments shall be as set forth in the Assignment and Assumption Agreement, in the Refinancing Amendment, Incremental Facility Amendment or agreement relating to the respective Specified Refinancing Term Commitment or in the Extension Amendment pursuant to which such Lender shall have assumed its Term Loan Commitment, as the case may be, as such amounts may be adjusted from time to time in accordance with this Agreement, including pursuant to any Extension Amendment, Refinancing Amendment or an Incremental Facility Amendment.

"Term Loan Priority Collateral" shall mean "Term Loan Priority Collateral" as defined in the ABL Intercreditor Agreement.

"Term Loan Tranche" shall mean the respective facility and commitments utilized in making Term Loans hereunder, with there being one tranche on the Closing Date, i.e., Initial Term Loans and Initial Term Commitments. Additional Term Loan Tranches may be added after the Closing Date, i.e., Specified Refinancing Term Loans, Extended Term Loans, Specified Refinancing Term Commitments and Incremental Term Loans.

"Term Note" shall have the meaning provided in Section 2.05(b).

"Termination Date" shall mean the date on which all Commitments have expired or terminated and the principal of and interest on each Loan and all fees, expenses and other Obligations payable under any Credit Document (other than indemnities described in Section 12.13 and reimbursement obligations under Section 12.01 which, in either case, are not then due and payable) have been paid in full in cash.

"Test Period" shall mean each period of four consecutive Fiscal Quarters of the Borrower then last ended, in each case taken as one accounting period.

"Threshold Amount" means $50,000,000.

"Title Company" shall mean any title insurance company as shall be retained by the Borrower and reasonably acceptable to the Administrative Agent (subject to Required Lenders Negative Consent). It is understood and agreed that each of FCT Insurance Company Ltd., First Canadian Title Company Limited and First American Title Insurance Company are reasonably acceptable to the Administrative Agent.

"Total Term Loan Commitment" shall mean, at any time, the sum of the Term Loan Commitments of each of the Lenders at such time.

"Transaction Expenses" shall mean any fees, premiums, expenses and other transaction costs (including original issue discount or upfront fees) payable or otherwise borne by any Parent Entity

and/or its Subsidiaries in connection with the Transactions (including the formation and capitalization of any such Parent Entity for purposes of undertaking the Transactions).

"Transactions" shall mean, collectively, (i) the consummation of the Refinancing, (ii) the execution, delivery and performance by each Credit Party of the Credit Documents to which it is a party, the incurrence of Initial Term Loans on the Closing Date and the use of proceeds thereof, (iii) the consummation of the Acquisition and the other transactions contemplated by the Acquisition Agreement, (iv) the execution, delivery and performance by each Credit Party of the ABL Facility Documents and the CapEx Facilities Documents and incurrence or issuance of Indebtedness thereunder and the use of the proceeds thereof, (v) the consummation of the New PortLP Transactions and (vi) the payment of all Transaction Expenses.

"Transferred Guarantor" shall have the meaning assigned to such term in Section 13.09.

"Transformative Disposition" means any disposition by the Borrower or any Restricted Subsidiary that is either (a) not permitted by the terms of this Agreement immediately prior to the consummation of such disposition or (b) if permitted by the terms of this Agreement immediately prior to the consummation of such disposition, would not provide the Borrower and its Restricted Subsidiaries with a durable capital structure following such consummation, as determined by the Borrower acting in good faith.

"Type" shall mean the type of Loan determined with regard to the interest option applicable thereto, i.e., whether a Base Rate Loan or a LIBOR Loan.

"UCC" shall mean the Uniform Commercial Code as from time to time in effect in the relevant jurisdiction.

"United States" and "U.S." shall each mean the United States of America.

"Unrestricted Cash Amount" shall mean, at any time, the aggregate amount of unrestricted cash and Cash Equivalents of the Borrower and the Restricted Subsidiaries that is free and clear of all Liens other than any nonconsensual Lien that is permitted under the Credit Documents and Liens of the Collateral Agent. For the avoidance of doubt, this definition of "Unrestricted Cash" shall not include any cash or Cash Equivalents used to cash collateralize letters of credit.

"Unrestricted Subsidiary" shall mean:

(1) as of the Closing Date, each of New PortLP and New PortGP;

(2) after the Closing Date, any Subsidiary (other than the Borrower or any Parent Entity) that at the time of determination is an Unrestricted Subsidiary (as designated in accordance with Section 8.21); and

(3) any Subsidiary of an Unrestricted Subsidiary.

The Borrower may designate any Subsidiary (other than the Borrower or any Parent Entity, but including any newly acquired or newly formed Subsidiary or a Person becoming a Subsidiary through merger, amalgamation, consolidation or other business combination transaction, or Investment therein) to be an Unrestricted Subsidiary only if:

(A) such Subsidiary or any of its Subsidiaries does not own any Capital Stock or Indebtedness of, or own or hold any Lien on any property of, the Borrower or any other Subsidiary of the Borrower which is not a Subsidiary of the Subsidiary to be so designated or otherwise an Unrestricted Subsidiary; and

(B) such designation and the Investment of the Borrower in such Subsidiary complies with Section 8.21 and Section 9.03.

"U.S. Credit Party" shall mean each Subsidiary Guarantor that is a U.S. Restricted Subsidiary of Holdings.

"U.S. Dollars" and the sign "$" shall each mean freely transferable lawful money of the United States.

"U.S. Dollar Equivalent" shall have the meaning provided in the ABL Credit Agreement (or any other ABL Facility).

"U.S. Pledge Agreement" shall mean the U.S. Pledge Agreement, dated as of the date hereof, entered into by any Credit Party, in the form of Exhibit F-2.

"U.S. Restricted Subsidiary" shall mean, at any time, any direct or indirect U.S. Subsidiary of Holdings that is not then an Unrestricted Subsidiary; provided that upon the occurrence of an Unrestricted Subsidiary ceasing to be an Unrestricted Subsidiary, each U.S. Subsidiary shall be included in the definition of "U.S. Restricted Subsidiary."

"U.S. Security Agreement" shall mean the U.S. Security Agreement, dated as of the Closing Date, entered into by each U.S. Credit Party, in the form of Exhibit F-1.

"U.S. Subsidiary" of any Person shall mean any Subsidiary of such Person incorporated or organized in the United States or any State thereof or the District of Columbia.

"Voting Stock" of a Person shall mean all classes of Capital Stock of such Person then outstanding and normally entitled to vote in the election of directors.

"Weighted Average Life to Maturity" shall mean, when applied to any Indebtedness at any date, the number of years (and/or portion thereof) obtained by dividing: (a) the sum of the products obtained by multiplying (i) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect thereof, by (ii) the number of years (calculated to the nearest one twelfth) that will elapse between such date and the making of such payment; by (b) the then outstanding principal amount of such Indebtedness.

"Wholly-Owned Subsidiary" shall mean, as to any Person, (i) any corporation 100% of whose capital stock is at the time owned by such Person and/or one or more Wholly-Owned Subsidiaries of such Person and (ii) any partnership, limited liability company, association, joint venture or other entity in which such Person and/or one or more Wholly-Owned Subsidiaries of such Person has a 100% equity interest at such time (other than, in the case of a Foreign Subsidiary of the Borrower with respect to

the preceding clauses (i) and (ii), director's qualifying shares and/or other nominal amount of shares required to be held by Persons other than the Borrower and its Subsidiaries under Applicable Law).

"Withholding Agent" shall mean the Credit Parties and the Administrative Agent.

"WRAP Pension Plan" shall mean the Essar Steel Algoma Inc. Wrap Pension Plan (Canada Revenue Agency and Financial Services Commission of Ontario Registration No. 1079888).

"WRAP Pension Plan Order" shall mean the Order (Re: Wrap Plan) issued by the CCAA Court in the CCAA Proceedings on November 8, 2018.

"Write-Down and Conversion Powers" means, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

1.02. Other Definitional Provisions. (a) Unless otherwise specified therein, all terms defined in this Agreement shall have the defined meanings when used in the other Credit Documents or any certificate or other document made or delivered pursuant hereto or thereto.

(b) As used herein and in the other Credit Documents, and any certificate or other document made or delivered pursuant hereto or thereto, (i) accounting terms not defined in Section 1.01 shall have the respective meanings given to them under IFRS, (ii) the words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation", (iii) the word "incur" shall be construed to mean incur, create, issue, assume, become liable in respect of or suffer to exist (and the words "incurred" and "incurrence" shall have correlative meanings), (iv) unless the context otherwise requires, the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, Equity Interests, securities, revenues, accounts, leasehold interests and contract rights, (v) the word "will" shall be construed to have the same meaning and effect as the word "shall", and (vi) unless the context otherwise requires, any reference herein (A) to any Person shall be construed to include such Person's successors and assigns and (B) to Holdings, the Borrower or any other Credit Party shall be construed to include Holdings, the Borrower or such Credit Party as debtor and debtor-in-possession and any receiver or trustee for Holdings, the Borrower or any other Credit Party, as the case may be, in any insolvency or liquidation proceeding.

(c) The words "hereof", "herein" and "hereunder" and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section, Schedule and Exhibit references are to this Agreement unless otherwise specified.

(d) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

(e) Unless otherwise expressly provided herein, (i) all references to documents, instruments and other agreements (including the Credit Documents) and all other contractual instruments shall be deemed to include all subsequent amendments, restatements, amendments and restatements, extensions, supplements, modifications, refinancings, renewals, replacements and restructurings thereto, but only to the extent that such amendments, restatements, amendments and restatements, extensions, supplements, modifications, refinancings, renewals, replacements and restructurings are permitted by the Credit Documents; and (ii) references to any law (including by succession of comparable successor laws)

shall include all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting such law.

1.03. Currency Translation. For purposes of determining compliance as of any date with Section 9, amounts incurred or outstanding in currencies (other than U.S. Dollars) shall be translated into U.S. Dollars at the exchange rates in effect on the first Business Day of the Fiscal Quarter of the Borrower in which such determination occurs or in respect of which such determination is being made, as such exchange rates shall be determined in good faith by the Borrower based on commonly used financial reporting sources; provided, that for purposes of determining the Consolidated First Lien Leverage Ratio, the Consolidated Total Secured Leverage Ratio, the Consolidated Total Leverage Ratio or the Consolidated Cash Interest Coverage Ratio, amounts incurred or outstanding in currencies (other than U.S. Dollars) shall be translated in accordance with IFRS. No Default or Event of Default shall arise as a result of any limitation or threshold set forth in U.S. Dollars in Section 9, Section 10.01(d) or Section 10.01 (h) being exceeded solely as a result of changes in currency exchange rates from those applicable on the first day of the Fiscal Quarter of the Borrower in which such determination occurs or in respect of which such determination is made (it being understood that such changes shall nonetheless be taken into account in determining the remaining availability (if any) under any such limitation or threshold).

1.04. Pro Forma Calculations.

(a) Notwithstanding anything to the contrary herein, financial ratios and tests, including the Consolidated First Lien Leverage Ratio, the Consolidated Total Secured Leverage Ratio, the Consolidated Total Leverage Ratio or the Consolidated Cash Interest Coverage Ratio shall be calculated in the manner prescribed by this Section 1.04; provided that notwithstanding anything to the contrary in Section 1.04(b) or (d), when calculating the Consolidated First Lien Leverage Ratio for purposes of the definition of "Applicable Excess Cash Flow Percentage", the events described in this Section 1.04 that occurred subsequent to the end of the applicable Test Period shall not be given *pro forma* effect.

(b) Notwithstanding anything to the contrary herein, but subject to Sections 1.05, 1.06(b) and (d), for purposes of calculating any financial ratio or test, Specified Transactions (with any incurrence or repayment of any Indebtedness in connection therewith to be subject to Section 1.06(c)) that have been made (i) during the applicable Test Period and (ii) if applicable as described in Section 1.04(a), subsequent to such Test Period and prior to or simultaneously with the event for which the calculation of any such ratio is made shall be calculated on a *pro forma* basis assuming that all such Specified Transactions (and any increase or decrease in Consolidated EBITDA and the component financial definitions used therein attributable to any Specified Transaction) had occurred on the first day (or, in case of the determination of Consolidated Total Assets, the last day) of the applicable Test Period. If since the beginning of any applicable Test Period any Person that subsequently became a Restricted Subsidiary or was merged, amalgamated or consolidated with or into the Borrower or any of its Restricted Subsidiaries since the beginning of such Test Period shall have made any Specified Transaction that would have required adjustment pursuant to this Section 1.04, then such financial ratio or test (or Consolidated Total Assets) shall be calculated to give pro forma effect thereto in accordance with this Section 1.04.

(c) [Reserved].

(d) In the event that the Borrower or any Restricted Subsidiary incurs (including by assumption or guarantees) or repays (including by redemption, repayment, retirement or extinguishment) any Indebtedness or issues or redeems Disqualified Stock or Preferred Stock included in the calculations of any financial ratio or test (in each case, other than Indebtedness incurred or repaid under any revolving

credit facility unless such Indebtedness has been permanently repaid and accompanied by a permanent commitment reduction), (i) during the applicable Test Period or (ii) subject to Section 1.04(a) subsequent to the end of the applicable Test Period and prior to or simultaneously with the event for which the calculation of any such ratio is made, then such financial ratio or test shall be calculated giving pro forma effect to such incurrence or repayment of Indebtedness, or such issuance or redemption of Disqualified Stock or Preferred Stock, to the extent required, as if the same had occurred (x) in the case of any leverage-based ratio, on the last day of the applicable Test Period and (y) in the case of any cash interest coverage ratio, on the first day of the applicable Test Period.

(e) Subject to Section 1.06(e) and (f), the interest on any Indebtedness and dividends or distributions on any Disqualified Stock or Preferred Stock, in each case, assumed to be outstanding pursuant to preceding clause (d) shall be calculated as if such Indebtedness, Disqualified Stock or Preferred Stock had borne interest or accrued dividends or disbursements at (x) the rate applicable thereto, in the case of fixed rate Indebtedness, Disqualified Stock or Preferred Stock or (y) the rates which would have been applicable thereto during the respective period when same was deemed outstanding, in the case of floating rate Indebtedness (although interest expense with respect to any Indebtedness for periods while same was actually outstanding during the respective period shall be calculated using the actual rates applicable thereto while same was actually outstanding); provided that all Indebtedness (whether actually outstanding or deemed outstanding) bearing interest at a floating rate of interest shall be tested on the basis of the rates applicable at the time the determination is made pursuant to said provisions. Interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by a responsible financial or accounting officer of the Borrower to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with IFRS. For purposes of making the computation referred to above, interest on any Indebtedness under a revolving credit facility computed with a pro forma basis shall be computed based upon the average daily balance of such Indebtedness during the applicable period except as set forth in Section 1.04(a). Interest on Indebtedness that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rate, shall be determined to have been based upon the rate actually chosen, or if none, then based upon such optional rate chosen as the Borrower may designate.

1.05. Limited Condition Transactions. Notwithstanding anything to the contrary herein (including in connection with any calculation made on a Pro Forma Basis), if the terms of this Agreement require (i) compliance with any financial ratio or financial test (including any Consolidated First Lien Leverage Ratio test, any Consolidated Total Secured Leverage Ratio test, any Consolidated Total Leverage Ratio test and/or any Consolidated Cash Interest Coverage Ratio test) and/or any cap expressed as a percentage of Consolidated Total Assets, (ii) accuracy of any representation or warranty and/or the absence of a Default or Event of Default (or any type of default or event of default) or (iii) compliance with any basket, as a condition to (A) the consummation of any transaction (including in connection with any acquisition or similar Investment or the assumption or incurrence of Indebtedness) and/or (B) the making of any Restricted Payment (including any Restricted Debt Payment), the determination of whether the relevant condition is satisfied may be made, at the election of the Borrower, (1) in the case of any acquisition or similar Investment or any disposition and any transaction related thereto, at the time of (or on the basis of the financial statements for the most recently ended Test Period at the time of) either (x) the execution of the definitive agreement with respect to such acquisition, Investment or disposition (or, solely in connection with an acquisition to which the United Kingdom City Code on Takeovers and Mergers applies, the date on which a "Rule 2.7 Announcement" of a firm intention to make an offer) or (y) the consummation of such acquisition, Investment or disposition, (2) in the case of any Restricted Payment (other than a Restricted Investment or a Restricted Debt Payment), at the time of (or on the basis of the financial statements for the most recently ended Test Period at the time of) (x) the declaration of such Restricted Payment or (y) the making of such Restricted Payment and (3) in the case of any Restricted Debt Payment, at the time of (or on the basis of the financial statements for the

most recently ended Test Period at the time of) (x) delivery of notice with respect to such Restricted Debt Payment or (y) the making of such Restricted Debt Payment, in each case, after giving effect to the relevant acquisition or similar Investment, disposition, Restricted Payment and/or Restricted Debt Payment or other transaction on a Pro Forma Basis (including, in each case, giving effect to the relevant transaction, any relevant Indebtedness (including the intended use of proceeds thereof) and, at the election of the Borrower, giving pro forma effect to other prospective "limited conditionality" acquisitions or similar Investments for which definitive agreements have been executed, and no Default or Event of Default shall be deemed to have occurred solely as a result of an adverse change in such financial ratio or test occurring after the time such election is made (but any subsequent improvement in the applicable financial ratio or test may be utilized by the Borrower or any Restricted Subsidiary). For the avoidance of doubt, if the Borrower shall have elected the option set forth in clause (x) of any of the preceding clauses (1), (2) or (3) in respect of any transaction, then the Borrower shall be permitted to consummate such transaction even if any applicable test or condition shall cease to be satisfied subsequent to the Borrower's election of such option. The provisions of this Section 1.05 shall also apply in respect of the incurrence of any Incremental Facility.

1.06. Accounting Terms; IFRS; Other Interpretative Provisions, etc..

(a) All financial statements to be delivered pursuant to this Agreement shall be prepared in accordance with IFRS as in effect from time to time and, except as otherwise expressly provided herein, all terms of an accounting or financial nature that are used in calculating the Consolidated First Lien Leverage Ratio, any Consolidated Total Secured Leverage Ratio, any Consolidated Total Leverage Ratio, any Consolidated Cash Interest Coverage Ratio, Consolidated EBITDA, Consolidated Net Income or Consolidated Total Assets shall be construed and interpreted in accordance with IFRS, as in effect from time to time; provided that (A) if any change to IFRS or in the application thereof (including the conversion to U.S. GAAP as described below) is implemented after the date of delivery of the financial statements described in Section 7.05(a) and/or there is any change in the functional currency reflected in the financial statements or (B) if the Borrower elects or is required to report under U.S. GAAP, the Borrower or the Required Lenders may request to amend the relevant affected provisions hereof (whether or not the request for such amendment is delivered before or after the relevant change or election) to eliminate the effect of such change or election, as the case may be, on the operation of such provisions and (x) the Borrower and the Administrative Agent shall negotiate in good faith to enter into an amendment of the relevant affected provisions (it being understood that no amendment or similar fee shall be payable to the Administrative Agent or any Lender in connection therewith) to preserve the original intent thereof in light of the applicable change or election, as the case may be and (y) the relevant affected provisions shall be interpreted on the basis of IFRS and the currency, in each case, as in effect and applied immediately prior to the applicable change or election, as the case may be, until the request for amendment has been withdrawn by the Borrower or the Required Lenders, as applicable, or this Agreement has been amended as contemplated hereby. Any consent required from the Administrative Agent with respect to the foregoing shall not be unreasonably withheld, conditioned or delayed.

(b) Notwithstanding anything to the contrary contained in paragraph (a) above or in the definition of "Capitalized Lease Obligations", unless the Borrower elects otherwise, all obligations of any Person that are or would have been treated as operating leases for purposes of IFRS in effect as of January 1, 2018 shall continue to be accounted for as operating leases for purposes of all financial definitions, calculations and deliverables under this Agreement or any other Credit Document (whether or not such operating lease obligations were in effect on such date) notwithstanding the fact that such obligations are required (on a prospective or retroactive basis or otherwise) to be treated as capital lease obligations or otherwise accounted for as liabilities in financial statements.

(c) For purposes of determining the permissibility of any action, change, transaction or event that by the terms of the Credit Documents requires a calculation of any financial ratio or financial test (including the Consolidated First Lien Leverage Ratio, the Consolidated Total Secured Leverage Ratio, the Consolidated Total Leverage Ratio, the Consolidated Cash Interest Coverage Ratio, Consolidated EBITDA, Consolidated Net Income or Consolidated Total Assets), subject to Section 1.05, such financial ratio or test shall be calculated at the time such action is taken, such change is made, such transaction is consummated or such event occurs, as the case may be, and no Default or Event of Default shall be deemed to have occurred solely as a result of a change in such financial ratio or financial test occurring after the time such action is taken, such change is made, such transaction is consummated or such event occurs, as the case may be.

(d) Notwithstanding anything to the contrary herein, unless the Borrower otherwise notifies the Administrative Agent, with respect to any amount incurred under any ABL Facility, any Additional Revolving Facility or any other permitted revolving facility or any amounts incurred or transactions entered into (or consummated) in reliance on a provision of this Agreement that does not require compliance with a financial ratio or financial test (including any Consolidated First Lien Leverage Ratio test, any Consolidated Total Secured Leverage Ratio test, any Consolidated Total Leverage Ratio test and/or any Consolidated Cash Interest Coverage Ratio test) (any such amounts, the "Fixed Amounts") substantially concurrently with any amounts incurred or transactions entered into (or consummated) in reliance on a provision of this Agreement that requires compliance with a financial ratio or financial test (including any Consolidated First Lien Leverage Ratio test, any Consolidated Total Secured Leverage Ratio test, any Consolidated Total Leverage Ratio test and/or any Consolidated Cash Interest Coverage Ratio test) (any such amounts, the "Incurrence-Based Amounts"), it is understood and agreed that (1) the incurrence of the Incurrence-Based Amount shall be calculated first without giving effect to any Fixed Amount but giving full pro forma effect to the use of proceeds of such Fixed Amount and the related transactions and (2) the incurrence of the Fixed Amount shall be calculated thereafter. Unless the Borrower elects otherwise, the Borrower shall be deemed to have used amounts under an Incurrence- Based Amount then available to the Borrower prior to utilization of any amount under a Fixed Amount then available to the Borrower.

(e) The principal amount of any non-interest bearing Indebtedness or other discount security constituting Indebtedness at any date shall be the principal amount thereof that would be shown on a balance sheet of the Borrower dated such date prepared in accordance with IFRS.

(f) The increase in any amount secured by any Lien by virtue of the accrual of interest, the accretion of accreted value, the payment of interest or a dividend in the form of additional Indebtedness, amortization of original issue discount and/or any increase in the amount of Indebtedness outstanding solely as a result of any fluctuation in the exchange rate of any applicable currency will be deemed not to be the granting of a Lien for purposes of Section 9.01.

(g) For purposes of determining compliance with Sections 9.01 and 9.04, if any Indebtedness or Lien is Incurred in reliance on a basket measured by reference to a percentage of Consolidated Total Assets, and any refinancing or replacement thereof would cause the percentage of Consolidated Total Assets to be exceeded if calculated based on the Consolidated Total Assets on the date of such refinancing or replacement, such percentage of Consolidated Total Assets will be deemed not to be exceeded so long as the principal amount of such refinancing or replacement Indebtedness or other obligation does not exceed an amount sufficient to repay the principal amount of such Indebtedness or other obligation being refinanced or replaced, except by an amount equal to (x) unpaid accrued interest, penalties and premiums (including tender, prepayment or repayment premiums) thereon plus underwriting discounts and other customary fees, commissions and expenses (including upfront fees, original issue discount or initial yield payment) incurred in connection with such refinancing or replacement, (y) any

existing commitments unutilized thereunder and (z) additional amounts permitted to be incurred under Section 9.04 (which additional amounts shall be deemed incurred under and a utilization of such other provision of Section 9.04 pursuant to which they are permitted to be incurred).

(h) Any financial ratios required to be maintained by the Borrower pursuant to this Agreement (or required to be satisfied in order for a specific action to be permitted under this Agreement) shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-up if there is no nearest number).

1.07. Effectuation of Transactions. Each of the representations and warranties contained in this Agreement (and all corresponding definitions) is made after giving effect to the Transactions, unless the context otherwise requires.

1.08. Timing of Payment and Performance. When payment of any obligation or the performance of any covenant, duty or obligation is stated to be due or required on a day which is not a Business Day, the date of such payment (other than as described in the definition of "Interest Period") or performance shall extend to the immediately succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension.

1.09. Times of Day. Unless otherwise specified, all references herein to times of day shall be references to New York City time (daylight or standard, as applicable).

1.10. Currency Equivalents Generally.

(a) Notwithstanding anything to the contrary in clause (b) below, for purposes of any determination under Section 8, Section 9 (other than the calculation of compliance with any financial ratio for purposes of taking any action hereunder) or Section 10 with respect to the amount of any Indebtedness, Lien, Restricted Payment, Restricted Debt Payment, Investment, disposition, Sale and Leaseback Transaction, affiliate transaction or other transaction, event or circumstance, or any determination under any other provision of this Agreement (any of the foregoing, a "relevant transaction"), in a currency other than Dollars, (i) the Dollar equivalent amount of a relevant transaction in a currency other than Dollars shall be calculated based on the rate of exchange quoted by the Bloomberg Foreign Exchange Rates & World Currencies Page (or any successor page thereto, or in the event such rate does not appear on any Bloomberg Page, by reference to such other publicly available service for displaying exchange rates as may be agreed upon by the Administrative Agent and the Borrower) for such foreign currency, as in effect at 11:00 a.m. (London time) on the date of such relevant transaction (which, in the case of any Restricted Payment, Restricted Debt Payment, Investment, disposition or incurrence of Indebtedness, shall be determined as set forth in Section 1.05); provided, that if any Indebtedness is incurred (and, if applicable, associated Lien granted) to refinance or replace other Indebtedness denominated in a currency other than U.S. Dollars, and the relevant refinancing or replacement would cause the applicable U.S. Dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing or replacement, such U.S. Dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing or replacement Indebtedness (and, if applicable, associated Lien granted) does not exceed an amount sufficient to repay the principal amount of such Indebtedness being refinanced or replaced, except by an amount equal to (x) unpaid accrued interest, penalties and premiums (including tender premiums) thereon plus underwriting discounts and other customary fees, commissions and expenses (including upfront fees, original issue discount or initial yield payment) incurred in connection with such refinancing or replacement, (y) any existing commitments unutilized thereunder and (z) additional amounts permitted to be incurred under Section 9.04 and (ii) for the avoidance of doubt, no

Default or Event of Default shall be deemed to have occurred solely as a result of a change in the rate of currency exchange occurring after the time of any relevant transaction so long as such relevant transaction was permitted at the time incurred, made, acquired, committed, entered or declared as set forth in clause (i). For purposes of the calculation of compliance with any financial ratio for purposes of taking any action hereunder (including for purposes of calculating compliance with the Incremental Cap) on any relevant date of determination, amounts denominated in currencies other than U.S. Dollars shall be translated into U.S. Dollars at the applicable currency exchange rate used in preparing the financial statements delivered pursuant to Sections 8.01(a) or (b) (or, prior to the first such delivery, the financial statements referred to in Section 5.12), as applicable, for the relevant Test Period and, at the option of the Borrower, will reflect the currency translation effects, determined in accordance with IFRS, of Hedging Agreements permitted hereunder in respect of currency exchange risks with respect to the applicable currency in effect on the date of determination for the U.S. Dollar equivalent amount of such Indebtedness.

(b) Each provision of this Agreement shall be subject to such reasonable changes of construction as the Administrative Agent may from time to time specify with the Borrower's consent to appropriately reflect a change in currency of any country and any relevant market convention or practice relating to such change in currency.

1.11. Cashless Rollovers. Notwithstanding anything to the contrary contained in this Agreement or in any other Credit Document, to the extent that any Lender extends the maturity date of, or replaces, renews or refinances, any of its then-existing Loans with Incremental Loans, Replacement Term Loans, Loans in connection with any Replacement Revolving Facility, Extended Term Loans, Extended Revolving Loans or loans incurred under a new credit facility, in each case, to the extent such extension, replacement, renewal or refinancing is effected by means of a "cashless roll" by such Lender, such extension, replacement, renewal or refinancing shall be deemed to comply with any requirement hereunder or any other Credit Document that such payment be made "in U.S. Dollars", "in immediately available funds", "in cash" or any other similar requirement.

1.12. Divisions. For all purposes under the Credit Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized on the first date of its existence by the holders of its Equity Interests at such time.

Section 2. Amount and Terms of Credit.

2.01. The Term Loan Commitments. (a) Subject to and upon the terms and conditions set forth herein, each Initial Term Lender severally, and not jointly, agrees to make a term loan or term loans (each, an "Initial Term Loan" and, collectively, the "Initial Term Loans") to the Borrower, which Initial Term Loans shall be incurred pursuant to a single drawing on the Closing Date, in an amount not to exceed such Initial Term Lender's Initial Term Commitment. Each Initial Term Loan (i) shall be denominated in U.S. Dollars, (ii) except as hereinafter provided, shall, at the option of the Borrower, be incurred and maintained as, and/or converted into, Base Rate Loans or LIBOR Loans, provided that, except as otherwise specifically provided in Section 2.10(b), all Initial Term Loans comprising the same Borrowing shall at all times be of the same Type, and (ii) shall be made by each such Lender in that aggregate principal amount which does not exceed the Initial Term Loan Commitment of such Lender on the date of incurrence thereof. Once repaid, the Initial Term Loans incurred hereunder may not be reborrowed.

(b) After the Closing Date, subject to and upon the terms and conditions set forth herein and in any applicable Refinancing Amendment, Extension Amendment or Incremental Facility Amendment, as applicable, each Lender with an Additional Commitment of a given Class, severally and not jointly, agrees to make Additional Loans of such Class to the Borrower, which Loans shall not exceed for any such Lender at the time of any incurrence thereof the Additional Commitment of such Class of such Lender as set forth in the applicable Refinancing Amendment, Extension Amendment or Incremental Facility Amendment, as applicable.

2.02. Minimum Amount of Each Borrowing. The aggregate principal amount of each Borrowing of Term Loans shall not be less than the Minimum Borrowing Amount. More than one Borrowing may occur on the same date, but at no time shall there be outstanding more than five Borrowings of LIBOR Loans in the aggregate for all Term Loans (or such greater number of Borrowings of LIBOR Loans as may be acceptable to the Administrative Agent in its sole discretion).

2.03. Notice of Borrowing. (a) When the Borrower desires to incur the Term Loans hereunder, the Borrower shall give the Administrative Agent written notice thereof (the "Notice of Borrowing") at the Notice Office at least (x) three Business Days' prior to the extent that such Term Loans are to be incurred as LIBOR Loans and (y) at least one Business Day's prior to the extent that such Term Loans are to be incurred as Base Rate Loans (in each case of (x) and (y), or such later date acceptable to the Lenders providing such Term Loans); provided that (in either case) (1) such Notice of Borrowing shall be deemed to have been given on a certain day only if given before 11:00 A.M. (New York City time) on such day and (2) in the case of the initial Notice of Borrowing hereunder with respect to the Initial Term Loans, such Notice of Borrowing may be delivered at least one Business Day prior to the Closing Date. Such Notice of Borrowing, except as otherwise expressly provided in Section 2.10, shall be irrevocable and shall be in writing in the form of Exhibit A-1, appropriately completed to specify: (i) the aggregate principal amount of the Term Loans to be incurred pursuant to such Borrowing, (ii) the date of such Borrowing (which shall be a Business Day), and (iii) whether the Term Loans being incurred pursuant to such Borrowing are to be initially maintained as Base Rate Loans or, to the extent permitted hereunder, LIBOR Loans and, if LIBOR Loans, the initial Interest Period to be applicable thereto. The Administrative Agent shall promptly give each Appropriate Lender notice of such proposed Borrowing, of such Appropriate Lender's proportionate share thereof and of the other matters required by the immediately preceding sentence to be specified in the Notice of Borrowing. If the Borrower fails to specify a Type of Term Loan in a Notice of Borrowing, then the applicable Term Loans shall be made as Base Rate Loans. If the Borrower requests a Borrowing of LIBOR Loans in a Notice of Borrowing but fails to specify an Interest Period, it will be deemed to have specified an Interest Period of one month.

(b) The Administrative Agent may act without liability upon the basis of telephonic notice of such Borrowing or prepayment, as the case may be, believed by the Administrative Agent in good faith to be from an Authorized Officer of the Borrower, prior to receipt of written confirmation. In each such case, the Borrower hereby waives the right to dispute the Administrative Agent's record of the terms of such telephonic notice of such Borrowing or prepayment of Term Loans, as the case may be, absent manifest error.

2.04. Disbursement of Funds. No later than 1:00 P.M. (New York City time) on the date specified in the Notice of Borrowing, each Appropriate Lender will make available its pro rata portion (determined in accordance with Section 2.07) of the Borrowing requested to be made on such date. All such requested amounts will be made available in U.S. Dollars and in immediately available funds at the Payment Office, and the Administrative Agent will make available to the Borrower at the Payment Office, or to such other account as the Borrower may specify in writing prior to the Closing Date, the aggregate of the amounts so made available by the Appropriate Lenders. Unless the Administrative Agent shall have been notified by any Lender in writing prior to the Closing Date that

such Lender does not intend to make available to the Administrative Agent such Lender's portion of such Borrowing to be made on such date, the Administrative Agent may assume that such Lender has made such amount available to the Administrative Agent on such date and the Administrative Agent may (but shall not be obligated to), in reliance upon such assumption, make available to the Borrower a corresponding amount. If such corresponding amount is not in fact made available to the Administrative Agent by such Appropriate Lender, the Administrative Agent shall be entitled to recover such corresponding amount on demand from such Lender. If such Appropriate Lender does not pay such corresponding amount forthwith upon the Administrative Agent's demand therefor, the Administrative Agent shall promptly notify the Borrower and the Borrower shall immediately pay such corresponding amount to the Administrative Agent. The Administrative Agent also shall be entitled to recover on demand from such Appropriate Lender or the Borrower, as the case may be, interest on such corresponding amount in respect of each day from the date such corresponding amount was made available by the Administrative Agent to the Borrower until the date such corresponding amount is recovered by the Administrative Agent, at a rate per annum equal to (i) if recovered from such Appropriate Lender, the overnight Federal Funds Rate for the first three days and at the interest rate otherwise applicable to such Term Loans for each day thereafter and (ii) if recovered from the Borrower, the rate of interest applicable to the respective Borrowing, as determined pursuant to Section 2.08. Nothing in this Section 2.04 shall be deemed to relieve any Lender from its obligation to make Term Loans hereunder or to prejudice any rights which the Borrower may have against any Lender as a result of any failure by such Lender to make Term Loans hereunder.

2.05. Term Notes. (a) The Borrower's obligation to pay the principal of, premium (if any), and interest on, the Term Loans made by each Lender shall be evidenced in the Register maintained by the Administrative Agent pursuant to Section 12.15 and shall, if requested by such Lender, also be evidenced by a promissory note duly executed and delivered by the Borrower substan-tially in the form of Exhibit B, with blanks appropriately completed in conformity herewith (each, a "Term Note" and, collectively, the "Term Notes").

(b) Each Lender will note on its internal records the amount of each Term Loan made by it and each payment in respect thereof and prior to any transfer of any of its Term Notes will endorse on the reverse side thereof the outstanding principal amount of Term Loans evidenced thereby. Failure to make any such notation or any error in such notation shall not affect the Borrower's obligations in respect of such Term Loans. For the avoidance of doubt, in the event of any conflict between the books and records of any Lender and the Register, the Register shall control.

(c) Notwithstanding anything to the contrary contained above in this Section 2.05 or elsewhere in this Agreement, Term Notes shall only be delivered to Lenders which at any time specifically request the delivery of such Term Notes. No failure of any Lender to request or obtain a Term Note evidencing its Term Loans to the Borrower shall affect or in any manner impair the obligations of the Borrower to pay the Term Loans (and all related Credit Document Obligations) incurred by the Borrower which would otherwise be evidenced thereby in accordance with the requirements of this Agreement, and shall not in any way affect the security or guaranties therefor provided pursuant to the various Credit Documents. Any Lender which does not have a Term Note evidencing its outstanding Term Loans shall in no event be required to make the notations otherwise described in preceding clause (b). At any time when any Lender requests the delivery of a Term Note to evidence any of its Term Loans, the Borrower shall promptly execute and deliver to the respective Lender the requested Term Note in the appropriate amount or amounts to evidence such Term Loans.

2.06. Conversions. The Borrower shall have the option to convert, on any Business Day, all or a portion equal to at least the Minimum Borrowing Amount of the outstanding principal amount of Term Loans made pursuant to one or more Borrowings of one or more Types of Term

Loans into a Borrowing of another Type of Term Loan, provided that, (i) except as otherwise provided in Section 2.10(b), LIBOR Loans may be converted into Base Rate Loans only on the last day of an Interest Period applicable to the Term Loans being converted and no such partial conversion of LIBOR Loans shall reduce the outstanding principal amount of such LIBOR Loans made pursuant to a single Borrowing to less than the Minimum Borrowing Amount applicable thereto, (ii) unless the Required Lenders otherwise agree, Base Rate Loans may only be converted into LIBOR Loans if no Default or Event of Default is in existence on the date of the conversion, and (iii) no conversion pursuant to this Section 2.06 shall result in a greater number of Borrowings of LIBOR Loans than is permitted under Section 2.02. Each such conversion shall be effected by the Borrower by giving the Administrative Agent at the Notice Office prior to 11:00 A.M. (New York City time) at least (x) in the case of conversions of Base Rate Loans into LIBOR Loans, three Business Days' prior notice and (y) in the case of conversions of LIBOR Loans into Base Rate Loans, one Business Day's prior notice (each, a "Notice of Conversion/Continuation"), in each case in the form of Exhibit A-2, appropriately completed to specify the Term Loans to be so converted, the Borrowing or Borrowings pursuant to which such Term Loans were incurred and, if to be converted into LIBOR Loans, the Interest Period to be initially applicable thereto. The Administrative Agent shall give each Lender prompt notice of any such proposed conversion affecting any of its Term Loans. If the Borrower requests a conversion to LIBOR Loans in any Notice of Conversion/Continuation but fails to specify an Interest Period, it will be deemed to have specified an Interest Period of one month.

2.07. Pro Rata Borrowings. All Borrowings of Term Loans under this Agreement shall be incurred from the Lenders pro rata on the basis of their Term Loan Commitments. It is understood that no Lender shall be responsible for any default by any other Lender of its obligation to make Term Loans hereunder and that each Lender shall be obligated to make the Term Loans provided to be made by it hereunder, regardless of the failure of any other Lender to make its Term Loans hereunder.

2.08. Interest. (a) The Borrower agrees to pay interest in respect of the unpaid principal amount of each Base Rate Loan from the date of Borrowing thereof until the earlier of (i) the maturity thereof (whether by acceleration or otherwise) and (ii) the conversion of such Base Rate Loan to a LIBOR Loan pursuant to Section 2.06 or 2.09, as applicable, at a rate per annum which shall be equal to the sum of the relevant Applicable Margin plus the Base Rate as in effect from time to time.

(b) The Borrower agrees to pay interest in respect of the unpaid principal amount of each LIBOR Loan from the date of Borrowing thereof until the earlier of (i) the maturity thereof (whether by acceleration or otherwise) and (ii) the conversion of such LIBOR Loan to a Base Rate Loan pursuant to Section 2.06, 2.09 or 2.10, as applicable, at a rate per annum which shall, during each Interest Period applicable thereto, be equal to the sum of the relevant Applicable Margin plus the LIBO Rate for such Interest Period.

(c) Upon the occurrence and during the continuance of an Event of Default under Section 10.01(a), all overdue amounts outstanding hereunder shall bear interest at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by Applicable Law. Accrued and unpaid interest on past due amounts (including interest on past due interest) shall be due and payable upon demand.

(d) Subject to clause (e) below, accrued (and theretofore unpaid) interest shall be payable in cash (i) in respect of each Base Rate Loan, (x) quarterly in arrears on each Quarterly Payment Date, (y) on the date of any repayment or prepayment in full of all outstanding Base Rate Loans, and (z) at maturity (whether by acceleration or otherwise) and, after such maturity, on demand, and (ii) in respect of each LIBOR Loan, (x) on the last day of each Interest Period applicable thereto and, in the case of an Interest Period in excess of three months, on each date occurring at three month intervals after the first

day of such Interest Period, and (y) on the date of any repayment or prepayment (on the amount repaid or prepaid), at maturity (whether by acceleration or otherwise) and, after such maturity, on demand.

(e) Notwithstanding the foregoing, at the written election of the Borrower to the Administrative Agent (the "PIK Election"), payment of accrued (and theretofore unpaid) interest on each applicable Term Loan comprising any Borrowing may be deferred and, for purposes of the payment thereof and the accrual of compound interest thereon, be treated as having been capitalized and added to the then outstanding principal balance of such Term Loans on the date on which interest shall be payable pursuant to clause (d) above. Notice of the Borrower's election to exercise the PIK Election shall be given not less than 15 days (or such shorter period as the Administrative Agent may agree) prior to the date on which such interest is due to be paid in cash. The Administrative Agent shall give each Lender prompt notice of any such PIK Election affecting any of its Term Loans. If the Borrower exercises the PIK Election with respect to an interest payment date for any Borrowing as set forth herein, it will be deemed to have exercised the PIK Election for each subsequent interest payment date for such Borrowing until interest is actually paid in cash with respect thereto; provided that notice of the Borrower's election to pay interest in cash (after a PIK Election had been made) shall be given not less than 15 days (or such shorter period as the Administrative Agent may agree) prior to the interest payment date on which such interest is to be paid in cash.

(f) Upon each Interest Determination Date, the Administrative Agent shall determine the LIBO Rate for each Interest Period applicable to the respective LIBOR Loans and shall promptly notify the Borrower and the Lenders thereof. Each such determination shall, absent manifest error, be final and conclusive and binding on all parties hereto.

2.09. Interest Periods. At the time the Borrower gives the Notice of Borrowing or any Notice of Conversion/Continuation in respect of the making of, or conversion into, any LIBOR Loan (in the case of the initial Interest Period applicable thereto) or prior to 11:00 A.M. (New York City time) on the third Business Day prior to the expiration of an Interest Period applicable to such LIBOR Loan (in the case of any subsequent Interest Period), the Borrower shall have the right to elect the interest period (each, an "Interest Period") applicable to such LIBOR Loan, which Interest Period shall, at the option of the Borrower, be (x) a one, three, six or, if approved by each Appropriate Lender, twelve month period or (y) if agreed by the Administrative Agent in its sole discretion, such other period not to exceed one-month, provided that (in each case):

(i) all LIBOR Loans comprising a Borrowing shall at all times have the same Interest Period;

(ii) the initial Interest Period for any LIBOR Loan shall commence (i) on the date of Borrowing of such LIBOR Loan (including the date of any conversion thereto from a Base Rate Loan) and end on the first Business Day following the last day of the immediately succeeding calendar quarter, and (ii) each Interest Period occurring thereafter in respect of such LIBOR Loan shall commence on the day on which the next preceding Interest Period applicable thereto expires;

(iii) if any Interest Period for a LIBOR Loan begins on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period, such Interest Period shall end on the first Business Day of the immediately succeeding calendar month;

(iv) if any Interest Period for a LIBOR Loan would otherwise expire on a day which is not a Business Day, such Interest Period shall expire on the next succeeding Business Day;

(v) unless the Required Lenders otherwise agree, no Interest Period may be selected at any time when a Default or an Event of Default is then in existence;

(vi) no Interest Period in respect of any Borrowing of Term Loans shall be selected which extends beyond the scheduled Maturity Date of the Term Facility under which such Term Loan was made; and

(vii) no Interest Period in respect of any Borrowing of Term Loans shall be selected which extends beyond any date upon which a mandatory repayment of the Term Loans will be required to be made under Section 4.02 if the aggregate principal amount of the Term Loans which have Interest Periods which will expire after such date will be in excess of the aggregate principal amount of the Term Loans then outstanding less the aggregate amount of such required repayment.

If by 11:00 A.M. (New York City time) on the third Business Day prior to the expiration of any Interest Period applicable to a Borrowing of LIBOR Loans, (x) the Borrower has failed to elect, or is not permitted to elect, a new Interest Period to be applicable to such LIBOR Loans as provided above, the Borrower shall be deemed to have elected to convert such LIBOR Loans into Base Rate Loans effective as of the expiration date of such current Interest Period and (y) the Borrower requests a continuation of LIBOR Loans in any Notice of Conversion/Continuation but fails to specify an Interest Period, it will be deemed to have specified an Interest Period of one month.

2.10. Increased Costs, Illegality, etc. (a) In the event that any Lender shall have determined (which determination shall, absent manifest error, be final and conclusive and binding upon all parties hereto but, with respect to clause (i) below, may be made only by the Administrative Agent):

(i) on any Interest Determination Date that, by reason of any changes arising after the date of this Agreement affecting the London interbank market, adequate and fair means do not exist for ascertaining the applicable interest rate on the basis provided for in the definition of LIBO Rate; or

(ii) at any time, that such Lender shall incur increased costs or reductions in the amounts received or receivable hereunder with respect to any LIBOR Loan because of (x) any change since the Closing Date in any Applicable Law or governmental rule, regulation, order, guideline or request (whether or not having the force of law) or in the interpretation or administration thereof and including the introduction of any new law or governmental rule, regulation, order, guideline or request, including: (I) any such change subjecting any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (e) of the definition of Excluded Taxes and (C) Connection Income Taxes payable by such Lender) or (II) a change in official reserve requirements, but, in all events, excluding reserves required under Regulation D to the extent included in the computation of the LIBO Rate and/or (y) other circumstances arising since the Closing Date affecting such Lender, the London interbank market or the position of such Lender in such market (including that the LIBO Rate with respect to such LIBOR Loan does not adequately and fairly reflect the cost to such Lender of funding such LIBOR Loan); or

(iii) at any time, that the making or continuance of any LIBOR Loan has been made (x) unlawful by any law or governmental rule, regulation or order, (y) impossible by compliance by any Lender in good faith with any governmental request (whether or not having force of law)

or (z) impracticable as a result of a contingency occurring after the Closing Date which materially and adversely affects the London interbank market;

then, and in any such event, such Lender (or the Administrative Agent, in the case of clause (i) above) shall promptly give notice to the Borrower and, except in the case of clause (i) above, to the Administrative Agent of such determination (which notice the Administrative Agent shall promptly transmit to each of the other Lenders). Thereafter (x) in the case of clause (i) above, LIBOR Loans shall no longer be available until such time as the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice by the Administrative Agent no longer exist, and the Notice of Borrowing or any Notice of Conversion/Continuation given by the Borrower with respect to LIBOR Loans which have not yet been incurred (including by way of conversion) shall be deemed rescinded by the Borrower, (y) in the case of clause (ii) above, the Borrower agrees to pay to such Lender, upon such Lender's written request therefor, such additional amounts (in the form of an increased rate of, or a different method of calculating, interest or otherwise as such Lender in its sole discretion shall determine) as shall be required to compensate such Lender for such increased costs or reductions in amounts received or receivable hereunder (a written notice as to the additional amounts owed to such Lender, showing in reasonable detail the basis for the calculation thereof, submitted to the Borrower by such Lender shall, absent manifest error, be final and conclusive and binding on all the parties hereto) and (z) in the case of clause (iii) above, the Borrower shall take one of the actions specified in Section 2.10(b) as promptly as possible and, in any event, within the time period required by law.

(b) At any time that any LIBOR Loan is affected by the circumstances described in Section 2.10(a)(ii), the Borrower may, and in the case of a LIBOR Loan affected by the circumstances described in Section 2.10(a)(iii), the Borrower shall, either (x) if the affected LIBOR Loan is then being made initially or pursuant to a conversion, cancel such Borrowing by giving the Administrative Agent written notice on the same date that the Borrower was notified by the affected Lender or the Administrative Agent pursuant to Section 2.10(a)(ii) or (iii) or (y) if the affected LIBOR Loan is then outstanding, upon at least three Business Days' written notice to the Administrative Agent, require the affected Lender to convert such LIBOR Loan into a Base Rate Loan, provided that, if more than one Lender is affected at any time, then all affected Lenders must be treated the same pursuant to this Section 2.10(b).

(c) Notwithstanding anything contained herein to the contrary, and without limiting the provisions of Section 2.10(a), in the event that the Administrative Agent shall have determined (which determination shall be final and conclusive and binding upon all parties hereto) that there exists, at such time, a broadly accepted market convention for determining a rate of interest for syndicated loans in the United States in lieu of the LIBOR Screen Rate, and the Administrative Agent shall have given notice of such determination to the Borrower and each Lender (it being understood that the Administrative Agent shall have no obligation to make such determination and/or to give such notice), then the Administrative Agent and the Borrower shall enter into an amendment to this Agreement to reflect such alternate rate of interest and such other related changes to this Agreement as may be applicable. Notwithstanding anything to the contrary in Section 12.12, such amendment shall become effective without any further action or consent of any other party to this Agreement so long as the Lenders shall have received at least five Business Days' prior written notice thereof and the Administrative Agent shall not have received, within five Business Days of the date of such notice to the Lenders, a written notice from the Required Lenders stating that the Required Lenders object to such amendment. Until an alternate rate of interest shall be determined in accordance with this paragraph (but only to the extent the LIBOR Screen Rate for the applicable Interest Period is not available or published at such time on a current basis), (x) no Loans may be made as, or converted to, LIBOR Loans, and (y) any Notice of Borrowing or any Notice of Conversion/Continuation given by the Borrower with respect to LIBOR Loans shall be deemed to be rescinded by the Borrower.

(d) If any Lender determines that after the Closing Date the introduction of or any change in any Applicable Law or governmental rule, regulation, order, guideline, directive or request (whether or not having the force of law) concerning capital adequacy, or any change in interpretation or administration thereof by the NAIC or any Governmental Authority, central bank or comparable agency, will have the effect of increasing the amount of capital required or expected to be maintained by such Lender or any corporation controlling such Lender based on the existence of such Lender's Term Loan Commitments hereunder or its obligations hereunder, then the Borrower agrees to pay to such Lender, upon its written demand therefor, such additional amounts as shall be required to compensate such Lender or such other corporation for the increased cost to such Lender or such other corporation or the reduction in the rate of return to such Lender or such other corporation as a result of such increase of capital. In determining such additional amounts, each Lender will act reasonably and in good faith and will use averaging and attribution methods which are reasonable, provided that such Lender's determination of compensation owing under this Section 2.10(d) shall, absent manifest error, be final and conclusive and binding on all the parties hereto. Each Lender, upon determining that any additional amounts will be payable pursuant to this Section 2.10(d), will give prompt written notice thereof to the Borrower, which notice shall show in reasonable detail the basis for calculation of such additional amounts; provided that a Lender shall not demand compensation for any increased costs pursuant to a change if it shall not be the general policy of such Lender to demand such compensation under equivalent provisions in other credit agreements.

(e) Notwithstanding anything in this Agreement to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines, requirements and directives thereunder, issued in connection therewith or in implementation thereof and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a change after the Closing Date in a requirement of law or government rule, regulation or order, regardless of the date enacted, adopted, issued or implemented (including for purposes of this Section 2.10).

2.11. Compensation. The Borrower agrees to compensate each Lender, upon its written request (which request shall set forth in reasonable detail the basis for requesting such compensation), for all losses, expenses and liabilities (including any loss, expense or liability incurred by reason of the liquidation or reemployment of deposits or other funds required by such Lender to fund its LIBOR Loans but excluding loss of anticipated profits) which such Lender may sustain: (i) if for any reason (other than a default by such Lender or the Administrative Agent) a Borrowing of, or conversion from or into, LIBOR Loans does not occur on a date specified therefor in the Notice of Borrowing or a Notice of Conversion/Continuation (whether or not withdrawn by the Borrower or deemed withdrawn pursuant to Section 2.10(a)); (ii) if any prepayment or repayment (including any prepayment or repayment made pursuant to Section 4.01, Section 4.02 or as a result of an acceleration of the Term Loans pursuant to Section 10) or conversion of any of its LIBOR Loans occurs on a date which is not the last day of an Interest Period with respect thereto; (iii) if any prepayment of any of its LIBOR Loans is not made on any date specified in a notice of prepayment given by the Borrower; or (iv) as a consequence of (x) any other default by the Borrower to repay LIBOR Loans when required by the terms of this Agreement or any Term Note held by such Lender or (y) any election made pursuant to Section 2.10(b).

2.12. Change of Lending Office. Each Lender agrees that on the occurrence of any event giving rise to the operation of or increased payment under Section 2.10(a)(ii) or (iii), Section 2.10(d) or Section 4.04 with respect to such Lender, it will, if requested by the Borrower, use reasonable efforts (subject to overall policy considerations of such Lender) to designate another lending office for any Term Loans affected by such event, provided that such designation is made on such terms that such Lender and its lending office suffer no economic, legal or regulatory disadvantage, with the

object of avoiding the consequence of the event giving rise to the operation of such Section. Nothing in this Section 2.12 shall affect or postpone any of the obligations of the Borrower or the right of any Lender provided in Sections 2.10 and 4.04. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation.

2.13. Replacement of Lenders. (x) If any Lender becomes a Defaulting Lender, (y) upon the occurrence of any event giving rise to the operation of Section 2.10(a)(ii) or (iii), Section 2.10(d) or Section 4.04 with respect to any Lender which results in such Lender charging to the Borrower increased costs or indemnified Taxes in excess of those being generally charged by the other Lenders or (z) in the case of a refusal by a Lender to consent to a proposed change, waiver, discharge or termination with respect to this Agreement which has been approved by the Required Lenders as (and to the extent) provided in Section 12.12(b), the Borrower shall have the right, in accordance with Section 12.04(b), if no Default or Event of Default then exists or would exist after giving effect to such replacement, to replace such Lender (the "Replaced Lender") with one or more other Eligible Transferees, none of whom shall constitute a Defaulting Lender at the time of such replacement (collectively, the "Replacement Lender") and each of which shall be reasonably acceptable to the Administrative Agent; provided that:

(i) at the time of any replacement pursuant to this Section 2.13, the Replacement Lender shall enter into one or more Assignment and Assumption Agreements pursuant to Section 12.04(b) (and with all fees payable pursuant to said Section 12.04(b) to be paid by the Replacement Lender and/or the Replaced Lender (as may be agreed to at such time by and among the Borrower, the Replacement Lender and the Replaced Lender)) pursuant to which the Replacement Lender shall acquire all of the outstanding Term Loans of the Replaced Lender and, in connection therewith, shall pay to the Replaced Lender in respect thereof an amount equal to the sum of (A) an amount equal to the principal of, and all accrued interest on, all outstanding Term Loans of the respective Replaced Lender, and (B) an amount equal to all accrued, but theretofore unpaid, Fees owing to the Replaced Lender pursuant to Section 3.01 (other than pursuant to Section 3.01(b));

(ii) all obligations of the Borrower then owing to the Replaced Lender (other than those specifically described in clause (a) above in respect of which the assignment purchase price has been, or is concurrently being, paid, but including all amounts, if any, owing under Sections 2.11 and 3.01(b)) shall be paid in full to such Replaced Lender concurrently with such replacement; and

(iii) If any applicable Lender shall be deemed a Non Consenting Lender and is required to assign all or any portion of its Initial Term Loans on or prior to the twelve-month anniversary of the Closing Date in connection with any such waiver, amendment or modification that constitutes a Repricing Event, the Borrower shall pay such Non Consenting Lender the fee required to be paid pursuant to Section 3.01(b) on the principal amount of Initial Term Loans so assigned.

Upon receipt by the Replaced Lender of all amounts required to be paid to it pursuant to this Section 2.13, the Administrative Agent shall be entitled (but not obligated) and is authorized (which authorization is coupled with an interest) to execute an Assignment and Assumption Agreement on behalf of such Replaced Lender, and any such Assignment and Assumption Agreement so executed by the Administrative Agent and the Replacement Lender shall be effective for purposes of this Section 2.13 and Section 12.04. Upon the execution of the respective Assignment and Assumption Agreement, the payment of amounts referred to in clauses (a) and (b) above, recordation of the assignment on the Register by the Administrative Agent pursuant to Section 12.15 and, if so requested by the Replacement Lender,

delivery to the Replacement Lender of the appropriate Term Note or Term Notes executed by the Borrower, the Replacement Lender shall become a Lender hereunder and the Replaced Lender shall cease to constitute a Lender hereunder, except with respect to indemnification provisions under this Agreement (including Sections 2.10, 2.11, 4.04, 11.06, 12.01 and 12.06), which shall survive as to such Replaced Lender.

2.14. Specified Refinancing Debt. (a) The Borrower may, from time to time after the Closing Date, add one or more new term loan facilities to the Term Facility ("Specified Refinancing Tern Loans"; and the commitments in respect of such new term facilities, the "Specified Refinancing Term Commitment") and/or add one or more new Classes of Additional Revolving Commitments ("Specified Refinancing Revolving Commitments" and, together with any Specified Refinancing Term Loans, "Specified Refinancing Debt"), in each case pursuant to procedures reasonably specified by the Administrative Agent and reasonably acceptable to the Borrower, to (x) with respect to Specified Refinancing Term Loans, refinance all or any portion of any Term Loan Tranches then outstanding under this Agreement or (y) with respect to Specified Refinancing Revolving Commitments, refinance or replace all or any portion of any Additional Revolving Credit Commitment under the applicable Class then existing under this Agreement, as applicable, pursuant to a Refinancing Amendment; provided that:

(i) such Specified Refinancing Debt will rank *pari passu* in right of payment as the other Loans and Commitments hereunder;

(ii) such Specified Refinancing Debt will not be borrowed or guaranteed by any Person that is not a Credit Party;

(iii) such Specified Refinancing Debt will be (x) unsecured or (y) secured by the Collateral on a first lien "equal and ratable" basis with the Liens securing the Credit Document Obligations or on a "junior" basis with the Liens securing the Credit Document Obligations (in each case pursuant to one or more Acceptable Intercreditor Agreements (including pursuant to a joinder to each Acceptable Intercreditor Agreement then extant);

(iv) such Specified Refinancing Debt will have such pricing and optional prepayment terms as may be agreed by the Borrower and the applicable Lenders thereof;

(v) (i) such Specified Refinancing Term Loans will have a maturity date that is not prior to the Maturity Date of, and will have a Weighted Average Life to Maturity that is not shorter than the Weighted Average Life to Maturity of, the Term Loans being refinanced and (ii) such Specified Refinancing Revolving Commitments (and any Loans made thereunder) will have a maturity date that is not prior to the maturity date of Additional Revolving Credit Commitments under the applicable Class being refinanced (and any Loans made thereunder); provided, that the foregoing limitations in this clause (v) shall not apply to any such Specified Refinancing Debt having an aggregate principal amount outstanding, together with the aggregate principal amount of any Credit Agreement Refinancing Indebtedness excluded from clause (i) of the proviso of the definition of "Credit Agreement Refinancing Indebtedness", not exceeding $50,000,000 (as selected by the Borrower);

(vi) no Specified Refinancing Revolving Commitments shall have any scheduled mandatory commitment reductions prior to the maturity of the Additional Revolving Credit Commitments under the applicable Class being refinanced;

(vii) any Specified Refinancing Term Loans that are *pari passu* in right of payment and security shall share ratably in any voluntary and mandatory prepayments of Term Loans pursuant to Section 4 (or otherwise provide for more favorable prepayment treatment for the then outstanding Term Loan Tranches than the Specified Refinancing Term Loans);

(viii) the covenants and events of default of such Specified Refinancing Debt (excluding optional prepayment or redemption terms) shall be either (A) substantially identical to, or (taken as a whole) no more favorable (as determined by the Borrower in good faith) to the lenders thereof than those applicable to the Loans or Commitments being refinanced (other than covenants and events of default (x) applicable only to periods after the then Latest Maturity Date existing at the time of such refinancing or (y) that are more favorable to the lenders or the agent of such refinanced debt than those contained in the Credit Documents and are then conformed (or added) to the Credit Documents (it being understood that no consent of the Administrative Agent or any existing Lender shall be required to add any such more favorable provision to the Credit Documents)) or (B) then-current market terms (as determined by the Borrower in good faith at the time of Incurrence (or the obtaining of a commitment with respect thereto)) for the applicable type of Specified Refinancing Debt;

(ix) the Net Cash Proceeds of such Specified Refinancing Debt shall be applied, substantially concurrently with the incurrence thereof, to the pro rata prepayment of outstanding Loans being so refinanced (and, in the case of any Specified Refinancing Revolving Commitments, to permanently reduce the Additional Revolving Credit Commitments under the applicable Class being refinanced); provided, however, that such Specified Refinancing Debt (x) may provide for any additional or different financial or other covenants or other provisions that are agreed among the Borrower and the Lenders thereof and applicable only during periods after the then Latest Maturity Date in effect and (y) shall not have a principal or commitment amount (or accreted value) greater than the Loans or Commitments being refinanced, plus additional amounts to the extent otherwise permitted to be incurred under this Agreement, plus any fees, premium, original issue discount and accrued interest associated therewith, and costs and expenses related thereto;

(x) if the Term Loans being refinanced are subordinated in right of security to the Initial Term Loans, then the Specified Refinancing Debt shall be subordinated in right of security to the Initial Term Loans on the same basis or be unsecured; and

(xi) if the Term Loans being refinanced are unsecured, then the Specified Refinancing Debt shall be unsecured.

(b) The Borrower shall make any request for Specified Refinancing Debt pursuant to a written notice to the Administrative Agent specifying in reasonable detail the proposed terms thereof. At the time of sending such notice, the Borrower shall specify the time period within which each applicable Lender is requested to respond (which shall in no event be less than ten Business Days from the date of delivery of such notice or such shorter period as may be agreed by the Administrative Agent in its sole discretion). Each applicable Lender shall notify the Administrative Agent within such time period whether or not it agrees to participate in providing such Specified Refinancing Debt and, if so, whether by an amount equal to, greater than, or less than its ratable portion (based on such Lender's ratable share in respect of the Loans or Commitments to be refinanced) of such Specified Refinancing Debt. Any Lender approached to provide all or a portion of any Specified Refinancing Debt may elect or decline, in its sole discretion, to provide such Specified Refinancing Debt. Any Lender not responding within such time period shall be deemed to have declined to participate in providing such Specified Refinancing Debt. The Administrative Agent shall notify the Borrower and each applicable Lender of the Lenders' responses to

each request made hereunder. To achieve the full amount of a requested issuance of Specified Refinancing Debt, and subject to the approval of the Administrative Agent (which approval shall not be unreasonably withheld, conditioned or delayed), the Borrower may also invite additional Eligible Transferees to become Lenders in respect of such Specified Refinancing Debt pursuant to a joinder agreement to this Agreement in form and substance reasonably satisfactory to the Borrower and the Administrative Agent.

(c) As a condition precedent to the effectiveness of any Refinancing Amendment, upon its request, the Administrative Agent shall have received a certificate of the Borrower dated the date thereof signed by an Authorized Officer of the Borrower, certifying and attaching the resolutions adopted by the Borrower approving such Specified Refinancing Debt and certifying that the conditions precedent set forth in clause (a) above have been satisfied, and, to the extent reasonably requested by the Administrative Agent, the Administrative Agent shall have received customary legal opinions, board resolutions and officers' certificates consistent with those delivered on the Closing Date under Section 5 or delivered from time to time pursuant to Section 8.12 (other than changes to such legal opinions resulting from a change in Law, change in fact or change to counsel's form of opinion reasonably satisfactory to the Administrative Agent (subject to Required Lenders Negative Consent)) and/or reaffirmation agreements, including any supplements or amendments to the Security Documents providing for such Specified Refinancing Debt to be secured thereby in form and substance reasonably satisfactory to the Administrative Agent (subject to Required Lenders Negative Consent).

(d) The Lenders hereby irrevocably authorize the Administrative Agent to enter into any Refinancing Amendment and/or any amendment to any other Credit Documents with the Borrower as may be necessary in order to establish new Term Loan Tranches or Additional Revolving Commitments of Specified Refinancing Debt and to make such technical amendments as may be necessary or appropriate in the reasonable opinion of the Administrative Agent and the Borrower in connection with the establishment of such new Classes, Term Loan Tranches or Additional Revolving Commitments, as the case may be, in each case on terms consistent with and/or to effect the provisions of this Section 2.14 (including, for the avoidance of doubt, any amendments required to establish any letter of credit or swingline facility in connection with the implementation of any Specified Refinancing Revolving Commitments). All such amendments entered into with the Borrower by the Administrative Agent hereunder shall be binding and conclusive on the Lenders.

(e) Each class of Specified Refinancing Debt incurred under this Section 2.14 shall be in an aggregate principal amount that is (x) not less than $5,000,000 and (y) an integral multiple of $1,000,000 in excess thereof.

(f) The Administrative Agent shall promptly notify each Lender as to the effectiveness of each Refinancing Amendment. Each of the parties hereto hereby agrees that, upon the effectiveness of any Refinancing Amendment, this Agreement shall be deemed amended to the extent (but only to the extent) necessary to reflect the existence and terms of the Specified Refinancing Debt incurred pursuant thereto (including the addition of such Specified Refinancing Debt as a separate "Term Facility" hereunder and treated in a manner consistent with the Term Facility being refinanced, including for purposes of prepayments and voting). Any Refinancing Amendment may, without the consent of any Person other than the Borrower, the Administrative Agent and the Lenders providing such Specified Refinancing Debt, effect such amendments to this Agreement and the other Credit Documents as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent and the Borrower, to effect the provisions of or consistent with this Section 2.14.

(g) This Section 2.14 shall supersede any provisions in Section 12.06 or 12.12 to the contrary.

2.15. Extensions of Loans.

(a) Notwithstanding anything to the contrary in this Agreement, pursuant to one or more offers (each, an "Extension Offer") made from time to time by the Borrower to all Lenders holding Loans of any Class or Commitments of any Class, in each case on a pro rata basis (based on the aggregate outstanding principal amount of the respective Loans or Commitments of such Class) and on the same terms to each such Lender, the Borrower is hereby permitted from time to time to consummate transactions with any individual Lender who accepts the terms contained in the relevant Extension Offer to extend the Maturity Date of all or a portion of such Lender's Loans and/or Commitments of such Class and otherwise modify the terms of all or a portion of such Loans and/or Commitments pursuant to the terms of the relevant Extension Offer (including by increasing the interest rate or fees payable in respect of such Loans and/or Commitments (and related outstandings) and/or modifying the amortization schedule, if any, in respect of such Loans) (each, an "Extension"); it being understood that any Extended Term Loans shall constitute a separate Class of Loans from the Class of Loans from which they were converted and any Extended Revolving Credit Commitments shall constitute a separate Class of Additional Revolving Credit Commitments from the Class of Additional Revolving Credit Commitments from which they were converted, so long as the following terms are satisfied:

(i) except as to (x) interest rates, fees and final maturity (which shall, subject to clause (iii)(y) below, be determined by the Borrower and set forth in the relevant Extension Offer), (y) terms applicable to such Extended Revolving Credit Commitments or Extended Revolving Loans that are more favorable to the lenders or the agent of such Extended Revolving Credit Commitments or Extended Revolving Loans than those contained in the Credit Documents and are then conformed (or added) to the Credit Documents on or prior to the effectiveness of such Extension for the benefit of the Additional Revolving Lenders or, as applicable, the Administrative Agent pursuant to the applicable Extension Amendment and (z) any terms or other provisions applicable only to periods after the Latest Revolving Loan Maturity Date (in each case, as of the date of such Extension), the commitment of any Additional Revolving Lender that agrees to an Extension (an "Extended Revolving Credit Commitment"; and the Loans thereunder, "Extended Revolving Loans"), and the related outstandings, shall be a revolving commitment (or related outstandings, as the case may be) with substantially consistent terms (or terms not less favorable to existing Additional Revolving Lenders) as the Class of Additional Revolving Credit Commitments subject to the relevant Extension Offer (and related outstandings) provided hereunder; provided that to the extent more than one Additional Revolving Facility exists after giving effect to any such Extension, (1) the borrowing and repayment (except for (A) payments of interest and fees at different rates on any Additional Revolving Facility (and related outstandings), (B) repayments required upon the Maturity Date of any Additional Revolving Facility and (C) repayments made in connection with any permanent repayment and termination of any Additional Revolving Credit Commitments (subject to clause (3) below)) of Extended Revolving Loans after the effective date of such Extended Revolving Credit Commitments shall be made on a pro rata basis with all other Additional Revolving Facilities, (2) all swingline loans and/or letters of credit made or issued, as applicable, under any Extended Revolving Credit Commitment shall be participated on a pro rata basis by all Additional Revolving Lenders of the applicable Class and (3) any permanent repayment of Additional Revolving Loans with respect to, and reduction or termination of Additional Revolving Credit Commitments under, any Additional Revolving Facility after the effective date of such Extended Revolving Credit Commitments shall be made on a pro rata basis or less than pro rata basis with all other Additional Revolving Facilities, except that the Borrower shall be permitted to permanently repay Additional Revolving Loans and terminate Additional Revolving Credit Commitments of any Additional Revolving Facility on a greater than pro rata basis (I) as compared to any other Additional Revolving Facilities with a later Maturity Date than such

Additional Revolving Facility or (II) to the extent refinanced or replaced with a Replacement Revolving Facility or Replacement Debt;

(ii) except as to (x) interest rates, fees, amortization, final maturity date, premiums, required prepayment dates and participation in prepayments (which shall, subject to immediately succeeding clauses (iii)(x), (iv) and (v), be determined by the Borrower and set forth in the relevant Extension Offer), (y) terms applicable to such Extended Term Loans that are more favorable to the lenders or the agent of such Extended Term Loans than those contained in the Credit Documents and are then conformed (or added) to the Credit Documents on or prior to the effectiveness of such Extension for the benefit of the Term Lenders or, as applicable, the Administrative Agent pursuant to the applicable Extension Amendment and (z) any terms or other provisions applicable only to periods after the Latest Term Loan Maturity Date (in each case, as of the date of such Extension), the Term Loans of any Lender extended pursuant to any Extension (any such extended Term Loans, the "Extended Term Loans") shall have substantially consistent terms (or terms not less favorable to existing Lenders) as the tranche of Term Loans subject to the relevant Extension Offer;

(iii) (x) the final maturity date of any Extended Term Loans shall be no earlier than the then applicable Latest Term Loan Maturity Date at the time of extension and (y) no Extended Revolving Credit Commitments or Extended Revolving Loans shall have a final maturity date earlier than (or require commitment reductions prior to) the then applicable Latest Revolving Loan Maturity Date;

(iv) the Weighted Average Life to Maturity of any Extended Term Loans shall be no shorter than the remaining Weighted Average Life to Maturity of any then-existing Term Loans;

(v) subject to clauses (iii) and (iv) above, any Extended Term Loans may otherwise have an amortization schedule as determined by the Borrower and the Lenders providing such Extended Term Loans;

(vi) any Extended Term Loans may provide for the ability to participate (A) on a pro rata basis or non-pro rata basis in any voluntary prepayment of Term Loans made pursuant to Section 4.01 and (B) on a pro rata or less than pro rata basis (but not on a greater than pro rata basis other than in the case of prepayment with proceeds of Indebtedness refinancing such Extended Term Loans) in any mandatory prepayment of Term Loans required pursuant to Section 4.02(b), (c), (d) or (e);

(vii) if the aggregate principal amount of Loans or commitments, as the case may be, in respect of which Lenders shall have accepted the relevant Extension Offer exceeds the maximum aggregate principal amount of Loans or commitments, as the case may be, offered to be extended by the Borrower pursuant to such Extension Offer, then the Loans or commitments, as the case may be, of such Lenders shall be extended ratably up to such maximum amount based on the respective principal amounts (but not to exceed actual holdings of record) held by Lenders that have accepted such Extension Offer;

(viii) unless the Administrative Agent otherwise agrees, each Extension shall be in a minimum amount of $5,000,000;

(ix) any applicable Minimum Extension Condition shall be satisfied or waived by the Borrower; and

(x) all documentation in respect of such Extension shall be consistent with the foregoing.

(b) With respect to any Extension consummated by the Borrower pursuant to this Section 2.15, (i) no such Extensions shall constitute a voluntary or mandatory payment or prepayment for the purposes of Section 4 and (ii) the scheduled amortization payments (in so far as such schedule affects payments due to Lenders participating in the relevant Class) set forth in Section 4.02(b) shall be adjusted to give effect to such Extension of the relevant Class and (iii) except as set forth in clause (a) (viii) above, no Extension Offer is required to be in any minimum amount or any minimum increment; provided that the Borrower may, at its election, specify as a condition (a "Minimum Extension Condition") to consummating any such Extension that a minimum amount (to be determined and specified in the relevant Extension Offer in the Borrower's sole discretion and which may be waived by the Borrower in its sole discretion) of Loans or commitments (as applicable) of any or all applicable Classes be tendered. The Administrative Agent and the Lenders hereby consent to the Extensions and the other transactions contemplated by this Section 2.15 (including payment of any interest, fees or premium in respect of any tranche of Extended Term Loans and/or Extended Revolving Commitments on such terms as may be set forth in the relevant Extension Offer) and hereby waive the requirements of any provision of this Agreement or any other Credit Document that may otherwise prohibit any such Extension or any other transaction contemplated by this Section 2.15.

(c) No consent of any Lender or the Administrative Agent shall be required to effectuate any Extension, other than the consent of each Lender agreeing to such Extension with respect to one or more of its Loans and/or commitments under any Class (or a portion thereof). All Extended Term Loans and Extended Revolving Credit Commitments and all obligations in respect thereof shall constitute Secured Obligations under this Agreement and the other Credit Documents that are secured by the Collateral and guaranteed on a pari passu basis with all other Credit Document Obligations under this Agreement and the other Credit Documents. The Lenders hereby irrevocably authorize the Administrative Agent to enter into any Extension Amendment and such other amendments to this Agreement and the other Credit Documents with the Borrower as may be necessary in order to establish new Classes or sub- Classes in respect of Loans or commitments so extended and such technical amendments as may be necessary or appropriate in the reasonable opinion of the Administrative Agent and the Borrower in connection with the establishment of such new Classes or sub-Classes, in each case on terms consistent with this Section 2.15 (including, for the avoidance of doubt, any amendments required to establish any letter of credit or swingline facility in connection with the implementation of any Extended Revolving Credit Commitments). All such amendments entered into with the Borrower by the Administrative Agent hereunder shall be binding and conclusive on the Lenders. As a condition precedent to the effectiveness of any Extension Amendment, upon its request, the Administrative Agent shall have received a certificate of the Borrower dated the date thereof signed by an Authorized Officer of the Borrower, certifying and attaching the resolutions adopted by the Borrower approving such Extension Amendment and certifying that the conditions precedent set forth in clause (a) above have been satisfied, and, to the extent reasonably requested by the Administrative Agent, the Administrative Agent shall have received customary legal opinions consistent with those delivered on the Closing Date under Section 5 or delivered from time to time pursuant to Section 8.12 (other than changes to such legal opinions resulting from a change in Law, change in fact or change to counsel's form of opinion reasonably satisfactory to the Administrative Agent (subject to Required Lenders Negative Consent)) and/or reaffirmation agreements in form and substance reasonably satisfactory to the Administrative Agent (subject to Required Lenders Negative Consent). The Administrative Agent shall promptly notify each Lender as to the effectiveness of each Extension Amendment. For the avoidance of doubt, no existing Lender will have any obligation to commit to any such Extension.

(d) In connection with any Extension, the Borrower shall provide the Administrative Agent at least five Business Days' (or such shorter period as may be agreed by the Administrative Agent) prior written notice thereof, and shall agree to such procedures (including rendering timing, rounding and other adjustments and to ensure reasonable administrative management of the credit facilities hereunder after such Extension), if any, as may be established by, or acceptable to, the Administrative Agent, in each case acting reasonably to accomplish the purposes of this Section 2.15.

(e) This Section 2.15 shall supersede any provisions in Section 12.06 or 12.12 to the contrary.

2.16. Incremental Credit Extensions.

(a) The Borrower may, at any time, on one or more occasions pursuant to an Incremental Facility Amendment (i) add one or more new Classes of term facilities and/or increase the principal amount of the Term Loans of any existing Class by requesting new term loan commitments to be added to such Loans (any such new Class or increase, an "Incremental Term Facility" and any loans made pursuant to an Incremental Term Facility, "Incremental Term Loans") and/or (ii) add one or more new Classes of revolving commitments and/or increase the aggregate amount of the Revolving Credit Commitments of any existing Class (any such new Class or increase, an "Incremental Revolving Facility" and, together with any Incremental Term Facility, "Incremental Facilities", or either or any thereof, an "Incremental Facility"; and the loans thereunder, "Incremental Revolving Loans" and, together with any Incremental Term Loans, "Incremental Loans") in an aggregate outstanding principal amount not to exceed the Incremental Cap; provided that:

(i) no Incremental Commitment in respect of any Incremental Facility may be in an amount that is less than the Minimum Borrowing Amount (or such lesser amount to which the Administrative Agent may reasonably agree);

(ii) except as separately agreed from time to time between the Borrower and any Lender, no Lender shall be obligated to provide any Incremental Commitment, and the determination to provide such commitments shall be within the sole and absolute discretion of such Lender (it being agreed that the Borrower shall not be obligated to offer the opportunity to any Lender to participate in any Incremental Facility);

(iii) no Incremental Facility or Incremental Loan (nor the creation, provision or implementation thereof) shall require the approval of any existing Lender other than in its capacity, if any, as a lender providing all or part of such Incremental Facility or Incremental Loan;

(iv) any such Incremental Revolving Facility shall (A) either (1) be consistent with the existing Term Loan (except as otherwise set forth herein or as is otherwise customary to reflect the revolving nature of such Incremental Revolving Facility) or (2) be subject to the same terms and conditions as any then-existing Additional Revolving Facility (and be deemed added to, and made a part of, such Additional Revolving Facility) (it being understood that, if required to consummate an Incremental Revolving Facility, the Borrower may increase the pricing, interest rate margins, rate floors and undrawn fees on the applicable Additional Revolving Facility being increased for all lenders under such Additional Revolving Facility, but additional upfront or similar fees may be payable to the lenders participating in such Incremental Revolving Facility without any requirement to pay such amounts to any existing Additional Revolving Lenders) or (B) mature no earlier than, and require no scheduled mandatory commitment reduction prior to, the date that is five years from the Closing Date and all other material terms

(other than pricing, maturity, upfront, arrangement, structuring, underwriting, ticking, consent, amendment and other fees, participation in mandatory prepayments or commitment reductions, any financial covenant (springing or otherwise) and immaterial terms, which shall be determined by the Borrower) shall be substantially consistent with any Additional Revolving Facility or shall be reasonably satisfactory to the Administrative Agent (subject to Required Lenders Negative Consent) (it being understood that (x) any terms that are consistent with any then-existing Term Facility are reasonably satisfactory to the Administrative Agent and (y) if any financial maintenance covenant or other more favorable provision is added for the benefit of any Incremental Revolving Facility, no consent shall be required from the Administrative Agent or any Lender to the extent that such financial maintenance covenant or other provision is (1) also added for the benefit of any then-existing Additional Revolving Facility or (2) if not added for the benefit of any then-existing Additional Revolving Facility, only applicable after the applicable Latest Revolving Loan Maturity Date);

(v) the Effective Yield (and the components thereof) applicable to any Incremental Facility may be determined by the Borrower and the lender or lenders providing such Incremental Facility; provided that, in the case of any broadly syndicated Dollar-denominated Incremental Term Facility, the Effective Yield applicable thereto may not be more than 0.50% higher than the Effective Yield applicable to the Initial Term Loans unless the Applicable Margin (and/or, as provided in the proviso below, the Base Rate floor or LIBO Rate floor) with respect to the Initial Term Loans is adjusted such that the Effective Yield on the Initial Term Loans is not more than 0.50% per annum less than the Effective Yield with respect to such Incremental Facility (this proviso, the "MFN Provision"); provided further that any increase in Effective Yield applicable to any Initial Term Loan due to the application or imposition of an Base Rate floor or LIBO Rate floor on any Incremental Term Loan may, at the election of the Borrower, be effected through an increase in (or implementation of, as applicable) any Base Rate floor or LIBO Rate floor applicable to such Initial Term Loans or an increase in the interest rate margin applicable to such Incremental Loans; provided further that the MFN Provision shall not apply to Incremental Term Facilities incurred more than twelve months after the Closing Date;

(vi) the final maturity date with respect to any Incremental Term Loans shall be no earlier than the Initial Term Loan Maturity Date at the time of the incurrence thereof; provided, that the foregoing limitation shall not apply to (i) customary bridge loans with a maturity date not longer than one year which, subject to customary conditions, provides for automatic conversion or exchange into Indebtedness that otherwise complies with the requirements of this clause (vi) or (ii) Incremental Term Facilities having an aggregate principal amount outstanding not exceeding $50,000,000 (as selected by the Borrower);

(vii) the Weighted Average Life to Maturity of any Incremental Term Facility shall be no shorter than the remaining Weighted Average Life to Maturity of the Initial Term Loans; provided, that the foregoing limitation shall not apply to (i) customary bridge loans with a maturity date not longer than one year which, subject to customary conditions, provides for automatic conversion or exchange into Indebtedness that otherwise complies with the requirements of this clause (vii) or (ii) Incremental Term Facilities having an aggregate principal amount outstanding not exceeding $50,000,000 (as selected by the Borrower);

(viii) subject to clauses (vi) and (vii) above, any Incremental Term Facility may otherwise have an amortization schedule as determined by the Borrower and the lenders providing such Incremental Term Facility;

(ix) subject to clause (v) above, to the extent applicable, any fees payable in connection with any Incremental Facility shall be determined by the Borrower and the arrangers and/or lenders providing such Incremental Facility;

(x) (A) each Incremental Facility shall rank *pari passu* with the Initial Term Loans in right of payment and security and (B) no Incremental Facility may be (x) guaranteed by any Person which is not a Credit Party or (y) secured by Liens on any assets other than the Collateral;

(xi) any Incremental Term Facility may provide for the ability to participate (A) on a pro rata basis or non-pro rata basis in any voluntary prepayment of Term Loans made pursuant to Section 4.01(a) and (B) on a pro rata or less than pro rata basis (but not on a greater than pro rata basis, other than in the case of prepayment with proceeds of Indebtedness refinancing such Incremental Term Loans) in any mandatory prepayment of Term Loans required pursuant to Section 4.02(b), (c), (d) or (e);

(xii) no Event of Default shall exist immediately prior to or after giving effect to the effectiveness of such Incremental Facility (except in connection with a Permitted Acquisition or other permitted Investment or irrevocable repayment or redemption of Indebtedness, where no Event of Default pursuant to Section 10.01(a) or Section 10.01(e) shall exist at the time as elected by the Borrower pursuant to Section 1.05);

(xiii) except as otherwise required or permitted in clauses (v) through (xi) above, all other terms of any Incremental Term Facility shall be as agreed between the Borrower and the lenders providing such Incremental Term Facility;

(xiv) the proceeds of any Incremental Facility may be used for working capital, Capital Expenditures and other general corporate purposes of the Borrower and its subsidiaries (including Permitted Payments, Restricted Payments, Investments, Permitted Acquisitions, Restricted Debt Payments and any other purpose not prohibited by the terms of the Credit Documents); and

(xv) on the date of the making of any Incremental Term Loans that will be added to any Class of then existing Term Loans, and notwithstanding anything to the contrary set forth in Sections 2.08 or 2.09, such Incremental Term Loans shall be added to (and constitute a part of, be of the same Type as and, at the election of the Borrower, have the same Interest Period as) each Borrowing of outstanding Term Loans of such Class on a pro rata basis (based on the relative sizes of such Borrowings), so that each Term Lender providing such Incremental Term Loans will participate proportionately in each then-outstanding Borrowing of Term Loans of such Class; it being acknowledged that the application of this clause may result in new Incremental Term Loans having Interest Periods (the duration of which may be less than one month) that begin during an Interest Period then applicable to outstanding LIBO Rate Loans of the relevant Class and which end on the last day of such Interest Period.

(b) Incremental Commitments may be provided by any existing Lender or by any other Eligible Transferee (any such other Eligible Transferee being called an "Additional Lender"); provided that the Administrative Agent shall have consented (such consent not to be unreasonably withheld, conditioned or delayed) to the relevant Additional Lender's provision of Incremental Commitments if such consent would be required under Section 12.04(a) for an assignment of Loans to such Additional Lender; provided further, that any Additional Lender that is an Affiliated Lender shall be subject to the provisions of Section 12.04(f) and (g), *mutatis mutandis*, to the same extent as if the relevant Incremental Commitments and related Credit Document Obligations had been obtained by such Lender by way of assignment.

(c) Each Lender or Additional Lender providing a portion of any Incremental Commitment shall execute and deliver to the Administrative Agent and the Borrower all such documentation (including the relevant Incremental Facility Amendment) as may be reasonably required by the Administrative Agent to evidence and effectuate such Incremental Commitment. On the effective date of such Incremental Commitment, each Additional Lender shall become a Lender for all purposes in connection with this Agreement.

(d) As a condition precedent to the effectiveness of any Incremental Facility or the making of any Incremental Loans, (i) upon its reasonable request, the Administrative Agent shall have received customary written opinions of counsel consistent with those delivered on the Closing Date under Section 5 or delivered from time to time pursuant to Section 8.12 (other than changes to such legal opinions resulting from a change in Law, change in fact or change to counsel's form of opinion reasonably satisfactory to the Administrative Agent (subject to Required Lenders Negative Consent)), as well as such reaffirmation agreements, supplements and/or amendments as it shall reasonably require, (ii) the Administrative Agent shall have received, from each Additional Lender, an Administrative Questionnaire in the form provided to such Additional Lender by the Administrative Agent and such other documents as it shall reasonably require from such Additional Lender, (iii) the Administrative Agent and applicable Additional Lenders shall have received all fees required to be paid in respect of such Incremental Facility or Incremental Loans and (iv) upon its request, the Administrative Agent shall have received a certificate of the Borrower signed by an Authorized Officer thereof:

(A) certifying and attaching a copy of the resolutions adopted by the governing body of the Borrower approving or consenting to such Incremental Facility or Incremental Loans, and

(B) to the extent applicable, certifying that the condition set forth in clause (a)(xii) above has been satisfied.

(e) Upon the implementation of any Incremental Revolving Facility pursuant to this Section 2.16:

(i) if such Incremental Revolving Facility establishes Additional Revolving Credit Commitments of the same Class as any then-existing Class of Additional Revolving Credit Commitments, (A) each Additional Revolving Lender immediately prior to such increase will automatically and without further act be deemed to have assigned to each relevant Incremental Revolving Facility Lender, and each relevant Incremental Revolving Facility Lender will automatically and without further act be deemed to have assumed a portion of such Additional Revolving Lender's participations hereunder in any outstanding letters of credit and swingline loans such that, after giving effect to each deemed assignment and assumption of participations, all of the Additional Revolving Lenders' (including each Incremental Revolving Facility Lender's) (I) participations hereunder in any letters of credit and (II) participations hereunder in any swingline loans shall be held on a pro rata basis on the basis of their respective Additional Revolving Credit Commitments (after giving effect to any increase in the Additional Revolving Credit Commitment pursuant to this Section 2.16) and (B) the existing Additional Revolving Lenders of the applicable Class shall assign Additional Revolving Loans to certain other Additional Revolving Lenders of such Class (including the Additional Revolving Lenders providing the relevant Incremental Revolving Facility), and such other Additional Revolving Lenders (including the Additional Revolving Lenders providing the relevant Incremental Revolving Facility) shall purchase such Additional Revolving Loans, in each case to the extent necessary so that all of the Additional Revolving Lenders of such Class participate in each outstanding borrowing of Additional Revolving Loans pro rata on the basis of their respective

Additional Revolving Credit Commitments of such Class (after giving effect to any increase in the Additional Revolving Credit Commitment pursuant to this Section 2.16); it being understood and agreed that the minimum borrowing, pro rata borrowing and pro rata payment requirements contained elsewhere in this Agreement shall not apply to the transactions effected pursuant to this clause (i); and

(ii) if such Incremental Revolving Facility establishes Additional Revolving Credit Commitments of a new Class, (A) the borrowing and repayment (except for (I) payments of interest and fees at different rates on any Additional Revolving Facility, (II) repayments required upon the Maturity Date of any Additional Revolving Facility and (III) repayments made in connection with any permanent repayment and termination of any Additional Revolving Credit Commitments (subject to clause (B) below)) of Incremental Revolving Loans after the effective date of such Incremental Revolving Facility Commitments shall be made on a pro rata basis with any then-existing Additional Revolving Facility and (B) any permanent repayment of Additional Revolving Loans with respect to, and reduction or termination of Additional Revolving Credit Commitments under, any Additional Revolving Facility after the effective date of any Incremental Revolving Facility shall be made on a pro rata basis or less than pro rata basis with all other Additional Revolving Facilities, except that the Borrower shall be permitted to permanently repay Additional Revolving Loans and terminate Additional Revolving Credit Commitments of any Additional Revolving Facility on a greater than pro rata basis (I) as compared to any other Additional Revolving Facilities with a later Maturity Date than such Additional Revolving Facility or (Y) to the extent refinanced or replaced with a Replacement Revolving Facility or Replacement Debt.

(f) On the date of effectiveness of any Incremental Revolving Facility, the maximum amount of letters of credit and/or swingline loans, as applicable, permitted hereunder shall increase by (or shall be established in) the amount, if any, agreed upon by the Administrative Agent, the Borrower and the relevant issuing banks and/or the swingline lender, as applicable.

(g) The Lenders hereby irrevocably authorize the Administrative Agent to enter into any Incremental Facility Amendment and/or any amendment to any other Credit Document with the Borrower as may be necessary in order to establish new or any increase in any Classes or sub-Classes in respect of Loans or commitments pursuant to this Section 2.16 and such technical amendments as may be necessary or appropriate in the reasonable opinion of the Administrative Agent and the Borrower in connection with the establishment or increase, as applicable, of such Classes or sub-Classes, in each case on terms consistent with this Section 2.16 (including, for the avoidance of doubt, any amendments required to establish any letter of credit or swingline facility in connection with the implementation of any Additional Revolving Credit Commitments). All such amendments entered into with the Borrower by the Administrative Agent hereunder shall be binding and conclusive on the Lenders.

(h) Notwithstanding anything to the contrary in this Section 2.16 (including Section 2.16(d)) or in any other provision of any Credit Document, if the proceeds of any Incremental Facility are intended to be applied to finance a Permitted Acquisition or other permitted Investment and the lenders providing such Incremental Facility so agree, the availability thereof shall be subject to customary "SunGard" or "certain funds" conditionality (including the making and accuracy of Specified Representations as conformed for such Permitted Acquisition or other permitted Investment).

(i) This Section 2.16 shall supersede any provision in Section 12.06 or Section 12.12 to the contrary.

Section 3. Fees; Reductions of Term Loan Commitment.

3.01. Fees. (a) The Borrower agrees to pay to the Administrative Agent such fees as agreed to in the Fee Letter or such other fees as may be agreed to in writing from time to time by Holdings or any of its Subsidiaries and the Administrative Agent.

(b) In connection with any prepayment of Initial Term Loans pursuant to Section 4.01(a) or 4.02(b) upon any Repricing Event that is consummated in respect of all or any portion of the Initial Term Loans prior to the six-month anniversary of the Closing Date, the Borrower shall pay to the Administrative Agent, for the ratable account of each Lender with Initial Term Loans that are subject to such Repricing Event (including any Lender which is replaced pursuant to Section 2.13 as a result of its refusal to consent to an amendment giving rise to such Repricing Event), a fee in an amount equal to 1.00% of the aggregate principal amount of the Initial Term Loans subject to such prepayment or Repricing Event. Such fees shall be earned, due and payable upon the date of the occurrence of the respective prepayment or Repricing Event.

3.02. Mandatory Reduction of Term Loan Commitments. The Total Term Loan Commitment (and the Term Loan Commitment of each Lender) shall terminate in its entirety on the date of initial occurrence of Term Loans under such Term Loan Tranche (after giving effect to the incurrence of Term Loans on such date).

Section 4. Prepayments; Payments; Taxes.

4.01. Voluntary Prepayments. (a) The Borrower shall have the right to prepay the Term Loans, without premium or penalty (except as provided in Section 3.01(b)), in whole or in part at any time and from time to time on the following terms and conditions: (i) the Borrower shall give the Administrative Agent prior to 12:00 Noon (New York City time) at the Notice Office (x) at least one Business Day's prior written notice of its intent to prepay Base Rate Loans and (y) at least three Business Days' prior written notice of its intent to prepay LIBOR Loans, which notice (in each case) shall specify the amount of such prepayment and the Types of Term Loans to be prepaid and, in the case of LIBOR Loans, the specific Borrowing or Borrowings pursuant to which such LIBOR Loans were made, and which notice the Administrative Agent shall promptly transmit to each of the Lenders; (ii) each partial prepayment of Term Loans pursuant to this Section 4.01(a) shall be in an aggregate principal amount of at least $1,000,000 (or such lesser amount as is acceptable to the Administrative Agent in any given case), provided that if any partial prepayment of LIBOR Loans made pursuant to any Borrowing shall reduce the outstanding principal amount of LIBOR Loans made pursuant to such Borrowing to an amount less than the Minimum Borrowing Amount applicable thereto, then such Borrowing may not be continued as a Borrowing of LIBOR Loans (and same shall automatically be converted into a Borrowing of Base Rate Loans) and any election of an Interest Period with respect thereto given by the Borrower shall have no force or effect; (iii) each prepayment pursuant to this Section 4.01(a) in respect of any Term Loans made pursuant to a Borrowing shall be applied pro rata among such Term Loans; (iv) each prepayment of Term Loans pursuant to this Section 4.01(a) shall reduce the then remaining Scheduled Term Loan Repayments in such manner as directed by the Borrower (and absent such direction, in direct order of maturity); and (v) any prepayment of Initial Term Loans made pursuant to this Section 4.01(a) prior to the second anniversary of the Closing Date shall be accompanied by the payment of the fee described in Section 3.01(b).

(b) In the event of certain refusals by an Appropriate Lender to consent to certain proposed changes, waivers, discharges or terminations with respect to this Agreement which have been approved by the Required Lenders as (and to the extent) provided in Section 12.12(b), the Borrower may, upon five Business Days' prior written notice to the Administrative Agent at the Notice Office (which

notice the Administrative Agent shall promptly transmit to each of the Lenders), repay all Term Loans of such Lender (including all amounts, if any, owing pursuant to Sections 2.11 and 3.01(b)), together with accrued and unpaid interest, Fees and all other amounts then owing to such Lender in accordance with, and subject to the requirements of, said Section 12.12(b), so long as the consents, if any, required by Section 12.12(b) in connection with the repayment pursuant to this clause (b) shall have been obtained. Each prepayment of Term Loans pursuant to this Section 4.01(b) shall reduce the then remaining Scheduled Term Loan Repayments in such manner as directed by the Borrower (and, absent such direction, in direct order of maturity).

4.02. Mandatory Repayments. (a) (i) In addition to any other mandatory repayments or prepayments pursuant to this Section 4.02, the Borrower hereby unconditionally promises to repay the outstanding principal amount of the Initial Term Loans to the Administrative Agent for the account of each applicable Term Lender (x) on the first Business Day of each April, July, October and January prior to the Initial Term Loan Maturity Date, commencing on the first Business Day of April 2019, (each such date, a "Scheduled Term Loan Repayment Date"), in each case in an amount equal to 0.25% of the original principal amount of the Initial Term Loans as of the Closing Date (each such repayment, as the same may be reduced from time to as provided in Section 4.01(a), 4.01(b) or 4.02(f) and pursuant to purchases or assignments in accordance with Section 12.04(f), or increased as a result of any increase in the amount of such Initial Term Loans pursuant to Section 2.16(a), a "Scheduled Term Loan Repayment") and (ii) on the Initial Term Loan Maturity Date, in an amount equal to the remainder of the principal amount of the Initial Term Loans outstanding on such date, together in each case with accrued and unpaid interest on the principal amount to be paid to but excluding the date of such payment.

(ii) The principal amount of Specified Refinancing Term Loans of each Lender shall be repaid as provided in the Refinancing Amendment, subject to the requirements of Section 2.14 (which installments shall, to the extent applicable, be reduced as a result of the application of prepayments in accordance with the order of priority set forth in 4.01 and 4.02). To the extent not previously paid, each Specified Refinancing Term Loan shall be due and payable on the Maturity Date applicable to such Specified Refinancing Term Loans.

(iii) The principal amount of Extended Term Loans of each Extending Term Loan Lender shall be repaid as provided in the applicable Extension Amendment as contemplated by Section 2.15, subject to the requirements of Section 2.15 (which installments shall, to the extent applicable, be reduced from time to as provided in Section 4.01(a), 4.01(b) or 4.02(f) and pursuant to purchases or assignments in accordance with Section 12.04(f), or increased as a result of any increase in the amount of such Initial Term Loans pursuant to Section 2.16(a)). To the extent not previously paid, each Extended Term Loan shall be due and payable on the Maturity Date applicable to such Extended Term Loans.

(iv) The principal amount of Incremental Term Loans shall be repaid as provided in the applicable Incremental Facility Amendment as contemplated by Section 2.16, subject to the requirements of Section 2.16 (which installments shall, to the extent applicable, be reduced from time to as provided in Section 4.01(a), 4.01(b) or 4.02(f) and pursuant to purchases or assignments in accordance with Section 12.04(f), or increased as a result of any increase in the amount of such Initial Term Loans pursuant to Section 2.16(a)). To the extent not previously paid, each Incremental Term Loan shall be due and payable on the Maturity Date applicable to such Incremental Term Loans.

(b) In addition to any other mandatory repayments or prepayments of Term Loans pursuant to this Section 4.02, within five Business Days of each date on or after the Closing Date upon which the Borrower or any of its Restricted Subsidiaries receives any cash proceeds from any Debt

Issuance, the Borrower shall make a prepayment of Subject Loans (subject to the allocation provisions set forth in each Acceptable Intercreditor Agreement then extant) in an amount equal to 100% of the Net Cash Proceeds of the respective Debt Issuance and with such mandatory repayment to be applied in accordance with the requirements of Sections 4.02(f) and (g).

(c) In addition to any other mandatory repayments or prepayments of Term Loans pursuant to this Section 4.02, within five Business Days of each date on or after the Closing Date upon which the Borrower or any of Subsidiary Guarantor receives any cash proceeds from Asset Dispositions made pursuant to Section 9.08 in excess of (i) $5,000,000, in the case of any single transaction or a series of related transactions or (ii) $15,000,000 in the aggregate in any fiscal year (other than cash proceeds from the sale of ABL Priority Collateral to the extent that such cash proceeds are applied in accordance with the terms of the respective ABL Facility), the Borrower shall make a prepayment of Subject Loans (subject to allocation provisions set forth in the ABL Intercreditor Agreement) in an amount equal to 100% of the Net Available Cash therefrom, with such mandatory repayment to be applied in accordance with the requirements of Sections 4.02(f) and (g); provided that such Net Available Cash shall not be required to be so allocated or applied on such date so long as no Event of Default then exists and such Net Available Cash shall be used to purchase assets (other than inventory and working capital) used or to be used in the businesses permitted pursuant to Section 8.22 (x) within 365 days following the date of such Asset Disposition or (y) if the Borrower or a Restricted Subsidiary thereof has contractually committed to use such Net Available Cash before the expiration of the 365-day period referred to in clause (x), within 180 days after the end of such 365-day period, and provided further, that if all or any portion of such Net Available Cash not required to be so allocated or applied as provided above in this Section 4.02(c) are not so reinvested within such 365-day period (as such period may be extended as permitted above) (or, in either case, such earlier date, if any, as the Borrower or the relevant Restricted Subsidiary determines not to reinvest the Net Available Cash from such Asset Disposition as set forth above), such remaining portion shall be allocated or applied on the last day of such period (or such earlier date, as the case may be) as provided above in this Section 4.02(c) without regard to the immediately preceding proviso.

(d) In addition to any other mandatory repayments or prepayments of Term Loans pursuant to this Section 4.02, on each Excess Cash Flow Payment Date, the Borrower shall prepay the Subject Loans in accordance with the requirements of Section 4.02(f) and (g) and in an aggregate principal amount (the "ECF Prepayment Amount") equal to the positive difference (if any) between (X) the Applicable Excess Cash Flow Percentage of the Excess Cash Flow for the related Excess Cash Flow Period (this clause (X), the "Base ECF Prepayment Amount") less the sum of (Y) at the option of the Borrower, to the extent occurring during such Excess Cash Flow Period (or occurring after such Excess Cash Flow Period and prior to such Excess Cash Flow Payment Date), and without duplication (including duplication of any amounts deducted in any prior Excess Cash Flow Period), the following (collectively, the "ECF Deductions"):

(1) the aggregate principal amount of any (I) Term Loans and Additional Revolving Loans prepaid pursuant to Section 4.01(a) and (II) loans under any ABL Facility or any ABL Incremental Debt voluntarily prepaid (or contractually committed to be prepaid, with an increase in the applicable future period to the extent so deducted but not actually prepaid); *plus*

(2) the aggregate principal amount of any Incremental Equivalent Debt, Replacement Debt and/or any other Indebtedness permitted to be incurred pursuant to Section 9.04 in each case to the extent secured by Liens on the Collateral that are *pari passu* with the Liens on the Term Loan Priority Collateral securing the Term Facility, voluntarily prepaid, repurchased, redeemed or otherwise retired (or

contractually committed to be prepaid, repurchased, redeemed or other wise retired); *plus*

(3) the amount of any reduction in the outstanding amount of any Term Loans, Incremental Equivalent Debt, Replacement Debt and/or any other Indebtedness permitted to be incurred pursuant to Section 9.04 to the extent secured by Liens on the Term Loan Priority Collateral that are *pari passu* with the Liens on the Collateral securing the Term Facility, resulting from any purchase or assignment made in accordance with Section 12.04(f) of this Agreement (including in connection with any Dutch Auction) (with respect to Term Loans) and any equivalent provisions with respect to any Incremental Equivalent Debt, Replacement Debt and/or such other Indebtedness, in each case, at the purchase price of such purchase or assignment;

in the case of each of clauses (1)-(3), (I) excluding any such payments, prepayments and expenditures made during such Fiscal Year that reduced the amount required to be prepaid pursuant to this Section 4.02(d) in the prior Fiscal Year, (II) in the case of any prepayment of revolving Indebtedness, to the extent accompanied by a permanent reduction in the relevant commitment, (III) to the extent that such payments, prepayments and expenditures were not financed with the proceeds of other long-term Indebtedness (other than revolving Indebtedness) of the Borrower or its Restricted Subsidiaries and (IV) in each case under clause (3) above, based upon the actual amount of cash paid in connection with any relevant purchase or assignment; provided that (x) no prepayment under this Section 4.02(d) shall be required unless the principal amount of the applicable Subject Loans required to be prepaid exceeds $5,000,000 (and, in such case, only such amount in excess of $5,000,000 shall be required to be prepaid) and (y) to the extent the aggregate ECF Deductions for any Excess Cash Flow Period exceeds the Base ECF Prepayment Amount for such period, the Borrower may carry forward such excess as additional ECF Deductions to any subsequent Excess Cash Flow Period.

(e) In addition to any other mandatory repayments or prepayments of Term Loans pursuant to this Section 4.02, within five Business Days of each date on or after the Closing Date upon which the Borrower or any of its Restricted Subsidiaries receives any cash proceeds from any Casualty Event (other than cash proceeds from a Casualty Event in respect of ABL Priority Collateral to the extent such cash proceeds are applied in accordance with the terms of the respective ABL Facility), the Borrower shall make a prepayment (subject to the allocation provisions in the ABL Intercreditor Agreement) in an amount equal to 100% of the Net Available Cash from such Casualty Event, and with such mandatory repayment to be applied in accordance with the requirements of Sections 4.02(f) and (g); provided, however, that such Net Available Cash shall not be required to be so applied on such date so long as no Event of Default then exists and the Borrower has (x) delivered a certificate to the Administrative Agent on such date stating that such Net Available Cash shall be used to replace or restore any properties or assets in respect of which such Net Available Cash were paid within 365 days following the date of the receipt of such Net Available Cash (which certificate shall set forth the estimates of the Net Available Cash to be so expended) or (y) if the Borrower or a Restricted Subsidiary thereof has entered into a legally binding commitment to use such Net Available Cash to replace or restore any properties or assets in respect of which such Net Available Cash were paid before the expiration of the 365-day period referred to in preceding clause (x), within 60 days after the end of such 365-day period, and provided further, that if all or any portion of such Net Available Cash not required to be so applied pursuant to the preceding proviso are not so used within 365 days after the date of the receipt of such Net Available Cash (as such date may be extended as permitted above) (or, in either case, such earlier date, if any, as the Borrower or the relevant Restricted Subsidiary determines not to reinvest the Net Available Cash relating to such Casualty Event as set forth above), such remaining portion shall be applied on the

last day of such period (or such earlier date, as the case may be) as provided above in this Section 4.02(e) without regard to the immediately preceding proviso.

(f) Subject to Section 4.02(h), the amount of each principal prepayment made as required by Sections 4.02(b), (c), (d) and (e) and allocated pursuant to the ABL Intercreditor Agreement to the repayment of Subject Loans shall (i) be applied to each Class of Subject Loans on a pro rata basis (provided that any prepayment of Subject Loans with the Net Cash Proceeds of Credit Agreement Refinancing Indebtedness shall be applied solely to each applicable Class of Refinanced Debt); and (ii) be applied to reduce the then remaining Scheduled Term Loan Repayments in such manner as directed by the Borrower (and, absent such direction, in direct order of maturity); provided that, if at the time that any such prepayment would be required, the Borrower (or any Restricted Subsidiary) is also required to prepay, repurchase or offer to prepay or repurchase any other Indebtedness (the "Other Applicable Indebtedness") that is secured by the Collateral on a "equal and ratable" basis with Liens securing the Obligations to the extent such other Indebtedness and the Liens securing the same are permitted hereunder and the documentation governing such other Indebtedness requires such a prepayment or repurchase thereof with any portion of the ECF Prepayment Amount or the applicable Net Available Cash or Net Cash Proceeds, then the Borrower may apply such portion of such amounts on a pro rata basis (determined on the basis of the aggregate outstanding principal amount of the applicable Subject Loans and the relevant Other Applicable Indebtedness (or accreted amount if such Other Applicable Indebtedness is issued with original issue discount) at such time) to the prepayment of such Subject Loans and to the prepayment of the relevant Other Applicable Indebtedness, and the amount of prepayment of such Subject Loans that would have otherwise been required pursuant to this Section 4.02 shall be reduced accordingly; it being understood that (1) the portion of such ECF Prepayment Amount Net Available Cash or Net Cash Proceeds, as applicable, allocated to the Other Applicable Indebtedness shall not exceed the portion of such ECF Prepayment Amount, Net Available Cash or Net Cash Proceeds, as applicable, required to be allocated to the Other Applicable Indebtedness pursuant to the terms thereof, and the remaining amount, if any, of such ECF Prepayment Amount, Net Available Cash or Net Cash Proceeds, as applicable, shall be allocated to such Subject Loans in accordance with the terms hereof and (2) to the extent the holders of the Other Applicable Indebtedness decline to have such Other Applicable Indebtedness prepaid or repurchased, the declined amount shall promptly (and in any event within ten (10) Business Days after the date of such rejection) be applied to prepay the applicable Subject Loans in accordance with the terms hereof.

(g) With respect to each repayment or prepayment of Term Loans required by this Section 4.02, the Borrower may designate the Types of Term Loans which are to be repaid and, in the case of LIBOR Loans, the specific Borrowing or Borrowings of such LIBOR Loans, provided that: (i) repayments of LIBOR Loans pursuant to this Section 4.02 may only be made on the last day of an Interest Period applicable thereto unless all LIBOR Loans with Interest Periods ending on such date of required repayment and all Base Rate Loans have been paid in full; (ii) if any repayment of LIBOR Loans made pursuant to a single Borrowing shall reduce the outstanding LIBOR Loans made pursuant to such Borrowing to an amount less than the Minimum Borrowing Amount applicable thereto, such Borrowing shall be automatically converted into a Borrowing of Base Rate Loans; and (iii) each repayment of any Term Loans made pursuant to a Borrowing shall be applied pro rata among such Term Loans (provided that any prepayment of Term Loans with the Net Cash Proceeds of Credit Agreement Refinancing Indebtedness shall be applied solely to each applicable Class of Refinanced Debt). In the absence of a designation by the Borrower as described in the preceding sentence, the Administrative Agent shall, subject to the above, make such designation in its sole discretion (acting at the direction of the Required Lenders).

(h) The Borrower shall give the Administrative Agent at least 3 Business Days prior written notice of such prepayment pursuant to this Section 4.02. Each Lender may elect, by written notice

to the Administrative Agent 1 Business Day prior to any prepayment of Subject Loans required to be made by the Borrower pursuant to Sections 4.02 (b), (c), (d) or (e), to decline all (but not a portion) of its Applicable Percentage of such prepayment (such declined amounts, the "Declined Proceeds"), which Declined Proceeds may be retained by the Borrower and used for any legal purpose permitted (or not prohibited) hereunder, including to increase the Available Amount. If any Lender fails to deliver a notice to the Administrative Agent of its election to decline receipt of its Applicable Percentage of any mandatory prepayment within the time frame specified herein, such failure will be deemed to constitute an acceptance of such Lender's Applicable Percentage of the total amount of such mandatory prepayment of its Subject Loans.

(i) In addition to any other repayments or mandatory prepayments pursuant to this Section 4.02, all then outstanding Term Loans shall be repaid in full on the applicable Maturity Date.

4.03. Method and Place of Payment. Except as otherwise specifically provided herein, all payments under this Agreement and under any Term Note shall be made to the Administrative Agent for the account of the Lender or Lenders entitled thereto not later than 12:00 Noon (New York City time) on the date when due and shall be made in U.S. Dollars in immediately available funds at the Payment Office, any such amounts received after 12:00 Noon (New York City time) may, in the Administrative Agent's discretion, be deemed received on the next Business Day. Whenever any payment to be made hereunder or under any Term Note shall be stated to be due on a day which is not a Business Day, the due date thereof shall be extended to the next succeeding Business Day and, with respect to payments of principal, interest shall be payable at the applicable rate during such extension.

4.04. Taxes.

(a) Payments Free of Taxes. All payments made by the Borrower hereunder and under any Term Note will be made without setoff, counterclaim or other defense. Any and all payments by or on account of any obligation of any Credit Party under any Credit Document shall be made without deduction or withholding for any Taxes, except as required by Applicable Law. If any Applicable Law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with Applicable Law and, if such Tax is an Indemnified Tax, then the sum payable by the applicable Credit Party shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(b) Payment of Other Taxes by the Credit Parties. The Credit Parties shall timely pay to the relevant Governmental Authority in accordance with Applicable Law any Other Taxes, or at the option of the Administrative Agent timely reimburse it for the payment of any Other Taxes.

(c) Indemnification by the Credit Parties. The Credit Parties shall jointly and severally indemnify each Recipient, within 10 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising there from or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(d) Indemnification by the Lenders. Each Lender shall severally indemnify the Administrative Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that any Credit Party has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Credit Parties to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 12.04 relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Credit Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Credit Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this paragraph (d).

(e) Evidence of Payments. As soon as practicable after any payment of Taxes by any Credit Party to a Governmental Authority pursuant to this Section 4.04, such Credit Party shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent (subject to Required Lenders Negative Consent).

(f) Status of Lenders. (i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Credit Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by Applicable Law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) If a payment made to a Lender under any Credit Document would be subject to U.S. federal withholding Tax imposed pursuant to or in connection with FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by Applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount, if any, to deduct and withhold from such payment. Solely for purposes of this Section 4.04(f)(ii), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly (and in any event within 10 days after such expiration, obsolescence or inaccuracy) notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(g) Treatment of Certain Refunds. If any Lender determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 4.04 (including by the payment of additional amounts pursuant to this Section 4.04), it shall pay to the appropriate Credit Party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such Lender and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such Credit Party, upon the request of such Lender, shall repay to such Lender the amount paid over pursuant to this paragraph (g) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such Lender is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (g), in no event will the Lender be required to pay any amount to a Credit Party pursuant to this paragraph (g) the payment of which would place the Lender in a less favorable net after-Tax position than the Lender would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require any Lender to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the Credit Party or any other Person.

(h) Survival. Each party's obligations under this Section 4.04 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Term Loan Commitments and the repayment, satisfaction or discharge of all obligations under any Credit Document.

Section 5. Conditions Precedent to the Incurrence of the Initial Term Loans on the Closing Date. The effectiveness of this Agreement and the obligation of each Lender to make Term Loans on the Closing Date are subject at the time of the making of such Term Loans to the satisfaction (or waived in accordance with Section 12.12) of the following conditions:

5.01. Credit Documents; Term Notes. On or prior to the Closing Date, (i) Holdings, the Borrower, the Subsidiary Guarantors, the Administrative Agent and each of the Lenders shall have signed a counterpart hereof (whether the same or different counterparts) and shall have delivered the same to the Administrative Agent at the Notice Office or, in the case of the Lenders, shall have given to the Administrative Agent written or telex notice (actually received) at such office that the same has been signed and mailed to it, (ii) there shall have been delivered to the Administrative Agent for the account of each of the Lenders that has requested the same at least three Business Days prior to the Closing Date, a Term Note executed by the Borrower, in each case in the amount, maturity and as otherwise provided herein and (iii) there shall have been delivered to the Administrative Agent an executed counterpart of each of the Initial Credit Documents and the Perfection Certificate.

5.02. Consummation of the Acquisition. The Acquisition shall have been, or substantially concurrently with the incurrence of Initial Term Loans on the Closing Date, shall be, consummated in all material respects in accordance with the terms of the Acquisition Agreement, after giving effect to any modifications, amendments, consents or waivers thereto, other than those modifications, amendments, consents or waivers by Holdings, the Borrower or any Subsidiary that are materially adverse to the interests of the Lenders in their capacities as such, unless consented to in writing by the Required Lenders (such consent not to be unreasonably withheld, delayed or conditioned; provided

that the Required Lenders shall be deemed to have consented to such modification, amendment, consent or waiver unless they object thereto in writing within 2 business days of receipt of written notice of such modification, amendment, consent or waiver); it being understood and agreed that (a) any increase in the purchase price from the purchase price set forth in the Acquisition Agreement shall be deemed not to be materially adverse to the interests of the Lenders in their capacities as such so long as such increase is funded by amounts available to be drawn under the ABL Facility or the Backstop Commitment Letter on the Closing Date or such increase is pursuant to any working capital or purchase price (or similar) adjustment provision set forth in the Acquisition Agreement, (b) any change to extend the "Sunset Date" (as defined in the Acquisition Agreement) to a date no later than the date that is 120 days after the date of the Fee Letter shall be deemed not to be materially adverse to the interests of the Lenders in their capacities as such and (c) any change to, or waiver, consent or approval by the Borrower in respect of, the definition of Closing Date Material Adverse Effect shall be deemed materially adverse to the interests of the Lenders in their capacities as such.

5.03. Opinions of Counsel. On the Closing Date, the Administrative Agent (or its counsel) shall have received a customary written opinion of (i) Davis Polk & Wardwell LLP, special New York counsel to the Credit Parties and (ii) Osler, Hoskin & Harcourt LLP, Canadian counsel and special Delaware counsel to the Credit Parties, in each case addressed to the Administrative Agent, the Collateral Agent and each of the Lenders as of the Closing Date and dated as of the Closing Date covering such matters incident to the transactions contemplated herein as the Administrative Agent may reasonably request.

5.04. Company Documents. On the Closing Date, the Administrative Agent shall have received a certificate from each Credit Party, dated the Closing Date, signed on behalf of such Credit Party by an Authorized Officer of such Credit Party, and, if applicable, attested to by the Secretary or any Assistant Secretary of such Credit Party, with appropriate insertions, together with copies of the certificate or articles of incorporation and by-laws (or other equivalent organizational documents), as applicable, of such Credit Party, good standing certificates, certificates of status or similar certificate in the jurisdiction of organization (if applicable) of such Credit Party, and the resolutions of such Credit Party referred to in such certificate, and each of the foregoing shall be in form and substance reasonably acceptable to the Required Lenders.

5.05. ABL Facility Documents. On or prior to the Closing Date, (i) the ABL Facility Documents shall have been duly executed and delivered by the Credit Parties and shall be in full force and effect in all material respects in accordance with the terms reviewed and approved by the Required Lenders prior to the Closing Date, after giving effect to any modifications, amendments, consents or waivers thereto, other than those modifications, amendments, consents or waivers that are materially adverse to the interests of the Lenders in their capacities as such, unless consented to in writing by the Required Lenders (such consent not to be unreasonably withheld, delayed or conditioned; provided that the Required Lenders shall be deemed to have consented to such modification, amendment, consent or waiver unless they object thereto in writing within 2 Business Days of receipt of written notice of such modification, amendment, consent or waiver) and (ii) the financing contemplated by the ABL Facility Documents shall have been consummated and the Borrower shall have used the proceeds therefrom (if any) to consummate the Transactions.

5.06. Capex Facilities Documents. On or prior to the Closing Date, (a) the Capex Facilities Documents with respect to the Ontario CapEx Facility shall have been duly executed and delivered by the Credit Parties and shall be in full force and effect and (b) the Treasury Board of Canada shall have approved the definitive contribution agreement documentation with respect to the Federal CapEx Facility in the form of Exhibit D.

5.07. New PortLP Facility Documents. On or prior to the Closing Date, (i) the New PortLP Facility Documents shall have been duly executed and delivered by the Borrower, New PortLP and New PortGP and (ii) the New PortLP Transactions shall have been consummated.

5.08. Consummation of the Refinancing and Discharge of Obligations. (a) On or prior to the Closing Date and concurrently with the incurrence of Initial Term Loans and the use of such Initial Term Loans to finance the Refinancing on such date, all Indebtedness of ESAI, Algoma USA and the Subsidiary Debtors (other than (x) obligations not then due and payable or that by their terms survive the termination thereof and (y) certain existing letters of credit outstanding under the DIP Facility (as defined below) that on the Closing Date will be grandfathered into, or backstopped by, the ABL Facility or cash collateralized in a manner satisfactory to the issuing banks thereof) under (i) the DIP Facility and (ii) the Prepetition ABL Credit Facility (together with the DIP Facility, the "Indebtedness to be Refinanced") will, in each case of (i) and (ii), be irrevocably defeased, satisfied or repaid in full and all commitments to extend credit thereunder will be terminated and discharged and any security interests and guarantees in connection therewith will be terminated and/or released (or arrangements for such repayment, termination and release will have been made) on or prior to the Closing Date in accordance with the terms of the Acquisition Agreement, any orders relating thereto made in the Bankruptcy Proceedings and the Restructuring Support Agreement (or, in the case of letters of credit outstanding on the Closing Date under the DIP Facility or the Prepetition ABL Credit Facility, including letters of credit issued by ICICI Bank Canada for ESAI as approved by the CCAA Court on January 27, 2017, may be backstopped or replaced by letters of credit issued under the ABL Facility on the Closing Date or may be cash collateralized on terms to be agreed) (collectively, the "Refinancing").

(b) On or prior to the Closing Date and concurrently with the incurrence of Initial Term Loans and the use of such Initial Term Loans to finance the Refinancing on such date, (i) all indebtedness under (x) the Prepetition Term Loan Credit Facility and (y) the Prepetition 9.5% Notes Indenture will be irrevocably discharged (or arrangements for such discharge will have been made) and (ii) any security interests relating to the Purchased Assets (as defined in the Acquisition Agreement) in connection with (x) the Prepetition Term Loan Credit Facility, (y) the Prepetition 9.5% Notes issued under the Prepetition 9.5% Notes Indenture and (z) the Junior Secured Notes due 2020 issued under that certain Indenture dated as of November 14, 2014, among 1839688 Alberta ULC, as issuer, certain affiliates of 1839688 Alberta ULC, as guarantors and Wilmington Trust, National Association, as trustee (collectively, with the Prepetition Term Loan Credit Facility and the Prepetition 9.5% Notes, the "Indebtedness to be Discharged" and, together with the Indebtedness to be Refinanced, the "Prepetition Indebtedness"), will be irrevocably discharged and/or released (or arrangements for such discharge, and/or release will have been made), in each case in accordance with the terms of the Acquisition Agreement, any orders relating thereto in the Bankruptcy Proceedings and the Restructuring Support Agreement (collectively, the "Discharge of Other Prepetition Indebtedness").

(c) On the Closing Date and after giving effect to the consummation of the Transactions (i) all guaranties in respect of the DIP Facility and the Prepetition ABL Credit Facility shall have been terminated and released (or arrangements for such termination and release will have been made as of such date) and (ii) pursuant to the vesting order issued by the CCAA Court on September 21, 2018 relating to the Acquisition, on the Closing Date, and concurrently with the incurrence of Initial Term Loans on such date, all security interests in respect of, and Liens on the "Purchased Assets" (as defined in the Acquisition Agreement) securing, the Prepetition Indebtedness created pursuant to the security documentation relating to the Prepetition Indebtedness and such Purchased Assets shall have been terminated and released (or arrangements for such termination and release will have been made as of such date).

(d) On the Closing Date and after giving effect to the consummation of the Transactions, Holdings and its Subsidiaries shall have no outstanding Funded Debt, except for (i) Indebtedness pursuant to or in respect of the Credit Documents, (ii) Indebtedness pursuant to or in respect of the ABL Facility Documents, (iii) Indebtedness pursuant to or in respect of the New PortLP Facility Documents and (iv) Indebtedness pursuant to or in respect of the CapEx Facilities Documents. On and as of the Closing Date, all of the Indebtedness referenced to in preceding clauses (ii), (iii) and (iv) shall remain outstanding after giving effect to the Transactions without any breach, required repayment, required offer to purchase, default, event of default or termination rights existing thereunder or arising as a result of the Transactions.

5.09. Adverse Change. No Material Adverse Effect (as defined in the Acquisition Agreement) shall have occurred since the Filing Date.

5.10. Personal Property Requirements. Subject to the last paragraph of this Section 5, and subject to the terms of the ABL Intercreditor Agreement, on or prior to the Closing Date, the Collateral Agent (or its counsel or bailee) shall have received:

(1) unless constituting ABL Facility Priority Collateral, all certificates, agreements or instruments representing or evidencing the Securities Collateral accompanied by instruments of transfer and stock powers undated and endorsed in blank;

(2) unless constituting ABL Facility Priority Collateral, all (if any) other certificates, agreements, including Control Agreements or instruments necessary to perfect the Collateral Agent's security interest in all Chattel Paper, all Instruments, all Deposit Accounts and all Investment Property (as each such term is defined in the applicable Security Document) of Holdings, the Borrower and each Subsidiary Guarantor solely to the extent required by the Collateral and Guarantee Requirements and the Security Documents;

(3) UCC and PPSA financing statements in appropriate form for filing under the UCC and PPSA, intellectual property security agreements for filing with the United States Patent and Trademark Office and United States Copyright Office and Canadian Intellectual Property Office and such other documents under applicable Requirements of Law in each jurisdiction as may be necessary to perfect the Liens created, or purported to be created, by the Security Documents and, with respect to all UCC and PPSA financing statements required to be filed pursuant to the Collateral and Guarantee Requirements and the Security Documents (provided, however, that no Credit Party shall be obligated to make any filings or take any other action to create or perfect any Liens under the laws of any jurisdiction outside of the United States and Canada); and

(4) certified copies of UCC, PPSA, United States Patent and Trademark Office and United States Copyright Office, Canadian Intellectual Property Office, tax and judgment lien searches, bankruptcy and pending lawsuit searches or equivalent reports or searches, each of a recent date listing all effective financing statements, lien notices or comparable documents that name the Borrower or any Subsidiary Guarantor as debtor and that are filed in those state, province, territory and county jurisdictions in which any property of the Borrower or any Subsidiary Guarantor is located and the state, province, territory and county jurisdictions in which the Borrower or any Subsidiary Guarantor is

organized or maintains its principal place of business and such other searches that the Collateral Agent deems necessary or appropriate, none of which encumber the Collateral covered or intended to be covered by the Security Documents (other than Permitted Liens or any Liens that are to be terminated on the Closing Date for which the Administrative Agent shall have received proper termination statements authorized for filing).

5.11. Representations and Warranties. (a) The Specified Acquisition Agreement Representations shall be true and correct in all material respects as of the Closing Date solely to the extent required by the terms of the definition thereof and (b) the Specified Representations shall be true and correct in all material respects on and as of the Closing Date; provided that (x) in the case of any Specified Representation which expressly relates to a given date or period, such representation and warranty shall be true and correct in all material respects as of the respective date or for the respective period, as the case may be and (y) if any Specified Representation is qualified by or subject to a "material adverse effect", "material adverse change" or similar term or qualification, the definition thereof shall be the definition of "Closing Date Material Adverse Effect" for purposes of the making or deemed making of such Specified Representation on, or as of, the Closing Date (or any date prior thereto).

5.12. Financial Statements; Pro Forma Balance Sheet; Projections. On or prior to the Closing Date, the Administrative Agent shall have received, if the Administrative Agent has requested the same at least three Business Days prior to the Closing Date, true and correct copies of (a) the audited consolidated balance sheet of ESAI for its fiscal years ended March 31, 2016, March 31, 2017 and March 31, 2018 and the related consolidated statements of income and retained earnings and statement of cash flows for each such fiscal year set forth therein, and such financial statements present fairly in all material respects the consolidated financial position of ESAI and its Subsidiaries at the date of said financial statements and the results for the respective periods covered thereby and (b) the unaudited consolidated balance sheet of ESAI for its fiscal quarter ended June 30, 2018 and the related consolidated statements of income and retained earnings and statement of cash flows for the three-month fiscal period ended on such date, and such financial statements present fairly in all material respects the consolidated financial condition of ESAI and its Subsidiaries at the date of said financial statements and the results for the period covered thereby, subject to normal year-end adjustments. All such financial statements have been prepared in accordance with IFRS consistently applied except to the extent provided in the notes to said financial statements and subject, in the case of the unaudited financial statements, to normal year-end audit adjustments (all of which are of a recurring nature and none of which, individually or in the aggregate, would be material) and the absence of footnotes.

5.13. Solvency Certificate. On the Closing Date, the Administrative Agent shall have received a solvency certificate signed by the chief financial officer (or other officer with reasonably equivalent duties) of Holdings in the form of Exhibit G (or, at the option of Holdings, a third party opinion as to the solvency of Holdings and its subsidiaries on a consolidated basis issued by a nationally recognized firm).

5.14. New PortLP Transactions; Pension Regulatory Relief. On the Closing Date, (i) the New PortLP Transactions, shall have been consummated in all material respects in accordance with the terms of the New PortLP Transaction Documents, (ii) the Pension Regulatory Relief in relation to the Hourly Pension Plan and the Salaried Pension Plan shall have come into force in accordance with its terms, in all respects in accordance with the terms of the draft Pension Regulatory Relief reviewed and approved by the Required Lenders (or counsel on their behalf) prior to the Closing Date and (iii) the Pension Matters Documents shall have been executed and delivered by the parties thereto on substantively similar terms as the draft Pension Matters Documents reviewed and approved by the Required Lenders prior to the Closing Date; in each case, after giving effect to any modifications,

amendments, consents or waivers thereto, other than those modifications, amendments, consents or waivers thereto that are materially adverse to the interests of the Initial Term Lenders in their capacities as such, unless consented to in writing by the Required Lenders (such consent not to be unreasonably withheld, delayed or conditioned); provided that the Required Lenders shall be deemed to have consented to such modification, amendment, consent or waiver unless they object thereto in writing within two (2) Business Days of receipt of written notice of such modification, amendment, consent or waiver.

5.15. Fees, etc. On the Closing Date, the Administrative Agent shall have received (i) all fees required to be paid by the Borrower on the Closing Date pursuant to the Fee Letter and (ii) all expenses required to be paid by the Borrower for which invoices have been presented at least three Business Days prior to the Closing Date (including the reasonable fees and expenses of legal counsel for the Administrative Agent and the Initial Term Lenders) that are payable under any other fee letter entered into between the Initial Term Lenders and the Borrower with respect to the Initial Term Loans, in each case on or before the Closing Date, which amounts may be offset against the proceeds of the Initial Term Loans or may be paid from the proceeds of the Initial Term Loans.

5.16. USA PATRIOT Act. (i) At least three Business Days prior to the Closing Date, the Administrative Agent shall have received all documentation and other information reasonably requested in writing by the Administrative Agent with respect to any Credit Party at least ten Business Days in advance of the Closing Date, which documentation or other information is required by U.S. or Canadian regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including the USA PATRIOT Act and (ii) to the extent the Borrower qualifies as a "legal entity customer" under the Beneficial Ownership Regulation, at least five days prior to the Closing Date, any Lender that has requested, in a written notice to the Borrower at least 10 days prior to the Closing Date, a Beneficial Ownership Certification in relation to the Borrower shall have received such Beneficial Ownership Certification (provided that, upon the execution and delivery by such Lender of its signature page to this Agreement, the condition set forth in this clause (ii) shall be deemed to be satisfied).

5.17. Notice of Borrowing. On or prior to the Closing Date, the Administrative Agent shall have received a Notice of Borrowing meeting the requirements of Section 2.03(a).

5.18. GIP Credit Agreement Payment. The GIP Credit Agreement Payment shall have been, or substantially concurrently with the incurrence of the Initial Term Loans on the Closing Date shall be, consummated.

5.19. Officer's Certificate. The Administrative Agent shall have received a certificate of an Authorized Officer of the Borrower certifying that the conditions set forth in Sections 5.02, 5.05, 5.06, 5.07, 5.08, 5.09, 5.11, 5.14 and 5.18 are satisfied as of the Closing Date.

In determining the satisfaction of the conditions specified in this Section 5, by funding the Loans hereunder, the Administrative Agent and each Lender that has executed this Agreement (or an Assignment and Assumption on the Closing Date) shall be deemed to have consented to, approved or accepted, or to be satisfied with, each document or other matter required hereunder to be consented to or approved by or acceptable or satisfactory to the Administrative Agent or such Lender, as the case may be.

Notwithstanding the foregoing, to the extent any Lien search or Collateral (including the creation or perfection of any security interest) is not or cannot be provided on the Closing Date (other than, (i) a Lien on Collateral of any Credit Party that may be perfected solely by the filing of a financing statement under the UCC or the PPSA and (ii) a pledge of the Capital Stock of the Borrower and its

Wholly-Owned, material Canadian and U.S. Restricted Subsidiaries to the extent certificated with respect to which a Lien may be perfected on the Closing Date by the delivery of a stock or equivalent certificate, together with a related stock or equivalent power executed in blank) after the Borrower's use of commercially reasonable efforts to do so without undue burden or expense, then the provision of any such Lien search and/or the provision and/or perfection of such Collateral shall not constitute a condition precedent to the availability and initial funding of the Initial Term Loans on the Closing Date but may, if required, instead be delivered and/or perfected within the applicable time period after the Closing Date set forth in Schedule 8.18 pursuant to arrangements to be mutually agreed between the Borrower and the Administrative Agent (subject to Required Lenders Negative Consent) or the Required Lenders and subject to extensions as are reasonably agreed by the Administrative Agent (subject to Required Lenders Negative Consent) or the Required Lenders.

Section 6. [Reserved].

Section 7. Representations and Warranties. In order to induce the Lenders to enter into this Agreement and to make the Loans (and, on the Closing Date, solely to the extent required pursuant to Section 5), each Credit Party hereby make the following representations and warranties to the Administrative Agent and each Lender, in each case after giving effect to the Transactions:

7.01. Company Status. Each of Holdings, the Borrower and each of its Restricted Subsidiaries (a) is (i) a duly organized and validly existing Company and (ii) in good standing (to the extent such concept is applicable in the applicable jurisdiction) under the laws of the jurisdiction of its organization, (b) has the Company power and authority to own its property and assets and to transact the business in which it is engaged and presently proposes to engage and (c) is duly qualified and is authorized to do business and is in good standing (to the extent such concept is applicable in the applicable jurisdiction) in each jurisdiction where the ownership, leasing or operation of its property or the conduct of its business requires such qualifications except for failures to be so qualified or authorized which, either individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

7.02. Power and Authority. Each Credit Party has the Company power and authority to execute, deliver and perform the terms and provisions of each of the Credit Documents to which it is party and has taken all necessary Company action to authorize the execution, delivery and performance by it of each of such Credit Documents. Each Credit Party has duly executed and delivered each of the Credit Documents to which it is party, and each of such Credit Documents constitutes its legal, valid and binding obligation enforceable in accordance with its terms, except to the extent that the enforceability thereof may be limited by applicable Legal Reservations (regardless of whether enforcement is sought in equity or at law).

7.03. No Violation. Neither the execution, delivery or performance by any Credit Party of the Credit Documents to which it is a party, nor compliance by it with the terms and provisions thereof, (i) will contravene any provision of any Requirement of Law or any order, writ, injunction or decree of any court or Governmental Authority, (ii) will conflict with or result in any breach of any of the terms, covenants, conditions or provisions of, or constitute a default under, or result in the creation or imposition of (or the obligation to create or impose) any Lien (except pursuant to the Security Documents) upon any of the property or assets of any Credit Party or any of its Restricted Subsidiaries pursuant to the terms of any indenture, mortgage, deed of trust, credit agreement or loan agreement, or any other agreement, contract or instrument, in each case to which any Credit Party or any of its Restricted Subsidiaries is a party or by which it or any its property or assets is bound or to which it may be subject, except in the case of this clause (ii), as would not, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, or (iii) will violate any provision of the

certificate or articles of incorporation, certificate of formation, limited liability company agreement or by-laws (or equivalent organizational documents), as applicable, of any Credit Party or any of its Restricted Subsidiaries.

7.04. Approvals. No order, consent, approval, license, authorization or validation of, or filing, recording or registration with (except (x) such as have been obtained or made and are in full force and effect (except, with respect to Perfection Requirements, to the extent not required to be obtained or made pursuant to the Collateral and Guarantee Requirement), (y) in connection with the Perfection Requirements and (z) such consents, approvals, registrations, filings or other actions the failure to obtain or make which would not be reasonably expected to have a Material Adverse Effect), or exemption by, any Governmental Authority is required to be obtained or made by, or on behalf of, any Credit Party to authorize, or is required to be obtained or made by, or on behalf of, any Credit Party in connection with, (i) the execution, delivery and performance of any Credit Document or (ii) the legality, validity, binding effect or enforceability of any such Credit Document.

7.05. Financial Statements; Financial Condition; Projections. (a) After the Closing Date, the financial statements most recently provided pursuant to Section 8.01(a) or (b), as applicable, present fairly, in all material respects, the consolidated financial position, results of operations and cash flows of the Borrower on a consolidated basis as of such dates and for such periods in accordance with IFRS, (x) except as otherwise expressly noted therein, (y) subject, in the case of quarterly financial statements, to the absence of footnotes and normal year-end audit adjustments and (z) except as may be necessary to reflect any differing entity and/or organizational structure prior to giving effect to the Transactions.

(b) The Projections (if any) delivered to the Lenders prior to the Closing Date have been prepared in good faith based upon assumptions believed by the Borrower to be reasonable at the time furnished (it being recognized that such Projections are not to be viewed as facts and are subject to significant uncertainties and contingencies many of which are beyond the Borrower's control, that no assurance can be given that any particular financial projections (including the Projections) will be realized, that actual results may differ from projected results and that such differences may be material).

(c) Since the Closing Date, there have been no events, developments or circumstances that have had, or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

7.06. Litigation. There are no actions, suits or proceedings pending or, to the knowledge of the Borrower, threatened that has had, or would reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.

7.07. True and Complete Disclosure. As of the Closing Date, to the knowledge of the Borrower, all written factual information (other than the Projections, the Model, other forward-looking or projected information, pro forma information and information of a general economic or general industry nature (including any reports or memoranda prepared by third party consultants)) concerning Holdings, the Borrower and its Restricted Subsidiaries and the Transactions prepared by or on behalf of Holdings, the Borrower or its Restricted Subsidiaries or their respective representatives and made available to the Administrative Agent or the Lenders in connection with the Transactions on or before the Closing Date, when taken as a whole, did not, when furnished, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein not materially misleading in light of the circumstances under which such statements are made (after giving effect to all supplements and updates thereto from time to time).

7.08. Use of Proceeds; Margin Regulations. (a) All proceeds of the Initial Term Loans will be used by the Borrower to finance the Transactions.

(b) No part of the proceeds of any Term Loan will be used to purchase or carry any Margin Stock or to extend credit for the purpose of purchasing or carrying any Margin Stock. Neither the making of any Term Loan nor the use of the proceeds thereof will violate or be inconsistent with the provisions of Regulation T, U or X of the Board of Governors.

7.09. Taxes. Except as set forth in Schedule 8.10, Borrower and each of its Subsidiaries has (a) timely filed or caused to be timely filed all Canadian or U.S., as applicable, federal Tax Returns and all material provincial, state, local and foreign Tax Returns or materials required to have been filed by it and all such Tax Returns are true and correct in all material respects and (b) duly and timely paid, collected or remitted or caused to be duly and timely paid, collected or remitted all Taxes (whether or not shown on any Tax Return) due and payable, collectible or remittable by it and all assessments received by it, except Taxes (i) that are being contested in good faith by appropriate proceedings and for which the Borrower or such Subsidiary has set aside on its books adequate reserves in accordance with IFRS or (ii) which could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Each of Borrower and each of its Subsidiaries has made adequate provision in accordance with IFRS for all Taxes not yet due and payable. Each of Borrower and each of its Subsidiaries is unaware of any proposed or pending Tax assessments, deficiencies or audits that could be reasonably expected to, either individually or in the aggregate, result in a Material Adverse Effect.

7.10. Employee Benefit Plans Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, (i) each Plan has, to the knowledge of each Credit Party, been maintained in compliance with its terms, with all applicable collective bargaining agreements, and with all applicable Requirements of Law, (ii) no Plan, nor any related trust or other funding medium thereunder, is subject to any pending or, to the knowledge of each Credit Party, threatened or anticipated, investigation, examination or other legal proceeding, initiated by any Governmental Authority or by any other person (other than routine claims for benefits), (iii) none of the Credit Parties has, as at the date of this Agreement, any obligation in connection with the termination of any DB Plan and (iv) none of the Borrower, any of its Subsidiaries or any ERISA Affiliate maintains or contributes to (or has any current liability with respect to) any ERISA Plan.

7.11. Security Documents. Subject to the terms of the last paragraph of Section 5, the Legal Reservations and the Perfection Requirements, and the provisions, limitations and/or exceptions expressly set forth in this Agreement and/or the other relevant Credit Documents (including the ABL Intercreditor Agreement or any other Acceptable Intercreditor Agreement):

(a) Security Agreements. The Security Agreements are effective to create in favor of the Collateral Agent for the benefit of the Secured Parties legal, valid and enforceable Liens on, and security interests in, the Security Agreement Collateral, and upon the satisfaction of the applicable Perfection Requirements, the Liens created by the Security Agreements shall constitute valid perfected First Priority (subject to each Acceptable Intercreditor Agreement than extant) Liens on, and security interests in, all right, title and interest of the grantors thereunder in the Security Agreement Collateral (other than such Security Agreement Collateral in which a security interest cannot be perfected under the UCC or the PPSA as in effect at the relevant time in the relevant jurisdiction), in each case subject to no Liens other than Permitted Liens (other than Permitted Liens that are Junior Lien Priority).

(b) Canadian Pledge Agreement and U.S. Pledge Agreement. The Canadian Pledge Agreement and U.S. Pledge Agreement are effective to create in favor of the Collateral Agent for the benefit of the Secured Parties legal, valid and enforceable Liens on, and security interests in, the Pledge

Agreement Collateral, and upon the satisfaction of the applicable Perfection Requirements, the Liens created by the Pledge Agreement shall constitute valid perfected First Priority (subject to each Acceptable Intercreditor Agreement than extant) Liens on, and security interests in, all right, title and interest of the grantors thereunder in the Security Pledge Collateral (other than that portion of the Pledge Agreement Collateral constituting a "general intangible" under the UCC or an "intangible" under the PPSA), in each case subject to no Liens other than Permitted Liens (other than Permitted Liens that are Junior Lien Priority).

(c) PTO Filing; Copyright Office Filing. When the Security Agreements or a short form thereof are filed in the United States Patent and Trademark Office, the United States Copyright Office and the Canadian Intellectual Property Office, and UCC and PPSA financing statements are filed in the applicable jurisdictions, the Liens created by the Security Agreements shall constitute valid perfected First Priority (subject to each Acceptable Intercreditor Agreement than extant) Liens on, and security interests in, all right, title and interest of the grantors thereunder in Trademarks, Industrial Designs and Patents (each as defined in the applicable Security Agreement) registered or applied for with the United States Patent and Trademark Office or Canadian Intellectual Property Office or Copyrights (as defined in the applicable Security Agreement) registered or applied for with the United States Copyright Office or Canadian Intellectual Property Office, or Industrial Designs (as defined in the applicable Security Agreement) registered or applied for with the Canadian Intellectual Property Office, in each case subject to no Liens other than Permitted Liens; provided, however, that additional filings may be required to perfect the Liens created by the Security Agreements upon any Trademarks, Industrial Designs, Patents, or Copyrights acquired or applied for after the date hereof.

(d) Mortgages. Each Mortgage is effective to create, in favor of the Collateral Agent, for its benefit and the benefit of the Secured Parties, subject, in all cases, to the priorities of each applicable Acceptable Intercreditor Agreement, legal, valid, perfected and enforceable First Priority (subject to each Acceptable Intercreditor Agreement than extant) Liens on, and security interests and charges in, all of the Credit Parties' right, title and interest in and to the Mortgaged Properties thereunder and the proceeds thereof, subject only to Permitted Liens, and when the Mortgages are registered in the applicable land registry offices (or, in the case of any Mortgage executed and delivered after the date thereof in accordance with the provisions of Section 8.12 and Section 8.13, when such Mortgage is registered in the applicable land registry office), the Mortgages shall constitute First Priority (subject to each Acceptable Intercreditor Agreement than extant) fully perfected Liens on, and security interests and charges in, all right, title and interest of the Credit Parties in the Mortgaged Properties and the proceeds thereof, in each case prior and superior in right to any other person, other than Permitted Liens.

7.12. Properties.

(a) Generally. Each of the Borrower and each of its Restricted Subsidiaries has good title to, or valid leasehold interests in, all its property material to its business, including the Mortgaged Property (other than Intellectual Property, which is the subject of Section 7.19), free and clear of all Liens except for Permitted Liens and minor irregularities or deficiencies in title that, individually or in the aggregate, do not materially interfere with its ability to conduct its business as currently conducted or to utilize such property for its intended purpose. Except as could reasonably be expected to result in a Material Adverse Effect, the property of the Borrower and its Restricted Subsidiaries, taken as a whole, (i) as of the date hereof, is in good operating order, condition and repair (ordinary wear and tear excepted) and (ii) constitutes all the property which is required for the business and operations of the Borrower and its Restricted Subsidiaries as presently conducted.

(b) Real Property. Schedules 8(a) and 8(b) to the Perfection Certificate dated the Closing Date contain a true and complete list of each interest in Real Property (i) owned by the Borrower

or any of its Restricted Subsidiaries as of the date hereof and describe in all material respects whether such owned Real Property is leased and if leased whether the underlying Lease contains any option to purchase all or any portion of such Real Property or any interest therein or contains any right of first refusal relating to any sale of such Real Property or any portion thereof or interest therein and (ii) leased, subleased or otherwise occupied or utilized by the Borrower or any of its Restricted Subsidiaries, as lessee, sublessee, franchisee or licensee, as of the date hereof and, in each of the cases described in clauses (i) and (ii) of this Section 7.12(b), whether any Lease requires the consent of the landlord or tenant thereunder, or other party thereto, to the Transactions.

(c) Collateral. Each Credit Party owns or has rights to use all of the Collateral (other than Intellectual Property, which is the subject of Section 7.19) and all rights with respect to any of the foregoing used in, necessary for or material to such Credit Party's business as currently conducted. No claim has been made and remains outstanding that any Credit Party's use of any Collateral (other than Intellectual Property, which is the subject of Section 7.19) does or may violate the rights of any third party that would, either individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

7.13. Equity Interests and Subsidiaries.

(a) Equity Interests. Schedules 1(a) and 10(a) to the Perfection Certificate dated as of the Closing Date set forth a list of (i) all the Subsidiaries of Holdings and their jurisdictions of organization as of the Closing Date and (ii) the number of each class of its Equity Interests authorized, and the number outstanding, on the Closing Date and the number of shares covered by all outstanding options, warrants, rights of conversion or purchase and similar rights on the Closing Date. All Equity Interests of the Borrower and its Restricted Subsidiaries are duly and validly issued and are fully paid and non-assessable, and are, after giving effect to the Transactions, owned by the Borrower, directly or indirectly through Wholly-Owned Subsidiaries, except as otherwise permitted by this Agreement. All Equity Interests of the Borrower are owned directly by Holdings. Each Credit Party is the record and beneficial owner of, and has good and marketable title to, the Equity Interests pledged by it under the applicable Security Document, free of any and all Liens, rights or claims of other Persons, except the security interest created by the applicable Security Document, Liens securing the ABL Facility (subject to the terms of the ABL Intercreditor Agreement) and Liens securing the New PortLP Facility, and there are no outstanding warrants, options or other rights to purchase, or shareholder, voting trust or similar agreements outstanding with respect to, or property that is convertible into, or that requires the issuance or sale of, any such Equity Interests.

(b) No Consent of Third Parties Required. No consent of any Person, including any other general or limited partner, any other member of a limited liability company, any other shareholder or any other trust beneficiary (other than those which have been obtained and remain in full force and effect) is necessary or reasonably desirable (from the perspective of a secured party) in connection with the creation, perfection or first priority status of the security interest of the Collateral Agent in any Equity Interests pledged to the Collateral Agent for the benefit of the Secured Parties under the applicable Security Document or the exercise by the Collateral Agent of the voting or other rights provided for in such Security Document or the exercise of remedies in respect thereof.

7.14. Compliance with Statutes, etc. Each of Holdings, the Borrower and each of its Restricted Subsidiaries is in compliance with all applicable statutes, regulations and orders of, and all applicable restrictions imposed by, all Governmental Authorities in respect of the conduct of its business and the ownership of its property, except such non-compliances as would not, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

7.15. Investment Company Act. Neither Holdings, the Borrower nor any of its Restricted Subsidiaries is or is required to be registered as, an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

7.16. Insurance. All insurance maintained by the Borrower and its Restricted Subsidiaries is in full force and effect, all premiums have been duly paid, neither the Borrower nor any of its Restricted Subsidiaries has received notice of violation or cancellation thereof, the Premises, and the use, occupancy and operation thereof, comply in all material respects with all Insurance Requirements, except such non-compliances as would not, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Each of the Borrower and each of its Restricted Subsidiaries has insurance in such amounts and covering such risks and liabilities as are customary for companies of a similar size engaged in similar businesses in similar locations.

7.17. Environmental Matters.

(a) Except as set forth in Schedule 7.17, or except as, either individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect:

(i) The Borrower and its Restricted Subsidiaries and their businesses, operations and Real Property are in compliance with all, and have not violated any, applicable Environmental Laws;

(ii) The Borrower and its Restricted Subsidiaries have obtained all Environmental Permits required for the conduct of their businesses and operations as currently conducted, and the ownership, operation and use of their property and all such Environmental Permits are valid and in good standing;

(iii) There has been no Release or threatened Release of Hazardous Material on, at, in under or from any Real Property or facility presently owned, leased or operated by the Borrower or any of its Restricted Subsidiaries or any of their predecessors in interest, or to the knowledge of the Borrower and its Restricted Subsidiaries, at any other property or facility for which the Borrower or any of its Restricted Subsidiaries has responsibility, that could result in liability to the Borrower or any of its Restricted Subsidiaries under any applicable Environmental Law; and

(iv) (A) There is no Environmental Claim pending or, to the knowledge of the Borrower and its Restricted Subsidiaries, threatened, against the Borrower or any of its Restricted Subsidiaries, or relating to any Real Property currently owned, leased or operated by the Borrower or any of its Restricted Subsidiaries or their predecessors in interest or relating to the operations of the Borrower or any of its Restricted Subsidiaries; and (B) to the knowledge of the Borrower and its Restricted Subsidiaries, there are no facts, circumstances or conditions that could form the basis of such an Environmental Claim.

(b) Except as set forth in Schedule 7.17, except (with respect to environmental matters occurring after the Closing Date) as may be disclosed in future written notices provided to the Administrative Agent promptly after such environmental matter first comes to the attention of an Authorized Officer of any Credit Party, or except as, either individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect:

(i) No Real Property or facility owned, operated or leased by the Borrower or any of its Restricted Subsidiaries and no Real Property is listed or proposed for listing on or included on any list maintained by any Governmental Authority describing contaminated or potentially

contaminated sites including any such list relating to petroleum or its constituents, derivatives or fractions; and

(ii) No Lien has been recorded or registered or, to the knowledge of the Borrower or any of its Restricted Subsidiaries, threatened under any Environmental Law with respect to any Real Property or other assets of the Borrower and its Restricted Subsidiaries.

7.18. Labor Matters. As of the Closing Date, there are no strikes, lockouts, labor disputes or slowdowns against the Borrower or any of its Restricted Subsidiaries pending or, to the knowledge of the Borrower or any of its Restricted Subsidiaries, threatened during the current term of their respective collective bargaining agreements. Neither the Borrower nor any of its Restricted Subsidiaries are in violation of or in default with respect to any Requirement of Law relating to employment in any manner which, either individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect. All payments due from the Borrower or any of its Restricted Subsidiaries, or for which any claim may be made against the Borrower or any of its Restricted Subsidiaries, on account of wages, vacation pay and employee health and welfare benefits, have been paid or, to the extent required by generally accepted accounting principles, accrued as a liability on the books of the Borrower or such Restricted Subsidiary except where the failure to do so, either individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect. The consummation of the Transactions will not give rise to any right of termination or right of renegotiation on the part of any union or employee organization under any collective bargaining agreement to which the Borrower or any of its Restricted Subsidiaries is bound.

7.19. Intellectual Property.

(a) Ownership/No Claims. Each of Holdings and the Borrower and each of its Restricted Subsidiaries owns, or is licensed to use, all patents, patent applications, trademarks, industrial designs, trade names, service marks, source identifiers, copyrights, technology, trade secrets, proprietary information, domain names, social media identifiers, know-how, methods and processes (collectively, "Intellectual Property") necessary for the conduct of its business as currently conducted, except for those the failure to own or license which, either individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect. As of the Closing Date, to the knowledge of the Borrower, no claim has been asserted in writing and is pending by any Person challenging or questioning the use of any such Intellectual Property or the validity, ownership or effectiveness of any such Intellectual Property, in each case, except for any claim that would not reasonably be expected to result in a Material Adverse Effect. Neither the Borrower nor any of its Restricted Subsidiaries know of any pending claim or any valid basis for any such claim. The operation by each of the Borrower and each of its Restricted Subsidiaries' respective businesses does not infringe the rights of any Person, except for such claims and infringements that, either individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect.

(b) Registrations. Except as would not reasonably be expected to have a Material Adverse Effect: (i) Schedule 12(a) or 12(b) to the Perfection Certificate sets forth a complete and accurate list of all U.S. and Canadian patent, trademark, industrial design and copyright registrations and applications owned by each of the Borrower and its Restricted Subsidiaries, and such items are exclusively owned by the Borrower or a Restricted Subsidiary, and (ii) all registrations and applications listed in Schedule 12(a) or 12(b) to the Perfection Certificate dated the Closing Date are valid and in full force and effect, as applicable.

(c) No Violations or Proceedings. To the knowledge of the Borrower, and except as would not reasonably be expected to result in a Material Adverse Effect, on and as of the Closing Date,

there is no violation by others of any right of any Credit Party with respect to any Intellectual Property pledged by it under the name of such Credit Party except as may be set forth on Schedule 7.19(c).

7.20. Anti-Terrorism Law, etc.

(a) Holdings and its Subsidiaries are in compliance in all material respects with all Anti-Corruption Laws, applicable Sanctions and all applicable Requirements of Law relating to terrorism or money laundering ("Anti-Terrorism Laws"), including in each case to the extent applicable Executive Order No. 13224 on Terrorist Financing effective September 24, 2001 (the "Executive Order"), the Patriot Act, the Criminal Code (Canada) and the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada). Neither Holdings nor any of its Subsidiaries or any of their respective officers or directors nor, to the knowledge of each Credit Party, any employees or agents acting on behalf of Holdings or any of its Subsidiaries, as the case may be, is a Designated Person.

(b) No part of the proceeds of the Initial Term Loans will be used, directly or indirectly, by the Credit Parties or any Subsidiary, in violation of Sanctions or for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of Anti-Corruption Laws.

(c) As of the Closing Date, to the best knowledge of the Borrower, the information included in the Beneficial Ownership Certification and know your customer and anti-money laundering information and documentation provided on or prior to the Closing Date to any Lender in connection with this Agreement is true and correct in all material respects.

7.21. Agreements. Neither the Borrower nor any of its Restricted Subsidiaries is in default in any manner under any provision of any indenture or other agreement or instrument evidencing Indebtedness, or any other agreement or instrument to which it is a party or by which it or any of its property is or may be bound, where such default, either individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect, and no condition exists which, with the giving of notice or the lapse of time or both, would constitute such a default.

7.22. Solvency. As of the Closing Date, immediately after the consummation of the Transactions to occur on such date and the incurrence of Indebtedness and obligations on the Closing Date in connection with this Agreement and the Transactions, (i) the sum of the fair value of the assets of the Credit Parties and their respective Restricted Subsidiaries (taken as a whole) will exceed their debts, (ii) the sum of the present fair salable value of the assets of the Credit Parties and their respective Restricted Subsidiaries (taken as a whole) will exceed their debts, (iii) the Credit Parties and their respective Restricted Subsidiaries (taken as a whole) have not incurred and do not intend to incur, and do not believe that they will incur, debts beyond their ability to pay such debts as such debts mature, and (iv) the Credit Parties and their respective Restricted Subsidiaries (taken as a whole) will have sufficient capital with which to conduct their businesses. For purposes of this Section 7.22, "debt" means any liability on a claim, and "claim" means (a) right to payment, whether or not such a right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured or (b) right to an equitable remedy for breach of performance if such breach gives rise to a payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured. The amount of contingent liabilities at any time shall be computed as the amount that, in the light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

Section 8. Affirmative Covenants. Holdings, the Borrower and each other Credit Party party hereto hereby covenants and agrees that, on and after the Closing Date and until the Termination Date:

8.01. Information Covenants. The Borrower will furnish to each Lender:

(a) Quarterly Financial Statements. Within 60 days (or 75 days in the case of the first three of such Fiscal Quarters ending after the Closing Date) after the close of each of the first three quarterly accounting periods in each Fiscal Year (commencing with the Fiscal Quarter ending December 31, 2018), (i) the consolidated balance sheet of the Borrower and its Restricted Subsidiaries as at the end of such quarterly accounting period and the related consolidated statements of income and retained earnings and statement of cash flows for such quarterly accounting period and for the elapsed portion of the Fiscal Year ended with the last day of such quarterly accounting period, in each case setting forth comparative figures for the corresponding quarterly accounting period in the prior Fiscal Year and comparable budgeted figures for such quarterly accounting period as set forth in the respective budget delivered pursuant to Section 8.01(d), all of which shall be certified by the chief financial officer or vice president, finance, of the Borrower that they fairly present in all material respects in accordance with IFRS the financial condition of the Borrower and its Restricted Subsidiaries as of the dates indicated and the results of their operations for the periods indicated, subject to normal year-end audit adjustments and the absence of footnotes, and (ii) management's discussion and analysis of the important operational and financial developments during such quarterly accounting period.

(b) Annual Financial Statements. Within 120 days (or, in the case of the Fiscal Year ending March 31, 2019, 150 days) after the close of each Fiscal Year, (i) the consolidated balance sheet of the Borrower and its Restricted Subsidiaries as at the end of such Fiscal Year and the related consolidated statements of income and retained earnings and statement of cash flows for such Fiscal Year setting forth comparative figures for the preceding Fiscal Year and certified by Deloitte & Touche LLP or other independent certified public accountants of recognized national standing reasonably acceptable to the Administrative Agent (subject to Required Lenders Negative Consent), accompanied by an opinion of such accounting firm (which opinion shall not be subject to a "going concern" or scope of audit qualification (except for any such qualification pertaining to, or disclosure of an exception or qualification resulting from, the maturity (or impending maturity) of any Credit Facility, any ABL Facility or any other Indebtedness in each case occurring within one year of the date of delivery of the relevant audit opinion, any breach or anticipated breach of any financial covenant or the activities, operations, financial results, assets or liabilities of any Unrestricted Subsidiary, but may include a "going concern" explanatory paragraph or like statement), and shall state that such consolidated financial statements fairly present, in all material respects, the consolidated financial position of the Borrower as at the dates indicated and its income and cash flows for the periods indicated in conformity with generally accepted auditing standards and (ii) management's discussion and analysis of the important operational and financial developments during such Fiscal Year.

(c) Management Letters. Promptly after Holdings', the Borrower's or any of its Restricted Subsidiaries' receipt thereof, a copy of any "management letter" received from its certified public accountants and management's response thereto.

(d) Budgets. Prior to a Qualifying IPO, together with the delivery of financial statements pursuant to Section 8.01(b) for each Fiscal Year, an operating budget for each of the four quarters of the next Fiscal Year of the Borrower prepared in a form as customarily prepared by management of the Borrower for its internal use, or such other form reasonably satisfactory to the Administrative Agent (subject to Required Lenders Negative Consent) (including budgeted statements of

income, sources and uses of cash and balance sheets for the Borrower and its Restricted Subsidiaries on a consolidated basis).

(e) Compliance Certificates. At the time of the delivery of the financial statements provided for in Sections 8.01(a) and (b) (commencing with the first full fiscal quarter ending after the Closing Date), a Compliance Certificate from the chief financial officer or vice president, finance, of the Borrower in the form of Exhibit H certifying on behalf of the Borrower that, to such officer's knowledge after due inquiry, no Default or Event of Default has occurred and is continuing or, if any Default or Event of Default has occurred and is continuing, specifying the nature and extent thereof, which certificate shall (i) if delivered with the financial statements required by Section 8.01(b), set forth in reasonable detail the amount of (and the calculations required to establish the amount of) Excess Cash Flow for the respective Excess Cash Flow Period, (ii) if delivered with the financial statements required by Section 8.01(b), be accompanied by a Perfection Certificate Supplement, and (iii) include the consolidating financial statements reflecting the adjustments necessary to eliminate the accounts of Unrestricted Subsidiaries (if any) from such consolidated financial statements.

(f) Notice of Event of Default, Litigation and Material Adverse Effect. Promptly, and in any event within three Business Days after any officer of Holdings, the Borrower or any of its Restricted Subsidiaries obtains knowledge thereof, notice of (i) the occurrence of any event which constitutes an Event of Default, (ii) any litigation or governmental investigation or proceeding pending against Holdings, the Borrower or any of its Restricted Subsidiaries (x) which, either individually or in the aggregate, has had, or would reasonably be expected to have, a Material Adverse Effect or (y) with respect to any Credit Document or (iii) any other event, change or circumstance that has had, or would reasonably be expected to have, a Material Adverse Effect.

(g) Other Reports and Filings. Promptly after the filing or delivery thereof, copies of all financial information, proxy materials and reports, if any, which Holdings, the Borrower or any of its Restricted Subsidiaries shall publicly file with the U.S. Securities and Exchange Commission (or the Canadian equivalent thereof) or any successor thereto (the "SEC") or deliver to holders (or any trustee, agent or other representative therefor) of any Qualified Preferred Stock, or any of its Material Indebtedness pursuant to the terms of the documentation governing the same.

(h) Environmental Matters. Promptly after any Authorized Officer of Holdings, the Borrower or any of its Restricted Subsidiaries obtains actual knowledge thereof, notice of the following environmental matters to the extent that such environmental matters, either individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect:

(1) any pending or threatened Environmental Claim against the Borrower or any of its Restricted Subsidiaries or any Real Property owned, leased or operated by the Borrower or any of its Restricted Subsidiaries;

(2) any condition or occurrence on or arising from any Real Property owned, leased, managed, controlled or operated by the Borrower or any of its Subsidiaries that (a) results in noncompliance by the Borrower or any of its Subsidiaries with any applicable Environmental Law or (b) could reasonably be expected to form the basis of an Environmental Claim against the Borrower or any of its Subsidiaries or any such Real Property;

All such notices shall describe in reasonable detail the nature of the claim, investigation, condition, occurrence or removal or remedial action and the Borrower's or such Restricted Subsidiary's response thereto.

(i) Organizational Documents. Promptly, copies of any Organizational Documents of Holdings, the Borrower or any of its Restricted Subsidiaries that have been amended or modified as provided in Section 9.07 and a copy of any notice of default given or received by Holdings, the Borrower or any of its Restricted Subsidiaries under any Organizational Document within 15 days after Holdings, the Borrower or such Restricted Subsidiary gives or receives such notice.

(j) PATRIOT Act, Beneficial Ownership Regulation, etc. Promptly following any written request therefor, such information and documentation reasonably requested by the Administrative Agent or any Lender for purposes of compliance with applicable "know your customer" and anti-money laundering rules and regulations, including the PATRIOT Act and the Beneficial Ownership Regulation.

(k) Cancellation of Insurance. Promptly (but in any event within five Business Days of receipt thereof) inform the Administrative Agent if any Credit Party receives notice of cancellation of any insurance policy required to be maintained pursuant to Section 8.03.

(l) Other Information. From time to time, such other information regarding the financial condition or business of the Borrower or any of its Restricted Subsidiaries as the Administrative Agent or any Lender (through the Administrative Agent) may reasonably request; provided, however, that none of Holdings, the Borrower or any Restricted Subsidiary shall be required to disclose or provide any information (i) that constitutes non-financial trade secrets or non-financial proprietary information of Holdings, the Borrower or any of its subsidiaries or any of their respective customers and/or suppliers, (ii) in respect of which disclosure to the Administrative Agent or any Lender (or any of their respective representatives) is prohibited by any applicable Requirement of Law, (iii) that is subject to attorney-client or similar privilege or constitutes attorney work product or (iv) in respect of which Holdings, the Borrower or any Restricted Subsidiary owes confidentiality obligations to any third party (provided such confidentiality obligations were not entered into solely in contemplation of the requirements of this Section 8.01(l)); provided, further, that in the event the Borrower does not provide any certificate, report or information requested pursuant to this Section 8.01(l) in reliance on the preceding proviso, the Borrower shall provide notice to the Administrative Agent that such certificate, report or information is being withheld and the Borrower shall use commercially reasonable efforts to describe, to the extent both feasible and permitted under applicable Requirements of Law or confidentiality obligations, or without waiving such privilege, as applicable, the applicable certificate, report or information.

Documents required to be delivered pursuant to this Section 8.01 may be delivered electronically pursuant to Section 12.03(b) and, if so delivered, shall be deemed to have been delivered on the date (i) on which the Borrower (or a representative thereof) (x) posts such documents or (y) provides a link thereto; the Borrower shall promptly notify (which notice may be by facsimile or electronic mail) the Administrative Agent of the posting of any such documents or a link thereto and provide to the Administrative Agent by electronic mail electronic versions (i.e., soft copies) of such documents; (ii) on which such documents are delivered by the Borrower to the Administrative Agent for posting on behalf of the Borrower on IntraLinks, SyndTrak or another relevant secure website, if any, to which each Lender and the Administrative Agent have access (whether a commercial, third-party website or whether sponsored by the Administrative Agent); (iii) on which such documents are faxed to the Administrative Agent (or electronically mailed to an address provided by the Administrative Agent); or (iv) in respect of the items required to be delivered pursuant to Section 8.01(h) above in respect of information filed by Holdings, the Borrower or any of its Restricted Subsidiaries with any securities exchange or with the SEC or any analogous government or private regulatory authority with jurisdiction over matters relating to securities (other than Form 10-Q Reports and Form 10-K Reports), on which such items have been made available on the SEC website or the website of the relevant analogous governmental or private regulatory authority or securities exchange.

Notwithstanding the foregoing, the obligations in paragraphs (a), (b), (d), (e) or (g) of this Section 8.01 may be satisfied with respect to any financial statements of the Borrower by furnishing (A) the applicable financial statements of Holdings (or any other Parent Entity) or (B) Holdings' (or any other Parent Entity's), as applicable, Form 10-K or 10-Q, as applicable, filed with the SEC or any securities exchange, in each case, within the time periods specified in such paragraphs; provided that, with respect to each of clauses (A) and (B), (i) to the extent such financial statements relate to any Parent Entity, such financial statements shall be accompanied by consolidating information (which need not be audited) that summarizes in reasonable detail the differences between the information relating to such Parent Entity, on the one hand, and the information relating to the Borrower on a standalone basis, on the other hand, which consolidating information shall be certified by an Authorized Officer of the Borrower as having been fairly presented in all material respects and (ii) to the extent such statements are in lieu of statements required to be provided under Section 8.01(b), such statements shall be accompanied by a report and opinion of an independent registered public accounting firm of nationally recognized standing or another accounting firm reasonably acceptable to the Administrative Agent (subject to Required Lenders Negative Consent), which report and opinion shall satisfy the applicable requirements set forth in Section 8.01(b) as if the references to "the Borrower" therein were references to such Parent Entity.

No financial statement required to be delivered pursuant to Section 8.01(a) or (b) shall be required to include acquisition accounting adjustments relating to the Transactions or any Permitted Acquisition or other Investment to the extent it is not practicable to include any such adjustments in such financial statement.

8.02. Books, Records and Inspections; Quarterly Conference Calls. (a) The Borrower will, and will cause each of its Restricted Subsidiaries to, keep proper books of record and accounts in which full, true and correct entries in conformity with all Requirements of Law shall be made of all dealings and transactions in relation to its business and activities in order to permit the preparation of financial statements in conformity with IFRS. The Borrower will, and will cause each of its Restricted Subsidiaries to, permit officers and designated representatives of the Administrative Agent or any Lender to visit and inspect, under guidance of officers of the Borrower or such Restricted Subsidiary, any of the properties of the Borrower or such Restricted Subsidiary, and to examine the books of account of the Borrower or such Restricted Subsidiary and discuss the affairs, finances and accounts of the Borrower or such Restricted Subsidiary with, and be advised as to the same by, its and their officers and independent accountants, all upon reasonable prior notice and at such reasonable times and intervals and to such reasonable extent as the Administrative Agent or any such Lender may reasonably request.

(b) At the request of the Administrative Agent (acting at the written instruction or direction of the Required Lenders acting reasonably), the Borrower will within 10 days after the date of the delivery (or, if later, required delivery) of the quarterly and annual financial information pursuant to Sections 8.01(a) and (b), hold a conference call or teleconference, at a time selected by the Borrower with such of the Lenders that choose to participate, to review the financial results of the previous Fiscal Quarter or Fiscal Year, as the case may be, and the financial condition of the Borrower and its Restricted Subsidiaries and the budgets presented for the current Fiscal Year of the Borrower and its Restricted Subsidiaries.

8.03. Insurance.

(a) Generally. Except where the failure to do so would not reasonably be expected to have a Material Adverse Effect, the Borrower will, and will cause each of its Restricted Subsidiaries to, keep its insurable property adequately insured at all times by financially sound and reputable insurers and maintain such other insurance, to such extent and against such risks as is customary with companies in the same or similar businesses operating in the same or similar locations, including insurance with respect to

Mortgaged Properties and other properties material to the business of the Borrower and its Restricted Subsidiaries against such casualties and contingencies and of such types and in such amounts with such deductibles as is customary in the case of similar businesses operating in the same or similar locations, including (i) physical hazard insurance on an "all risk" basis, (ii) commercial general liability against claims for bodily injury, death or property damage covering any and all insurable claims, (iii) explosion insurance in respect of any boilers, machinery or similar apparatus constituting Collateral, (iv) business interruption insurance and (v) such other insurance as may be required by any Requirement of Law; provided that with respect to physical hazard insurance, neither the Collateral Agent nor the Borrower or any of its Restricted Subsidiaries shall agree to the adjustment of any claim thereunder without the consent of the other (such consent not to be unreasonably withheld or delayed); provided, further, that the consent of neither the Borrower nor any of its Restricted Subsidiaries shall be required during an Event of Default.

(b) Requirements of Insurance. All such insurance shall (i) provide that no cancellation, material reduction in amount or material change in coverage thereof shall be effective until at least 30 days (or 10 days in the case of the failure to pay any premiums thereunder) after receipt by the Collateral Agent of written notice thereof and (ii) name the Collateral Agent as mortgagee (in the case of property insurance) or additional insured on behalf of the Secured Parties (in the case of liability insurance) or lender loss payee (in the case of property insurance), as applicable; provided that the Borrower shall have 45 days after the Closing Date (or such later date as agreed by the Collateral Agent) to comply with the requirements of the foregoing clause (ii) with respect to policies in effect on the Closing Date.

(c) Flood Insurance. If any portion of any Mortgaged Property subject to a Mortgage is any time located in an area identified by the Federal Emergency Management Agency (or any successor agency) as a Flood Hazard Property with respect to which flood insurance has been made available under the Flood Insurance Laws, then Borrower shall (i) maintain, or cause to be maintained, with a financially sound and reputable insurer, flood insurance in an amount and otherwise sufficient to comply with all applicable rules and regulations promulgated pursuant to the Flood Insurance Laws, (ii) cooperate with the Administrative Agent and provide information reasonably required by the Administrative Agent to comply with the Flood Insurance Laws and (iii) deliver to the Administrative Agent evidence of such compliance in form and substance reasonably acceptable to the Administrative Agent (subject to Required Lenders Negative Consent), including evidence of annual renewals of such insurance.

(d) Broker's Report. The Borrower shall deliver to the Administrative Agent and the Lenders a report of a reputable insurance broker with respect to such insurance and such supplemental reports with respect thereto as the Administrative Agent may from time to time reasonably request.

(e) Mortgaged Properties. No Credit Party that is an owner or holder of Mortgaged Property shall take any action that is reasonably likely to be the basis for termination, revocation or denial of any insurance coverage required to be maintained under such Credit Party's respective Mortgage or that could be the basis for a defense to any claim under any Insurance Policy maintained in respect of the Premises, and each Credit Party shall otherwise comply in all material respects with all Insurance Requirements in respect of the Premises; provided, however, that each Credit Party may, at its own expense and after written notice to the Administrative Agent, (i) contest the applicability or enforceability of any such Insurance Requirements by appropriate legal proceedings, the prosecution of which does not constitute a basis for cancellation or revocation of any insurance coverage required under this Section 8.03 or (ii) cause the Insurance Policy containing any such Insurance Requirement to be replaced by a new policy complying with the provisions of this Section 8.03.

8.04. Existence; Franchises. Holdings will, and will cause each of the Borrower and its Restricted Subsidiaries to, do or cause to be done, all things necessary to preserve and keep in full force and effect its existence and its material rights, franchises, licenses, permits and Intellectual Property; provided, however, that nothing in this Section 8.04 shall prevent (i) sales of assets and other transactions or dispositions by Holdings, the Borrower or any of its Restricted Subsidiaries in accordance with Section 9 or (ii) the withdrawal by Holdings, the Borrower or any of its Restricted Subsidiaries of its qualification as a foreign Company in any jurisdiction if such withdrawal could not, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

8.05. Compliance with Statutes, etc.. Holdings and the Borrower will, and will cause each of its Restricted Subsidiaries to, comply with all applicable statutes, regulations and orders of, and all applicable restrictions imposed by, all Governmental Authorities in respect of the conduct of its business and the ownership of its property, except such non-compliances as would not, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

8.06. Compliance with Environmental Laws; Environmental Reports.

(a) Except where failure to do so will not reasonably be expected to have a Material Adverse Effect, the Borrower will comply, and will cause each of its Restricted Subsidiaries to comply, with all Environmental Laws; obtain and renew all Environmental Permits applicable to its business facilities, operations and Real Property; and conduct all Responses required by, and in accordance with, Environmental Laws which, if not so conducted, could reasonably be expected to result in the creation of any Lien in favor of any Governmental Authority for (i) liability under Environmental Laws or (ii) damages arising from, or costs incurred by, such Governmental Authority in response to a Release or threatened Release of any Hazardous Material into the Environment; provided that neither the Borrower, nor any of its Restricted Subsidiaries shall be required to undertake any Response to the extent that its obligation to do so is being contested in good faith and by proper proceedings and appropriate reserves are being maintained with respect to such circumstances in accordance with IFRS.

(b) If an Event of Default that results in the Release of Hazardous Materials or is otherwise a breach of Section 8.06(a) shall have occurred and be continuing for more than 45 days, at the written request of the Administrative Agent or the Required Lenders through the Administrative Agent, the Borrower or any of its Subsidiaries shall provide to the Lenders within 90 days after such request (or such longer period as may be agreed by the Administrative Agent in its sole discretion), at the expense of the Borrower, a report, prepared by a reputable environmental consulting firm reasonably acceptable to the Administrative Agent (subject to Required Lenders Negative Consent), with respect to each Mortgaged Property with respect to which a breach of Section 8.06(a) has occurred, describing the Release of Hazardous Materials or the breach of Section 8.06(a) and any related adverse impacts, and the estimated cost of any Response that may be required pursuant to Environmental Laws to address such Release or breach of Section 8.06(a) and related adverse impacts.

8.07. Employee Benefits. With respect to all Plans, each Credit Party shall (a) comply with the applicable provisions of the PBA, any other applicable Requirements of Law and with all applicable collective bargaining agreements, except where such failure to comply would not, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect and (b) furnish to the Administrative Agent copies of any notice of intention to terminate or wind up any DB Plan or notice of intent to order a termination or winding up of any DB Plan sent by any applicable Governmental Authority to any Credit Party; and (c) upon request by the Administrative Agent, copies of (i) the most recent actuarial valuation report for each DB Plan; and (ii) such other documents or reports or filings with a Governmental Authority relating to any DB Plan as the Administrative Agent shall reasonably request. Except as would not, individually or in the aggregate, reasonably be expected to have

a Material Adverse Effect, no Credit Party shall adopt, participate in, or have any liability (contingent or otherwise) with respect to, any ERISA Plan.

8.08. End of Fiscal Years. The Borrower will cause its and each of its Restricted Subsidiaries' Fiscal Years to end on March 31 of each calendar year; provided that the Borrower may, upon written notice to the Administrative Agent, change its Fiscal Year-end to another date reasonably acceptable to the Administrative Agent (subject to Required Lenders Negative Consent), in which case the Borrower and the Administrative Agent will, and are hereby authorized to (without requiring the consent of any other Person, including any Lender), make any adjustments to this Agreement that are necessary to reflect such change in Fiscal Year.

8.09. Performance of Obligations. The Borrower will, and will cause each of its Restricted Subsidiaries to, perform all of its obligations under the terms of each mortgage, indenture, security agreement, loan agreement or credit agreement and each other agreement, contract or instrument by which it is bound, except such non-performances as would not, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

8.10. Payment of Taxes. Except as set forth in Schedule 8.10, each of Holdings and the Borrower will pay and discharge, and will cause each of its Restricted Subsidiaries to pay and discharge, all material Taxes imposed upon it or upon its income or profits or upon any properties belonging to it, prior to the date on which penalties attach thereto, and all lawful claims which, if unpaid, might become a Lien or charge upon any properties of Holdings, the Borrower or any of its Restricted Subsidiaries not otherwise permitted under Section 9.01(i); provided that neither Holdings, the Borrower nor any of their Restricted Subsidiaries shall be required to pay any such Tax which is being contested in good faith and by proper proceedings and for which Holdings, the Borrower or such Restricted Subsidiary, as applicable has maintained adequate reserves with respect thereto in accordance with IFRS.

8.11. Use of Proceeds. The Borrower will use the proceeds of the Term Loans only as provided in Section 7.08.

8.12. Additional Collateral; Additional Guarantors. (a) Subject to the terms of each Acceptable Intercreditor Agreement then extant and the terms of this Section 8.12, Holdings will, and will cause each other Credit Party to, with respect to any property acquired after the Closing Date (subject to clause (c) below) by Holdings or any other Credit Party that is required to be subject to the Lien created by any of the Security Documents pursuant to such Security Documents and the Collateral and Guarantee Requirements but is not so subject, promptly (and in any event within 30 days after the acquisition thereof (or such longer period as the Collateral Agent may agree in its sole discretion)) (i) execute and deliver to the Collateral Agent such amendments or supplements to the relevant Security Documents or such other documents as the Collateral Agent shall deem necessary or advisable to grant to the Collateral Agent, for its benefit and for the benefit of the other Secured Parties, a Lien on such property subject to no Liens other than Permitted Liens, and (ii) take all actions necessary to cause such Lien to be duly perfected to the extent required by such Security Document in accordance with all applicable Requirements of Law and Perfection Requirements, including the filing of financing statements in such jurisdictions as may be reasonably requested by the Collateral Agent.

(b) Subject to the terms of each Acceptable Intercreditor Agreement then extant, the Borrower will, and will cause each other Credit Party to, with respect to any Person that is or becomes (or is required to become) a Subsidiary Guarantor after the Closing Date, promptly (and in any event within 30 days after such Person becomes a Subsidiary (or such longer period as the Collateral Agent may agree in its sole discretion)), cause such Credit Party and such Person (other than an Excluded Subsidiary) to comply with the requirements set forth in clause (a) of the definition of "Collateral and Guarantee

Requirement" necessary to cause the Lien created by the applicable Security Document to be duly perfected to the extent required by such Security Document in accordance with the Collateral and Guarantee Requirement.

(c) Subject to the terms of each Acceptable Intercreditor Agreement then extant, the Borrower will, and will cause each other Credit Party to, within 90 days of the acquisition of any Material Real Estate Asset (as such period may be extended in the sole discretion of the Administrative Agent) owned in fee by such Credit Party as is acquired by such Credit Party after the Closing Date or leased by a Credit Party after the Closing Date, comply with the requirements set forth in clause (b) of the definition of "Collateral and Guarantee Requirement" to create a valid and enforceable perfected Lien on such Material Real Estate Asset in favor of the Collateral Agent, for its benefit and the benefit of the Secured Parties, subject only to Permitted Liens.

8.13. Security Interests; Further Assurances. Subject to the terms of each Acceptable Intercreditor Agreement then extant, the Borrower will, and will cause each other Credit Party to, promptly upon the reasonable request of the Administrative Agent, the Collateral Agent or any Lender, at the Credit Parties' expense, execute, acknowledge and deliver, or cause the execution, acknowledgment and delivery of, and thereafter register, file or record, or cause to be registered, filed or recorded, in an appropriate governmental office, any document or instrument supplemental to or confirmatory of the Security Documents or otherwise deemed by the Administrative Agent or the Collateral Agent reasonably necessary or desirable for the continued validity, perfection and priority of the Liens on the Collateral covered thereby subject to no other Liens except Permitted Liens, or obtain any consents or waivers as may be necessary or appropriate in connection therewith and deliver or cause to be delivered to the Collateral Agent from time to time such other documentation, consents, authorizations, approvals and orders in form and substance reasonably satisfactory to the Collateral Agent as the Collateral Agent shall reasonably deem necessary to perfect or maintain the Liens on the Collateral pursuant to the Security Documents. Upon the exercise by the Administrative Agent, the Collateral Agent or any Lender of any power, right, privilege or remedy pursuant to any Credit Document which requires any consent, approval, registration, qualification or authorization of any Governmental Authority, execute and deliver all applications, certifications, instruments and other documents and papers that the Administrative Agent, the Collateral Agent or such Lender may require. If the Administrative Agent, the Collateral Agent or the Required Lenders determine that they are required by a Requirement of Law to have appraisals prepared in respect of the Real Property of any Credit Party (other than Holdings) constituting Collateral, the Borrower shall provide to the Administrative Agent appraisals that satisfy the applicable requirements of (i) the Real Estate Appraisal Reform Amendments of FIRREA (for Real Property located in the United States), (ii) the Appraisal Institute of Canada (for Real Property located in Canada) or (iii) any successor equivalent of (i) and (ii), and are otherwise in form and substance satisfactory to the Administrative Agent (subject to Required Lenders Negative Consent).

8.14. [Reserved].

8.15. Ratings. The Borrower will use its commercially reasonable efforts to obtain and maintain (i) a public corporate family rating of the Borrower and a rating of the Initial Term Loans, in each case from Moody's, and (ii) a public corporate credit rating of the Borrower and a rating of the Initial Term Loans, in each case from S&P (it being understood and agreed that "commercially reasonable efforts" shall in any event include the payment by the Borrower of customary rating agency fees and cooperation with information and data requests by Moody's and S&P in connection with their ratings process; provided that in no event shall the Borrower be required to maintain any specific rating with any such agency).

8.16. Affirmative Covenants with Respect to Leases. With respect to each Lease, the respective Credit Party shall perform all the obligations imposed upon it by the landlord under such Lease and enforce all of the tenant's obligations thereunder, except where the failure to so perform or enforce, either individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect.

8.17. Information Regarding Collateral. Holdings and the Borrower will not, and will not permit any other Credit Party to, effect any change (i) in any Credit Party's legal name, (ii) in the location of any Credit Party's chief executive office, its principal place of business, any office in which it maintains books or records relating to Collateral owned by it or any office or facility at which Collateral owned by it is located (including the establishment of any such new office or facility), (iii) in any Credit Party's identity or organizational structure, (iv) in any Credit Party's Federal Taxpayer Identification Number or organizational identification number, if any, or (v) in any Credit Party's jurisdiction of organization (in each case, including by merging or amalgamating with or into any other entity, reorganizing, dissolving, liquidating, reorganizing or organizing in any other jurisdiction), until (A) it shall have given the Administrative Agent prior written notice of its intention so to do, clearly describing such change and providing such other information in connection therewith as the Administrative Agent may reasonably request and (B) it shall have taken all action reasonably requested by the Administrative Agent to maintain the perfection and priority of the security interest of the Collateral Agent for the benefit of the Secured Parties in the Collateral, if applicable. Each Credit Party agrees to promptly provide the Administrative Agent with certified Organizational Documents reflecting any of the changes described in the preceding sentence. Each Credit Party also agrees to promptly notify the Administrative Agent of any change in the location of any office in which it maintains books or records relating to Collateral owned by it or any office or facility at which Collateral is located (including the establishment of any such new office or facility), other than changes in location to a Mortgaged Property or a leased property subject to a Landlord Access Agreement.

8.18. Post-Closing Matters. Cause to be delivered or performed the documents and other agreements set forth on Schedule 8.18 within the time frames specified on such Schedule 8.18. Notwithstanding anything to the contrary contained herein or in any other Credit Document, (x) all provisions of this Agreement and the other Credit Documents (including all conditions precedent, representations, warranties, covenants, events of default and other agreements herein and therein) shall be deemed modified to the extent necessary to effect the actions set forth on Schedule 8.18 (and to the permit the taking of such actions within the time periods required in Schedule 8.18 rather than as otherwise provided in the Credit Documents) and (y) to the extent any representation and warranty in any Credit Document would not be true because the actions in Schedule 8.18 were not taken on the Closing Date, the respective representation and warranty shall be required to be true and correct in all material respects at the time the respective action is taken (or was required to be taken) in accordance with Schedule 8.18.

8.19. Sanctions. (a) The Borrower will maintain in effect policies and procedures reasonably designed to ensure compliance by itself, its Subsidiaries and their respective directors, officers, employees and agents with applicable Sanctions.

(b) The Borrower will and will cause each of its Subsidiaries to conduct its business in compliance in all material respects with applicable Anti-Terrorism Laws, and shall not use any funding or proceeds from this Agreement to fund any business directly or indirectly with any Designated Person, or with Persons in countries that are the target of Sanctions (currently Crimea, Iran, Cuba, Syria and North Korea), except to the extent permissible for a Person required to comply with Sanctions, or in any other manner that would result in the violation of any Sanctions applicable to any party hereto;

(c) Notwithstanding any other provision of this Section 8.19, no Canadian Credit Party shall be required to comply with any applicable Anti-Terrorism Laws, or shall be restricted from engaging in any transaction, in each case, to the extent that such compliance or restriction would breach the Foreign Extraterritorial Measures Act (Canada).

8.20. Anti-Corruption Laws; Anti-Money Laundering Laws. The Borrower will maintain in effect policies and procedures reasonably designed to ensure compliance by itself, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws. The Borrower will and will cause each of its Subsidiaries to comply in all material respects with all Anti-Corruption Laws and Anti-Money Laundering Laws, and shall not use any funding or proceeds from this Agreement in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws.

8.21. Designation of Restricted and Unrestricted Subsidiaries. The Borrower may designate (or re-designate) any Subsidiary as an Unrestricted Subsidiary or any Unrestricted Subsidiary as a Restricted Subsidiary if that designation would not cause an Event of Default; provided, however, that no Subsidiary may be designated as an Unrestricted Subsidiary if it is a "Restricted Subsidiary" for the purpose of the ABL Credit Agreement. If a Restricted Subsidiary is designated as an Unrestricted Subsidiary, then, other than in the case of New PortLP and New PortGP, such designation will be deemed to be an Investment by the Borrower therein made as of the time of the designation in an amount equal to the portion of the Fair Market Value of the net assets of such Subsidiary attributable to the Borrower's equity interest therein as estimated by the Borrower in good faith, and will reduce the amount available for Restricted Payments under Section 9.03 or under one or more clauses of the definition of Permitted Investments, as determined by the Borrower, in an amount equal to such deemed Investment. That designation will only be permitted if the Investment would be permitted at that time and if the Restricted Subsidiary otherwise meets the definition of an Unrestricted Subsidiary. The Borrower may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary of the Borrower; provided that such designation will be deemed to be an incurrence of Liens and Indebtedness by a Restricted Subsidiary of the Borrower of any outstanding Indebtedness of such Unrestricted Subsidiary, and such designation will only be permitted if (1) such Liens and Indebtedness are permitted under Sections 9.01 and 9.04, in each case, calculated on a pro forma basis as if such designation had occurred at the beginning of the applicable reference period and (2) no Event of Default would be in existence following such designation. Any such designation by the Borrower shall be evidenced to the Administrative Agent by an Officer's Certificate certifying that such designation complies with the preceding conditions.

Notwithstanding anything to the contrary herein, on the Closing Date, New PortLP and New PortGP shall be the only Subsidiaries of the Borrower that shall be Unrestricted Subsidiaries.

8.22. Business; etc.. The Borrower and its Restricted Subsidiaries will engage (directly or indirectly) only in the businesses which relate to the production or distribution of steel or the manufacturing of steel product (including businesses such as mining) in which the Borrower and its Subsidiaries are engaged or planning to be engaged as of the Closing Date, or businesses reasonably ancillary thereto.

Section 9. Negative Covenants. Holdings (solely with respect to Section 9.11) and each other Credit Party party hereto hereby covenants and agrees that, on and after the Closing Date and until the Termination Date:

9.01. Liens. The Borrower will not, and will not permit any Subsidiary Guarantor to, directly or indirectly, create, Incur or permit to exist any Lien (each, an "Initial Lien") that

secures obligations under any Indebtedness or any related guarantee, on any asset or property of the Borrower or any Subsidiary Guarantor, unless:

(i) In the case of Initial Liens on the Collateral, such Initial Lien is a Permitted Lien; or

(ii) In the case of Initial Liens on any asset or property that is not Collateral, such Initial Lien is a Permitted Lien pursuant to clause (31) thereof and secures Indebtedness permitted to be Incurred under Section 9.04.

With respect to any Lien securing Indebtedness that was permitted to secure such Indebtedness at the time of the Incurrence of such Indebtedness, such Lien shall also be permitted to secure any Increased Amount of such Indebtedness. The "Increased Amount" of any Indebtedness shall mean any increase in the amount of such Indebtedness in connection with any accrual of interest, the accretion of accreted value, the amortization of original issue discount, the payment of interest in the form of additional Indebtedness with the same terms, accretion of original issue discount or liquidation preference and increases in the amount of Indebtedness outstanding solely as a result of fluctuations in the exchange rate of currencies or increases in the value of property securing Indebtedness.

9.02. Merger and Consolidation. (a) The Borrower will not consolidate with, amalgamate or merge with or into or convey, transfer or lease all or substantially all its assets to, any Person, unless:

(1) the resulting, surviving, continuing or transferee Person (the "Successor Company") will be a Person organized and existing under the laws of (x) Canada or any Province of Canada or (y) the United States of America, any State of the United States of America or the District of Columbia at the time of the execution of an assignment and assumption agreement and the Successor Company (if not the Borrower) will expressly assume, by an assignment and assumption agreement, executed and delivered to the Administrative Agent and the Collateral Agent, in form satisfactory to the Administrative Agent and the Collateral Agent (subject to Required Lenders Negative Consent), all the obligations of Borrower under the Credit Documents;

(2) immediately after giving effect to such transaction (and treating any Indebtedness that becomes an obligation of the applicable Successor Company or any Subsidiary of the applicable Successor Company as a result of such transaction as having been Incurred by the applicable Successor Company or such Subsidiary at the time of such transaction), no Event of Default shall have occurred and be continuing;

(3) the Borrower shall have delivered to the Administrative Agent and the Collateral Agent an Officer's Certificate and an Opinion of Counsel, each stating that such consolidation, merger, amalgamation or transfer and such supplemental indenture (if any) comply with this Agreement and an Opinion of Counsel stating that such assignment and assumption agreement and the Credit Documents after giving effect to any related amendments thereto have been duly authorized, executed and delivered and are legal, valid and binding agreements enforceable against the applicable Successor Company (in each case, in form satisfactory to the Administrative Agent and the Collateral Agent (subject to Required Lenders Negative Consent)), provided that in giving an Opinion of

Counsel, counsel may rely on an Officer's Certificate as to any matters of fact, including as to satisfaction of clauses (2) and (3) above; and

(4) (x) any security interests granted to the Collateral Agent for the benefit of the Secured Parties in the Collateral pursuant to the Security Documents shall remain in full force and effect and perfected (to at least the same extent as in effect immediately prior to such amalgamation or merger (including no additional limitations that would impact the Collateral Agent's ability to realize upon the Collateral in any material respect)) and all actions required to maintain said perfected status have been or will be promptly taken, in each case as required by Section 8.12 and (y) each Subsidiary Guarantor shall deliver a reaffirmation agreement in respect of its Guaranty and security interests with respect thereto to the Administrative Agent.

For purposes of this Section 9.02, the sale, lease, conveyance, assignment, transfer, or other disposition of all or substantially all of the properties and assets of one or more Subsidiaries of the Borrower, which properties and assets, if held by the Borrower instead of such Subsidiaries, would constitute all or substantially all of the properties and assets of the Borrower on a consolidated basis, shall be deemed to be the transfer of all or substantially all of the properties and assets of the Borrower.

The Successor Company will succeed to, and be substituted for, and may exercise every right and power of, the Borrower under this Agreement and the other Credit Documents but in the case of a lease of all or substantially all its assets, the predecessor company will not be released from its obligations under this Agreement or the other Credit Documents.

Notwithstanding the preceding clauses (2), (3) and (4) (which do not apply to transactions referred to in this sentence), (x) any Restricted Subsidiary of the Borrower may consolidate or otherwise combine with, merge or amalgamate into or transfer all or part of its properties and assets to the Borrower, (y) any Restricted Subsidiary may consolidate or otherwise combine with, merge, or amalgamate into or transfer all or part of its properties and assets to any other Restricted Subsidiary that is a Guarantor and (z) any Restricted Subsidiary that is not a Guarantor may consolidate or otherwise combine with, merge, or amalgamate into or transfer all or part of its properties and assets to any other Restricted Subsidiary that is not a Guarantor. Notwithstanding the preceding clause (2) (which does not apply to the transactions referred to in this sentence), the Borrower may consolidate or otherwise combine with or merge or amalgamate into an Affiliate incorporated or organized for the purpose of changing the legal domicile of the Borrower, reincorporating the Borrower in another jurisdiction, or changing the legal form of the Borrower.

The foregoing provisions (other than the requirements of clause (2) above) shall not apply to the creation of a new Subsidiary as a Restricted Subsidiary of the Borrower.

(b) No Subsidiary Guarantor may:

(1) consolidate with or merge or amalgamate with or into any Person, or

(2) sell, convey, transfer or dispose of, all or substantially all its assets, in one transaction or a series of related transactions, to any Person, or

(3) permit any Person to merge or amalgamate with or into the Subsidiary Guarantor, unless:

(A) the other Person is the Borrower or any Restricted Subsidiary that is a Guarantor or becomes a Guarantor concurrently with the transaction; provided that if such other Person is the Borrower, either (x) the Borrower shall be the continuing or surviving Person or (y) such transaction shall comply with the requirements set forth in Section 9.02(a); or

(B) either (x) a Guarantor is the continuing Person or (y) the resulting, surviving or transferee Person expressly assumes all of the obligations of the Guarantor under its Guaranty of the Obligations, this Agreement and the other Credit Documents;

(C) the transaction constitutes a sale or other disposition (including by way of consolidation, merger or amalgamation) of the Subsidiary Guarantor or the sale or disposition of all or substantially all the assets of the Subsidiary Guarantor (in each case other than to the Borrower or a Restricted Subsidiary) otherwise permitted by this Agreement; and

(D) any security interests granted to the Collateral Agent for the benefit of the Secured Parties in the Collateral pursuant to the Security Documents shall remain in full force and effect and perfected (to at least the same extent as in effect immediately prior to such amalgamation or merger) and all actions required to maintain said perfected status have been or will be promptly taken, in each case as required by Section 8.12.

(c) The foregoing provisions shall not apply to:

(1) any Permitted Acquisition;

(2) any Asset Disposition (including dispositions constituting any part of a Permitted Reorganization and/or an IPO Reorganization Transaction) permitted pursuant to Section 9.08; and

(3) (i) the liquidation or dissolution of any Restricted Subsidiary if the Borrower determines in good faith that such liquidation or dissolution is in the best interests of the Borrower, is not materially disadvantageous to the Lenders, and the Borrower or any Restricted Subsidiary receives any assets of the relevant dissolved or liquidated Restricted Subsidiary; (ii) any merger, amalgamation, dissolution, liquidation or consolidation, the purpose of which is to effect (A) any disposition otherwise permitted under Section 9.08 or this Section 9.02 or (B) any Permitted Investment; and (iii) the Borrower or any Restricted Subsidiary may be converted into another form of entity, in each case, so long as such conversion does not adversely affect the value of the Guaranty or the Collateral, taken as a whole.

9.03. Restricted Payments. (a) The Borrower will not, and will not permit any of its Restricted Subsidiaries, directly or indirectly, to:

(1) declare or pay any dividend or make any distribution on or in respect of the Borrower's or any Restricted Subsidiary's Capital Stock (including any payment in connection with any merger, amalgamation or consolidation involving the Borrower or any of its Restricted Subsidiaries) except: (x) dividends or distributions payable in Capital Stock of the Borrower (other than Disqualified Stock) or in options, warrants or other rights to purchase such Capital Stock of the Borrower; and (y) dividends or distributions payable to the Borrower or a Restricted Subsidiary (and, in the case of any such

Restricted Subsidiary making such dividend or distribution, to holders of its Capital Stock other than the Borrower or another Restricted Subsidiary on no more than a pro rata basis);

(2) purchase, redeem, retire or otherwise acquire for value any Capital Stock of the Borrower or any Parent Entity of the Borrower held by Persons other than the Borrower or a Restricted Subsidiary of the Borrower;

(3) purchase, repurchase, redeem, prepay, repay, defease or otherwise acquire or retire for value, prior to scheduled maturity, scheduled repayment or scheduled sinking fund payment, any Junior Financing in excess of $5,000,000 (other than (i) any such purchase, repurchase, redemption, defeasance or other acquisition or retirement in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case, due within one year of the date of such purchase, repurchase, redemption, prepayment, repayment, defeasance or other acquisition or retirement and (ii) any Indebtedness Incurred pursuant to 9.04(b)(3)) (each, a "Restricted Debt Payment"); or

(4) make any Restricted Investment (any such dividend, distribution, purchase, redemption, prepayment, repayment, repurchase, defeasance, other acquisition, retirement or Restricted Investment referred to in the preceding clauses (1) through (4) are referred to herein as a "Restricted Payment"),

unless, in each case of clauses (1) through (4), at the time the Borrower or such Restricted Subsidiary makes such Restricted Payment:

(i) in the case of any Restricted Payment described in clause (1) or (2) above made in reliance on the Retained Cash Flow Amount, (x) no Event of Default shall have occurred and be continuing (or would result immediately thereafter therefrom) and (y) the Consolidated Cash Interest Coverage Ratio (calculated on a Pro Forma Basis) would be no less than 2.00:1.00 for the most recently ended Calculation Period; and

(ii) the aggregate amount of such Restricted Payment and all other Restricted Payments made subsequent to the Closing Date (and not returned or rescinded) (but excluding all other Restricted Payments permitted by the succeeding clause (b)) would not exceed the portion, if any, of the Available Amount on such date the Borrower elects to apply to this clause (a).

(b) The foregoing provisions set forth in preceding clause (a) will not prohibit any of the following (collectively, "Permitted Payments"):

(1) the payment of any dividend or distribution within 60 days after the date of declaration thereof, if at the date of declaration such payment would have complied with the provisions of this Agreement or the redemption, repurchase or retirement of Indebtedness if, at the date of any irrevocable redemption notice, such payment would have complied with the provisions of this Agreement;

(2) any purchase, repurchase, redemption, prepayment, repayment, defeasance or other acquisition or retirement of Capital Stock or Junior Financing made by exchange (including any such exchange pursuant to the exercise of a conversion right or privilege in connection with which cash is paid in lieu of the issuance of fractional shares) for, or out of the proceeds of the substantially concurrent sale of, Capital Stock of the Borrower (other than Disqualified Stock or Designated Preferred Stock) ("Refunding Capital Stock") or a substantially concurrent contribution to the equity (other than through the issuance of Disqualified Stock or Designated Preferred Stock or through an Excluded Contribution)) of the Borrower; provided, however, that to the extent so applied, the Net Cash Proceeds, or Fair Market

Value of property or assets or of marketable securities, from such sale of Capital Stock or such contribution will be excluded from clause (a) above;

(3) any purchase, repurchase, redemption, prepayment, repayment, defeasance or other acquisition or retirement of Junior Financing made by exchange for, or out of the proceeds of the substantially concurrent sale of, Junior Financing that constitutes Permitted Refinancing Indebtedness permitted to be Incurred pursuant to Section 9.04;

(4) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Preferred Stock of the Borrower or a Restricted Subsidiary made by exchange for or out of the proceeds of the substantially concurrent sale of Preferred Stock of the Borrower or a Restricted Subsidiary, as the case may be, that, in each case, is permitted to be Incurred pursuant to Section 9.04;

(5) [Reserved];

(6) a Restricted Payment to pay for the repurchase, retirement or other acquisition or retirement for value of Capital Stock (other than Disqualified Stock) of the Borrower or of any Parent Entity held by any future, present or former employee, director or consultant of the Borrower, any of its Subsidiaries or of any Parent Entity (or any Immediate Family Member, permitted transferees, assigns, estates, trusts or heirs of such employee, director or consultant) either pursuant to any management equity plan or stock option plan or any other management or employee benefit plan or agreement or upon the termination of such employee, director or consultant's employment or directorship; provided, however, that the aggregate Restricted Payments made under this clause (6) do not exceed (A) $5,000,000 (which amount shall, following a Qualifying IPO, increase to $10,000,000) in any calendar year (with unused amounts in any calendar year being carried over to succeeding calendar years) minus (B) any utilization of the Available RP Capacity Amount in reliance on unused capacity under the immediately preceding clause (A); provided further that such amount in any calendar year may be increased by an amount not to exceed:

(i) the cash proceeds from the sale of Capital Stock (other than Disqualified Stock or Designated Preferred Stock or Excluded Contributions) of the Borrower and, to the extent contributed to the capital of the Borrower (other than through the issuance of Disqualified Stock or Designated Preferred Stock or an Excluded Contribution), Capital Stock of any Parent Entity, in each case to members of management, directors or consultants of the Borrower, any of its Restricted Subsidiaries or any Parent Entity that occurred after the Closing Date; plus

(ii) the cash proceeds of key man life insurance policies received by the Borrower and its Restricted Subsidiaries after the Closing Date; less

(iii) the amount of any Restricted Payments made in previous calendar years pursuant to this clause (6) utilizing the amounts set forth in clause (i) of this clause (6);

and provided further that cancellation of Indebtedness owing to the Borrower or any Restricted Subsidiary from members of management, directors, employees or consultants of the Borrower, or any Parent Entity or Restricted Subsidiaries in connection with a repurchase of Capital Stock of the Borrower or any Parent Entity will not be deemed to constitute a Restricted Payment for purposes of this Section 9.03 or any other provision of this Agreement;

(7) the declaration and payment of dividends on Disqualified Stock or Preferred Stock of a Restricted Subsidiary, Incurred in accordance with the terms of Section 9.04;

(8) purchases, repurchases, redemptions, defeasances or other acquisitions or retirements of Capital Stock deemed to occur upon the exercise of stock options, warrants or other rights in respect thereof if such Capital Stock represents a portion of the exercise price thereof;

(9) dividends, loans, advances or distributions to any Parent Entity or other payments by the Borrower or any Restricted Subsidiary in amounts equal to (without duplication):

(a) the amounts required for any Parent Entity to pay any Parent Entity Expenses or any Related Taxes; or

(b) amounts constituting or to be used for purposes of making payments to the extent specified in clauses (ii), (iii), (v), (xi), (xii) and (xiii) of Section 9.06(b);

(10) following the consummation of the first Qualifying IPO, the declaration and payment by the Borrower of (including payments made by the Borrower in order for any Parent Entity to make) Restricted Payments with respect to any Capital Stock in an amount not to exceed (A) 6.00% per annum of the Market Capitalization of the Borrower (or its direct or indirect Parent Entity, as applicable) and its subsidiaries minus (B) any utilization of the Available RP Capacity Amount in reliance on unused capacity under the immediately preceding clause (A);

(11) payments by the Borrower, or loans, advances, dividends or distributions to any Parent Entity to make payments, to holders of Capital Stock of the Borrower or any Parent Entity in lieu of the issuance of fractional shares of such Capital Stock; provided, however, that any such payment, loan, advance, dividend or distribution shall not be for the purpose of evading any limitation of this covenant or otherwise to facilitate any dividend or other return of capital to the holders of such Capital Stock (as determined in good faith by the Board of Directors);

(12) Restricted Payments that are made with Excluded Contributions;

(13) (A) the declaration and payment of dividends on Designated Preferred Stock of the Borrower issued after the Closing Date; and (B) the declaration and payment of dividends on Refunding Capital Stock that is Preferred Stock; provided, however, that, in the case of clause (A), the amount of all dividends declared or paid pursuant to this clause shall not exceed the Net Cash Proceeds received by the Borrower or the aggregate amount contributed in cash to the equity (other than through the issuance of Disqualified Stock or an Excluded Contribution of the Borrower), from the issuance or sale of such Designated Preferred Stock; provided further, in the case of clauses (A) and (B), that for the most recently ended four fiscal quarters for which internal financial statements are available immediately preceding the date of issuance of such Designated Preferred Stock or declaration of such dividends on such Refunding Capital Stock, after giving effect to such payment on a pro forma basis the Borrower would be permitted to Incur at least $1.00 of additional Indebtedness pursuant to the test set forth in Section 9.04(a);

(14) dividends or other distributions of Capital Stock of, or Indebtedness owed to the Borrower or a Restricted Subsidiary by, Unrestricted Subsidiaries (unless the Unrestricted Subsidiary's principal asset is cash and Cash Equivalents);

(15) payments as part of, or to enable another Person to make, an "applicable high yield discount obligation" catch-up payment;

(16) dividends, distributions or redemptions in connection with the Transactions and distributions to satisfy dissenters' rights (including in connection with, or as a result of, the exercise of

appraisal rights and the settlement of any claims or actions (whether actual, contingent or potential)), pursuant to or in connection with any acquisition, merger, consolidation, amalgamation or Disposition that complies with Section 9.02 and Section 9.08;

(17) (i) Restricted Payments described in clauses (a)(1) and (a)(2) above in an aggregate amount not to exceed (A) $25,000,000 minus (B) any utilization of the Available RP Capacity Amount in reliance on unused capacity under the immediately preceding clause (i)(A); and (ii) Restricted Debt Payments in an aggregate amount not to exceed (A) $25,000,000 minus (B) any utilization of the Available RDP Capacity Amount in reliance on unused capacity under the immediately preceding clause (ii)(A) plus (C) the Available RP Capacity Amount;

(18) so long as no Event of Default has occurred and is continuing (or would result therefrom), mandatory redemptions of Disqualified Stock issued as a Restricted Payment or as consideration for a Permitted Investment; provided that the amount of such redemptions are no greater than the amount that constituted a Restricted Payment or Permitted Investment; and

(19) additional Restricted Payments (other than Restricted Investments) made by the Borrower or any Restricted Subsidiary; provided that, immediately after giving pro forma effect thereto and any other Specified Transaction, the Consolidated First Lien Leverage Ratio (calculated on a Pro Forma Basis) would be no greater than 1.00:1.00 as of the last day of the most recently ended Calculation Period; provided, further that, in the case of any such Restricted Payments described in clause (a)(1) and (a)(2), no Event of Default has occurred and is continuing (or would result therefrom).

For purposes of determining compliance with this covenant, in the event that a Restricted Payment meets the criteria of more than one of the categories of Permitted Payments described in this clause (b), or is permitted pursuant to clause (a) of this Section 9.03, the Borrower in its sole discretion may divide, classify such Restricted Payment (or portion thereof) on the date of its payment or later reclassify such Restricted Payment (or portion thereof) in any manner that complies with this covenant and such Restricted Payment or Permitted Payment, as the case may be, shall be treated as having been made pursuant only to the clause or clauses of this Section 9.03 to which such Restricted Payment or Permitted Payment, as the case may be, has been classified or reclassified; provided that, (X) upon delivery of any financial statements pursuant to Section 8.01(a) or (b) following the initial incurrence or making of any such reclassifiable item, if such reclassifiable item could, based on such financial statements, have been incurred or made in reliance on clause (19) of this clause (b) or any "ratio-based" basket or exception, such reclassifiable item shall automatically be reclassified as having been incurred or made under the applicable provisions of clause (19) or such "ratio-based" basket or exception, as applicable (in each case, subject to any other applicable provision of clause (19) or such "ratio-based" basket or exception, as applicable) and (Y) no Restricted Payment nor any Permitted Payment, as the case may be, need be permitted solely by reference to one category or clause of this definition but may instead be permitted in part under any combination thereof or under any other available exception.

The amount of all Restricted Payments (other than cash) shall be the Fair Market Value on the date of such Restricted Payment of the asset (s) or securities proposed to be paid, transferred or issued by the Borrower or such Restricted Subsidiary, as the case may be, pursuant to such Restricted Payment. The Fair Market Value of any cash Restricted Payment shall be its face amount, and the Fair Market Value of any non-cash Restricted Payment, property or assets other than cash shall be determined conclusively by the Board of Directors of the Borrower acting in good faith.

9.04. Indebtedness. (a) The Borrower will not, and will not permit any of its Restricted Subsidiaries to, Incur any Indebtedness; provided, however, that the Borrower and any of its Restricted Subsidiaries may Incur (i) Incremental Equivalent Debt in an aggregate outstanding principal

amount not to exceed the Incremental Cap as in effect at the time of determination (after giving effect to any reclassification on or prior to such date of determination) and (ii) any Permitted Refinancing Indebtedness in respect of any such Incremental Equivalent Debt Incurred pursuant to clause (i).

(b) The preceding clause (a) of this Section 9.04 will not prohibit the Incurrence of the following Indebtedness:

(1) Indebtedness Incurred pursuant to (i) any ABL Facility (including letters of credit or bankers' acceptances issued or created under any ABL Facility and any ABL Incremental Debt), in a maximum aggregate principal amount at any time outstanding not exceeding the greater of (x) the sum of (A) $312,500,000 and (B) the "Incremental Cap" (as defined in the ABL Credit Agreement as in effect on the Closing Date but regardless of whether then in effect on the relevant date of determination, including after giving effect to Sections 1.06 and 1.07(c) thereof) and (y) the "Borrowing Base" (as defined in the ABL Credit Agreement as in effect on the Closing Date, but without giving effect to any "reserves" and regardless of whether the ABL Facility in effect as of the Closing Date is in effect at such time) calculated on a Pro Forma Basis as of the last day of the month most recently ended prior to the date of establishment of the commitments in respect thereof for which internal month-end financial statements are available to the Borrower, (ii) any extension, refinancing, refunding or replacing of any ABL Facility or any ABL Incremental Debt after the Closing Date so long as (X) the aggregate outstanding principal amount of such Indebtedness does not exceed an amount permitted to be incurred under the preceding clause (i), plus (A) an amount equal to unpaid accrued interest, penalties and premiums (including tender premiums) thereon, (B) the amount of any underwriting discounts and other customary fees, commissions and expenses (including upfront fees, original issue discount or initial yield payments) incurred in connection with the relevant refinancing, (C) an amount equal to any existing commitments unutilized thereunder and (D) any additional amounts permitted to be incurred pursuant to this Section 9.04 (with additional amounts incurred in reliance on this clause (D) constituting a utilization of the relevant basket or exception pursuant to which such additional amount is permitted) and (Y) such Indebtedness, if secured, is secured only by Permitted Liens described in clause (20) of the definition thereof and (iii) "Cash Management Obligations" and "Hedging Obligations" (each as defined in the ABL Credit Agreement (or any equivalent term in any document governing any ABL Facility));

(2) Guarantees by the Borrower or any Restricted Subsidiary of Indebtedness of the Borrower or any Restricted Subsidiary so long as the Incurrence of such Indebtedness is permitted under the terms of this Agreement; provided that any Guarantee by a Non-Guarantor Subsidiary of any Indebtedness under Section 9.04(a) and 9.04(b)(5) (or any Permitted Refinancing Indebtedness in respect thereof) shall only be permitted if such Guarantee meets the requirement of Section 9.04(a);

(3) Indebtedness of the Borrower owing to and held by any Restricted Subsidiary or Indebtedness of a Restricted Subsidiary owing to and held by the Borrower or any Restricted Subsidiary; provided, however, that: any subsequent issuance or transfer of Capital Stock or any other event which results in any such Indebtedness being beneficially held by a Person other than the

Borrower or a Restricted Subsidiary; and any sale or other transfer of any such Indebtedness to a Person other than the Borrower or a Restricted Subsidiary, shall be deemed, in each case, to constitute an Incurrence of such Indebtedness by the Borrower or such Restricted Subsidiary, as the case may be; provided further that (x) no such Indebtedness owed to a Credit Party shall be evidenced by a promissory note unless such promissory note constitutes a negotiable instrument and is pledged to the Collateral Agent in accordance with the terms of the Security Documents, (y) all such Indebtedness of any Credit Party owed to any Restricted Subsidiary that is not a Credit Party shall be unsecured and evidenced by an Intercompany Note and (z) the aggregate principal amount of Indebtedness owing by any Restricted Subsidiary that is a Non-Guarantor Subsidiary to the Borrower or any other Credit Party, when combined with (i) the aggregate amount of all Investments made pursuant to clause (1) of the definition of "Permitted Investment" in any Restricted Subsidiary that is not (or will not become) a Non-Guarantor Subsidiary and (ii) the aggregate amount of all dispositions by a Credit Party to a Restricted Subsidiary that is a Non-Guarantor Subsidiary pursuant to clause (1) of the definition of Asset Dispositions", shall not exceed $10,000,000;

(4) any Indebtedness outstanding on, or pursuant to commitments existing (or anticipated) on, the Closing Date and listed on Schedule 9.04 hereto;

(5) Acquired Indebtedness of any Person that becomes a Restricted Subsidiary or Acquired Indebtedness assumed in connection with an acquisition or other Investment permitted hereunder after the Closing Date; provided that such Indebtedness was not created or incurred in anticipation thereof;

(6) Hedging Obligations (excluding Hedging Obligations entered into for speculative purposes);

(7) (a) Indebtedness represented by Capitalized Lease Obligations or Purchase Money Obligations in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness Incurred pursuant to this clause not to exceed the greater of (x) $25,000,000 and (y) 6.0% of Consolidated Total Assets as of the last day of the most recently ended Calculation Period; and (b) Indebtedness represented by Capitalized Lease Obligations or Purchase Money Obligations with respect to the lease, purchase, repair, and improvement to blast furnaces and any related equipment or components in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness Incurred pursuant to this clause not to exceed $50,000,000; provided that, in the case of the immediately preceding clause (b), (i) the Liens securing such Indebtedness do not extend to any assets other than those purchased with the net proceeds of such incurrence, (ii) any assets so acquired shall not be Collateral, (iii) no Event of Default shall have occurred and be continuing or would result therefrom, (iv) such Indebtedness shall have a final maturity date no earlier than the Initial Term Loan Maturity Date and shall not have any scheduled amortization greater than 20% per annum or commitment reductions prior to the Initial Term Loan Maturity Date and (v) on the date of such Incurrence the Consolidated Total Leverage Ratio (calculated on a Pro Forma Basis) would be no greater than 3.50:1.00 as of the last day of the most recently ended Calculation Period;

(8) Indebtedness in respect of (a) workers' compensation claims, self-insurance obligations, performance, indemnity, surety, judgment, appeal, advance payment, customs, value added or other tax or other guarantees or other similar bonds, instruments or obligations and completion guarantees and warranties provided by the Borrower or a Restricted Subsidiary or relating to liabilities, obligations or guarantees Incurred in the ordinary course of business, (b) the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; provided, however, that such Indebtedness is extinguished within five Business Days of Incurrence; (c) customer deposits and advance payments received in the ordinary course of business from customers for goods or services purchased in the ordinary course of business; (d) letters of credit, bankers' acceptances, guarantees or other similar instruments or obligations issued or relating to liabilities or obligations Incurred in the ordinary course of business and (e) any customary cash management, cash pooling or netting or setting off arrangements in the ordinary course of business;

(9) Indebtedness arising from agreements providing for guarantees, indemnification, obligations in respect of earn-outs or other adjustments of purchase price or, in each case, similar obligations, in each case, Incurred or assumed in connection with the acquisition or disposition of any business or assets or Person or any Capital Stock of a Subsidiary (other than Guarantees of Indebtedness Incurred by any Person acquiring or disposing of such business or assets or such Subsidiary for the purpose of financing such acquisition or disposition) and Indebtedness arising from guaranties, letters of credit, bank guaranties, surety bonds, performance bonds or similar instruments in each case securing the performance of the Borrower or any Restricted Subsidiary pursuant to any such agreement;

(10) Indebtedness in an aggregate outstanding principal amount which, when taken together with any Permitted Refinancing Indebtedness in respect thereof and the principal amount of all other Indebtedness Incurred pursuant to this clause and then outstanding, will not exceed 100% of the Net Cash Proceeds received by the Borrower from the issuance or sale (other than to a Restricted Subsidiary) of its Capital Stock (other than Disqualified Stock, Designated Preferred Stock or an Excluded Contribution) or otherwise contributed to the equity (other than through the issuance of Disqualified Stock, Designated Preferred Stock or an Excluded Contribution) of the Borrower, in each case, subsequent to the Closing Date; provided, however, that (i) any such Net Cash Proceeds that are so received or contributed shall not increase the amount available for making Restricted Payments to the extent the Borrower and its Restricted Subsidiaries Incur Indebtedness in reliance thereon and (ii) any Net Cash Proceeds that are so received or contributed shall be excluded for purposes of Incurring Indebtedness pursuant to this clause to the extent the Borrower or any of its Restricted Subsidiaries makes a Restricted Payment;

(11) Indebtedness of any Credit Party under (x) the Credit Documents and (y) Credit Agreement Refinancing Indebtedness;

(12) Indebtedness consisting of promissory notes issued by the Borrower or any of its Restricted Subsidiaries to any current or former employee,

director or consultant of the Borrower, any of its Restricted Subsidiaries or any Parent Entity (or permitted transferees, assigns, estates, or heirs of such employee, director or consultant), to finance the purchase or redemption of Capital Stock of the Borrower or any Parent Entity that is permitted by Section 9.03;

(13) Indebtedness of the Borrower or any of its Restricted Subsidiaries consisting of (x) the financing of insurance premiums or (y) take-or-pay obligations contained in supply arrangements, in each case Incurred in the ordinary course of business;

(14) other Indebtedness in an aggregate outstanding principal amount not to exceed the greater of (x) $50,000,000 and (y) 12.0% of Consolidated Total Assets as of the last day of the most recently ended Calculation Period;

(15) Indebtedness of any joint venture or similar arrangement or Indebtedness of the Borrower or any Restricted Subsidiary Incurred on behalf of any such Person or any Guarantees by the Borrower or any Restricted Subsidiary of Indebtedness of any such Person in an aggregate outstanding principal amount not to exceed $15,000,000;

(16) Permitted Shareholder Loans in an aggregate outstanding principal amount not to exceed $50,000,000;

(17) Indebtedness of Non-Guarantor Subsidiaries in an aggregate outstanding principal amount not to exceed $15,000,000;

(18) Indebtedness represented by (i) the Ontario CapEx Facility in an aggregate principal amount not to exceed Can$60,000,000, (ii) the Federal CapEx Facility in an aggregate principal amount not to exceed Can$60,000,000, (iii) the SIF CapEx Facility in an aggregate principal amount not to exceed Can$15,000,000 and (iv) the SIF Grant Facility in an aggregate principal amount not to exceed Can$15,000,000;

(19) (x) Guarantees by Borrower of the obligations of New PortLP in respect of the New PortLP Facility in an aggregate principal amount not to exceed $73,000,000, which shall be an unsecured Guarantee except for a first ranking pledge of the equity of New PortLP and New PortGP and shall be subject to the Inter-Lender Agreement and (y) to the extent constituting Indebtedness, obligations in respect of the New PortLP Payments Amount;

(20) to the extent constituting Indebtedness, obligations in respect of the Construction Claims;

(21) any Permitted Refinancing Indebtedness in respect of any Indebtedness permitted under clauses (1), (2), (4), (5), (7), (10), (11), (14), (15), (16), (17), (18) and (19); and

(22) to the extent constituting Indebtedness, obligations in respect of Parent Entity Expenses or any Related Taxes.

(c) For purposes of determining compliance with, and the outstanding principal amount of any particular Indebtedness Incurred pursuant to and in compliance with, this covenant:

(i) subject to clause (iii) below, in the event that Indebtedness meets the criteria of more than one of the types of Indebtedness described in clauses (a) or (b) of this Section 9.04 (at the time of Incurrence or at a later date), the Borrower in its sole discretion may divide, classify or from time to time reclassify all or any portion of such Indebtedness in any manner that complies with this Section 9.04 and such Indebtedness shall be treated as having been made pursuant only to the clause or clauses of this Section 9.04 to which such Indebtedness has been classified or reclassified; provided that, (X) upon delivery of any financial statements pursuant to Section 8.01(a) or (b) following the initial incurrence or making of any such reclassifiable item, if such reclassifiable item could, based on such financial statements, have been incurred or made in reliance on clause (a) or any "ratio-based" basket or exception, such reclassifiable item shall automatically be reclassified as having been incurred or made under the applicable provisions of clause (a) or such "ratio-based" basket or exception, as applicable (in each case, subject to any other applicable provision of clause (a) or such "ratio-based" basket or exception, as applicable) and (Y) any Indebtedness need not be permitted solely by reference to one category or clause of this Section 9.04 but may instead be permitted in part under any combination thereof or under any other available exception and only be required to include the amount and type of such Indebtedness in one of the clauses (a) or (b) of this Section 9.04;

(ii) [reserved];

(iii) all Indebtedness outstanding (or permitted to be Incurred) (A) under this Agreement, shall be deemed to have been incurred on the Closing Date under clause (b)(11) of this Section 9.04, (B) under the Capex Facilities Documents, shall be deemed to have been incurred under clause (b)(18) of this Section 9.04, (C) under the New PortLP Facility Documents, shall be deemed to have been incurred under clause (b)(19) of this Section 9.04 and (D) under the ABL Facility, will at all times be deemed to be outstanding in reliance only on the exception in Section 9.04(b)(1) and, in each case of (A) through (D), may not be reclassified at any time pursuant to clause (c)(i) of this Section 9.04;

(iv) in the case of any Permitted Refinancing Indebtedness permitted under clause (1), (2), (4), (5), (7), (10), (11), (14), (15), (16), (17), (18), (19) and (21) of clause (b) above or any portion thereof, such Indebtedness shall not include the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses incurred in connection with such refinancing and such Permitted Refinancing Indebtedness shall be deemed permitted thereunder, without duplication of amounts otherwise permitted;

(v) Guaranties of, or obligations in respect of letters of credit, bankers' acceptances or other similar instruments relating to, or Liens securing, Indebtedness that is otherwise included in the determination of a particular amount of Indebtedness shall not be included;

(vi) if obligations in respect of letters of credit, bankers' acceptances or other similar instruments are Incurred pursuant to any ABL Facility and are being treated as Incurred pursuant to clause (1), (7), (10), (11), (14) or (21) of clause (b) above or clause (a) and the letters of credit, bankers' acceptances or other similar instruments relate to other Indebtedness, then such other Indebtedness shall not be included;

(vii) the principal amount of any Disqualified Stock of the Borrower or a Restricted Subsidiary, or Preferred Stock of a Restricted Subsidiary, will be equal to the greater of the

maximum mandatory redemption or repurchase price (not including, in either case, any redemption or repurchase premium) or the liquidation preference thereof;

(viii) Indebtedness permitted by this covenant need not be permitted solely by reference to one provision permitting such Indebtedness but may be permitted in part by one such provision and in part by one or more other provisions of this covenant permitting such Indebtedness; and

(ix) the amount of any Indebtedness outstanding as of any date shall be (x) the accreted value thereof in the case of any Indebtedness issued with original issue discount and (y) the principal amount of Indebtedness, or liquidation preference thereof, in the case of any other Indebtedness.

(d) Accrual of interest, accrual of dividends, the accretion of accreted value, the accretion or amortization of original issue discount, the payment of interest in the form of additional Indebtedness, the payment of dividends in the form of additional shares of Preferred Stock or Disqualified Stock or the reclassification of commitments or obligations not treated as Indebtedness due to a change in IFRS, will not be deemed to be an Incurrence of Indebtedness for purposes of this Section 9.04.

(e) If at any time an Unrestricted Subsidiary becomes a Restricted Subsidiary, any Indebtedness of such Subsidiary shall be deemed to be Incurred by a Restricted Subsidiary of the Borrower as of such date (and, if such Indebtedness is not permitted to be Incurred as of such date under this Section 9.04 the Borrower shall be in default of this Section 9.04).

(f) Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that the Borrower or a Restricted Subsidiary may Incur pursuant to this Section 9.04 shall not be deemed to be exceeded solely as a result of fluctuations in the exchange rate of currencies. The principal amount of any Indebtedness Incurred to refinance other Indebtedness, if Incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such Permitted Refinancing Indebtedness is denominated that is in effect on the date of such refinancing.

9.05. Restrictions on Distributions from Restricted Subsidiaries. (a) The Borrower will not, and will not permit any Restricted Subsidiary to, create or otherwise cause or permit to exist or become effective any consensual encumbrance or consensual restriction on the ability of any Restricted Subsidiary to: (i) pay dividends or make any other distributions in cash or otherwise on its Capital Stock or pay any Indebtedness or other obligations owed to the Borrower or any Restricted Subsidiary; (ii) make any loans or advances to the Borrower or any Restricted Subsidiary; (iii) sell, lease or transfer any of its property or assets to the Borrower or any Restricted Subsidiary or (iv) create, incur, assume or suffer to exist any Lien upon their respective properties or revenues (other than Excluded Assets), whether now owned or hereafter acquired, or which requires the grant of any security for an obligation if security is granted for another obligation; provided that (x) the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common stock and (y) the subordination of (including the application of any standstill requirements to) loans or advances made to the Borrower or any Restricted Subsidiary to other Indebtedness Incurred by the Borrower or any Restricted Subsidiary shall not be deemed to constitute such an encumbrance or restriction.

(b) The provisions of the preceding paragraph (a) will not prohibit:

(i) any encumbrance or restriction pursuant to (x) the Credit Documents, (y) any ABL Facility or (z) any other agreement or instrument, in each case, in effect at or entered into on the Closing Date;

(ii) any encumbrance or restriction pursuant to (x) the CapEx Facilities or the (y) the New PortLP Facility;

(iii) any encumbrance or restriction pursuant to an agreement or instrument of a Person or relating to any Capital Stock or Indebtedness of a Person, entered into on or before the date on which such Person was acquired by or merged, amalgamated, consolidated or otherwise combined with or into the Borrower or any Restricted Subsidiary, or was designated as a Restricted Subsidiary or on which such agreement or instrument is assumed by the Borrower or any Restricted Subsidiary in connection with an acquisition of assets (other than Capital Stock or Indebtedness Incurred as consideration in, or to provide all or any portion of the funds utilized to consummate, the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was acquired by the Borrower or was merged, amalgamated, consolidated or otherwise combined with or into the Borrower or any Restricted Subsidiary or entered into in contemplation of or in connection with such transaction) and outstanding on such date; provided that, for the purposes of this clause, if another Person is the Successor Company, any Subsidiary thereof or agreement or instrument of such Person or any such Subsidiary shall be deemed acquired or assumed by the Borrower or any Restricted Subsidiary when such Person becomes the Successor Company;

(iv) any encumbrance or restriction:

(A) that restricts in a customary manner the subletting, assignment or transfer of any property or asset that is subject to a lease, license or similar contract or agreement, or the assignment or transfer of any lease, license or other contract or agreement;

(B) contained in mortgages, pledges, charges or other security agreements permitted under this Agreement and the Security Documents or securing Indebtedness of the Borrower or a Restricted Subsidiary permitted under this Agreement and the Security Documents to the extent such encumbrances or restrictions restrict the transfer or encumbrance of the property or assets subject to such mortgages, pledges, charges or other security agreements; or

(C) pursuant to customary provisions restricting dispositions of real property interests set forth in any reciprocal easement agreements of the Borrower or any Restricted Subsidiary;

(v) any encumbrance or restriction pursuant to Purchase Money Obligations and Capitalized Lease Obligations permitted under this Agreement and the Security Documents, in each case, that impose encumbrances or restrictions on the property so acquired;

(vi) restrictions relating to any asset (or all of the assets) of and/or the Capital Stock of the Borrower and/or any Restricted Subsidiary which are imposed pursuant to an agreement entered into in connection with any disposition or other transfer, lease or license of such asset (or assets) and/or all or a portion of the Capital Stock of the relevant Person in each case that is permitted by this Agreement, in each case pending the closing of such sale or disposition;

(vii) customary provisions in leases, licenses, joint venture agreements, sale and lease-back agreements, stock sale agreements and other similar agreements and instruments, which limitation is applicable only to the assets that are the subject of such agreements (or the Persons the Capital Stock of which is the subject of such agreement (or any "shell company" parent with respect thereto));

(viii) encumbrances or restrictions arising or existing by reason of Applicable Law or any applicable rule, regulation or order, or required by any regulatory authority;

(ix) any encumbrance or restriction on cash or other deposits or net worth imposed by customers under agreements entered into in the ordinary course of business;

(x) any encumbrance or restriction pursuant to Hedging Obligations;

(xi) other Indebtedness, Disqualified Stock or Preferred Stock of Non-Guarantor Subsidiaries permitted to be Incurred or issued subsequent to the Closing Date pursuant to the provisions of Section 9.04 that impose restrictions solely on the Non-Guarantor Subsidiaries party thereto or their Subsidiaries;

(xii) any other agreement that does not restrict in any manner (directly or indirectly) Liens created pursuant to the Credit Documents on any Collateral securing the Secured Obligations and does not require the direct or indirect granting of any Lien securing any Indebtedness or other obligation by virtue of the granting of Liens on or pledge of property of any Credit Party to secure the Secured Obligations;

(xiii) any encumbrance or restriction arising pursuant to an agreement or instrument (which, if it relates to any Indebtedness, shall only be permitted if such Indebtedness is permitted to be Incurred pursuant to the provisions of Section 9.04 if the encumbrances and restrictions contained in any such agreement or instrument taken as a whole (A) are not materially less favorable to the Lenders than the encumbrances and restrictions contained in the Credit Documents as in effect on the Closing Date or (B) either (x) the Borrower determines at the time of entry into such agreement or instrument that such encumbrances or restrictions will not adversely affect, in any material respect, the Borrower's ability to make principal or interest payments on Term Loans or (y) such encumbrance or restriction applies only during the continuance of a default relating to such agreement or instrument;

(xiv) any encumbrance or restriction existing by reason of any Lien permitted under Section 9.01; or

(xv) any encumbrance or restriction pursuant to an agreement or instrument effecting a refinancing of Indebtedness Incurred pursuant to, or that otherwise refinances, an agreement or instrument referred to in clauses (i) to (xiv) of this clause (b) (an "Initial Agreement") or contained in any amendment, supplement or other modification to an agreement referred to in clauses (i) to (xiv) of this paragraph or this clause (xv); provided, however, that the encumbrances and restrictions with respect to such Restricted Subsidiary contained in any such agreement or instrument are not materially more restrictive with respect to such encumbrances and other restrictions, taken as a whole, than the encumbrances and restrictions contained in the Initial Agreement or Initial Agreements to which such refinancing or amendment, supplement or other modification relates (as determined in good faith by the Borrower).

9.06. Transactions with Affiliates. (a) The Borrower will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, enter into or conduct any transaction (including the purchase, sale, lease or exchange of any property or the rendering of any service) with any Affiliate of the Borrower (an "Affiliate Transaction") involving aggregate value in excess of $2,500,000 unless:

(1) the terms of such Affiliate Transaction taken as a whole are not materially less favorable to the Borrower or such Restricted Subsidiary, as the case may be, than those that could be obtained in a comparable transaction at the time of such transaction or the execution of the agreement providing for such transaction in arm's length dealings with a Person who is not such an Affiliate; and

(2) in the event such Affiliate Transaction involves an aggregate value in excess of $30,000,000 and is in the ordinary course of business, the terms of such transaction have been approved by a majority of the members of the Board of Directors; and

(3) in the event such Affiliate Transaction involves an aggregate value in excess of $30,000,000 and is not in the ordinary course of business, the terms of such transaction have been approved by an Independent Financial Advisor (reasonably acceptable to the Administrative Agent (subject to Required Lenders Negative Consent)); and

(4) in any such Affiliate Transaction, or series of related Affiliated Transactions, at least 100% of the consideration from such Affiliate Transaction received by the Borrower or such Restricted Subsidiary, as the case may be, is in the form of cash or Cash Equivalents (including receivables and payables to be settled in cash or Cash Equivalents).

Any Affiliate Transaction shall be deemed to have satisfied the requirements set forth in clause (a)(2) of this Section 9.06 if such Affiliate Transaction is approved by a majority of the Disinterested Directors, if any.

(b) The provisions of the preceding paragraph (a) will not apply to:

(i) (x) any Restricted Payment permitted to be made pursuant to Section 9.03 or any Permitted Investment, (y) transactions among the Borrower and its Subsidiaries in connection with payments in respect of the New PortLP Payments Amount and the New PortLP Transactions and (z) (I) any transactions constituting any part of a Permitted Reorganization or IPO Reorganization Transaction and (II) issuances of Capital Stock and issuances and incurrences of Indebtedness not restricted by this Agreement and payments pursuant thereto;

(ii) any issuance or sale of Capital Stock, options, other equity-related interests or other securities, or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, or entering into, or maintenance of, any employment, consulting, collective bargaining or benefit plan, program, agreement or arrangement, related trust or other similar agreement and other compensation arrangements, options, warrants or other rights to purchase Capital Stock of the Borrower, any Restricted Subsidiary or any Parent Entity, restricted stock plans, long-term incentive plans, stock appreciation rights plans, participation plans or similar employee benefits or consultants' plans (including valuation, health, insurance, deferred

compensation, severance, retirement, savings or similar plans, programs or arrangements) or indemnities provided on behalf of officers, employees, directors or consultants approved by the Board of Directors of the Borrower, in each case in the ordinary course of business;

(iii) any Management Advances and any waiver or transaction with respect thereto;

(iv) any transaction between or among Holdings, the Borrower and/or one or more Restricted Subsidiaries and/or joint ventures (or any entity that becomes a Restricted Subsidiary or joint venture as a result of such transaction) to the extent permitted or not restricted by this Agreement;

(v) the payment of compensation, reasonable fees and reimbursement of expenses to, and customary indemnities (including under customary insurance policies) and employee benefit and pension expenses provided on behalf of, directors, managers, officers, consultants or employees of the Borrower or any Restricted Subsidiary (whether directly or indirectly and including through any Person owned or controlled by any of such directors, managers, officers or employees);

(vi) the entry into and performance of obligations of the Borrower or any of its Restricted Subsidiaries under the terms of any transaction arising out of, and any payments pursuant to or for purposes of funding, any agreement or instrument in effect as of or on the Closing Date, as these agreements and instruments may be amended, modified, supplemented, extended, renewed or refinanced from time to time in accordance with the other terms of this covenant or to the extent not more disadvantageous to the Lenders in any material respect;

(vii) any transaction or transactions approved by a majority of the Disinterested Directors, if any, at such time;

(viii) transactions with customers, clients, suppliers, licensees, joint ventures, purchasers or sellers of goods or services, in each case in the ordinary course of business, which are fair to the Borrower or the relevant Restricted Subsidiary in the reasonable determination of the Board of Directors or the senior management of the Borrower or the relevant Restricted Subsidiary, or are on terms no less favorable than those that could reasonably have been obtained at such time from an unaffiliated party;

(ix) any transaction between or among the Borrower or any Restricted Subsidiary and any Affiliate of the Borrower or an Associate or similar entity that would constitute an Affiliate Transaction solely because the Borrower or a Restricted Subsidiary owns an equity interest in or otherwise controls such Affiliate, Associate or similar entity;

(x) issuances or sales of Capital Stock (other than Disqualified Stock or Designated Preferred Stock) of the Borrower or options, warrants or other rights to acquire such Capital Stock and the granting of registration and other customary rights in connection therewith or any contribution to capital of the Borrower or any Restricted Subsidiary;

(xi) (a) payments by the Borrower of any Restricted Subsidiary to any Permitted Holder (whether directly or indirectly) of annual customary management, consulting, monitoring, refinancing, subsequent transaction exit fees, advisory fees and related expenses and (b) customary payments by the Borrower or any Restricted Subsidiary to any Permitted Holder (whether directly or indirectly, including through any Parent Entity) for financial advisory, financing, underwriting or placement services or in respect of other investment banking activities,

including in connection with acquisitions or divestitures, which payments are approved by a majority of the Board of Directors in good faith;

(xii) payment to any Permitted Holder of all reasonable out of pocket expenses Incurred by such Permitted Holder in connection with its direct or indirect investment in the Borrower and its Subsidiaries;

(xiii) the Transactions;

(xiv) transactions involving aggregate value not in excess of $30,000,000 in which the Borrower or any Restricted Subsidiary, as the case may be, delivers to the Administrative Agent a letter from an Independent Financial Advisor stating that such transaction is fair to the Borrower or such Restricted Subsidiary from a financial point of view or meets the requirements of clause (a)(1) of this Section 9.06;

(xv) the existence of, or the performance by the Borrower or any Restricted Subsidiaries of its obligations under the terms of, any equityholders agreement (including any registration rights agreement or purchase agreements related thereto) to which it is party as of the Closing Date and any similar agreement that it may enter into thereafter; provided, however, that the existence of, or the performance by the Borrower or any Restricted Subsidiary of its obligations under any future amendment to the equityholders' agreement or under any similar agreement entered into after the Closing Date will only be permitted under this clause to the extent that the terms of any such amendment or new agreement are not otherwise disadvantageous to the Lenders in any material respects;

(xvi) any purchases by the Borrower's Affiliates of Indebtedness or Disqualified Stock of the Borrower or any of its Restricted Subsidiaries permitted under this Agreement the majority of which Indebtedness or Disqualified Stock is purchased by Persons who are not the Borrower's Affiliates; provided that such purchases by the Borrower's Affiliates are on the same terms as such purchases by such Persons who are not the Borrower's Affiliates;

(xvii) payments by the Borrower (and any Parent Entity) and its Restricted Subsidiaries pursuant to any tax sharing agreements in respect of Related Taxes among the Borrower (and any such Parent Entity) and its Restricted Subsidiaries on customary terms to the extent attributable to the ownership or operation of the Borrower and its Subsidiaries;

(xviii) transactions entered into by an Unrestricted Subsidiary with an Affiliate prior to the day such Unrestricted Subsidiary is redesignated as a Restricted Subsidiary; and

(xix) Permitted Shareholder Loans;

provided that, in any such Affiliate Transaction, or series of related Affiliate Transactions under clauses (xvi) or (xix) above, 100% of the consideration from such Affiliate Transaction received by the Borrower or such Restricted Subsidiary, as the case may be, is in the form of cash or Cash Equivalents (including receivables and payables to be settled in cash or Cash Equivalents).

9.07. Modifications of Junior Financing Agreements The Borrower shall not, nor shall it permit any of its Restricted Subsidiaries to, amend or otherwise modify the terms of any Junior Financing in excess of the Threshold Amount ("Restricted Debt") (or the documentation governing any Restricted Debt) if the effect of such amendment or modification, together with all other amendments or modifications made, is materially adverse to the interests of the Administrative Agent or the Lenders

(in their capacities as such) without first obtaining the consent of the Administrative Agent (which consent shall not be unreasonably withheld, delayed or conditioned); provided that, for purposes of clarity, it is understood and agreed that the foregoing limitation shall not otherwise prohibit any Permitted Refinancing Indebtedness or any other replacement, refinancing, amendment, supplement, modification, extension, renewal, restatement or refunding of any Restricted Debt, in each case, that is permitted under this Agreement in respect thereof; provided, further that no amendment, modification or change of any term or condition of any Restricted Debt permitted by any subordination provisions set forth therein or in any other stand-alone subordination or intercreditor agreement in respect thereof shall be deemed materially adverse to the interests of the Administrative Agent or the Lenders.

9.08. Limitation on Sales of Assets and Subsidiary Stock. (a) The Borrower will not, and will not permit any of its Restricted Subsidiaries to, make any Asset Disposition in excess of the Asset Disposition Threshold Amount unless:

(i) the Borrower or such Restricted Subsidiary, as the case may be, receives consideration (including by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise) at least equal to the Fair Market Value (such Fair Market Value to be determined on the date of contractually agreeing to such Asset Disposition) of the shares and assets subject to such Asset Disposition; and

(ii) with respect to (x) any such individual Asset Disposition transaction with respect to assets having a Fair Market Value in excess of $5,000,000 or (y) any such Asset Dispositions transactions with respect to assets having a Fair Market Value in excess of $10,000,000, for all such transactions on an aggregate basis in any Fiscal Year, in each case of (x) and (y), at least 75% of the consideration from such Asset Dispositions (including by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise) received by the Borrower or such Restricted Subsidiary pursuant to this clause (ii) since the Closing Date (on a cumulative basis), as the case may be, is in the form of cash or Cash Equivalents (as determined in accordance with the provisions of this Section 9.08 below); and

(iii) an amount equal to 100% of the Net Available Cash from such Asset Disposition of the Borrower and the Subsidiary Guarantors is applied and/or reinvested as (and to the extent) required by Section 4.02(c);

provided that, pending the final application of any such Net Available Cash in accordance with Section 4.02(c), the Borrower and its Restricted Subsidiaries may temporarily reduce Indebtedness or otherwise use such Net Available Cash in any manner not prohibited by this Agreement.

To the extent that any portion of Net Available Cash payable in respect of the Term Loans is denominated in a currency other than U.S. dollars, the amount thereof payable in respect of the Term Loans shall not exceed the net amount of funds in U.S. dollars that is actually received by the Borrower upon converting such portion into U.S. dollars.

For the purposes of clause (a)(ii) of this Section 9.08, the following will be deemed to be cash:

(1) the assumption by the transferee of Indebtedness or other liabilities contingent or otherwise of the Borrower or a Restricted Subsidiary (other than Subordinated Indebtedness of the Borrower or a Guarantor or Indebtedness or liabilities incurred in contemplation of such Asset Disposition) and the release of the

Borrower or such Restricted Subsidiary from all liability on such Indebtedness or other liability in connection with such Asset Disposition;

(2) securities, notes or other obligations received by the Borrower or any Restricted Subsidiary of the Borrower from the transferee (including earn-outs or similar obligations) that are converted by the Borrower or such Restricted Subsidiary into cash or Cash Equivalents within 180 days following the closing of such Asset Disposition, or by their terms are required to be satisfied for cash or Cash Equivalents (to the extent of the cash or Cash Equivalents received) within 180 days following the closing of such Asset Disposition;

(3) Indebtedness of any Restricted Subsidiary that is no longer a Restricted Subsidiary as a result of such Asset Disposition, to the extent that the Borrower and each other Restricted Subsidiary are released from any Guarantee of payment of such Indebtedness in connection with such Asset Disposition;

(4) consideration consisting of Indebtedness of the Borrower (other than Subordinated Indebtedness) received after the Closing Date from Persons who are not the Borrower or any Restricted Subsidiary;

(5) the amount of any trade-in value applied to the purchase price of any replacement assets acquired in connection with such Asset Disposition;

(6) any Designated Non-Cash Consideration received in respect of such Asset Disposition having an aggregate Fair Market Value, taken together with all other Designated Non-Cash Consideration received pursuant to this clause (4) and that is at that time outstanding, not in excess of $15,000,000.

9.09. [Reserved].

9.10. [Reserved].

9.11. Limitation on Activities . Holdings shall not (A) conduct, transfer or otherwise engage in any material business or operations; provided that the following and any activities incidental to the following shall be permitted: (i) direct or indirect ownership of all of the Capital Stock in, and management of, the Borrower, (ii) action required by law to maintain its existence, (iii) performance of its obligations under this Agreement, the other Credit Documents, the ABL Facility, the CapEx Facilities and other agreements contemplated hereby or thereby or other debt, (iv) any public offering of its Capital Stock and (v) the undertaking of any Permitted Reorganization transaction permitted under this Agreement, the payment of dividends and distributions permitted to be made under this Agreement, the making of contributions to the capital of the Borrower, the incurrence of obligations in respect of Parent Entity Expenses or any Related Taxes, the incurrence of Indebtedness permitted to be incurred under this Agreement by Holdings, or the Guaranty of the Indebtedness permitted to be incurred by the Borrower or any Restricted Subsidiary of Holdings under this Agreement (including operating and equipment leases that are not considered to be Indebtedness) or (B) directly or indirectly, create, Incur or permit to exist any Lien on its assets or property that secures obligations under any Indebtedness for borrowed money or any related guarantee on any of its assets or property unless the Guarantee of the Initial Term Loans is equally and ratably secured with (or on a senior basis to, in the case such Lien secures any Subordinated Indebtedness) the obligations secured by such Lien until such time as such obligations are no longer secured by a Lien; provided that, the foregoing shall not prohibit the Incurrence by Holdings of Indebtedness in respect of (i) workers' compensation claims, self-insurance obligations,

performance, indemnity, surety, judgment, appeal, advance payment, customs, value added or other tax or other guarantees or other similar bonds, instruments or obligations and completion guarantees and warranties provided by Holdings, the Borrower or a Restricted Subsidiary or relating to liabilities, obligations or guarantees Incurred, in each case, in the ordinary course of business, (ii) the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; provided, however, that such Indebtedness is extinguished within five Business Days of Incurrence; (iii) customer deposits and advance payments received in the ordinary course of business from customers for goods or services purchased in the ordinary course of business; (iv) letters of credit, bankers' acceptances, guarantees or other similar instruments or obligations issued or relating to liabilities or obligations Incurred, in each case, in the ordinary course of business and (v) any customary cash management, cash pooling or netting or setting off arrangements, in each case, in the ordinary course of business.

Section 10. Events of Default, etc..

10.01. Events of Default. Upon the occurrence of any of the following specified events (each, an "Event of Default"):

(a) Payments. The Borrower shall (i) default in the payment when due of any principal of any Term Loan or any Term Note or (ii) default, and such default shall continue unremedied for three or more Business Days, in the payment when due of any interest on any Term Loan or Term Note or any Fees or any other amounts owing hereunder or under any other Credit Document; or

(b) Representations, etc. Any representation, warranty or statement made or deemed made by any Credit Party herein or in any other Credit Document or in any certificate delivered to the Administrative Agent or any Lender pursuant hereto or thereto (limited, on the Closing Date, solely to the Specified Representations and the Specified Acquisition Agreement Representations) shall prove to be untrue in any material respect (or, in the case of any representation, warranty or statement qualified by materiality, in any respect) on the date as of which made or deemed made and such untrue representation, warranty or statement that is, in each case, capable of being cured, shall remain untrue for a period of 30 days after the earlier of (i) the date on which such default shall first become known to any officer of the Borrower or any other Credit Party or (ii) notice to the Borrower from the Administrative Agent (which notice shall only be given at the direction of the Required Lenders) or the Required Lenders (it being understood and agreed that any breach of representation, warranty, statement or certification resulting from the failure of the Administrative Agent or the Collateral Agent to file any Uniform Commercial Code continuation statement (or other similar statement under the PPSA or any other applicable jurisdiction) shall not result in an Event of Default under this clause (b) or any other provision of any Credit Document); or

(c) Covenants. The Borrower or any of its Restricted Subsidiaries shall (i) default in the due performance or observance by it of any term, covenant or agreement contained in Sections 8.01(f)(i) (provided that (x) the delivery of a notice of an Event of Default at any time or (y) the curing of the underlying Default or Event of Default with respect to which notice is required to be given will, in each case cure an Event of Default arising from the failure to timely deliver such notice of Event of Default), 8.04 (as to the Borrower only) or 9 or (ii) default in the due performance or observance by it of any other term, covenant or agreement contained in this Agreement (other than those set forth in clauses (a), (b) and (c)(i) above) and such default shall continue unremedied for a period of 30 days after the earlier of (i) the date on which such default shall first become known to any officer of the Borrower or any other Credit Party or (ii) the date on which written notice thereof is given to the defaulting party by the Administrative Agent (acting at the written instruction or direction of the Required Lenders) or the Required Lenders; or

(d) Default Under Other Agreements. (i) Holdings, the Borrower or any of its Restricted Subsidiaries shall (x) default in any payment of any Indebtedness (other than the Credit Document Obligations) beyond the period of grace, if any, provided in an instrument or agreement under which such Indebtedness was created, (y) default in the observance or performance of any agreement or condition relating to any Indebtedness (other than the Credit Document Obligations) or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, if the effect of which default or other event or condition is to cause, or to permit the holder or holders of such Indebtedness (or a trustee or agent on behalf of such holder or holders) to cause (determined without regard to whether any notice is required), any such Indebtedness to become due prior to its stated maturity or (z) default in the payment when due at maturity of the ABL Facility; or (ii) any Indebtedness (other than the Credit Document Obligations) of Holdings, the Borrower or any of its Restricted Subsidiaries shall be declared to be (or shall become) due and payable, or required to be prepaid other than by a regularly scheduled required prepayment, prior to the stated maturity thereof, provided that it shall not be a Default or an Event of Default under this Section 10.01(d) unless the aggregate principal amount of any Indebtedness as described in preceding clauses (i) and (ii) is in excess of the Threshold Amount; provided further that, in the case of the preceding clause (i)(y), (1) any such breach or default with respect to a financial covenant in any such Indebtedness or (2) a breach or default (other than a payment default) by Holdings, the Borrower or any of its Restricted Subsidiaries with respect to the ABL Facility, the CapEx Facilities and the New PortLP Facility will, in each case of (1) and (2), not constitute an Event of Default unless the agent and/or lenders thereunder have demanded repayment of, or otherwise accelerated, any of the Indebtedness or other obligations thereunder (or terminated commitments thereunder) (provided that, in each case of this clause (d) the cure or waiver of any such default under such other Indebtedness shall automatically cure the corresponding Default or Event of Default arising from such default under this clause (d)); or

(e) Bankruptcy, etc. Holdings, the Borrower or any of its Restricted Subsidiaries (other than any Immaterial Subsidiary) shall commence a voluntary case concerning itself under Title 11 of the United States Code, 11 U.S.C. §§ 101-1532, as may be amended from time to time, (the "Bankruptcy Code"); or an involuntary case is commenced against Holdings, the Borrower or any of its Restricted Subsidiaries, and the petition with respect to such involuntary case is not dismissed within 60 days after the filing thereof, provided, however, that during the pendency of such period, each Lender shall be relieved of its obligation to extend credit hereunder; or a custodian (as defined in the Bankruptcy Code) is appointed for, or takes charge of, all or substantially all of the property of Holdings, the Borrower or any such Restricted Subsidiary, to operate all or any substantial portion of the business of the Holdings, Borrower or any such Restricted Subsidiaries, or Holdings, the Borrower or any such Restricted Subsidiary commences any other proceeding under any reorganization, arrangement, adjustment of debt, relief of debtors, dissolution, bankruptcy, insolvency, liquidation or any analogous procedure or step is taken in any jurisdiction whether now or hereafter in effect relating to Holdings, the Borrower or any such Restricted Subsidiary (including under any Canadian Insolvency Law), or there is commenced against Holdings, the Borrower or any such Restricted Subsidiary any such proceeding which remains undismissed for a period of 60 days after the filing thereof, or Holdings, the Borrower or any of such Restricted Subsidiary is adjudicated insolvent or bankrupt; or any order of relief or other order approving any such case or proceeding (including the entry of an order of relief against it or for the appointment of a receiver, controller, receiver-manager, trustee, monitor, custodian or similar official for it or for any substantial part of its property) is entered; or Holdings, the Borrower or any of such Restricted Subsidiary makes a general assignment for the benefit of creditors; or any Company action is taken by Holdings, the Borrower or any such Restricted Subsidiary for the purpose of effecting any of the foregoing; or

(f) Security Documents. Any of the Security Documents shall cease to be in full force and effect, or shall cease to give the Collateral Agent for the benefit of the Secured Parties the Liens, rights, powers and privileges purported to be created thereby (including a perfected security

interest and charge in, and Lien on, all of the Collateral, in favor of the Collateral Agent with the Lien priority contemplated by the Credit Documents (in each case other than by reason of a release of Collateral in accordance with the terms hereof or thereof, the occurrence of the Termination Date or any other termination of such Security Document in accordance with the terms thereof) and subject to no other Liens (except as permitted by Section 9.01), or any Credit Party shall default in the due performance or observance of any material term, covenant or agreement on its part to be performed or observed pursuant to any such Security Document and such default shall continue beyond the period of grace, if any, specifically applicable thereto pursuant to the terms of such Security Document; or

(g) Guaranties. Any Guaranty or any provision thereof shall cease to be in full force or effect as to any Guarantor (except as a result of a release of any Subsidiary Guarantor in accordance with the terms thereof), or any Guarantor or any Person acting for or on behalf of such Guarantor shall deny or disaffirm such Guarantor's obligations under the Guaranty or any Guarantor shall default in the due performance or observance of any material term, covenant or agreement on its part to be performed or observed pursuant to such Guaranty; or

(h) Judgments. One or more judgments or decrees shall be entered against Holdings, the Borrower or any of its Restricted Subsidiaries involving in the aggregate for Holdings, the Borrower and such Restricted Subsidiaries a liability (not paid or to the extent not covered by a reputable and solvent insurance company, indemnity from a third party or self-insurance (if applicable)) and such judgments and decrees either shall be final and non-appealable or shall not be vacated, discharged or stayed or bonded pending appeal for any period of 60 consecutive days, and the aggregate amount of all such judgments exceeds the Threshold Amount; or

(i) Change of Control. A Change of Control shall occur; or

(j) Intercreditor Agreements. Either the ABL Intercreditor Agreement or the Inter- Lender Agreement or any other Acceptable Intercreditor Agreement then extant or any provision of the foregoing shall cease to be in full force or effect (except in accordance with their terms); or

(k) Employee Plans. Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect: (a) a Credit Party amends any DB Plan; (b) a Credit Party or a Governmental Authority terminates or winds-up any DB Plan (provided that nothing shall prohibit the termination or wind-up of the WRAP Pension Plan when a Credit Party ceases to have any liabilities thereunder); (c) a Credit Party incurs or assumes any liabilities under any DB Plan (i) pursuant to a Permitted Acquisition, (ii) through a Credit Party participating in, contributing to, or assuming any liability under a DB Plan other than the WRAP Pension Plan, the Hourly Pension Plan or the Salaried Pension Plan; or (d) a Credit Party adopts, participates in, or has liability (contingent or otherwise), with respect to, an ERISA Plan; or

(l) Invalidity of Credit Documents. Any material provision of the Credit Documents, taken as a whole, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder or the satisfaction in full of all the Obligations (other than contingent obligations not then due and payable), ceases to be in full force and effect; or Holdings, the Borrower or any Subsidiary Guarantor contests in writing the validity or enforceability of the Credit Documents, taken as a whole; or Holdings, the Borrower or any of Subsidiary Guarantor denies in writing that it has any or further liability or obligation under the Credit Documents to which it is a party, taken as a whole, or purports in writing to revoke or rescind the Credit Documents, taken as a whole (in each case, other than by reason of a release of Collateral or any Guaranty in accordance with the terms hereof or thereof, the occurrence of the Termination Date or any other termination of such Credit Document in accordance with the terms thereof);

then, and in any such event, and at any time thereafter, if any Event of Default shall then be continuing, the Administrative Agent, upon the written request of the Required Lenders, shall by written notice to the Borrower, take any or all of the following actions, without prejudice to the rights of the Administrative Agent, any Lender or the holder of any Term Note to enforce its claims against any Credit Party (provided that, if an Event of Default specified in Section 10.01(e) shall occur with respect to the Borrower, the result which would occur upon the giving of written notice by the Administrative Agent as specified in clause (i) below shall occur automatically without the giving of any such notice): (i) declare the principal of and any accrued interest in respect of all Loans and the Term Notes and all Credit Document Obligations owing hereunder and thereunder to be, whereupon the same shall become, forthwith due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by each Credit Party; (ii) to the extent not theretofore terminated, terminate the Total Term Loan Commitment or any Additional Commitments; (iii) enforce, as Collateral Agent, all of the Liens and security interests created pursuant to the Security Documents; and (iv) enforce the Guaranty.

10.02. Application of Proceeds. Following an Event of Default, subject to the terms of each Acceptable Intercreditor Agreement then extant, the proceeds received by either the Administrative Agent or the Collateral Agent in respect of any sale of, collection from or other realization upon all or any part of the Collateral, whether pursuant to the exercise by the Administrative Agent or the Collateral Agent of its remedies or otherwise (including any payments received with respect to adequate protection payments or other distributions relating to the Obligations during the pendency of any reorganization or insolvency proceeding) shall be applied, in full or in part, together with any other sums then held by the Administrative Agent and the Collateral Agent pursuant to this Agreement and the other Credit Documents, promptly by the Administrative Agent or the Collateral Agent as follows:

(i) first, to the payment of all costs and expenses, fees, commissions and taxes of such sale, collection or other realization including compensation to the Administrative Agent and the Collateral Agent and their agents and counsel, and all expenses, liabilities and advances made or incurred by such Agents in connection therewith and all amounts (including any fees, indemnities, expenses and other amounts incurred in connection with enforcing the rights of the Secured Parties under the Credit Documents) for which the Administrative Agent and the Collateral Agent, as applicable, are entitled to indemnification pursuant to the provisions of any Credit Document, together with interest on each such amount at the highest rate then in effect under this Agreement from and after the date such amount is due, owing or unpaid until paid in full;

(ii) second, without duplication of amounts applied pursuant to clause (i) above, to the payment in full in cash, pro rata, of interest and other amounts constituting Obligations (other than principal and obligations of the type described in clause (b) in the definition of "Obligations") and any fees, premiums and scheduled periodic payments due under Hedging Agreements constituting Secured Obligations and any interest accrued thereon, in each case equally and ratably in accordance with the respective amounts thereof then due and owing;

(iii) third, to the payment in full in cash, pro rata, of principal amount of the Obligations and any breakage, termination or other payments under Hedging Agreements constituting Secured Obligations and any interest accrued thereon; and

(iv) fourth, the balance, if any, to the Person lawfully entitled thereto (including the applicable Credit Party or its successors or assigns) or as a court of competent jurisdiction may direct.

In the event that any such proceeds are insufficient to pay in full the items described in clauses (i) through (iv) of this Section 10.02, the Credit Parties shall remain liable, jointly and severally, for any deficiency.

Section 11. The Administrative Agent and the Collateral Agent.

11.01. Appointment. The Lenders hereby irrevocably designate and appoint (and by entering into a Term Lender Hedging Agreement, each Term Hedge Provider party thereto shall be deemed to irrevocably designate and appoint) Cortland as Administrative Agent (for purposes of this Section 11 and Section 12, the term "Administrative Agent" also shall include Cortland in its capacity as Collateral Agent pursuant to the Security Documents and the ABL Intercreditor Agreement) to act as specified herein and in the other Credit Documents. Each Lender hereby irrevocably authorizes (and by entering into a Term Lender Hedging Agreement, each Term Hedge Provider party thereto shall be deemed to irrevocably authorize), and each holder of any Term Note by the acceptance of such Term Note shall be deemed irrevocably to authorize, the Administrative Agent to take such action on its behalf under the provisions of this Agreement, the other Credit Documents and any other instruments and agreements referred to herein or therein and to exercise such powers and to perform such duties hereunder and thereunder as are specifically delegated to or required of the Administrative Agent by the terms hereof and thereof and such other powers as are reasonably incidental thereto. In performing its functions and duties hereunder, the Administrative Agent shall act solely as an agent of the Lenders and does not assume and shall not be deemed to have assumed any obligation towards or relationship of agency or trust with or for Holdings or any of its Subsidiaries. Without limiting the generality of the foregoing, the use of the term "agent" in this Agreement with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any Applicable Law. Instead, such term is used merely as a matter of market custom and is intended to create or reflect only an administrative relationship between independent contracting parties. The Administrative Agent may execute any of its duties and exercise its rights and powers under this Agreement or any other Credit Document (including for purposes of holding or enforcing any Lien on the Collateral (or any portion thereof) granted under the Security Documents or of exercising any rights and remedies thereunder) by or through officers, directors, agents, employees, Affiliates or attorneys-in-fact and shall be entitled to advice of counsel and other consultants or experts concerning all matters pertaining to such duties and may rely upon (and be fully protected in relying upon) such advice. The Administrative Agent may delegate any and all such rights and powers to, any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent shall not be responsible for the negligence or misconduct of any agent or attorney-in-fact that it selects in the absence of gross negligence or willful misconduct by the Administrative Agent, as determined in a final and non-appealable judgment by a court of competent jurisdiction. The exculpatory provisions of this Section 11 shall apply to any such sub-agent of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent.

11.02. Nature of Duties. (a) The Administrative Agent shall not have any duties or responsibilities except those expressly set forth in this Agreement and in the other Credit Documents. Neither the Administrative Agent nor any of its officers, directors, agents, employees or affiliates shall be liable for any action taken or omitted by it or them hereunder or under any other Credit Document or in connection herewith or therewith, unless caused by its or their gross negligence or willful misconduct (as determined by a court of competent jurisdiction in a final and non-appealable decision). The duties of the Administrative Agent shall be mechanical and administrative in nature; the Administrative Agent shall not have by reason of this Agreement or any other Credit Document a fiduciary relationship in respect of any Lender or the holder of any Term Note; and nothing in this Agreement or in any other Credit Document, expressed or implied, is intended to or shall be so construed

as to impose upon the Administrative Agent any obligations in respect of this Agreement or any other Credit Document except as expressly set forth herein or therein.

(b) The Administrative Agent shall not have any duty to (i) take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Credit Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Credit Documents); provided that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Credit Document or Applicable Law; or (ii) disclose, except as expressly set forth herein and in the other Credit Documents, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Affiliates that is communicated to or obtained by any Person serving as the Administrative Agent or any of its Affiliates in any capacity.

11.03. Lack of Reliance on the Administrative Agent. Independently and without reliance upon the Administrative Agent, each Lender, each Term Hedge Provider and the holder of each Term Note, to the extent it deems appropriate, has made and shall continue to make (i) its own independent investigation of the financial condition and affairs of Holdings and its Subsidiaries in connection with the making and the continuance of the Term Loans and the taking or not taking of any action in connection herewith and (ii) its own appraisal of the creditworthiness of Holdings and its Subsidiaries and, except as expressly provided in this Agreement, the Administrative Agent shall not have any duty or responsibility, either initially or on a continuing basis, to provide any Lender or the holder of any Term Note with any credit or other information with respect thereto, whether coming into its possession before the making of the Term Loans or at any time or times thereafter. The Administrative Agent shall not be responsible or liable to any Lender or the holder of any Term Note or any participant for (i) any recitals, statements, information, representations or warranties made herein or in any document, certificate, report, statement or other writing referred to or delivered in connection with this Agreement or any other Credit Document and (ii) the execution, effectiveness, genuineness, validity, enforceability, perfection, collectability, priority or sufficiency of this Agreement or any other Credit Document or any other agreement, instrument or document, or the creation, perfection or priority of any Lien, or security interest created or purported to be created under the Security Documents, or for any failure of any Credit Party or any other party to any Credit Document to perform its obligations hereunder. The Administrative Agent shall not (i) be responsible for the financial condition of Holdings or any of its Subsidiaries, (ii) be responsible for or have any duty to ascertain or required to make any inquiry concerning either the performance or observance of any of the terms, provisions or conditions of this Agreement or any other Credit Document, or the financial condition of Holdings or any of its Subsidiaries or the existence or possible existence of any Default or Event of Default, (iii) responsible for or have any duty to ascertain or inquire into the value or the sufficiency of any Collateral, (iv) responsible for or have any duty to ascertain or inquire into the satisfaction of any condition set forth herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent and (v) be under any obligation to inspect the properties, books or records of any Credit Party or any Affiliate thereof. Each Lender, Term Hedge Provider and the holder of each Term Note acknowledges that none of the Administrative Agent or any of its officers, directors, agents, employees, Affiliates or attorneys has made any representation or warranty to it, and that no act by the Administrative Agent hereinafter taken, including any review of the affairs of any Credit Party and its Subsidiaries or Affiliates, shall be deemed to constitute any representation or warranty by the Administrative Agent or any of its officers, directors, agents, employees, Affiliates or attorneys.

11.04. Certain Rights of the Administrative Agent. If the Administrative Agent requests instructions from the Required Lenders with respect to any act or action (including failure

to act) in connection with this Agreement or any other Credit Document, the Administrative Agent shall be entitled to refrain from such act or taking such action unless and until the Administrative Agent shall have received instructions from the Required Lenders; and the Administrative Agent shall not incur liability to any Lender by reason of so refraining. Without limiting the foregoing, neither any Lender, any Term Hedge Provider nor the holder of any Term Note shall have any right of action whatsoever against the Administrative Agent as a result of the Administrative Agent acting or refraining from acting hereunder or under any other Credit Document in accordance with the instructions of the Required Lenders or with Required Lenders Negative Consent.

11.05. Reliance. The Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any note, writing, resolution, notice, statement, certificate, telex, teletype or telecopier message, cablegram, radiogram, order or other document or telephone message signed, sent or made by any Person that the Administrative Agent believed to be the proper Person, and, with respect to all legal matters pertaining to this Agreement and any other Credit Document and its duties hereunder and thereunder, upon advice of counsel selected by the Administrative Agent.

11.06. Indemnification. To the extent the Administrative Agent (or any affiliate thereof) is not reimbursed and indemnified by the Borrower, the Lenders will reimburse, hold harmless and indemnify the Administrative Agent (and any affiliate thereof) in proportion to their respective "percentage" as used in determining the Required Lenders (determined as if there were no Defaulting Lenders) for and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, judgments, costs, expenses or disbursements of whatsoever kind or nature which may be imposed on, asserted against or incurred by the Administrative Agent (or any affiliate thereof) in performing its duties hereunder or under any other Credit Document or in any way relating to or arising out of this Agreement or any other Credit Document; provided that no Lender shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, claims, actions, judgments, suits, costs, expenses or disbursements resulting from the Administrative Agent's (or such affiliate's) gross negligence or willful misconduct (as determined by a court of competent jurisdiction in a final and non-appealable decision).

11.07. The Administrative Agent in its Individual Capacity. With respect to its obligation to make Term Loans under this Agreement, the Administrative Agent shall have the rights and powers specified herein for a "Lender" and may exercise the same rights and powers as though it were not performing the duties specified herein; and the term "Lender," "Required Lenders," "Holders of Term Notes" or any similar terms shall, unless the context clearly indicates otherwise, include the Administrative Agent in its respective individual capacities. The Administrative Agent and its affiliates may accept deposits from, lend money to, and generally engage in any kind of banking, investment banking, trust or other business with, or provide debt financing, equity capital or other services (including financial advisory services) to any Credit Party or any Affiliate of any Credit Party (or any Person engaged in a similar business with any Credit Party or any Affiliate thereof) as if they were not performing the duties specified herein, and may accept fees and other consideration from any Credit Party or any Affiliate of any Credit Party for services in connection with this Agreement and otherwise without having to account for the same to the Lenders.

11.08. Holders. The Administrative Agent may deem and treat the payee of any Term Note as the owner thereof for all purposes hereof unless and until a written notice of the assignment, transfer or endorsement thereof, as the case may be, shall have been filed with the Administrative Agent. Any request, authority or consent of any Person who, at the time of making such request or giving such authority or consent, is the holder of any Term Note shall be conclusive and binding on any subsequent holder, transferee, assignee or endorsee, as the case may be, of such Term Note or of any Term Note or Term Notes issued in exchange therefor.

11.09. Resignation by the Administrative Agent. (a) The Administrative Agent may resign from the performance of all its respective functions and duties hereunder and/or under the other Credit Documents at any time by giving 15 Business Days' prior written notice to the Lenders and, unless a Default or an Event of Default under Section 10.01(e) then exists, the Borrower. Such resignation shall take effect upon the appointment of a successor Administrative Agent pursuant to clauses (b) and (c) below or as otherwise provided below.

(b) Upon any such notice of resignation by the Administrative Agent, the Required Lenders shall appoint a successor Administrative Agent hereunder or thereunder who shall be a commercial bank or trust company reasonably acceptable to the Borrower, which acceptance shall not be unreasonably withheld or delayed (provided that the Borrower's approval shall not be required if an Event of Default then exists).

(c) If a successor Administrative Agent shall not have been so appointed within such 15 Business Day period, the Administrative Agent, with the consent of the Borrower (which consent shall not be unreasonably withheld or delayed, provided that the Borrower's consent shall not be required if an Event of Default then exists), shall then appoint a successor Administrative Agent who shall serve as Administrative Agent hereunder or thereunder until such time, if any, as the Required Lenders appoint a successor Administrative Agent as provided above.

(d) If no successor Administrative Agent has been appointed pursuant to clause (b) or (c) above by the 20th Business Day after the date such notice of resignation was given by the Administrative Agent, the Administrative Agent's resignation shall become effective and the Required Lenders shall thereafter perform all the duties of the Administrative Agent hereunder and/or under any other Credit Document until such time, if any, as the Required Lenders appoint a successor Administrative Agent as provided above.

(e) Upon a resignation of the Administrative Agent pursuant to this Section 11.09, the retiring (or retired) Administrative Agent shall remain indemnified to the extent provided in this Agreement and the other Credit Documents and the provisions of this Section 11 (and the analogous provisions of the other Credit Documents) shall continue in effect for the benefit of the retiring (or retired) Administrative Agent for all of its actions and inactions while serving as the Administrative Agent and such successor Administrative Agent shall succeed to all the rights, powers, and duties of the retiring Administrative Agent and the term "Administrative Agent" shall mean such successor Administrative Agent.

11.10. Collateral Matters. (a) Each Lender irrevocably authorizes and directs the Collateral Agent to enter into the Security Documents (which, for purposes of this Section 11, also shall include all Control Agreements, Landlord Access Agreements, bailee agreements and similar agreements), the ABL Intercreditor Agreement, the Inter-Lender Agreement and each Acceptable Intercreditor Agreement for the benefit of the Lenders and the other Secured Parties. Each Lender hereby agrees, and each holder of any Term Note by the acceptance thereof will be deemed to agree, that, except as otherwise set forth herein, any action taken by the Required Lenders in accordance with the provisions of this Agreement, the Security Documents, ABL Intercreditor Agreement, the Inter-Lender Agreement or any Acceptable Intercreditor Agreement, and the exercise by the Required Lenders of the powers set forth herein or therein, together with such other powers as are reasonably incidental thereto, shall be authorized and binding upon all of the Lenders. The Collateral Agent is hereby authorized on behalf of all of the Lenders, without the necessity of any notice to or further consent from any Lender, from time to time prior to an Event of Default, to take any action with respect to any Collateral or Security Documents which may be necessary to perfect and maintain perfected the security interest in and liens upon the Collateral granted pursuant to the Security Documents.

(b) Each of the Secured Parties (x) irrevocably appoints and authorizes the Collateral Agent to act as the agent of (and to hold any security interest created by the Security Documents for and on behalf of) such Secured Party for purposes of acquiring, holding and enforcing any and all Liens on Collateral granted by any of the Credit Parties to secure any of the Obligations, together with such powers and discretion as are reasonably incidental thereto and (y) irrevocably appoints each other Lender as its agent and bailee for the purpose of perfecting Liens (whether pursuant to Section 8-301(a)(2) of the UCC or otherwise), for the benefit of the Secured Parties, in assets in which, in accordance with the UCC or any other Applicable Law, a security interest can be perfected by possession or control. Should any Lender (other than the Collateral Agent) obtain possession or control of any such Collateral, such Lender shall notify the Collateral Agent thereof, and, promptly following the Collateral Agent's request therefor, shall deliver such Collateral to the Collateral Agent or otherwise deal with such Collateral in accordance with the Collateral Agent's instructions. In this connection, the Collateral Agent (and any co-agents, sub-agents, receivers and attorneys-in-fact appointed by the Collateral Agent pursuant hereto for purposes of holding or enforcing any Lien on the Collateral (or any portion thereof) granted under the Security Documents, or for exercising any rights and remedies thereunder at the direction of the Collateral Agent), shall be entitled to the benefits of all provisions of this Section 11 (including Section 11.06, as though such co-agents, sub-agents, receivers and attorneys-in-fact were the Collateral Agent under the Credit Documents) and Section 12.01 as if set forth in full herein with respect thereto. For the avoidance of doubt, neither the Administrative Agent nor the Collateral Agent shall owe any fiduciary duty, duty of loyalty, duty of care, duty of disclosure or any other obligation whatsoever to any Term Hedge Provider, except as set forth in Section 12.27.

(c) The Lenders hereby irrevocably authorize the Collateral Agent, at its option and in its discretion, to release any Lien granted to or held by the Collateral Agent upon any Collateral (i) upon the payment and satisfaction of all of the Credit Document Obligations (other than inchoate indemnification obligations) at any time arising under or in respect of this Agreement or the Credit Documents or the transactions contemplated hereby or thereby, (ii) constituting property being sold or otherwise disposed of (to Persons other than Holdings and its Subsidiaries) upon the sale or other disposition thereof in compliance with Section 9.08, (iii) if approved, authorized or ratified in writing by the Required Lenders (or all of the Lenders hereunder, to the extent required by Section 12.12), (iv) as otherwise may be expressly provided in the relevant Security Documents or the last sentence of each of Sections 9.01 and 9.08 or in the ABL Intercreditor Agreement or any Acceptable Intercreditor Agreement or (v) in lieu of any release permitted pursuant to this Section 11.10(b), the Collateral Agent may subordinate any such Liens on the Collateral to another Lien permitted under clauses (3), (9) and (11) of the definition of "Permitted Liens" and may subordinate any Lien on the Collateral that the Collateral Agent determines in its commercially reasonable judgment was intended by operation of law or otherwise to be subordinated to another Lien pursuant to Section 9.01. Upon request by the Administrative Agent at any time, the Lenders will confirm in writing the Collateral Agent's authority to release particular types or items of Collateral pursuant to this Section 11.10. Any such release or subordination shall be evidenced to the Administrative Agent by an Officer's Certificate certifying that such release or subordination complies with this Agreement.

(d) The Collateral Agent shall have no obligation whatsoever to the Lenders or to any other Person to assure that the Collateral exists or is owned by any Credit Party or is cared for, protected or insured or that the Liens granted to the Collateral Agent herein or pursuant hereto have been properly or sufficiently or lawfully created, perfected, protected or enforced or are entitled to any particular priority, or to exercise or to continue exercising at all or in any manner or under any duty of care, disclosure or fidelity any of the rights, authorities and powers granted or available to the Collateral Agent in this Section 11.10 or in any of the Security Documents, it being understood and agreed that in respect of the Collateral, or any act, omission or event related thereto, the Collateral Agent may act in any manner it may deem appropriate, in its sole discretion, given the Collateral Agent's own interest in the

Collateral as one of the Lenders and that the Collateral Agent shall have no duty or liability whatsoever to the Lenders, except for its gross negligence or willful misconduct (as determined by a court of competent jurisdiction in a final and non-appealable decision).

11.11. Delivery of Information. The Administrative Agent shall not be required to deliver to any Lender originals or copies of any documents, instruments, notices, communications or other information received by the Administrative Agent from any Credit Party, any Subsidiary, the Required Lenders, any Lender or any other Person under or in connection with this Agreement or any other Credit Document except (i) as specifically provided in this Agreement or any other Credit Document and (ii) as specifically requested from time to time in writing by any Lender with respect to a specific document, instrument, notice or other written communication received by and in the possession of the Administrative Agent at the time of receipt of such request and then only in accordance with such specific request.

11.12. Certain ERISA Matters.

(a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Credit Party, that at least one of the following is and will be true:

(i) such Lender is not using "plan assets" (within the meaning of Section 3(42) of ERISA or otherwise) of one or more Benefit Plans with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Commitments or this Agreement,

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement,

(iii) (A) such Lender is an investment fund managed by a "Qualified Professional Asset Manager" (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement, or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(b) In addition, unless either (1) sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or (2) a Lender has provided another representation, warranty and covenant in accordance with sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Credit Party, that the Administrative Agent is not a fiduciary with respect to the assets of such Lender involved in such Lender's entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Credit Document or any documents related hereto or thereto).

11.13. Withholding. To the extent required by any Applicable Law, the Administrative Agent may withhold from any payment to any Lender an amount equivalent to any withholding tax applicable to such payment. If the Canada Revenue Agency, the IRS or any other Governmental Authority asserts a claim that the Administrative Agent did not properly withhold tax from amounts paid to or for the account of any Lender for any other reason, or the Administrative Agent has paid over to the IRS applicable withholding tax relating to a payment to a Lender but no deduction has been made from such payment, such Lender shall indemnify the Administrative Agent fully for all amounts paid, directly or indirectly, by the Administrative Agent as tax or otherwise, including any penalties or interest and together with any and all expenses incurred, unless such amounts have been indemnified by any Borrower, Guarantor or the relevant Lender.

Section 12. Miscellaneous.

12.01. Payment of Expenses, etc.

(a) The Borrower hereby agrees to: (i) pay all reasonable and documented out-of- pocket costs and expenses of the Agents (including the reasonable fees and disbursements of designated counsel and consultants of the Agents) in connection with the preparation, execution, delivery and administration of this Agreement and the other Credit Documents and the documents and instruments referred to herein and therein and any amendment, waiver or consent relating hereto or thereto, of the Administrative Agent and its Affiliates in connection with its or their syndication efforts with respect to this Agreement and of the Administrative Agent, the Agents and the Lenders (taken as a whole) in connection with the enforcement of this Agreement and the other Credit Documents and the documents and instruments referred to herein and therein or in connection with any refinancing or restructuring of the credit arrangements provided under this Agreement in the nature of a "work-out" or pursuant to any insolvency or bankruptcy proceedings (including, in each case without limitation, the reasonable fees and disbursements of consultants and one counsel for the Agents and one counsel for the Lenders (taken as a whole)); and (ii) indemnify the Agents and each Lender, and their respective officers, directors, employees, representatives, agents, affiliates, trustees and investment advisors (each, an "Indemnified Person") from and hold each of them harmless against any and all liabilities, obligations (including removal or remedial actions), losses, damages, penalties, claims, actions, judgments, suits, costs, expenses and disbursements (including reasonable attorneys' and consultants' fees and disbursements) incurred by, imposed on or assessed against any of them as a result of, or arising out of, or in any way related to, or by reason of, (a) any investigation, litigation or other proceeding (whether or not any Agent or any Lender is a party thereto and whether or not such investigation, litigation or other proceeding is brought by or on behalf of any Credit Party) related to the entering into and/or performance of this Agreement or any other Credit Document or the proceeds of any Term Loans hereunder or the consummation of the Transactions or any other transactions contemplated herein or in any other Credit Document or the exercise of any of their rights or remedies provided herein or in the other Credit Documents, or (b) the actual or alleged

presence of Hazardous Materials in the air, surface water or groundwater or on the surface or subsurface of any Real Property at any time owned, leased, managed, controlled or operated by Holdings, the Borrower or any of its Restricted Subsidiaries (in each case, relating to such ownership, lease, management, control or operation), the generation, storage, transportation, handling or disposal of Hazardous Materials by Holdings, the Borrower or any of its Restricted Subsidiaries at any location, whether or not owned, leased or operated by Holdings, the Borrower or any of its Restricted Subsidiaries, the non-compliance by Holdings, the Borrower or any of its Restricted Subsidiaries with any Environmental Law (including applicable Environmental Permits thereunder), or any Environmental Claim asserted against Holdings, the Borrower or any of its Restricted Subsidiaries, including, in each case, without limitation, the reasonable fees and disbursements of counsel and other consultants (including environmental consulting firms) incurred in connection with any such investigation, litigation or other proceeding (but excluding any losses, liabilities, claims, obligations, penalties, judgments, costs, suits, disbursements, damages or expenses to extent incurred, assessed or imposed by reason of (i) the bad faith, gross negligence, willful misconduct of the Indemnified Person to be indemnified or material breach of such Indemnified Person's obligations under the Credit Documents (in each case as determined by a court of competent jurisdiction in a final and non-appealable decision) and (ii) disputes among Indemnified Persons (other than claims arising out of any act or omission of Holdings or any of its Subsidiaries). Notwithstanding the foregoing, this Section 12.01(a) shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim. To the extent that the undertaking to indemnify, pay or hold harmless any Agent or any Lender set forth may be unenforceable because it is violative of any law or public policy, the Borrower shall make the maximum contribution to the payment and satisfaction of each of the indemnified liabilities which is permissible under Applicable Law. Except to the extent required to be paid on the Closing Date, all amounts due under this paragraph (a) shall be payable by the Borrower within 30 days of receipt by the Borrower of an invoice setting forth such expenses in reasonable detail, together with backup documentation supporting the relevant reimbursement request.

(b) To the full extent permitted by Applicable Law, each of Holdings and the Borrower shall not assert, and hereby waives, any claim against any Indemnified Person, on any theory of liability, for special, indirect, consequential or incidental damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Term Loan or the use of the proceeds thereof. No Indemnified Person shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Credit Documents or the transactions contemplated hereby or thereby, except to the extent the liability of such Indemnified Person results from such Indemnified Person's bad faith, gross negligence, willful misconduct or material breach of the obligations of such Indemnified Person under the Credit Documents (in each case as determined by a court of competent jurisdiction in a final and non-appealable decision). The Borrower shall not be liable for any settlement of any legal proceeding effected without its consent (which consent shall not be unreasonably withheld or delayed), but if settled with the Borrower's written consent, or if there is a final judgment for the plaintiff against an Indemnified Person in any such legal proceeding, the Borrower agrees to indemnify and hold harmless each Indemnified Person in the manner set forth above. The Borrower shall not, without the prior written consent of an Indemnified Person (which consent shall not be unreasonably withheld or delayed), effect any settlement of any pending or threatened legal proceeding against such Indemnified Person in respect of which indemnity could have been sought hereunder by such Indemnified Person unless (a) such settlement includes an unconditional release of such Indemnified Person from all liability or claims that are the subject matter of such legal proceeding and (b) such settlement does not include any statements as to any admission of fault, culpability or failure to act by or on behalf of such Indemnified Person.

12.02. Right of Setoff. In addition to any rights now or hereafter granted under Applicable Law or otherwise, and not by way of limitation of any such rights, upon the occurrence and during the continuance of an Event of Default, the Administrative Agent and each Lender is hereby authorized at any time or from time to time, without presentment, demand, protest or other notice of any kind to any Credit Party or to any other Person, any such notice being hereby expressly waived, to set off and to appropriate and apply any and all deposits (general or special) and any other Indebtedness at any time held or owing by the Administrative Agent or such Lender (including by branches and agencies of the Administrative Agent or such Lender wherever located) to or for the credit or the account of Holdings, the Borrower or any of its Restricted Subsidiaries against and on account of the Credit Document Obligations and liabilities of the Credit Parties to the Administrative Agent or such Lender under this Agreement or under any of the other Credit Documents, including all interests in Credit Document Obligations purchased by such Lender pursuant to Section 12.04(b), and all other claims of any nature or description arising out of or connected with this Agreement or any other Credit Document, irrespective of whether or not the Administrative Agent or such Lender shall have made any demand hereunder and although said Credit Document Obligations, liabilities or claims, or any of them, shall be contingent or unmatured. To the extent permitted by law, each Participant also shall be entitled to the benefits of this Section 12.02 as though it were a Lender; provided that such Participant agrees to be subject to Section 12.06(b) as though it were a Lender.

12.03. Notices. (a) Except as otherwise expressly provided herein, all notices and other communications provided for hereunder shall be in writing (including telegraphic, telecopier or cable communication) and mailed, telegraphed, telecopied, cabled or delivered: if to any Credit Party, at the address specified below or in the other relevant Credit Documents; if to any Lender, at its address set forth in its Administrative Questionnaire; and if to the Administrative Agent or the Collateral Agent, at the Notice Office; or, as to any Credit Party or the Administrative Agent, at such other address as shall be designated by such party in a written notice to the other parties hereto and, as to each Lender, at such other address as shall be designated by such Lender in a written notice to the Borrower and the Administrative Agent. All such notices and communications shall, when mailed, telegraphed, telecopied, or cabled or sent by overnight courier, be effective when deposited in the mails, delivered to the telegraph company, cable company or overnight courier, as the case may be, or sent by telecopier, except that notices and communications to the Administrative Agent, the Collateral Agent and the Borrower shall not be effective until received by the Administrative Agent, the Collateral Agent or the Borrower, as the case may be.

If to any Credit Party, to such Credit Party in the care of the Borrower at: Algoma Steel Inc.

105 West Street,
Sault Ste. Marie
Ontario, Canada P6A 7B4
Attention: Rajat Marwah, Chief Financial Officer
Email: rajat.marwah@algoma.com

(b) Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communications pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices pursuant to Section 2 unless otherwise agreed by the Administrative Agent and the applicable Lender. Each of the Administrative Agent, Holdings and the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

12.04. Benefit of Agreement; Assignments; Participations. (a) This Agreement shall be binding upon and inure to the benefit of and be enforceable by the respective successors and assigns of the parties hereto; provided, however, neither Holdings, nor the Borrower may assign or transfer any of their rights, obligations or interest hereunder without the prior written consent of the Lenders (and any attempted assignment or transfer without such consent shall be null and void) and, provided further, that, although any Lender may grant participations to Eligible Transferees in its rights hereunder (a "Participant"), such Lender shall remain a "Lender" for all purposes hereunder (and may not transfer or assign all or any portion of its Term Loan Commitments hereunder except as provided in Sections 2.13 and 12.04(b)) and the participant shall not constitute a "Lender" hereunder and, provided further, that any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and any other Credit Document and to approve any amendment, modification or waiver of any provision of this Agreement or any other Credit Agreement; provided further that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver to the extent such amendment, modification or waiver would (i) extend the final scheduled maturity of any Term Loan or Term Note in which such participant is participating, or reduce the rate or extend the time of payment of interest or Fees thereon (except in connection with a waiver of applicability of any post-default increase in interest rates) or reduce the principal amount thereof (it being understood that any amendment or modification to the financial definitions in this Agreement or to Section 12.07(a) shall not constitute a reduction in the rate of interest or Fees payable hereunder), or increase the amount of the participant's participation over the amount thereof then in effect (it being understood that a waiver of any Default or Event of Default or of a mandatory reduction in the Total Term Loan Commitment or a mandatory prepayment of the Term Loans shall not constitute a change in the terms of such participation, and that an increase in any Term Loan Commitment (or the available portion thereof) or Term Loan shall be permitted without the consent of any participant if the participant's participation is not increased as a result thereof), (ii) consent to the assignment or transfer by Holdings or the Borrower of any of their rights and obligations under this Agreement or (iii) release all or substantially all of the Collateral under all of the Security Documents (except as expressly provided in the Credit Documents) supporting the Term Loans hereunder in which such participant is participating or release all or substantially all of the value of the Guaranty made by the Subsidiary Guarantors (except as expressly provided in the Credit Documents). In the case of any such participation, except as otherwise set forth in Section 12.04(e), the participant shall not have any rights under this Agreement or any of the other Credit Documents (the participant's rights against such Lender in respect of such participation to be those set forth in the agreement executed by such Lender in favor of the participant relating thereto) and all amounts payable by the Borrower hereunder shall be determined as if such Lender had not sold such participation.

(b) Notwithstanding the foregoing, any Lender (or any Lender together with one or more other Lenders) may (x) assign all or a portion of its Term Loans and related outstanding Credit Document Obligations hereunder to (i)(A) its parent company and/or any Affiliate of such Lender which is at least 50% owned by such Lender or its parent company, (B) to one or more other Lenders or any Affiliate of any such other Lender which is at least 50% owned by such other Lender or its parent company or (C) an Approved Fund of any Lender (provided that any such Approved Fund shall be treated as an Affiliate of such other Lender for the purposes of this sub-clause (x)(i)), provided, that no such assignment may be made to any such Person that is, or would at such time constitute, a Defaulting Lender or a Disqualified Lender or (ii) in the case of any Lender that is a fund that invests in loans, any other fund that invests in loans and is managed or advised by the same investment advisor as such Lender or by an Affiliate of such investment advisor or (y) assign all, or if less than all, a portion equal to at least $1,000,000 (or such lesser amount as the Administrative Agent and, so long as no Specified Event of Default then exists and is continuing, the Borrower may otherwise agree) in the aggregate for the assigning Lender or assigning Lenders, of such Term Loans and related outstanding Credit Document Obligations hereunder to one or more Eligible Transferees (treating any fund that invests in loans and any

other fund that invests in loans and is managed or advised by the same investment advisor of such fund or by an Affiliate of such investment advisor as a single assignor or Eligible Transferee (as applicable) (if any)), each of which assignees shall become a party to this Agreement as a Lender by execution of an Assignment and Assumption Agreement, provided that (i) at such time, Schedule 1.01(a) shall be deemed modified to reflect the outstanding Term Loans of such new Lender and of the existing Lenders, (ii) upon the surrender of the relevant Term Notes by the assigning Lender (or, upon such assigning Lender's indemnifying the Borrower for any lost Term Note pursuant to a customary indemnification agreement) new Term Notes will be issued, at the Borrower's expense, to such new Lender and to the assigning Lender upon the request of such new Lender or assigning Lender, such new Term Notes to be in conformity with the requirements of Section 2.05 (with appropriate modifications) to the extent needed to reflect the revised outstanding Term Loans, (iii) the consent of the Administrative Agent shall be required in connection with any such assignment pursuant to clause (y) above (such consent, in any case, not to be unreasonably withheld, delayed or conditioned), (iv) the Administrative Agent shall receive at the time of each such assignment, from the assigning or assignee Lender, the payment of a non-refundable assignment fee of $3,500 (provided that only one such fee shall be payable in the case of one or more concurrent assignments by or to investment funds managed or advised by the same investment advisor or an Affiliated investment advisor) and all documentation and other information required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including, without limitation, the USA PATRIOT ACT, (v) the consent of the Borrower (such consent, in any case, not to be unreasonably withheld or delayed) shall be required in connection with any such assignment pursuant to clause (y) above (provided that (I) the Borrower may, in its sole discretion, withhold its consent to any assignment to any Person that is not a Disqualified Lender but is known by the Borrower to be an Affiliate of a Disqualified Lender regardless of whether such Person is identifiable as an Affiliate of a Disqualified Lender on the basis of such Affiliate's name, (II) the Borrower shall be deemed to have consented to any assignment of the Term Facility (other than to a Disqualified Lender or Person identified by the Borrower to be an Affiliate of a Disqualified Lender pursuant to the preceding clause (I)) if the Borrower has not responded to a written request for its consent thereto within ten Business Days after having received written notice thereof and (III) no consent of the Borrower shall be required after the occurrence and during the continuance of a Specified Event of Default) and (vi) no such transfer or assignment will be effective until recorded by the Administrative Agent on the Register pursuant to Section 12.15. To the extent of any assignment pursuant to this Section 12.04(b), the assigning Lender shall be relieved of its obligations hereunder with respect to its assigned outstanding Term Loans. To the extent that an assignment of all or any portion of a Lender's Term Loans and related outstanding Credit Document Obligations pursuant to Section 2.13 or this Section 12.04(b) would, at the time of such assignment, result in increased costs under Section 2.10 from those being charged by the respective assigning Lender prior to such assignment, then the Borrower shall not be obligated to pay such increased costs (although the Borrower, in accordance with and pursuant to the other provisions of this Agreement, shall be obligated to pay any other increased costs of the type described above resulting from changes after the date of the respective assignment). Any attempted assignment in violation of this Section 12.04 shall be null and void. Notwithstanding anything herein to the contrary, the Administrative Agent shall not be responsible or have any liability for, or have any duty to ascertain, inquire into, monitor or enforce, compliance with the provisions hereof relating to the Disqualified Lenders.

(c) Nothing in this Agreement shall prevent or prohibit any Lender from pledging its Term Loans and Term Notes hereunder to a Federal Reserve Bank in support of borrowings made by such Lender from such Federal Reserve Bank, any Lender which is a fund may pledge all or any portion of its Term Loans and Term Notes to its trustee or to a collateral agent providing credit or credit support to such Lender in support of its obligations to such trustee, such collateral agent or a holder of such obligations, as the case may be. No pledge pursuant to this clause (c) shall release the transferor Lender from any of its obligations hereunder.

(d) Any Lender which assigns all of its Term Loans hereunder in accordance with Section 12.04(b) shall cease to constitute a "Lender" hereunder, except with respect to indemnification provisions under this Agreement (including Sections 2.10, 2.11, 4.04, 11.06, 12.01 and 12.06), which shall survive as to such assigning Lender.

(e) The Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.10 and 4.04 (subject to the requirements and limitations therein, including the requirements under Section 4.04(f) (it being understood that the documentation required under Section 4.04(f) shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment; provided that such Participant (A) agrees to be subject to the provisions of Section 2.13 as if it were an assignee under paragraph (b) of this Section; and (B) shall not be entitled to receive any greater payment under Sections 2.10 and 4.04, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a change in law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation shall, acting solely for this purpose as an agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Term Loans or other obligations under the Credit Documents (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans or its other obligations under any Credit Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(f) Notwithstanding anything to the contrary contained herein, any Lender may, at any time, assign all or a portion of its rights and obligations under this Agreement in respect of its Term Loans to an Affiliated Lender on a non-*pro rata* basis (A) through Dutch Auctions open to all applicable Lenders on a *pro rata* basis or (B) through open market purchases, in each case with respect to clauses (A) and (B), without the consent of the Administrative Agent; provided that:

(i) any Term Loans acquired by Holdings, the Borrower or any of their respective Subsidiaries shall be retired and cancelled immediately upon the acquisition thereof; provided that upon any such retirement and cancellation of Indebtedness, the aggregate outstanding principal amount of such Term Loans shall be deemed reduced by the full par value of the aggregate principal amount of the Term Loans so retired and cancelled, and each principal repayment installment with respect to such Term Loans pursuant to Section 4.02(a) shall be reduced pro rata by the full par value of the aggregate principal amount of Term Loans so cancelled;

(ii) each Lender participating in any assignment with an Affiliated Lender shall acknowledge and agree that in connection with such assignment, (A) the Affiliated Lender may have, and later may come into possession of Excluded Information, (B) such Lender has independently and, without reliance on the Affiliated Lender or any of its Subsidiaries, or Holdings, the Borrower or any of their respective Subsidiaries, the Administrative Agent, the Lenders or any other Related Parties, made its own analysis and determination to participate in such assignment notwithstanding such Lender's lack of knowledge of the Excluded Information, (C) none of the Affiliated Lenders or any of their Subsidiaries, or Holdings, the Borrower or any

of their respective Subsidiaries shall be required to make any representation that it is not in possession of Excluded Information, (D) none of the Affiliated Lenders or any of their Subsidiaries, or Holdings, the Borrower or their respective Subsidiaries, the Administrative Agent, the Lenders, the Arrangers or any other Related Parties shall have any liability to such Lender, and such Lender hereby waives and releases, to the extent permitted by law, any claims such Lender may have against the Affiliated Lenders and any of their Subsidiaries, and Holdings, the Borrower and their respective Subsidiaries, the Administrative Agent and any other Related Parties, under Applicable Law or otherwise, with respect to the nondisclosure of the Excluded Information and (E) that the Excluded Information may not be available to the Administrative Agent or the other Lenders;

(iii) after giving effect to such assignment and to all other assignments to all Affiliated Lenders, the aggregate principal amount of all Term Loans then held by all Affiliated Lenders shall not exceed 30% of the aggregate principal amount of the Term Loans then outstanding (after giving effect to any substantially simultaneous cancellations thereof) (the "Affiliated Lender Cap"); provided that each of the parties hereto agrees and acknowledges that the Administrative Agent shall not be liable for any losses, damages, penalties, claims, demands, actions, judgments, suits, costs, expenses and disbursements of any kind or nature whatsoever incurred or suffered by any Person in connection with any compliance or non-compliance with this clause (f)(iii) or any purported assignment exceeding such percentage (it being understood and agreed that the cap set forth in this clause (iii) is intended to apply to any Term Loans made available by Affiliated Lenders by means other than formal assignment (e.g., as a result of an acquisition of another Lender by an Affiliated Lender or the provision of additional Term Loans by an Affiliated Lender); provided further that to the extent that any assignment to any Affiliated Lender would result in the aggregate principal amount of all Term Loans held by Affiliated Lenders exceeding the Affiliated Lender Cap (after giving effect to any substantially simultaneous cancellations thereof), the assignment of the relevant excess amount shall be automatically cancelled;

(iv) in connection with each assignment pursuant to this clause (f)(iv), the Administrative Agent shall have been provided written notice in connection with each assignment to an Affiliated Lender or a Person that upon effectiveness of such assignment would constitute an Affiliated Lender with respect to the identity of such Affiliated Lender and the amount of the Term Loans being assigned thereto;

(v) purchase of Term Loans pursuant to this Section 12.04(f) shall not be funded with proceeds of loans under any ABL Facility;

(vi) no Specified Event of Default then exists or would result therefrom;

(vii) any purchase of Term Loans pursuant to this Section 12.04(f) shall not constitute a voluntary or mandatory payment or prepayment under this Agreement;

(viii) no Investor nor any Affiliated Lender shall be required to represent or warrant that it is not in possession of material non-public information with respect to Holdings, the Borrower and/or any subsidiary thereof and/or their respective securities in connection with any assignment permitted by this Section 9.04(f) or (g); and

(ix) by its acquisition of Term Loans, an Affiliated Lender shall be deemed to have acknowledged and agreed that:

(A) the Term Loans held by such Affiliated Lender shall be disregarded in both the numerator and denominator in the calculation of Required Lenders or any other Lender vote, except that such Affiliated Lender shall have the right to vote (and the Term Loans held by such Affiliated Lender shall not be so disregarded) with respect to any amendment, modification, waiver, consent or other action that requires the vote of all Lenders or all Lenders directly and adversely affected thereby, as the case may be; provided that no amendment, modification, waiver, consent or other action shall (1) disproportionately affect such Affiliated Lender in its capacity as a Lender as compared to other Lenders of the same Class that are not Affiliated Lenders or (2) deprive any Affiliated Lender of its share of any payments which the Lenders are entitled to share on a *pro rata* basis hereunder, in each case without the consent of such Affiliated Lender; and

(B) Affiliated Lenders, solely in their capacity as an Affiliated Lender, will not be entitled to (i) attend (including by telephone) or participate in any meeting or discussions (or portion thereof) among the Administrative Agent or any Lender or among Lenders to which the Credit Parties or their representatives are not invited or (ii) receive any information or material prepared by the Administrative Agent or any Lender or any communication by or among the Administrative Agent and one or more Lenders, except to the extent such information or materials have been made available by the Administrative Agent or any Lender to any Credit Party or its representatives.

Notwithstanding anything in this Agreement or the other Credit Documents to the contrary, each Affiliated Lender hereby agrees that, if a proceeding under any Debtor Relief Laws shall be commenced by or against the Borrower or any other Credit Party at a time when such Lender is an Affiliated Lender, such Affiliated Lender irrevocably acknowledges and agrees that such Affiliated Lender shall be deemed to vote in the same proportion as Lenders that are not Affiliated Lenders; provided that (a) such Affiliated Lender shall be entitled to vote in accordance with its sole discretion (and not in accordance with the direction of the Administrative Agent) and (b) the Administrative Agent shall not be entitled to vote on behalf of such Affiliated Lender, in each case, in connection with any matter to the extent any such matter proposes to treat any Obligations held by such Affiliated Lender in a manner that is different than the proposed treatment of similar Obligations held by Lenders that are not Affiliates of the Borrower. Each Affiliated Lender hereby irrevocably appoints the Administrative Agent (such appointment being coupled with an interest) as such Affiliated Lender's attorney-in-fact, with full authority in the place and stead of such Affiliated Lender and in the name of such Affiliated Lender (solely in respect of Term Loans and participations therein and not in respect of any other claim or status such Affiliated Lender may otherwise have), from time to time in the Administrative Agent's discretion to take any action and to execute any instrument that the Administrative Agent may deem reasonably necessary to carry out the provisions of (but subject to the limitations set forth in) this paragraph. Notwithstanding the foregoing, no Consenting Creditor shall be deemed to be an "Affiliated Lender" for purposes of the foregoing with respect to the Initial Term Loans.

(g) Notwithstanding anything to the contrary contained herein, any Lender may, at any time, assign all or a portion of its rights and obligations under this Agreement in respect of its Term Loans and/or Commitments to any Debt Fund Affiliate, and any Debt Fund Affiliate may, from time to time, purchase Term Loans and/or Commitments (x) on a non-pro rata basis through Dutch Auctions or similar transactions open to all applicable Lenders on a *pro rata* basis or (y) on a non-pro rata basis through open market purchases (which purchases may be effected at any price as agreed between such

Lender and such Debt Fund Affiliate in their respective sole discretion), in each case without the consent of the Administrative Agent and notwithstanding the requirements set forth in subclauses (i) through (vii) of this clause (g); provided that the Loans and unused commitments of all Debt Fund Affiliates shall not account for more than 49.9% of the amounts included in determining whether the Required Lenders have (A) consented to any amendment, modification, waiver, consent or other action with respect to any of the terms of any Credit Document or any departure by any Credit Party therefrom or (B) directed or required the Administrative Agent or any Lender to undertake any action (or refrain from taking any action) with respect to any Credit Document; it being understood and agreed that the portion of the Loans and/or Commitments that accounts for more than 49.9% of the relevant Required Lender action shall be deemed to be voted pro rata along with other Lenders that are not Debt Fund Affiliates. Any Term Loans acquired by any Debt Fund Affiliate may (but shall not be required to) be contributed to the Borrower or any of its subsidiaries or parent entities and, in exchange therefor, such Debt Fund Affiliate may receive debt or equity securities of such entity or a direct or indirect parent entity or subsidiary thereof that are otherwise permitted to be issued by such entity at such time (it being understood that any Term Loans so contributed shall, to the extent permitted by applicable Requirements of Law, be retired and cancelled immediately upon contribution thereof); provided that upon any such cancellation, the aggregate outstanding principal amount of the applicable Class of Term Loans shall be deemed reduced, as of the date of such contribution, by the full par value of the aggregate principal amount of such Class of Term Loans so contributed and cancelled, and each principal repayment installment with respect to such Class of Term Loans pursuant to Section 4.02(a) shall be reduced pro rata by the full par value of the aggregate principal amount of such Class of Term Loans so contributed and cancelled.

(h) (i) If any assignment or participation is made by a Lender without the Borrower's consent (A) to any Disqualified Lender or any Affiliate thereof or (B) to the extent the Borrower's consent is required under this Section 12.04, to any other Person, (any such person, a "Disqualified Person"), then the Borrower may, at its sole expense and effort, upon notice to the applicable Disqualified Person and the Administrative Agent, (A) terminate any Revolving Loan Commitment of such Disqualified Person and repay all obligations of each Borrower owing to such Disqualified Person, and/or (B) require such Disqualified Person to assign, without recourse (in accordance with and subject to the restrictions contained in this Section 12.04), all of its interests, rights and obligations under this Agreement to one or more Eligible Transferees and if such person does not execute and deliver to the Administrative Agent a duly executed Assignment and Assumption Agreement reflecting such assignment within five Business Days of the date on which the Eligible Transferee executes and delivers such Assignment and Assumption Agreement to such person, then such person shall be deemed to have executed and delivered such Assignment and Assumption Agreement without any action on its part; provided that (I) in the case of clauses (A) and (B), the Borrower shall not be liable to the relevant Disqualified Person under Section 2.10 if any LIBOR Loan owing to such Disqualified Person is repaid or purchased other than on the last day of the Interest Period relating thereto, (II) in the case of clause (B), the relevant assignment shall otherwise comply with this Section 12.04 (except that no registration and processing fee required under this Section 12.04 shall be required with any assignment pursuant to this paragraph). Further, any Disqualified Person identified by the Borrower to the Administrative Agent (A) shall not be permitted to (x) receive information or reporting provided by any Credit Party, the Administrative Agent or any Lender and/or (y) attend and/or participate in conference calls or meetings attended solely by the Lenders and the Administrative Agent, (B) (x) shall not for purposes of determining whether the Required Lenders or the majority Lenders under any Tranche have (i) consented (or not consented) to any amendment, modification, waiver, consent or other action with respect to any of the terms of any Credit Document or any departure by any Credit Party therefrom, (ii) otherwise acted on any matter related to any Credit Document or (iii) directed or required the Administrative Agent or any Lender to undertake any action (or refrain from taking any action) with respect to or under any Credit Document, have a right to consent (or not consent), otherwise act or direct or require the Administrative Agent or any Lender to take (or refrain from taking) any such action; it being understood that all Loans

held by any Disqualified Person shall be deemed to be not outstanding for all purposes of calculating whether the Required Lenders, majority Lenders under any Tranche or all Lenders have taken any action and (y) shall be deemed to vote in the same proportion as Lenders that are not Disqualified Persons in any proceeding under any Debtor Relief Law commenced by or against the any Borrower or any other Credit Party and (C) shall not be entitled to receive the benefits of Section 12.01. For the sake of clarity, the provisions in this Section 12.04(h) shall not apply to any Person that is an assignee of any Disqualified Person, if such assignee is not a Disqualified Person.

(ii) Upon the request of any Lender, the Administrative Agent may and the Borrower will make the list of Disqualified Lenders (other than any Disqualified Lender that is a reasonably identifiable Affiliate of another Disqualified Lender solely on the basis of such Person's name) at the relevant time and such Lender may provide the list to any potential assignee for the purpose of verifying whether such Person is a Disqualified Lender, in each case so long as such Lender and such potential assignee agree to keep the list of Disqualified Lenders confidential in accordance with the terms hereof.

12.05. No Waiver; Remedies Cumulative. No failure or delay on the part of the Administrative Agent, the Collateral Agent or any Lender in exercising any right, power or privilege hereunder or under any other Credit Document and no course of dealing between the Borrower or any other Credit Party and the Administrative Agent, the Collateral Agent or any Lender shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or under any other Credit Document preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder or thereunder. The rights, powers and remedies herein or in any other Credit Document expressly provided are cumulative and not exclusive of any rights, powers or remedies which the Administrative Agent, the Collateral Agent or any Lender would otherwise have. No notice to or demand on any Credit Party in any case shall entitle any Credit Party to any other or further notice or demand in similar or other circumstances or constitute a waiver of the rights of the Administrative Agent, the Collateral Agent or any Lender to any other or further action in any circumstances without notice or demand.

12.06. Payments Pro Rata. (a) Except as otherwise provided in this Agreement, the Administrative Agent agrees that promptly after its receipt of each payment from or on behalf of the Borrower in respect of any Credit Document Obligations hereunder, the Administrative Agent shall distribute such payment to the Lenders entitled thereto (other than any Lender that has consented in writing to waive its pro rata share of any such payment) pro rata based upon their respective shares, if any, of the Credit Document Obligations with respect to which such payment was received.

(b) Each of the Lenders agrees that, if it should receive any amount hereunder (whether by voluntary payment, by realization upon security, by the exercise of the right of setoff or banker's lien, by counterclaim or cross action, by the enforcement of any right under the Credit Documents, or otherwise), which is applicable to the payment of the principal of, or interest on, the Term Loans, of a sum which with respect to the related sum or sums received by other Lenders is in a greater proportion than the total of such Credit Document Obligation then owed and due to such Lender bears to the total of such Credit Document Obligation then owed and due to all of the Lenders immediately prior to such receipt, then such Lender receiving such excess payment shall purchase for cash without recourse or warranty from the other Lenders an interest in the Credit Document Obligations of the respective Credit Party to such Lenders in such amount as shall result in a proportional participation by all the Lenders in such amount; provided that if all or any portion of such excess amount is thereafter recovered from such Lenders, such purchase shall be rescinded and the purchase price restored to the extent of such recovery, but without interest.

(c) Notwithstanding anything to the contrary contained herein, the provisions of the preceding Sections 12.06(a) and (b) shall be subject to the express provisions of this Agreement which require, or permit, differing payments to be made to Non-Defaulting Lenders as opposed to Defaulting Lenders.

(d) For the avoidance of doubt, the provisions of this Section 12.06 shall not be construed to apply to (A) the assignments and participations (including by means of a Dutch Auction open to all applicable Lenders on a *pro rata* basis and open market debt repurchases) described in Section 12.04, (B) the incurrence of any Specified Refinancing Debt in accordance with Section 2.14, (C) any Extension described in Section 2.15 or (D) the incurrence of any Credit Agreement Refinancing Indebtedness.

12.07. Calculations; Computations. (a) The financial statements to be furnished to the Lenders pursuant hereto shall be made and prepared in accordance with IFRS consistently applied throughout the periods involved (except as set forth in the notes thereto or as otherwise disclosed in writing by the Borrower to the Lenders).

(b) All computations of interest and other Fees hereunder shall be made on the basis of a year of 360 days (except for interest calculated by reference to the Prime Lending Rate, which shall be based on a year of 365 or 366 days, as applicable) for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest, Commitment Commission or Fees are payable.

(c) For the purposes of the Interest Act (Canada), in any case in which an interest or fee rate is stated in this Agreement to be calculated on the basis of a number of days that is other than the number in a calendar year, the yearly rate to which such interest or fee rate is equivalent is equal to such interest or fee rate multiplied by the actual number of days in the year in which the relevant interest or fee payment accrues and divided by the number of days used as the basis for such calculation. The principle of deemed reinvestment of interest does not apply to any interest calculation under this Agreement and the rates of interest stipulated in this Agreement are intended to be nominal rates and not effective rates or yields. The Administrative Agent agrees that if requested in writing by the Borrower it shall calculate the nominal and effective per annum rate of interest on any outstanding Loan at any time and provide such information to the Borrower, provided that any error in any such calculation, or any failure to provide such information on request, shall not relieve the Borrower or any of the other Credit Parties of any of its obligations under this Agreement or any other Credit Documents, nor result in any liability to the Administrative Agent or the Lenders. The Borrower hereby irrevocably agrees not to plead or assert, whether by way of defence or otherwise, in any proceeding relating to the Credit Documents, that the interest payable under the Credit Documents and the calculation thereof has not been adequately disclosed to the Borrower or any Credit Party, whether pursuant to Section 4 of the Interest Act (Canada) or any other applicable law or legal principle.

12.08. GOVERNING LAW; SUBMISSION TO JURISDICTION; VENUE; WAIVER OF JURY TRIAL. (a) THIS AGREEMENT AND THE OTHER CREDIT DOCUMENTS AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER AND THEREUNDER SHALL, EXCEPT AS OTHERWISE PROVIDED IN ANY SECURITY DOCUMENT, BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK; PROVIDED, THAT (I) THE INTERPRETATION OF THE DEFINITION OF "CLOSING DATE MATERIAL ADVERSE EFFECT" AND THE DETERMINATION OF WHETHER A CLOSING DATE MATERIAL ADVERSE EFFECT HAS OCCURRED, (II) THE DETERMINATION OF THE ACCURACY OF ANY SPECIFIED ACQUISITION AGREEMENT REPRESENTATION AND WHETHER AS A RESULT OF ANY

INACCURACY THEREOF THE BORROWER OR ITS APPLICABLE AFFILIATE HAS A RIGHT TO TERMINATE ITS OBLIGATIONS UNDER THE ACQUISITION AGREEMENT OR DECLINE TO CONSUMMATE THE ACQUISITION AND (III) THE DETERMINATION OF WHETHER THE ACQUISITION HAS BEEN CONSUMMATED IN ACCORDANCE WITH THE TERMS OF THE ACQUISITION AGREEMENT AND, IN ANY CASE, ANY CLAIM OR DISPUTE ARISING OUT OF ANY SUCH INTERPRETATION OR DETERMINATION OR ANY ASPECT THEREOF, SHALL IN EACH CASE BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE PROVINCE OF ONTARIO AND THE FEDERAL LAWS OF CANADA APPLICABLE THEREIN REGARDLESS OF THE LAWS THAT MIGHT OTHERWISE GOVERN UNDER APPLICABLE PRINCIPLES OF CONFLICTS OF LAWS. ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT (OTHER THAN AS PROVIDED OTHERWISE IN ANY SECURITY DOCUMENTS, WITH RESPECT TO SUCH SECURITY DOCUMENT) SHALL BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK OR OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF NEW YORK, IN EACH CASE WHICH ARE LOCATED IN THE COUNTY OF NEW YORK, BOROUGH OF MANHATTAN, AND, BY EXECUTION AND DELIVERY OF THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT, EACH OF HOLDINGS, THE BORROWER AND EACH OTHER CREDIT PARTY HEREBY IRREVOCABLY ACCEPTS FOR ITSELF AND IN RESPECT OF ITS PROPERTY (OTHER THAN AS PROVIDED OTHERWISE IN ANY SECURITY DOCUMENTS, WITH RESPECT TO SUCH SECURITY DOCUMENT), GENERALLY AND UNCONDITIONALLY, THE EXCLUSIVE JURISDICTION OF THE AFORESAID COURTS. EACH OF HOLDINGS, THE BORROWER AND EACH OTHER CREDIT PARTY HEREBY FURTHER IRREVOCABLY WAIVES ANY CLAIM THAT ANY SUCH COURTS LACK PERSONAL JURISDICTION OVER SUCH CREDIT PARTY, AND AGREES NOT TO PLEAD OR CLAIM, IN ANY LEGAL ACTION PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT (OTHER THAN AS PROVIDED OTHERWISE IN ANY SECURITY DOCUMENTS, WITH RESPECT TO SUCH SECURITY DOCUMENT) BROUGHT IN ANY OF THE AFOREMENTIONED COURTS, THAT SUCH COURTS LACK PERSONAL JURISDICTION OVER SUCH CREDIT PARTY. EACH OF HOLDINGS, THE BORROWER AND EACH OTHER CREDIT PARTY FURTHER IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OUT OF ANY OF THE AFOREMENTIONED COURTS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, TO SUCH CREDIT PARTY AT ITS ADDRESS SET FORTH OPPOSITE ITS SIGNATURE BELOW, SUCH SERVICE TO BECOME EFFECTIVE 30 DAYS AFTER SUCH MAILING. EACH OF HOLDINGS, THE BORROWER AND EACH OTHER CREDIT PARTY HEREBY IRREVOCABLY WAIVES ANY OBJECTION TO SUCH SERVICE OF PROCESS AND FURTHER IRREVOCABLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY ACTION OR PROCEEDING COMMENCED HEREUNDER OR UNDER ANY OTHER CREDIT DOCUMENT THAT SERVICE OF PROCESS WAS IN ANY WAY INVALID OR INEFFECTIVE. NOTHING HEREIN, HOWEVER, SHALL AFFECT THE RIGHT OF THE ADMINISTRATIVE AGENT, ANY LENDER OR THE HOLDER OF ANY TERM NOTE TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO COMMENCE LEGAL PROCEEDINGS OR OTHERWISE PROCEED AGAINST ANY OF HOLDINGS, THE BORROWER OR ANY OTHER CREDIT PARTY IN ANY OTHER JURISDICTION.

(b) EACH OF HOLDINGS, THE BORROWER AND EACH OTHER CREDIT PARTY HEREBY IRREVOCABLY WAIVES ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY OF THE AFORESAID ACTIONS OR PROCEEDINGS ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT BROUGHT IN THE COURTS REFERRED TO IN CLAUSE (a) ABOVE AND HEREBY FURTHER IRREVOCABLY WAIVES AND AGREES NOT TO PLEAD OR

CLAIM IN ANY SUCH COURT THAT ANY SUCH ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(c) EACH OF THE PARTIES TO THIS AGREEMENT HEREBY IRREVO-CABLY WAIVES ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE OTHER CREDIT DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

12.09. Counterparts. This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument. A set of counterparts executed by all the parties hereto shall be lodged with the Borrower and the Administrative Agent. Delivery by facsimile or other electronic transmission of an executed counterpart of a signature page to this Agreement shall be effective as delivery of an original executed counterpart of this Agreement.

12.10. [Reserved].

12.11. Headings Descriptive. The headings of the several sections and subsections of this Agreement are inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this Agreement.

12.12. Amendment or Waiver; etc. (a) Neither this Agreement nor any other Credit Document nor any terms hereof or thereof may be changed, waived, discharged or terminated unless such change, waiver, discharge or termination is in writing signed by the respective Credit Parties party hereto or thereto and the Required Lenders (although additional parties may be added to (and annexes may be modified to reflect such additions), and Subsidiaries of the Borrower may be released from, the relevant Guaranty and the relevant Security Documents in accordance with the provisions hereof and thereof (without the consent of the other Credit Parties party thereto or the Required Lenders), provided that no such change, waiver, discharge or termination shall, without the consent of each Lender (other than, except with respect to following clause (i), a Defaulting Lender) (with Credit Document Obligations being directly affected in the case of following clauses (1)(z) and (vi) or whose Credit Document Obligations are being extended in the case of following clause (i)(x) or (i)(y)), (i)(x) extend the final scheduled maturity of any Loan or Term Note, (y) reduce the amount of, or extend the date of, any Scheduled Term Loan Repayment (in each case of (x) and (y), other than any extension for administrative convenience agreed by the Administrative Agent or by reason of any waiver of, or consent or departure from, any Default or Event of Default or any mandatory prepayment; it being understood that no amendment or modification to the financial definitions in this Agreement (including any ratio) used in the calculation of any mandatory prepayment (including any component definition thereof) shall constitute such an extension or reduction), or (z) reduce the rate or extend the time of payment of interest or Fees thereon (except in connection with the waiver of applicability of any post-default increase in interest rates), or reduce (or forgive) the principal amount thereof (it being understood that no amendment or modification to (X) the financial definitions in this Agreement or to Section 12.07(a) shall constitute a reduction in the rate of interest or Fees for the purposes of this clause (i) and (Y) the MFN Provision shall constitute a reduction or forgiveness of any principal amount due hereunder), (ii) release all or substantially all of the Collateral under all the Security Documents (except as expressly provided in the Credit Documents) or release all or substantially all of the value of the Guaranty made by the Subsidiary Guarantors (except as expressly provided in the Credit Documents), (iii) amend, modify or waive any provision of this Section 12.12(a) (except for technical amendments with respect to additional extensions of credit pursuant to this Agreement which afford the protections to such additional extensions of credit of the type provided to the Term Loans on the Closing Date), (iv) reduce the "majority" voting threshold

specified in the definition of Required Lenders (it being understood that, with the consent of the Required Lenders, additional extensions of credit pursuant to this Agreement may be included in the determination of the Required Lenders on substantially the same basis as the extensions of Term Loans are included on the Closing Date), (v) consent to the assignment or transfer by Holdings or the Borrower of any of their rights and obligations under this Agreement, (vi) amend, waive or modify any provision of Section 10.02 or (vii) amend, modify or waive any provision of Section 12.06, except in connection with an amendment that provides for a prepayment of Term Loans by the Borrower (offered ratably to all Lenders) at a discount to par on terms and conditions approved by the Administrative Agent and the Required Lenders; provided further, that no such change, waiver, discharge or termination shall (1) increase the Term Loan Commitments of any Lender over the amount thereof then in effect without the consent of such Lender (it being understood that waivers or modifications of conditions precedent, covenants, Defaults or Events of Default or of a mandatory reduction in the Total Term Loan Commitment or a mandatory repayment of Term Loans shall not constitute an increase of the Term Loan Commitment of any Lender, and that an increase in the available portion of any Term Loan Commitment of any Lender shall not constitute an increase of the Term Loan Commitment of such Lender), (2) without the consent of the Administrative Agent, amend, modify or waive any provision of Section 11 or any other provision as same relates to the rights or obligations of the Administrative Agent, (3) without the consent of Collateral Agent, amend, modify or waive any provision relating to the rights or obligations of the Collateral Agent or (4) amend, modify or waive this Agreement (including, without limitation, Section 10.02) or any other Credit Document so as to alter the ratable treatment of Obligations arising under the Credit Documents and Obligations arising under Term Lender Hedging Agreements or the definition of "Hedging Agreement", "Term Lender Hedging Agreement", "Term Hedge Provider", "Secured Parties", "Obligations", "Secured Obligations" (as such terms (or terms with similar meanings) are defined in this Agreement or any applicable Credit Document), in each case in a manner adverse to any Term Hedge Provider without the written consent of any such Term Hedge Provider.

(b) If, in connection with any proposed change, waiver, discharge or termination of or to any of the provisions of this Agreement as contemplated by clauses (i) through (vii), inclusive, of the first proviso to Section 12.12(a), the consent of the Required Lenders is obtained but the consent of one or more of such other Lenders whose consent is required is not obtained, then the Borrower shall have the right, so long as all non-consenting Lenders whose individual consent is required are treated as described in either clause (A) or (B) below, to either (A) replace only the Term Loans of the respective non-consenting Lender or Lenders with one or more Replacement Lenders pursuant to Section 2.13 so long as at the time of such replacement, each such Replacement Lender consents to the proposed change, waiver, discharge or termination or (B) repay all outstanding Term Loans of such Lender, in accordance with Sections 3.02 and/or 4.01(b), provided that, unless the Term Loans which are repaid pursuant to preceding clause (B) are immediately replaced in full at such time through the addition of new Lenders or the increase of the outstanding Term Loans of existing Lenders (who in each case must specifically consent thereto), then in the case of any action pursuant to preceding clause (B), the Required Lenders (determined after giving effect to the proposed action) shall specifically consent thereto, provided further, that the Borrower shall not have the right to replace a Lender or repay its Term Loans solely as a result of the exercise of such Lender's rights (and the withholding of any required consent by such Lender) pursuant to the second proviso to Section 12.12(a).

(c) Notwithstanding the foregoing, (x) any provision of this Agreement may be amended by an agreement in writing entered into by the Borrower, the Required Lenders and the Administrative Agent if at the time such amendment becomes effective, each Lender not consenting thereto receives payment (including pursuant to an assignment to a replacement Lender in accordance with Section 12.04) in full of the principal of and interest accrued on each Term Loan made by it and all other amounts owing to it or accrued for its account under this Agreement and (y) this Agreement may be amended (or amended and restated) with the written consent of the Required Lenders, the Administrative

Agent and the Borrower (a) to add one or more additional credit facilities to this Agreement and to permit the extensions of credit from time to time outstanding thereunder and the accrued interest and fees in respect thereof to share ratably in the benefits of this Agreement and the other Credit Documents with the Term Loans and the accrued interest and fees in respect thereof and (b) to include appropriately the Lenders holding such credit facilities in any determination of the Required Lenders.

(d) In addition, notwithstanding the foregoing, this Agreement may be amended or amended and restated with the written consent of the Administrative Agent, the Borrower and the Lenders providing the relevant Replacement Term Loans or to permit the refinancing of all outstanding Term Loans (the "Refinanced Term Loans"), with a replacement Term Loan tranche (the "Replacement Term Loans"), respectively, hereunder; provided that (i) the aggregate principal amount of such Replacement Term Loans shall not exceed the aggregate principal amount of, plus accrued interest, fees, expenses and premiums with respect to, such Refinanced Term Loans, (ii) the Effective Yield with respect to such Replacement Term Loans shall not be higher than Effective Yield with respect to such Refinanced Term Loans, (iii) the Weighted Average Life to Maturity of such Replacement Term Loans shall not be shorter than the Weighted Average Life to Maturity of such Refinanced Term Loans, at the time of such refinancing (except to the extent of amortization or for periods where amortization has been eliminated as a result of prepayment of the applicable Term Loans prior to such incurrence), and (iv) all other terms applicable to such Replacement Term Loans shall be substantially identical to, or (taken as a whole) less favorable to the Lenders providing such Replacement Term Loans than, those applicable to such Refinanced Term Loans, except to the extent necessary to provide for covenants and other terms applicable to any period after the Latest Maturity Date then in effect immediately prior to such refinancing.

(e) This Section 12.12 shall be subject to any contrary provision of Section 2.14, or 2.15. In addition, notwithstanding anything to the contrary contained in this Section 12.12, (x) Security Documents (including any additional Security Documents) and related documents executed by Restricted Subsidiaries in connection with this Agreement may be in a form reasonably determined by the Administrative Agent and may be amended, supplemented and waived with the consent of the Administrative Agent and the Borrower without the need to obtain the consent of any other Person if such amendment, supplement or waiver is delivered in order (i) to comply with local law or advice of local counsel, (ii) to cure ambiguities, omissions, mistakes or defects or (iii) to cause such Security Document or other document to be consistent with this Agreement and the other Credit Documents and (y) if following the Closing Date, the Administrative Agent and any Credit Party shall have jointly identified an ambiguity, inconsistency, obvious error or any error or omission of a technical or immaterial nature, in each case, in any provision of the Credit Documents (other than the Security Documents), then the Administrative Agent and the Credit Parties shall be permitted to amend such provision and such amendment shall become effective without any further action or consent of any other party to any Credit Documents; provided that, in each case with respect to the foregoing clauses (x) and (y), the Administrative Agent will not be required to enter into any such amendment, supplement or waiver unless it has received an Officer's Certificate to the effect that such amendment, supplement or waiver will not result in a breach of any provision in this Section 12.12(e).

12.13. Survival. All representations and warranties made by the Borrower and the other Credit Parties in the Credit Documents and in certificates or other instruments delivered in connection with or pursuant to the Credit Documents shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of the Credit Documents and the making of any Term Loans, regardless of any investigation made by any such other party or on its behalf and notwithstanding that any Lender or Agent may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as any principal of or accrued interest on any Term Loan or any fee or other amount

payable hereunder is outstanding and unpaid. All indemnities (other than those provided under Section 4.04) set forth herein including in Sections 2.10, 2.11, 11.06 and 12.01 shall survive the execution, delivery and termination of this Agreement and the Term Notes and the making and repayment of the Credit Document Obligations.

12.14. Domicile of Term Loans. Each Lender may transfer and carry its Term Loans at, to or for the account of any office, Subsidiary or Affiliate of such Lender. Notwithstanding anything to the contrary contained herein, to the extent that a transfer of Term Loans pursuant to this Section 12.14 would, at the time of such transfer, result in increased costs or amounts owed in respect of Indemnified Taxes under Section 2.10, 2.11 or 4.04 from those being charged by the respective Lender prior to such transfer, then the Borrower shall not be obligated to pay such increased costs (although the Borrower shall be obligated to pay any other increased costs of the type described above resulting from changes after the date of the respective transfer)

12.15. Register. The Borrower hereby designates the Administrative Agent to serve as its non-fiduciary agent, solely for purposes of this Section 12.15, to maintain a register (the "Register") at one of its offices in the United States on which it will record the names and addresses of the Lenders, the Initial Term Commitments and Additional Commitments of, and principal amounts (and stated interest) of the Loans owing to, each Lender pursuant to the terms hereof from time to time. Failure to make any such recordation, or any error in such recordation, shall not affect the Borrower's obligations in respect of such Loans. With respect to any Lender, the transfer of the rights to the principal of, and interest on, any Loan shall not be effective until such transfer is recorded on the Register maintained by the Administrative Agent with respect to ownership of such Loans and prior to such recordation all amounts owing to the transferor with respect to such Loans shall remain owing to the transferor. The registration of assignment or transfer of all or part of any Loans shall be recorded by the Administrative Agent on the Register upon and only upon the acceptance by the Administrative Agent of a properly executed and delivered Assignment and Assumption Agreement pursuant to Section 12.04. Upon such acceptance and recordation, the assignee specified therein shall be treated as a Lender for all purposes of this Agreement. Coincident with the delivery of such an Assignment and Assumption Agreement to the Administrative Agent for acceptance and registration of assignment or transfer of all or part of a Term Loan, or as soon thereafter as practicable, the assigning or transferor Lender shall surrender the Term Note (if any) evidencing such Term Loan, and thereupon one or more new Term Notes in the same aggregate principal amount shall be issued to the assigning or transferor Lender and/or the new Lender at the request of any such Lender. The Borrower agrees to indemnify the Administrative Agent from and against any and all losses, claims, damages and liabilities of whatsoever nature which may be imposed on, asserted against or incurred by the Administrative Agent in performing its duties under this Section 12.15. The Register shall be available for inspection by any party hereto at any reasonable time and from time to time upon reasonable prior written notice; provided that any review of the Register by any Lender shall be limited to its own Loans (and related Obligations) and not those of any other Lender.

12.16. Confidentiality. (a) Subject to the provisions of clause (b) of this Section 12.16, each Lender agrees that it will use its reasonable efforts not to disclose without the prior consent of Holdings (other than to its employees, auditors, advisors, consultants or counsel, or to another Lender if such Lender or such Lender's holding or parent company in its sole discretion determines that any such party should have access to such information, provided such Persons shall be subject to the provisions of this Section 12.16 to the same extent as such Lender and the persons to whom such disclosure is made shall be informed of the confidential nature of such information and shall be instructed to keep such information confidential in accordance with the provisions hereof) any confidential information with respect to Holdings or any of its Subsidiaries which is now or in the future furnished pursuant to this Agreement or any other Credit Document, provided that any Lender may disclose any

such confidential information (i) as has become generally available to the public other than by virtue of a breach of this Section 12.16(a) by the respective Lender, (ii) as may be required or appropriate in any report, statement or testimony submitted to any municipal, state or Federal regulatory body having or claiming to have jurisdiction over such Lender or to the Federal Reserve Board or the Federal Deposit Insurance Corporation or similar organizations (whether in the United States or elsewhere) or their successors, (iii) as may be required or appropriate in respect to any summons or subpoena or in connection with any litigation, (iv) in order to comply with any law, order, regulation or ruling applicable to such Lender, (v) to the Administrative Agent or the Collateral Agent, (vi) to any direct or indirect contractual counterparty in any swap, hedge or similar agreement (or to any such contractual counterparty's professional advisor), so long as such contractual counterparty (or such professional advisor) agrees to be bound by the provisions of this Section 12.16, (vii) to any prospective or actual transferee or participant in connection with any contemplated transfer or participation of any of the Term Notes or any interest therein by such Lender, provided that such prospective transferee agrees to be bound by the confidentiality provisions contained in this Section 12.16, (viii) to the extent such information is received by the Administrative Agent or a Lender from a third party that is not known by the Administrative Agent or such Lender to be subject to confidentiality arrangements with any of Holdings, the Borrower or any of their Subsidiaries or any of their respective Affiliates (including the Investors), (ix) solely to the extent that such information is independently developed by the Administrative Agent or such Lender without any confidential information provided by (or on behalf of) any Credit Party and (x) to enforce their respective rights under the other Credit Documents.

(b) Each of Holdings and the Borrower hereby acknowledges and agrees that each Lender may share with any of its affiliates, and such affiliates may share with such Lender, any confidential information related to Holdings or any of its Subsidiaries (including any non-public customer information regarding the creditworthiness of Holdings and its Subsidiaries), provided such Persons shall be subject to the provisions of this Section 12.16 to the same extent as such Lender.

12.17. No Fiduciary Duty. Each Agent, each Lender and their respective Affiliates (collectively, solely for purposes of this paragraph, the "Lenders"), may have economic interests that conflict with those of the Credit Parties, their stockholders and/or their respective affiliates. Each Credit Party agrees that nothing in the Credit Documents or otherwise will be deemed to create an advisory, fiduciary or agency relationship or fiduciary or other implied duty between any Lender, on the one hand, and any Credit Party, its respective stockholders or its respective affiliates, on the other. The Credit Parties acknowledge and agree that: (i) the transactions contemplated by the Credit Documents (including the exercise of rights and remedies hereunder and thereunder) are arm's-length commercial transactions between the Lenders, on the one hand, each Credit Party, on the other, and (ii) in connection therewith and with the process leading thereto, (x) no Lender has assumed an advisory or fiduciary responsibility in favor of any Credit Party, its respective stockholders or its respective affiliates with respect to the transactions contemplated hereby (or the exercise of rights or remedies with respect thereto) or the process leading thereto (irrespective of whether any Lender has advised, is currently advising or will advise any Credit Party, its respective stockholders or its respective Affiliates on other matters) or any other obligation to any Credit Party except the obligations expressly set forth in the Credit Documents and (y) each Lender is acting solely as principal and not as the agent or fiduciary of such Credit Party, its respective management, stockholders, creditors or any other Person. Each Credit Party acknowledges and agrees that such Credit Party has consulted its own legal, financial, regulatory and tax advisors to the extent it deemed appropriate and that it is responsible for making its own independent judgment with respect to such transactions and the process leading thereto. Each Credit Party agrees that it will not claim that any Lender has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to such Credit Party, in connection with such transaction or the process leading thereto.

12.18. Patriot Act. Each Lender subject to the USA PATRIOT ACT (Title III of Pub. Law 107-56 (signed into law October 26, 2001)) (as amended from time to time, the "Patriot Act") hereby notifies Holdings and the Borrower that pursuant to the requirements of the Patriot Act, it is required to obtain, verify and record information that identifies Holdings, the Borrower and the other Credit Parties and other information that will allow such Lender to identify Holdings, the Borrower and the other Credit Parties in accordance with the Patriot Act. This notice is given in accordance with the requirements of the Patriot Act and is effective as to the Lenders and the Administrative Agent.

12.19. Waiver of Sovereign Immunity. Each of the Credit Parties, in respect of itself, its Subsidiaries, its process agents, and its properties and revenues, hereby irrevocably agrees that, to the extent that such Credit Party, its Subsidiaries or any of its properties has or may hereafter acquire any right of immunity, whether characterized as sovereign immunity or otherwise, from any legal proceedings, whether in the United States, Canada or elsewhere, to enforce or collect upon the Term Loans or any Credit Document or any other liability or obligation of such Credit Party or any of its Subsidiaries related to or arising from the transactions contemplated by any of the Credit Documents, including immunity from service of process, immunity from jurisdiction or judgment of any court or tribunal, immunity from execution of a judgment, and immunity of any of its property from attachment prior to any entry of judgment, or from attachment in aid of execution upon a judgment, such Credit Party, for itself and on behalf of its Subsidiaries, hereby expressly waives, to the fullest extent permissible under Applicable Law, any such immunity, and agrees not to assert any such right or claim in any such proceeding, whether in the United States, Canada or elsewhere. Without limiting the generality of the foregoing, each Credit Party further agrees that the waivers set forth in this Section 12.19 shall be effective to the fullest extent permitted under the Foreign Sovereign Immunities Act of 1976 of the United States and are intended to be irrevocable for purposes of such Act.

12.20. Interest Rate Limitation. Notwithstanding anything to the contrary contained in any Credit Document, the interest paid or agreed to be paid under the Credit Documents shall not exceed the maximum rate of non-usurious interest permitted by Applicable Law (the "Maximum Rate"). If the Administrative Agent or any Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Term Loans or, if it exceeds such unpaid principal, refunded to the Borrower. In determining whether the interest contracted for, charged, or received by the Administrative Agent or a Lender exceeds the Maximum Rate, such Person may, to the extent permitted by Applicable Law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Credit Document Obligations hereunder.

12.21. Lender Action. Each Lender agrees that it shall not take or institute any actions or proceedings, judicial or otherwise, for any right or remedy against any Credit Party or any other obligor under any of the Credit Documents (including the exercise of any right of setoff, rights on account of any banker's lien or similar claim or other rights of self-help), or institute any actions or proceedings, or otherwise commence any remedial procedures, with respect to any Collateral or any other property of any such Credit Party, unless expressly provided for herein or in any other Credit Document, without the prior written consent of the Administrative Agent. The provisions of this Section 12.21 are for the sole benefit of the Lenders and shall not afford any right to, or constitute a defense available to, any Credit Party.

12.22. Judgment Currency. (a) The Credit Parties' obligations hereunder and under the other Credit Documents to make payments in U.S. Dollars (the "Obligation Currency") shall not be discharged or satisfied by any tender or recovery pursuant to any judgment expressed in or converted into any currency other than the Obligation Currency, except to the extent that such tender or

recovery results in the effective receipt by the Administrative Agent, the Collateral Agent or the respective Lender of the full amount of the Obligation Currency expressed to be payable to the Administrative Agent, the Collateral Agent or such Lender under this Agreement or the other Credit Documents. If for the purpose of obtaining or enforcing judgment against any Credit Party in any court or in any jurisdiction, it becomes necessary to convert into or from any currency other than the Obligation Currency (such other currency being hereinafter referred to as the "Judgment Currency") an amount due in the Obligation Currency, the conversion shall be made, at the rate of exchange (as quoted by the Administrative Agent or if the Administrative Agent does not quote a rate of exchange on such currency, by a known dealer in such currency designated by the Administrative Agent) determined, in each case, as of the day on which the judgment is given (such day being hereinafter referred to as the "Judgment Currency Conversion Date").

(b) If there is a change in the rate of exchange prevailing between the Judgment Currency Conversion Date and the date of actual payment of the amount due, the Borrower covenants and agrees to pay, or cause to be paid, such additional amounts, if any (but in any event not a lesser amount), as may be necessary to ensure that the amount paid in the Judgment Currency, when converted at the rate of exchange prevailing on the date of payment, will produce the amount of the Obligation Currency which could have been purchased with the amount of Judgment Currency stipulated in the judgment or judicial award at the rate or exchange prevailing on the Judgment Currency Conversion Date.

For purposes of determining any rate of exchange for this Section, such amounts shall include any premium and costs payable in connection with the purchase of the Obligation Currency.

12.23. OTHER LIENS ON COLLATERAL; TERMS OF ABL INTERCREDITOR AGREEMENT AND ANY ACCEPTABLE INTERCREDITOR AGREEMENT; ETC.. (a) EACH LENDER UNDERSTANDS, ACKNOWLEDGES AND AGREES THAT LIENS MAY BE CREATED ON THE COLLATERAL PURSUANT TO THE ABL FACILITY DOCUMENTS AND THE CAPEX FACILITIES DOCUMENTS, WHICH LIENS SHALL BE SUBJECT TO THE TERMS AND CONDITIONS OF THE ABL INTERCREDITOR AGREEMENT AS OF THE CLOSING DATE AND ANY ACCEPTABLE INTERCREDITOR AGREEMENT ENTERED INTO AFTER THE CLOSING DATE, AS APPLICABLE. THE EXPRESS TERMS OF THE ABL INTERCREDITOR AGREEMENT AND EACH ACCEPTABLE INTERCREDITOR AGREEMENT, RESPECTIVELY, SHALL PROVIDE THAT, IN THE EVENT OF ANY CONFLICT BETWEEN THE TERMS OF EITHER THE ABL INTERCREDITOR AGREEMENT OR SUCH ACCEPTABLE INTERCREDITOR AGREEMENT, ON THE ONE HAND, AND ANY OF THE CREDIT DOCUMENTS, ON THE OTHER HAND, THE PROVISIONS OF THE ABL INTERCREDITOR AGREEMENT AND SUCH ACCEPTABLE INTERCREDITOR AGREEMENT, RESPECTIVELY, SHALL GOVERN AND CONTROL.

(b) EACH LENDER AUTHORIZES AND INSTRUCTS THE ADMINISTRATIVE AGENT AND THE COLLATERAL AGENT TO ENTER INTO THE ABL INTERCREDITOR AGREEMENT, THE INTER-LENDER AGREEMENT AND EACH ACCEPTABLE INTERCREDITOR AGREEMENT ON BEHALF OF THE LENDERS, AND TO TAKE ALL ACTIONS (AND EXECUTE AMENDMENTS THERETO AND ALL OTHER DOCUMENTS) REQUIRED (OR DEEMED ADVISABLE) BY IT IN ACCORDANCE WITH THE TERMS OF THE ABL INTERCREDITOR AGREEMENT, THE INTER-LENDER AGREEMENT AND ANY ACCEPTABLE INTERCREDITOR AGREEMENT.

(c) THE PROVISIONS OF THIS SECTION 12.23 ARE NOT INTENDED TO SUMMARIZE ALL RELEVANT PROVISIONS OF THE ABL INTERCREDITOR AGREEMENT, THE FORM OF WHICH IS ATTACHED AS AN EXHIBIT TO THIS AGREEMENT, THE INTER-

LENDER AGREEMENT NOR ANY ACCEPTABLE INTERCREDITOR AGREEMENT. REFERENCE MUST BE MADE TO EACH OF THE ABL INTERCREDITOR AGREEMENT, THE INTER-LENDER AGREEMENT AND ANY ACCEPTABLE INTERCREDITOR AGREEMENT, RESPECTIVELY, TO UNDERSTAND ALL TERMS AND CONDITIONS THEREOF. EACH LENDER IS RESPONSIBLE FOR MAKING ITS OWN ANALYSIS AND REVIEW OF EACH OF THE ABL INTERCREDITOR AGREEMENT, THE INTER-LENDER AGREEMENT AND ANY ACCEPTABLE INTERCREDITOR AGREEMENT, RESPECTIVELY, AND THE TERMS AND PROVISIONS THEREOF, AND NEITHER THE ADMINISTRATIVE AGENT NOR ANY OF ITS AFFILIATES MAKES ANY REPRESENTATION TO ANY LENDER AS TO THE SUFFICIENCY OR ADVISABILITY OF THE PROVISIONS CONTAINED IN THE ABL INTERCREDITOR AGREEMENT, THE INTER-LENDER AGREEMENT OR ANY ACCEPTABLE INTERCREDITOR AGREEMENT.

12.24. Severability. If any provision of this Agreement or the other Credit Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Credit Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

12.25. Reinstatement. If any claim is ever made upon the Administrative Agent or any Lender for repayment or recovery of any amount or amounts received in payment or on account of any of the Obligations and any of the aforesaid payees repays all or part of said amount by reason of (i) any judgment, decree or order of any court or administrative body having jurisdiction over such payee or any of its property or (ii) any such payment is rescinded or recovered, directly or indirectly, from the Administrative Agent or any Lender as a preference, fraudulent transfer or otherwise, then and in such event the Borrower agrees that any such judgment, decree, order, rescission or recovery shall be binding upon the Borrower, notwithstanding any revocation hereof or the cancellation of any Term Note, any Security Document or any other instrument evidencing any liability of the Borrower, and the Borrower shall be and remain liable to the aforesaid payees hereunder for the amount so repaid or recovered to the same extent as if such amount had never originally been received by any such payee.

12.26. Integration. This Agreement, together with the other Credit Documents and any separate letter agreements with respect to fees payable to any Agent, comprises the complete and integrated agreement of the parties on the subject matter hereof and thereof and supersedes all prior agreements, written or oral, on such subject matter.

12.27. Term Hedge Providers. Each Term Hedge Provider shall be deemed a third party beneficiary hereof and of the provisions of the other Credit Documents for purposes of any reference in a Credit Document to the parties for whom the Administrative Agent or the Collateral Agent is acting. Each Agent hereby agrees to act as agent for such Term Hedge Providers and, by virtue of entering into a Term Lender Hedging Agreement, as applicable, the applicable Term Hedge Provider shall be automatically deemed to have appointed such Agent as its agent and to have accepted the benefits of the Credit Documents; it being understood and agreed that the rights and benefits of each Term Hedge Provider under the Credit Documents consist exclusively of such Term Hedge Provider's being a beneficiary of the Liens and security interests (and guarantees) granted to the Collateral Agent and the right to share in payments and collections out of the Collateral (and such guarantees) as more fully set forth herein and the consent rights expressly set forth in Section 12.12(a). In connection with any such distribution of payments or proceeds of Collateral (or any payment under the Guaranty), each Agent shall be entitled to assume no amounts are due or owing to any Term Hedge Provider unless such Term Hedge

Provider has provided written notice (setting forth a reasonably detailed calculation) to each Agent as to the amounts that are due and owing to it and such written notice is received by each Agent a reasonable period of time prior to the making of such distribution. No Agent shall have any obligation to calculate the amount due and payable with respect to any Hedging Agreements, but may rely upon the written notice of the amount due and payable from the relevant Term Hedge Provider. In the absence of an updated notice, each Agent shall be entitled to assume that the amount due and payable to the relevant Term Hedge Provider is the amount last reported to the Agents by such Term Hedge Provider as being due and payable (less any distributions made to such Term Hedge Provider on account thereof). The Credit Parties may obtain transactions under Hedging Agreements from any Term Hedge Provider, although the Credit Parties are not required to do so. The Credit Parties acknowledge and agree that no Term Hedge Provider has committed to provide any transactions under Hedging Agreements and that the providing of transactions under Hedging Agreements by any Term Hedge Provider is in the sole and absolute discretion of such Term Hedge Provider. Notwithstanding anything to the contrary in this Agreement or any other Credit Document, except as set forth in Section 12.12(a), no Term Hedge Provider shall have any voting or approval rights hereunder (or be deemed a Lender) solely by virtue of its status as a Term Hedge Provider, nor shall the consent of any such Term Hedge Provider be required (other than in their capacities as Lenders, to the extent applicable) for any matter hereunder or under any of the other Credit Documents, including as to any matter relating to the Collateral or the release of Collateral or Guarantors.

12.28. Acknowledgement and Consent to Bail-In of EEA Financial Institutions. Notwithstanding anything to the contrary in any Credit Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA Financial Institution arising under any Credit Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder that may be payable to it by any party hereto that is an EEA Financial Institution; and

(b) the effects of any Bail-in Action on any such liability, including, if applicable: (i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Credit Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution Authority.

Section 13. Guarantee.

13.01. The Guarantee. The Guarantors hereby jointly and severally guarantee, as a primary obligor and not as a surety to each Secured Party and their respective successors and assigns, the prompt payment in full when due (whether at stated maturity, by required prepayment, declaration, demand, by acceleration or otherwise) of the principal of and interest (including any interest, fees, costs or charges that would accrue but for the provisions of the Title 11 of the United States Code

after any bankruptcy or insolvency petition under Title 11 of the United States Code) on the Term Loans made by the Lenders to, and the Term Notes held by each Lender of, the Borrower, and all other Secured Obligations from time to time owing to the Secured Parties by any Credit Party under any Credit Document or any Term Lender Hedging Agreement entered into with a counterparty that is a Secured Party, in each case strictly in accordance with the terms thereof (such obligations being herein collectively called the "Guaranteed Obligations"). The Guarantors hereby jointly and severally agree that if the Borrower or other Guarantor(s) shall fail to pay in full when due (whether at stated maturity, by acceleration or otherwise) any of the Guaranteed Obligations, the Guarantors will promptly pay the same in cash, without any demand or notice whatsoever, and that in the case of any extension of time of payment or renewal of any of the Guaranteed Obligations, the same will be promptly paid in full when due (whether at extended maturity, by acceleration or otherwise) in accordance with the terms of such extension or renewal.

13.02. Obligations Unconditional. The obligations of the Guarantors under Section 13.01 shall constitute a guaranty of payment and to the fullest extent permitted by applicable Requirements of Law, are absolute, irrevocable and unconditional, joint and several, irrespective of the value, genuineness, validity, regularity or enforceability of the Guaranteed Obligations of the Borrower under this Agreement, the Term Notes, if any, or any other agreement or instrument referred to herein or therein, or any substitution, release or exchange of any other guarantee of or security for any of the Guaranteed Obligations, and, irrespective of any other circumstance whatsoever that might otherwise constitute a legal or equitable discharge or defense of a surety or Guarantor (except for payment in full). Without limiting the generality of the foregoing, it is agreed that the occurrence of any one or more of the following shall not alter or impair the liability of the Guarantors hereunder which shall remain absolute, irrevocable and unconditional under any and all circumstances as described above:

(i) at any time or from time to time, without notice to the Guarantors, the time for any performance of or compliance with any of the Guaranteed Obligations shall be extended, or such performance or compliance shall be waived;

(ii) any of the acts mentioned in any of the provisions of this Agreement or the Term Notes, if any, or any other agreement or instrument referred to herein or therein shall be done or omitted;

(iii) the maturity of any of the Guaranteed Obligations shall be accelerated, or any of the Guaranteed Obligations shall be amended in any respect (included any increase or decrease in the principal amount thereof or the rate of interest or fees thereon), or any right under the Credit Documents or any other agreement or instrument referred to herein or therein shall be amended or waived in any respect or any other guarantee of any of the Guaranteed Obligations or any security therefor shall be released or exchanged in whole or in part or otherwise dealt with;

(iv) any Lien or security interest granted to, or in favor of, any Lender or Agent as security for any of the Guaranteed Obligations shall fail to be perfected;

(v) the release of any other Guarantor pursuant to Section 13.09; or

(vi) taking of any other action which would, under otherwise applicable principles of common law, give rise to a legal or equitable discharge of any Guarantor from its liabilities under this Guaranty.

Except as cannot be waived under Applicable Law, the Guarantors hereby expressly waive diligence, presentment, demand of payment, protest and all notices whatsoever, and any

requirement that any Secured Party exhaust any right, power or remedy or proceed against the Borrower under this Agreement or the Term Notes, if any, or any other agreement or instrument referred to herein or therein, or against any other person under any other guarantee of, or security for, any of the Guaranteed Obligations. The Guarantors waive any and all notice of the creation, renewal, extension, waiver, termination or accrual of any of the Guaranteed Obligations and notice of or proof of reliance by any Secured Party upon this Guarantee or acceptance of this Guarantee, and the Guaranteed Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred in reliance upon this Guarantee, and all dealings between the Borrower and the Secured Parties shall likewise be conclusively presumed to have been had or consummated in reliance upon this Guarantee. This Guarantee shall be construed as a continuing, absolute, irrevocable and unconditional guarantee of payment without regard to any right of offset with respect to the Guaranteed Obligations at any time or from time to time held by Secured Parties, and the obligations and liabilities of the Guarantors hereunder shall not be conditioned or contingent upon the pursuit by the Secured Parties or any other person at any time of any right or remedy against the Borrower or against any other person which may be or become liable in respect of all or any part of the Guaranteed Obligations or against any collateral security or guarantee therefor or right of offset with respect thereto. This Guarantee shall remain in full force and effect and be binding in accordance with and to the extent of its terms upon the Guarantors and the successors and assigns thereof, and shall inure to the benefit of the Lenders, and their respective successors and assigns, notwithstanding that from time to time during the term of this Agreement there may be no Guaranteed Obligations outstanding.

13.03. Reinstatement. The obligations of the Guarantors under this Section 13 shall be automatically reinstated if and to the extent that for any reason any payment by or on behalf of the Borrower or another Credit Party in respect of the Guaranteed Obligations is rescinded or must be otherwise restored by any holder of any of the Guaranteed Obligations, whether as a result of any proceedings in bankruptcy or reorganization or otherwise. The Guarantors jointly and severally agree that they will indemnify each Secured Party on demand for all reasonable costs and expenses (including reasonable fees of counsel) incurred by such Secured Party in connection with such rescission or restoration, including any such costs and expenses incurred in defending against any claim alleging that such payment constituted a preference, fraudulent transfer or similar payment under any bankruptcy, insolvency or similar law, other than any costs or expenses resulting from the bad faith or willful misconduct of such Secured Party.

13.04. Subrogation; Subordination. Each Guarantor hereby agrees that until the payment and satisfaction in full in cash of all Guaranteed Obligations and the expiration and termination of the Term Loan Commitments of the Lenders under this Agreement it shall waive any claim and shall not exercise any right or remedy, direct or indirect, arising by reason of any performance by it of its guarantee in Section 13.01, whether by subrogation or otherwise, against the Borrower or any other Guarantor of any of the Guaranteed Obligations or any security for any of the Guaranteed Obligations. Any Indebtedness of any Credit Party owed to any Restricted Subsidiary that is not a Credit Party permitted pursuant to Section 9.04 shall be subordinated to such Credit Party's Secured Obligations in the manner set forth in the Intercompany Note evidencing such Indebtedness.

13.05. Remedies. Subject to the terms of the ABL Intercreditor Agreement, the Guarantors jointly and severally agree that, as between the Guarantors and the Lenders, the obligations of the Borrower under this Agreement and the Term Notes, if any, may be declared to be forthwith due and payable as provided in Section 10.01 (and shall be deemed to have become automatically due and payable in the circumstances provided in Section 10.01) for purposes of Section 13.01, notwithstanding any stay, injunction or other prohibition preventing such declaration (or such obligations from becoming automatically due and payable) as against the Borrower and that, in the event of such declaration (or such obligations being deemed to have become automatically due and

payable), such obligations (whether or not due and payable by the Borrower) shall forthwith become due and payable by the Guarantors for purposes of Section 13.01.

13.06. Instrument for the Payment of Money. Each Guarantor hereby acknowledges that the guarantee in this Section 13 constitutes an instrument for the payment of money, and consents and agrees that any Lender or Agent, at its sole option, in the event of a dispute by such Guarantor in the payment of any moneys due hereunder, shall have the right to bring a motion-action under New York CPLR Section 3213.

13.07. Continuing Guarantee. The guarantee in this Section 13 is a continuing guarantee of payment, and shall apply to all Guaranteed Obligations whenever arising.

13.08. General Limitation on Guarantee Obligations. In any action or proceeding involving any state corporate, limited partnership or limited liability company law, or any applicable state, federal or foreign bankruptcy, insolvency, reorganization or other law affecting the rights of creditors generally, if the obligations of any Guarantor under Section 13.01 would otherwise be held or determined to be void, voidable, invalid or unenforceable, or subordinated to the claims of any other creditors, on account of the amount of its liability under Section 13.01, then, notwithstanding any other provision to the contrary, the amount of such liability shall, without any further action by such Guarantor, any Credit Party or any other person, be automatically limited and reduced to the highest amount after giving effect to the rights of contribution established in Section 13.10.

13.09. Release of Guarantors. If, in compliance with the terms and provisions of the Credit Documents, the Equity Interests or property of any Subsidiary Guarantor are sold or otherwise transferred (a "Transferred Guarantor") to a person or persons, none of which is Holdings, the Borrower or a Subsidiary, resulting in such Subsidiary Guarantor becoming an Excluded Subsidiary, such Transferred Guarantor shall, upon the consummation of such sale or transfer, be released from its obligations under this Agreement (including under Section 12.01 hereof) and its obligations to pledge and grant any Collateral owned by it pursuant to any Security Document and, in the case of a sale of all or substantially all of the Equity Interests of the Transferred Guarantor, the pledge of such Equity Interests to the Collateral Agent pursuant to the Security Agreements shall be released, and the Collateral Agent shall, at the Borrower's sole cost and expense, take such actions as are necessary to effect each release described in this Section 13.09 in accordance with the relevant provisions of the Security Documents; provided that such Guarantor is also released from its obligations under the ABL Facility Documents and the CapEx Facilities on the same terms.

13.10. Right of Contribution. Each Subsidiary Guarantor hereby agrees that to the extent that a Subsidiary Guarantor shall have paid more than its proportionate share of any payment made hereunder, such Subsidiary Guarantor shall be entitled to seek and receive contribution from and against any other Subsidiary Guarantor hereunder which has not paid its proportionate share of such payment. Each Subsidiary Guarantor's right of contribution shall be subject to the terms and conditions of Section 13.04. The provisions of this Section 13.10 shall in no respect limit the obligations and liabilities of any Subsidiary Guarantor to the Agents and the Lenders, and each Subsidiary Guarantor shall remain liable to the Agents and the Lenders for the full amount guaranteed by such Subsidiary Guarantor hereunder.

13.11. Qualified ECP Guarantor. Each Qualified ECP Guarantor hereby jointly and severally absolutely, unconditionally and irrevocably undertakes to provide such funds or other support as may be needed from time to time by each other Guarantor to honor all of its obligations under this Section 13 in respect of Swap Obligations (provided, however, that each Qualified ECP Guarantor shall only be liable under this Section 13.11 for the maximum amount of such liability that can

be hereby incurred without rendering its obligations under this Section 13.11, as it relates to such other Subsidiary Guarantor, voidable under Applicable Law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations of each Qualified ECP Guarantor under this Section 13.11 shall remain in full force and effect until all of the Guaranteed Obligations have been paid in full in cash and the commitments of the Lenders hereunder have been terminated. Each Qualified ECP Guarantor intends that this Section 13.11 constitute, and this Section 13.11 shall be deemed to constitute, a "keepwell, support, or other agreement" for the benefit of each other Credit Party for all purposes of Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

13.12. Payments. All payments made by the Guarantors pursuant to this Section 13 shall be made in U.S. Dollars and will be made without setoff, counterclaim or other defense and shall be subject to the provisions of Sections 4.03 and 4.04.

13.13. Confirmation. Each Guarantor hereby consents to the Acquisition and agrees that its Guaranty continues to be valid and enforceable against it in accordance with its terms and continues to guarantee its Guaranteed Obligations after giving effect to the Acquisition.

* * *

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized officers or directors, as the case may be, to execute and deliver this Agreement as of the date first above written.

ALGOMA STEEL INTERMEDIATE HOLDINGS INC., as Holdings

By: /s/ Joanna Anderson
Name: Joanna Anderson
Title: Director

ALGOMA STEEL INC., as Borrower

By: Joanna Anderson
Name: Joanna Anderson
Title: Director

ALGOMA STEEL USA INC., as a Subsidiary Guarantor

By: /s/ Joanna Anderson
Name: Joanna Anderson
Title: President

CORTLAND CAPITAL MARKET SERVICES LLC, as
Administrative Agent and Collateral Agent

By: /s/ Matthew Trybula
Name: Matthew Trybula
Title: Associate Counsel

[Signature Page to Term Loan Credit Agreement]

REDACTED

By Archview Investment Group L.P,, on behalf of certain funds and accounts

By: /s/ Jeffrey Jacob

Name: Jeffrey Jacob
Title: Authorized Signatory

By Marathon Asset Management L.P., the investment advisor to each of the entities listed above

By: /s/ Jeffrey Jacob
Name: Jeffrey Jacob
Title: Authorized Signatory

[Signature Page to Term Loan Credit Agreement]

BCC Apple Holdings, L.P.,

as a Lender

By: Bain Capital Credit Member II, Ltd., its general partner

By: /s/ Jeff Hawkins
Name: Jeff Hawkins
Title: Chief Operating Officer & Managing Director

[Signature Page to Term Loan Credit Agreement]

[Name of Institution:] Barclays Bank PLC,

as a Lender

By: /s/ Adam Yarnold
Name: Adam Yarnold
Title: Managing Director

[If second signature block is necessary]

By: _____
Name:
Title:

GoldenTree Asset Management Lux Sarl
as a Lender

By: /s/ Karen Weber
Name: Karen Weber
Title: Director – Bank Debt

[Signature Page to Term Loan Credit Agreement]

San Bernardino County Employees' Retirement Association
By: GoldenTree Asset Management, LP
as a Lender

By: /s/ Karen Weber
Name: Karen Weber
Title: Director – Bank Debt

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GoldenTree Multi-Sector Master Fund ICAV - GoldenTree Multi-Sector Master Fund Portfolio A
By: GoldenTree Asset Management, LP
as a Lender

By: /s/ Karen Weber
Name: Karen Weber
Title: Director – Bank Debt

[Signature Page to Term Loan Credit Agreement]

Kapitalforeningen MP Invest, High Yield obligationer
By: GoldenTree Asset Management, LP
as a Lender

By: /s/ Karen Weber
Name: Karen Weber
Title: Director – Bank Debt

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Stichting PGGM Depositary acting in its capacity as title holder for PGGM High Yield Fund
By: GoldenTree Asset Management, LP
as a Lender

By: /s/ Karen Weber
Name: Karen Weber
Title: Director – Bank Debt

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Kapitalforeningen PenSam Invest, PSI 84 US high yield II
By: GoldenTree Asset Management, LP
as a Lender

By: /s/ Karen Weber
Name: Karen Weber
Title: Director – Bank Debt

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GT NM, LP
By: GoldenTree Asset Management, LP
as a Lender

By: /s/ Karen Weber
Name: Karen Weber
Title: Director – Bank Debt

[Signature Page to Term Loan Credit Agreement]

City of New York Group Trust
By: GoldenTree Asset Management, LP
as a Lender

By: /s/ Karen Weber
Name: Karen Weber
Title: Director – Bank Debt

[Signature Page to Term Loan Credit Agreement]

CenturyLink, Inc. Defined Benefit Master Trust
By: GoldenTree Asset Management, LP
as a Lender

By: /s/ Karen Weber
Name: Karen Weber
Title: Director – Bank Debt

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GoldenTree High Yield Value Fund Offshore (Strategic), Limited
By: GoldenTree Asset Management, LP as a Lender

By: /s/ Karen Weber
Name: Karen Weber
Title: Director – Bank Debt

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GoldenTree High Yield Value Master Unit Trust
By: GoldenTree Asset Management, LP as a Lender

By: /s/ Karen Weber
Name: Karen Weber
Title: Director – Bank Debt

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Maple Rock Master Fund LP,
as a Lender

By: /s/ Stephen D. Lane
Name: Stephen D. Lane
Title: CFO. Maple Rock Capital Partners Inc., its Investment Manager

[Signature Page to Term Loan Credit Agreement]

MSD Credit Opportunity Fund, L,P., as a Lender

By: /s/ Marcello Liguori
Name: Marcello Liguori
Title: Authorized Signatory

[Signature Page to Term Loan Credit Agreement]

New Generation Limited Partnership,

as a Lender

By: /s/ Gustavo Resendiz
Name: Gustavo Resendiz, Esq.
Title: General Counsel of the General Partner

[Signature Page to Term Loan Credit Agreement]

New Generation Loan Fund LP,

as a Lender

BY: /s/ Gustavo Resendiz
Name: Gustavo Resendiz, Esq.
Title: General Counsel of the General Partner

[Signature Page to Term Loan Credit Agreement]

New Generation Turnaround Fund (Bermuda) L.P.,

as a Lender

By: /s/ Gustavo Resendiz
Name: Gustavo Resendiz, Esq.
Title: General Counsel of the General Partner

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Schroder GAIA II NGA Turnaround

as a Lender

By: /s/ Gustavo Resendiz
Name: Gustavo Resendiz, Esq.
Title: General Counsel of the Investment Manager

[Signature Page to Term Loan Credit Agreement]

[Name of Institution:] Plustick Partners (QD) LP,

as a Lender

By: /s/ Thomas Hill
Name: Thomas Hill
Title: Managing Partner

[If second signature block is necessary]

By: _____
Name:
Title:

[Name of Institution:] River Birch Master Fund, LP

as a Lender

By: /s/ Mathew Gilmartin
Name: Mathew Gilmartin
Title: Chief Financial Officer

[If second signature block is necessary]

By: _____
Name:
Title:

[Name of Institution:] Boston Patriot Summer St LLC,

as a Lender By: Contrarian Capital Management, L.L.C. as Investment Manager

By: /s/ Lewis Schwartz
Name: Lewis Schwartz
Title: Chief Operating Officer

[If second signature block is necessary]

By: _____
Name:
Title:

[Name of Institution:] Blackstone CSP-MST CTRN Fund

as a Lender By: Contrarian Capital Management, L.L.C. as Sub-Manager

By: /s/ Lewis Schwartz
Name: Lewis Schwartz
Title: Chief Operating Officer

[If second signature block is necessary]

By: _____
Name:
Title:

[Name of Institution:] Contrarian Advantage-B, LP,

as a Lender By: TCAB GP, LLC as General Partner

By: /s/ Lewis Schwartz
Name: Lewis Schwartz
Title: Chief Operating Officer

[If second signature block is necessary]

By: _____
Name:
Title:

[Name of Institution:] Contrarian Opportunity Fund, L.P.,

as a Lender By: Contrarian capital Management, L.L.C. as Investment Manager

By: /s/ Lewis Schwartz
Name: Lewis Schwartz
Title: Chief Operating Officer

[If second signature block is necessary]

By: _____
Name:
Title:

[Name of Institution:] Contrarian EM SIF Master L.P.,

as a Lender By: Contrarian Capital Management, L.L.C. as Investment Manager

By: /s/ Lewis Schwartz
Name: Lewis Schwartz
Title: Chief Operating Officer

[If second signature block is necessary]

By: _____
Name:
Title:

[Name of Institution:] Contrarian Emerging Markets, L.P.,

as a Lender By: Contrarian Capital Management, L.L.C. as Investment Manager

By: /s/ Lewis Schwartz
Name: Lewis Schwartz
Title: Chief Operating Officer

[If second signature block is necessary]

By: _____
Name:
Title:

[Name of Institution:] Contrarian Dome du Gouter Master Fund, L.P.,

as a Lender By: Contrarian Capital Management, L.L.C. as Investment Manager

By: /s/ Lewis Schwartz
Name: Lewis Schwartz
Title: Chief Operating Officer

[If second signature block is necessary]

By: _____
Name:
Title:

[Name of Institution:] Contrarian Capital Trade Claims, L.P.,

as a Lender By: Contrarian Capital Management, L.L.C. as Investment Manager

By: /s/ Lewis Schwartz
Name: Lewis Schwartz
Title: Chief Operating Officer

[If second signature block is necessary]

By: _____
Name:
Title:

[Name of Institution:] Contrarian Capital Senior Secured, L.P.,

as a Lender By: Contrarian Capital Management, L.L.C. as Investment Manager

By: /s/ Lewis Schwartz
Name: Lewis Schwartz
Title: Chief Operating Officer

[If second signature block is necessary]

By: _____
Name:
Title:

[Name of Institution:] Contrarian Centre Street Partnership, L.P.,

as a Lender By: Contrarian Capital Management, L.L.C. as Investment Manager

By: /s/ Lewis Schwartz
Name: Lewis Schwartz
Title: Chief Operating Officer

[If second signature block is necessary]

By: _____
Name:
Title:

Exhibit 10.8

Execution Version

SENIOR SECURED TERM LOAN CREDIT AGREEMENT

among

ALGOMA DOCKS LIMITED PARTNERSHIP, as Borrower

and

ALGOMA DOCKS GP INC., as General Partner

and

ALGOMA STEEL INC., as Guarantor

and

GIP PRIMUS, L.P., as an Investor

and

BRIGHTWOOD CAPITAL FUND III HOLDINGS SPV-3, LLC, as an Investor

and

BRIGHTWOOD CAPITAL FUND III-U, LP, as an Investor

and

FORETHOUGHT LIFE INSURANCE COMPANY, as an Investor

and

CORTLAND CAPITAL MARKET SERVICES LLC, as Administrative Agent

and

CORTLAND CAPITAL MARKET SERVICES LLC, as Collateral Agent

Dated as of

November 30, 2018

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(continued)

SENIOR SECURED TERM LOAN CREDIT AGREEMENT

THIS SENIOR SECURED TERM LOAN CREDIT AGREEMENT dated as of November 30, 2018, is made among **ALGOMA DOCKS LIMITED PARTNERSHIP**, as Borrower, **ALGOMA DOCKS GP INC**., as General Partner, **ALGOMA STEEL INC**., as Guarantor, **GIP PRIMUS, L.P.**, as Investor, **BRIGHTWOOD CAPITAL FUND III HOLDINGS SPV-3, LLC**, as Investor, **BRIGHTWOOD CAPITAL FUND III-U, LP**, as Investor, **FORETHOUGHT LIFE INSURANCE COMPANY**, as Investor, **CORTLAND CAPITAL MARKET SERVICES LLC**, as Administrative Agent and **CORTLAND CAPITAL MARKET SERVICES LLC**, as Collateral Agent.

RECITALS

A. The Investors have agreed to provide the Term Loan to the Borrower.

B. Steelco has agreed to guarantee the obligations of the Borrower in connection herewith.

For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged by each party hereto, the parties hereto agree as follows:

ARTICLE 1
DEFINITIONS

1.1 Definitions.

In this Agreement:

"**Acquisition**" means, with respect to any Person, any transaction or series of related transactions for the direct or indirect (i) acquisition of Assets of any other Person constituting a business or undertaking or division of any Person; or (ii) acquisition of any shares or Equity Interests of any Person, including acquisitions by amalgamation or other form of merger, and "Acquired" has a meaning correlative thereto.

"**Administrative Agent**" means Cortland Capital Market Services LLC, its successors and permitted assigns in its capacity as an administrative agent hereunder.

"**Administrative Agent's Account**" means the Administrative Agent's account located in Canada, the particulars of which shall have been notified by the Administrative Agent to the Borrower.

"**Administrative Questionnaire"** means an Administrative Questionnaire substantially in the form of Exhibit E, or such other form as the Administrative Agent may from time to time request, addressed to the Administrative Agent.

"**Advance Date**" means the date on which the conditions set forth in Section 5.1 and 5.2 are satisfied (or waived pursuant to Section 11.2) and the Term Loan is advanced pursuant hereto.

"**Affiliate**" means, with respect to any Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with, such Person.

"**Agreement**" means this credit agreement and all the Exhibits and the Schedules attached hereto.

"**AML Legislation**" means the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) and other applicable anti-money laundering, anti-terrorist financing and "know your client" applicable Laws, whether within Canada or elsewhere, including any regulations, orders and (to the extent having the force of Law) guidelines thereunder.

"**Annual Other Tax Distribution Cap**" means EUR 150,000.

"**Annual Other Tax Distribution Surplus**" means the greater of (i) zero and (ii) the aggregate amount by which (A) the aggregate amount of Other Tax Distributions for any previous calendar year is less than the Annual Other Tax Distribution Cap for such calendar year minus (B) the amount by which the aggregate amount of Other Tax Distributions for any previous calendar year exceeds the Annual Other Tax Distribution Cap for such calendar year.

"**Anti-Corruption Laws**" means all laws, rules, and regulations of any jurisdiction applicable to any Credit Party from time to time concerning or relating to bribery or corruption.

"**Applicable Margin**" means 5.00% per annum.

"**Applicable Percentage**" means, at any time with respect to any Investor, the percentage of the total principal amount of the Term Loan outstanding represented by such Investor's portion thereof.

"**Approval and Vesting Order**" means an order with respect to the transactions contemplated by the Asset Purchase Agreement granted by the CCAA Court in form and substance satisfactory to the Borrower and the Investors, each acting in a commercially reasonable manner.

"**Arm's Length**" has the meaning interpreted for the purposes of the Tax Act, as in effect as of the date hereof.

"**Assets**" or "**assets**" means, with respect to any Person, any property, assets and undertakings of such Person of every kind and wheresoever situate, whether now owned or hereafter acquired (and, for greater certainty, includes any equity or like interest of such Person in any other Person).

"**Asset Disposition**" means, with respect to any Person, the sale, lease, license, transfer, assignment or other disposition of, or the expropriation, condemnation, destruction or other loss of, all or any portion of its business, assets, rights, revenues or property, real, personal or mixed, tangible or intangible, whether in one transaction or a series of transactions, other than (a) inventory sold in the ordinary course of business upon customary credit terms, (b) sales of scrap or obsolete material or equipment which is not material in the aggregate, (c) leases of personal property (under which such Person is lessor) which have a Fair Market Value less than $100,000 for all such transactions and which is no longer used or useful in the business, and (d) licenses granted to third parties in the ordinary course of business.

"**Asset Purchase Agreement**" means the purchase and sale agreement dated the date hereof between BDO Canada Limited, solely in its capacity as Court-appointed receiver of POI, and the Borrower.

"**Assignment and Acceptance**" means an assignment and acceptance entered into by an assigning Investor and an assignee in the form of Exhibit B.

"**Authorization**" means, with respect to any Person, any authorization, order, permit, approval, grant, licence, consent, right, franchise, privilege, certificate, judgment, writ, injunction, award, determination, direction, decree, by-law, rule or regulation of any Governmental Authority having jurisdiction over such Person, whether or not having the force of Law.

"**BIA**" means the *Bankruptcy and Insolvency Act* (Canada).

"**Borrower**" means Algoma Docks Limited Partnership, an Ontario limited partnership, and its successors.

"**Borrower's Account**" means the Borrower's account, the particulars of which shall have been notified by the Borrower to the Administrative Agent.

"**Borrowing**" means the availment of the Term Loan on the Advance Date.

"**Borrowing Request**" has the meaning set out in Section 2.2.

"**Business**" means (a) the operation of the port lands more particularly described in the Lease and (b) any business that is the same, similar or otherwise reasonably related, ancillary or complementary thereto.

"**Business Day**" means any day that is not a Saturday, Sunday or other day on which commercial banks in New York, New York, London, England or Toronto, Canada are authorized or required by applicable Law to remain closed.

"**Canadian Dollars**" and "**Cdn.$**" refer to lawful money of Canada.

"**Capital Expenditures**" means, for any period, the aggregate of all expenditures of the Borrower during such period that, in accordance with IFRS, would be classified as capital expenditures.

"**Capital Lease Obligations**" of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under IFRS and the amount of such obligations shall be the capitalized amount thereof determined in accordance with IFRS, provided that Capital Lease Obligations shall in any event exclude the Lease.

"CCAA Court" means the Ontario Superior Court of Justice (Commercial List).

"**Change in Law**" means (i) the adoption or taking effect of any new Law after the date of this Agreement, (ii) any change in any existing Law or in the administration, interpretation, implementation or application thereof by any Governmental Authority after

the date of this Agreement, or (iii) the making or issuance of any request, rule, guideline or directive (in the case of Section 2.10, whether or not having the force of Law, where customarily complied with by responsible financial institutions) by any Governmental Authority made or issued after the date of this Agreement.

"**Change of Control**" means (a) either the Borrower or the General Partner shall cease to be a Wholly-Owned Subsidiary of Steelco or (b) the General Partner shall cease to be the sole general partner of the Borrower.

"**Closing Date**" means November 30, 2018, being the date on which this Agreement is executed and delivered by the parties hereto.

"**Code**" shall mean the Internal Revenue Code of 1986.

"**Collateral**" means the property described in and subject to the Liens and security interests purported to be created by any Security Document.

"**Collateral Agent**" means Cortland Capital Market Services LLC, its successors and permitted assigns in its capacity as a collateral agent hereunder.

"**Compliance Certificate**" means a certificate of the General Partner substantially in the form of Exhibit C addressed to the Administrative Agent, the Collateral Agent and the Investors, signed by a Responsible Officer of the General Partner substantially (in his or her capacity as such) (a) stating that a review of the financial statements accompanying such certificate during the period to which they relate and of the activities of the Borrower and the General Partner substantially has been made under such Responsible Officer's supervision with a view to determining whether the Borrower and the General Partner have fulfilled all of their obligations under this Agreement and the other Loan Documents to which each is a party, and (b) stating that, to the best of such Responsible Officer's knowledge, no Default or Event of Default has occurred and is continuing and that all representations and warranties made in this Agreement continue to be true and correct as if made on the date of such certification (or specifying the nature of any change), except where any such representation or warranty refers to a different date.

"**Control**" means, in respect of a particular Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ability to exercise voting power, by contract or otherwise. "**Controlling**" and "**Controlled**" have meanings correlative thereto.

"**Core Material Contracts**" means, collectively the Asset Purchase Agreement, the Lease and the Sublease, and "**Core Material Contract**" means any one of them.

"**Credit Parties**" means, collectively, the Borrower, the General Partner and Steelco, and "**Credit Party**" means any one of them.

"**Debt**" of any Person means, at any time, (without duplication), (i) all indebtedness of such Person for borrowed money including bankers' acceptances, letters of credit or letters of guarantee, (ii) all indebtedness of such Person for the deferred purchase price of property or services represented by a note or other evidence of indebtedness, to the extent the same would be required to be shown as a liability on a balance sheet prepared in accordance with IFRS, (iii) all Capital Lease Obligations and all other Purchase Money Obligations of such Person; (iv) all other indebtedness upon which

interest charges are customarily paid by such Person, other than any such obligations incurred in the ordinary course of business of such Person for the purpose of carrying on the same, (v) the aggregate amount at which any shares in the capital of such Person which are redeemable or retractable at the option of the holder may be retracted or redeemed for cash or Debt provided all conditions precedent for such retraction or redemption have been satisfied, (vi) the amount of any continuing investment or collateralization in connection with an asset securitization (regardless of form) or other form of credit enhancement or recourse made or required to be made under any asset securitization, (vii) all indebtedness of such Person created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), other than customary title reservations or retention of title under agreements with suppliers entered into in the ordinary course of business, (viii) all indebtedness of another Person secured by a contractually granted Lien (and not a Lien arising by operation of applicable Law) on any properties or assets of such Person (limited to the Fair Market Value of such assets, where there is no other recourse to such Person), and (ix) all Debt Guaranteed by such Person. For greater certainty, "Debt" shall not include accrued expenses or current trade payables arising in the ordinary course of business.

"**Debt Guaranteed**" by any Person means, without duplication, the maximum amount which may be outstanding at the relevant time of all Debt of the kinds, referred to in (i) through (viii), inclusive, of the definition of Debt which is directly or indirectly guaranteed by such Person or which such Person has agreed (contingently or otherwise) to purchase or otherwise acquire, or in respect of which such Person has otherwise assured a creditor or other Person against loss, provided that in circumstances in which less than such amount has been guaranteed by such Person, only the guaranteed amount shall be taken into account in determining such Person's Debt Guaranteed.

"**Default**" means any event or condition that constitutes an Event of Default or that, upon notice, lapse of time or both, would, unless cured or waived, become an Event of Default.

"**Distribution**" means any payment by Steelco, the General Partner or the Borrower to any of their respective Affiliates or, in the case of Steelco, to the holder of any Equity Interests of Steelco or to any Affiliate thereof, including (i) any dividend or other distribution, direct or indirect, on account of any equity units or shares of any class of Steelco, the General Partner or the Borrower (other than any such distribution made solely in Equity Interests), (ii) any redemption, retirement, sinking fund or similar payment, purchase or other acquisition by Steelco, the General Partner or the Borrower for value, direct or indirect, of any equity units or shares in its own capital (other than any redemption, retirement, sinking fund or similar payment by way of issuance of equity units or shares), (iii) any payment by Steelco, the General Partner or the Borrower made to retire, or to obtain the surrender of, any outstanding warrants, options or other rights to acquire any equity units or shares in its own capital, (iv) any payment by Steelco, the General Partner or the Borrower on account of any principal of or interest or premium on any Debt that is owed to a holder of Equity Interests of such Person or to an Affiliate of a holder of Equity Interests of such Person, or (v) management fees or comparable payments by Steelco, the General Partner or the Borrower to any Affiliate thereof.

"**Environmental Laws**" means all Laws (including policies, practices and guidelines of any Governmental Authority, but only to the extent having the force of Law) relating in any way to the environment, preservation or reclamation of natural resources, the generation, use, handling, collection, treatment, storage, transportation, recovery, recycling, release, threatened release or disposal of any Hazardous Materials.

"**Environmental Liability**" means any liability (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of any Credit Party directly or indirectly resulting from or based upon (a) the violation of any Environmental Laws, (b) the generation, use, handling, collection, treatment, storage, transportation, recovery, recycling or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) a Release or the presence or migration of any Hazardous Material in, under, through or from the Leased Lands, (e) any monitoring, management, mitigation, remediation or closure obligations under or related to the Landfill Approval or (f) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"**Environmental Permits**" means all permits, authorizations, approvals, registrations and licenses required by Environmental Laws.

"**Equity Interests**" means, with respect to any Person, any and all shares, interests, participations, rights in, or other equivalents (however designated and whether voting and non-voting) of, such Person's capital, whether outstanding on the date hereof or issued after the date hereof, including any interest in a partnership, limited partnership or other similar Person and any beneficial interest in a trust, and any and all rights, warrants, debt securities, options or other rights exchangeable for or convertible into any of the foregoing.

"**Equivalent Amount**" means, with respect to any specified amount of currency other than U.S. Dollars, the amount of U.S. Dollars that may be purchased with such amount of other currency at the Bank of Canada average rate for the purchase of U.S. Dollars with such other currency in effect for the Business Day with respect to which such computation is required for the purpose of this Agreement or, in the absence of such a buying rate on such date, using such other rate as the Administrative Agent may reasonably select, in consultation with the Required Investors.

"**Events of Default**" has the meaning set out in Section 9.1.

"**Excluded Taxes**" means, with respect to an Investor or any other recipient of any payment to be made by or on account of any obligation of the Borrower hereunder or under any other Loan Document, (a) income Taxes imposed on (or measured by) its net income, capital Taxes or franchise Taxes, in each case, imposed by any jurisdiction under the Laws of which such recipient is organized or in which its principal office is located or, in the case of any Investor, in which its applicable lending office is located or any other jurisdiction as a result of such recipient engaging in a trade or business in such jurisdiction for tax purposes or as a result of a present or future connection between such recipient and the jurisdiction imposing such Tax (other than such connection arising from the acquisition, holding or ownership of any interests in amounts owing to such recipient under this Agreement or any Loan Document, or such connection arising from such recipient having executed, delivered or performed its obligations or received payment under, or enforced its rights and remedies under, this Agreement or any other Loan Document), (b) any branch profits Tax or any similar Tax

that is imposed by any jurisdiction described in clause (a) above, (c) any Canadian withholding taxes imposed on amounts payable to or for the benefit of a recipient as a result of such recipient (i) not dealing at arm's length (within the meaning of the Tax Act) with a Credit Party, or (ii) being a "specified non-resident shareholder" of Borrower or a non-resident person not dealing at arm's length with a "specified shareholder" of Borrower (in each case within the meaning of the Tax Act) (other than where the recipient does not deal at arm's length with a Credit Party, or is a "specified non-resident shareholder" or is not dealing at arm's length with a "specified shareholder" of Borrower, as the case may be, in connection with or as a result of the recipient having become a party to, received or perfected a security interest under or received or enforced any rights under, a Loan Document), (d) taxes attributable to the failure to comply with Section 2.12(5) and (e) any U.S. federal withholding Taxes imposed pursuant to FATCA.

"**Extraordinary Receipt**" means any tax refund or extraordinary payment or other amount received in cash by the Borrower or the General Partner (excluding any issuance of Equity Interests which is subject of a mandatory repayment pursuant to Section 2.7(1)), and except for any amounts received by the Borrower or the General Partner from a Governmental Authority, a government backed development fund or any similar entity which are designated by such Governmental Authority, fund or entity to be used for a specific use.

"**Fair Market Value**" means (a) with respect to any asset or group of assets (other than a marketable security) at any date, the value of the consideration obtainable in a sale of such asset at such date assuming a sale by a willing seller to a willing purchaser dealing at Arm's Length and arranged in an orderly manner over a reasonable period of time having regard to the nature and characteristics of such asset, or, if such asset shall have been the subject of a relatively contemporaneous appraisal by an independent third party appraiser, the basic assumptions underlying which have not materially changed since its date, the value set out in such appraisal, and (b) with respect to any marketable security at any date, the final price for the purchase of such marketable security at face value quoted on such Business Day by a financial institution of recognized standing selected by the Required Investors which regularly deals in securities of such type.

"**FATCA**" shall mean Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with) and any current or future regulations or official interpretations thereof.

"**Federal Funds Rate**" means, for any day, the rate calculated by the New York Federal Reserve Board ("**NYFRB**") based on such day's federal funds transactions by depositary institutions (as determined in such manner as the NYFRB shall set forth on its public website from time to time) and published on the next succeeding Business Day by the NYFRB as the effective federal funds rate; provided that if the Federal Funds Rate as so determined would be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.

"**Fee Letter**" means the letter agreement dated as of the date hereof between the Borrower, the Administrative Agent and the Collateral Agent.

"**Final**" means, with respect to any order of any court of competent jurisdiction, that such order shall not have been stayed, appealed, varied (except with the consent of the

Investors, acting reasonably) or vacated, and all time periods within which such order could at law be appealed shall have expired.

"**Fiscal Quarter**" means any fiscal quarter of Steelco, the General Partner or the Borrower, as applicable.

"**Fiscal Year**" means any fiscal year of Steelco, the General Partner or the Borrower ending on March 31 of each calendar year, as applicable.

"**General Partner**" means Algoma Docks GP Inc., a British Columbia corporation, the general partner of the Borrower, and its successors.

"**Governmental Authority**" means the Government of Canada, any other nation or any political subdivision thereof, whether provincial, state, territorial or local, and any agency, authority, instrumentality, regulatory body, court, central bank, fiscal or monetary authority or other authority regulating financial institutions, and any other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, including the Bank Committee on Banking Regulation and Supervisory Practices of the Bank of International Settlements.

"**GSA**" means the general security agreement dated as of the date hereof among the Borrower, the General Partner and the Collateral Agent, for and on behalf of itself, the Investors and the Administrative Agent constituting a first-priority Lien (subject to Permitted Liens) over all present and future property (both real and personal) of the Borrower and the General Partner, including all Equity Interests in which the Borrower or the General Partner have any right, title or interest.

"**Hazardous Materials**" means any substance, product, liquid, waste, pollutant, chemical, contaminant, insecticide, pesticide, gaseous or solid matter, organic or inorganic matter, fuel, micro-organism, ray, odour, radiation, constituent or material which (a) is or becomes listed or regulated as toxic or hazardous under any Environmental Laws, or (b) is, or is deemed to be, alone or in any combination, hazardous, hazardous waste, toxic, a pollutant, a deleterious substance, a contaminant or a source of pollution or contamination under any Environmental Laws, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes.

"**Hedge Arrangement**" means any arrangement which is a swap transaction, basis swap, forward rate transaction, interest rate option, forward foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross- currency rate swap transaction, currency option or any similar transaction (including any option with respect to any of such transactions or arrangements) designed and entered into to protect or mitigate against risks in interest, currency exchange or commodity price fluctuations.

"**Hedging Costs Cash Flow**" has the meaning set out in Section 2.7(1).

"**ICE Benchmark Administration Interest Settlement Rate**" means, with respect to any period, the London interbank offered rate for U.S. Dollar deposits with maturities comparable to such period administered by ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate).

"**IFRS**" means international financial reporting standards issued by the International Accounting Standards Board as in effect in Canada from time to time.

"**Impermissible Qualification**" means, relative to (a) the financial statements or notes thereto of the Borrower or the General Partner; or (b) the opinion or report of any independent auditors as to any financial statement or notes thereto, any qualification to such financial statements, notes, opinion or report, as the case may be, which (i) is of a "going concern" or similar nature involving the ability of the Borrower or the General Partner to continue in the future (except for any such qualification pertaining to, or disclosure of an exception or qualification resulting from, the maturity (or impending maturity) of the Term Loan, the credit facilities available under the Steelco Exit Facility Agreements or any other Debt occurring within one year of the date of delivery of the relevant audit opinion); or (ii) relates to any limited scope of examination of material matters relevant to such financial statement if such limitation results from the refusal or failure of the Borrower or the General Partner to grant access to necessary information therefor.

"**Indemnified Taxes**" means all Taxes other than Excluded Taxes.

"**Indemnitee**" has the meaning specified in Section 11.3(2).

"**Initial Security Documents**" means the materials described in Schedule 1.1(A).

"**Interest Payment Date**" means the last day of each Interest Period.

"**Interest Period**" means, in respect of the Term Loan, the period commencing on the Advance Date and ending on the numerically corresponding day in the calendar month that is three months thereafter and each succeeding three month calendar period thereafter, provided that (a) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the immediately succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day, (b) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period, and (c) no Interest Period shall extend beyond any date that any principal payment or prepayment is scheduled to be due.

"**Inter-Lender Agreement**" means an intercreditor agreement among the Collateral Agent, the Borrower, the General Partner, Steelco and the lenders under each Steelco Exit Facility Agreement (or the agent thereof), which is in form and substance acceptable to the Investors, acting reasonably.

"**Investments**" means, in respect of any Person, (a) any advances, loans, guarantees or other extensions of credit or capital contributions or the provision of any other financial assistance of any kind to (by means of transfers of property, money or assets) any other Person, and, for greater certainty, includes any Debt of any other Person guaranteed by such Person (but excluding advances to directors, officers and employees for moving and travel, drawing accounts and similar expenditures in the ordinary course of business and accounts receivable arising from sales or services rendered in the ordinary course of such Person's business), (b) any Acquisition or (c) any purchase or acquisition of, or any other type of investment in, any bonds, notes, debentures or other debt securities of,

any other Person. The amount of any Investment will be the original cost of such Investment, plus the cost of all additions thereto and minus the amount of any portion of such Investment repaid to such Person in cash as a dividend or return of capital, repayment of loans and advances, or as proceeds of Asset Dispositions, but without any other adjustments for increases or decreases in value, or write-ups, write-downs or write-offs with respect to such Investment. In determining the amount of any Investment involving a transfer of any property other than cash, such property will be valued at its Fair Market Value at the time of such transfer.

"**Investors**" means (and each, an "**Investor**"), as at the Closing Date, GIP Primus, L.P. and Brightwood Capital Fund III Holdings SPV-3, LLC, Brightwood Capital Fund III-U, LP, Forethought Life Insurance Company, and thereafter any other Person that shall have become a party hereto as an "Investor" pursuant to an Assignment and Acceptance, and its successors (and for greater certainty shall exclude any such Person that ceases to be an Investor for the purposes of this Agreement pursuant to an Assignment and Acceptance).

"**Investor's Account**" means, in respect of any Investor, such Investor's account, the details of which shall have been provided by such Investor to the Administrative Agent.

"**Landfill Approval**" means Environmental Compliance Approval (Waste Disposal Site) No. A560101, as amended, restated, supplemented or otherwise modified, replaced, reissued or renewed.

"**Laws**" means all federal, provincial, municipal, foreign and international statutes, acts, codes, ordinances, decrees, treaties, rules, regulations, municipal by-laws, judicial or arbitral or administrative or ministerial or departmental or regulatory judgments, orders, decisions, rulings or awards or any provisions of the foregoing, including general principles of common and civil law and equity, and all policies, practices and guidelines of any Governmental Authority binding on or affecting the Person referred to in the context in which such word is used (and in respect of Steelco, the General Partner or the Borrower, legally enforceable or in respect of which entities similar to Steelco, the General Partner or the Borrower, as applicable, customarily comply) (including, in the case of tax matters, any accepted practice or application or official interpretation of any relevant taxation authority); and "**Law**" means any one or more of the foregoing.

"**Lease**" means the amended and restated port lease dated as of the date hereof between Steelco, as landlord, (as successor in interest to Essar Steel Algoma Inc.) and the Borrower, as tenant, (as successor in interest to Port of Algoma Inc.) (as amended, restated, supplemented or replaced as permitted herein).

"**Leased Lands**" means the lands and premises leased to the Borrower pursuant to the Lease.

"**LIBO Rate**" means, for any Interest Period, the ICE Benchmark Administration Interest Settlement Rate at approximately 11:00 a.m. (London time), on the date that is two Business Days prior to the commencement of such Interest Period; provided, however, that, to the extent that an interest rate is not ascertainable pursuant to the foregoing provisions of this definition, the "LIBO Rate" shall be the interest rate per annum determined by the Administrative Agent, in consultation with the Required Investors, to be the average of the rates per annum at which deposits in U.S. Dollars are offered for such relevant Interest Period to major banks in the London interbank market in London,

England at approximately 11:00 a.m. (London time) on the date that is two Business Days prior to the beginning of such Interest Period, and provided further that at if at any time the LIBO Rate as determined above is less than 0% per annum, the LIBO Rate shall be deemed to be zero for the purposes of this Agreement.

"**Lien**" means, with respect to any asset, (a) any mortgage, deed of trust, lien (statutory or otherwise), deemed trust, pledge, hypothec, hypothecation, encumbrance, charge, security interest, royalty interest, or defect of title in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease, title retention agreement or consignment agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset, (c) any purchase option, call or similar right of a third party with respect to such asset, and (d) any other arrangement having the effect of providing security over such asset.

*"***Loan Documents**" means this Agreement, the Security Documents, the Steelco Guarantee, the Fee Letter and the Borrowing Request, together with any other document, instrument or agreement now or hereafter entered into in connection with this Agreement, as such documents, instruments or agreements may be amended, modified or supplemented from time to time.

"**Material Adverse Effect**" means a material adverse effect on (a) the business, assets, operations or condition, financial or otherwise, of the Credit Parties taken as a whole, (b) the ability of the Borrower, the General Partner or Steelco to perform its respective obligations under the Loan Documents to which it is a party, (c) the validity or enforceability of any of the Loan Documents, the priority of the Liens created thereby or the rights and remedies of the Collateral Agent, the Investors or the Administrative Agent thereunder or (d) the value of the Collateral.

"**Material Authorization**" means (a) the Authorizations listed and described on Schedule 3.1(6), and (b) any other Authorization the breach, non-performance, cancellation or non-availability of which or failure to renew which could reasonably be expected to have a Material Adverse Effect.

"**Material Contract**" means (a) the Core Material Contracts, (b) the contracts, licences and agreements listed and described on Schedule 3.1(16) and (c) any other contract, licence or agreement (i) to which the Borrower or the General Partner is a party or bound, (ii) which is material to, or necessary in, the operation of the business of the Borrower or the General Partner, (iii) in respect of which the Borrower or the General Partner does not promptly obtain or enter into alternative commercially reasonable arrangements and (iv) the absence of which could reasonably be expected to result in a Material Adverse Effect.

"**Maturity Date**" means the date which is seventy-eight (78) months after the Advance Date (or, if such date is not a Business Day, the immediately preceding Business Day).

"**Monitor's Port Vesting Certificate**" means the monitor's port vesting certificate in the form attached as Schedule "A" to the Approval and Vesting Order.

"**Monitor's Sale Certificate**" means the monitor's sale certificate in the form attached as Schedule "A" to the Steelco Approval and Vesting Order.

"**Net Proceeds**" means any one or more of the following:

(a) with respect to any Asset Disposition by the Borrower or the General Partner, the net amount equal to the aggregate amount received in cash in connection with such Asset Disposition (including, without limitation, the release of any amount from an indemnity reserve, escrow or similar fund established in connection with such Asset Disposition, but only as and when received), less the sum of reasonable fees, including reasonable accounting, advisory and legal fees, commissions and other out-of-pocket expenses, a provision of taxes attributable to such Asset Disposition and costs associated with the repayment of Debt (as evidenced by supporting documentation provided to the Investors) or the unwinding of any hedge agreements incurred or paid for by the Borrower or the General Partner in connection with such Asset Disposition;

(b) with respect to the receipt of proceeds of any Extraordinary Receipt, the net amount equal to the aggregate amount received (or receivable) in cash by the Borrower or the General Partner in connection with such Extraordinary Receipt less a provision for taxes attributable thereto; and

(c) with respect to the issuance of any Equity Interests by any Person or of any capital contributions by any Person in such Person, the net amount equal to the aggregate amount received in cash in connection with such issuance or contribution by any Person in such Person, less the sum of reasonable fees, including reasonable accounting, advisory and legal fees, commissions and other out-of-pocket expenses incurred or paid for by such Person in connection with the issuance of any such Equity Interests or of any capital contributions by any Person in such Person.

"**Other Taxes**" has the meaning set out in Section 2.12(2).

"**Participant**" has the meaning set out in Section 11.4(3).

"**Party**" means a party to this Agreement and reference to a Party includes its successors and permitted assigns and "**Parties**" means every Party.

"**Pension Plan**" means a pension plan which is or was sponsored, administered or contributed to, or required to be contributed to by, any Credit Party or under which any Credit Party has any actual or potential liability.

"**Permitted Amendments**" means, in respect of the Lease and the Sublease, any amendment that does not materially and adversely impact (i) the rights of the Investors under the Loan Documents,(ii) the Borrower's ability to make payments owed under this Agreement, or (iii) the value of the Collateral; provided that, any amendment to any of Sections 4.1, 4.2, 5.2, 5.4, 6.1, 6.2, 11.1, 14.3, 15.1, 15.2, 19.1 or 19.2 of the Lease or any of Sections 2.2, 2.3, 2.4, 2.5, 2.6 or 2.7 of the Sublease shall not be a Permitted Amendment.

"**Permitted Cash Investments**" means an Investment by the Borrower or the General Partner in any of the following:

(a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the Government of Canada (or any Province thereof) or the Government of the United States of America (or in each case

by any agency thereof to the extent such obligations are backed by the full faith and credit of the Government of Canada or any Province thereof or the United States of America), in each case maturing within one year from the date of acquisition thereof;

(b) commercial paper maturing within 365 days from the date of acquisition thereof and rated, at such date of acquisition, at least "Prime 1" (or the then equivalent grade) by Moody's or "A" (or the then equivalent grade) by S&P or R-1 Low (or the then equivalent grade) by Dominion Bond Rating Service Limited;

(c) certificates of deposit, bankers' acceptances, commercial paper and time deposits maturing within 180 days from the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, any domestic office of any commercial bank organized under the laws of Canada or of any Canadian province having, at such date of acquisition, a credit rating on its non-credit enhanced long-term unsecured Debt of at least "A-" by S&P;

(d) fully collateralized repurchase agreements with a term of not more than 180 days for securities described in clause (a) above and entered into with a financial institution satisfying the criteria described in clause (c) above;

(e) securities with maturities of one year or less from the date of acquisition issued or fully guaranteed by any State, commonwealth or territory of the United States of America, or by any political subdivision or taxing authority thereof, and rated at least "A" by S&P or "A" by Moody's;

(f) money market funds that (i) are rated "AAA" by S&P and "Aaa" by Moody's and (ii) have portfolio assets of at least Cdn. $5,000,000 (or the Equivalent U.S. $ Amount), or

(g) deposits in bank accounts made in the ordinary course of business and otherwise permitted hereunder.

"**Permitted Liens**" means:

(a) Liens in favour of the Collateral Agent, the Investors and/or the Administrative Agent for the obligations of any Credit Party under or pursuant to the Loan Documents;

(b) Liens imposed by any Governmental Authority for Taxes not yet due and delinquent or which are being contested in good faith and by appropriate proceedings and provided that such Credit Party shall have set aside on its books reserves deemed adequate therefor and not resulting in qualification by auditors;

(c) carrier's, warehousemen's, mechanics', materialmen's, repairmen's, construction and other like Liens arising by operation of applicable Law, arising in the ordinary course of business and securing amounts (i) which are not overdue for a period of more than 30 days, or (ii) which are being contested in good faith and by appropriate proceedings and, during such

period during which amounts are being so contested, such Liens shall not be executed on or enforced against any of the assets of any Credit Party, provided that such Credit Party shall have set aside on its books reserves deemed adequate therefor and not resulting in qualification by auditors;

(d) statutory Liens incurred, or pledges or deposits made, under worker's compensation, employment insurance and other social security legislation;

(e) undetermined or inchoate Liens and charges arising or potentially arising under statutory provisions which have not at the time been filed or registered in accordance with applicable Law or of which written notice has not been duly given in accordance with applicable Law or which although filed or registered, relate to obligations not due or delinquent;

(f) registered servitudes, easements, rights-of-way, restrictions and other similar encumbrances on real property imposed by applicable Law or incurred in the ordinary course of business and encumbrances consisting of zoning or building restrictions, registered easements, licenses or restrictions on the use of property or minor imperfections in title thereto which, in the aggregate, are not material, and which do not in any case materially detract from the value of the property subject thereto or interfere with the ordinary conduct of the business of any Credit Party;

(g) Liens of or resulting from any judgment or award not resulting in an Event of Default hereunder;

(h) securities provided to or deposits with public utilities or to any municipalities or Governmental Authorities or other public authority when required by the utility, municipality or Governmental Authorities or other public authority in connection with the supply of services or utilities to the Credit Parties;

(i) Liens or covenants restricting or prohibiting access to or from lands abutting on controlled access highways or covenants affecting the use to which lands may be put; provided that such Liens or covenants do not materially and adversely affect the use of the lands by any Credit Party;

(j) customary rights of set-off or combination of accounts in favour of a financial institution with respect to deposits maintained by it; and

(k) any extension, renewal or replacement of any of the foregoing, provided, however, that such extended, renewed or replacement Liens shall not be extended to cover any additional Debt of the Credit Parties or any additional property (other than a substitution of like property).

"**Person**" includes any natural person, corporation, company, limited liability company, trust, joint venture, association, incorporated organization, partnership, Governmental Authority or other entity.

"**POI**" means Port of Algoma Inc.

"**POI Credit Agreement**" means the Senior Secured Term Loan Credit Agreement dated as of November 14, 2014 among POI, Port Holding Company, Deutsche Bank Trust

Company Americas, as administrative agent, and Deutsche Bank Trust Company Americas, as collateral agent, as such agreement may have been amended, modified or supplemented from time to time.

"**Port Assets**" means the "Purchased Assets", as defined in and constituted pursuant to the Approval and Vesting Order.

"**Purchase Money Obligation**" means, in respect of any Person, any Lien charging property acquired by such Person, which is granted or assumed by such Person, reserved by the transferor or which arises by operation of Law in favour of the transferor concurrently with and for the purpose of the acquisition of such property, in each case where: (i) the principal amount secured by such security interest is not in excess of the cost to such Person of the property acquired and costs associated with such acquisition; and (ii) such security interest extends only to the property acquired and the proceeds therefrom.

"**Related Parties**" means, with respect to any Person, such Person's Affiliates and the respective directors, officers, employees and agents of such Person and of such Person's Affiliates.

"**Release**" is to be broadly interpreted and shall include an actual or threatened discharge, deposit, spill, leak, pumping, pouring, emission, emptying, injection, escape, leaching, seepage or disposal of a Hazardous Materials into the environment which is or could reasonably be expected to result in a breach of any Environmental Laws.

"Required Insurance" means:

(a) a minimum limit of $10,000,000 (aggregate) for Marine Liability including pollution coverage with the exception of $1,000,000 in respect of Voluntary Wreck Removal within a specific Marine Liability policy underwritten on behalf of the Borrower and the General Partner;

(b) a minimum limit of $10,000,000 any one conveyance for Cargo within a specific Marine Cargo policy underwritten on behalf of the Borrower and the General Partner;

(c) a minimum limit of $10,000,000 for Directors & Officers Liability to be written specifically on behalf of the Borrower and the General Partner;

(d) the Borrower and the General Partner shall be scheduled as an "additional insured" as their interest may appear within the Property policies for Steelco;

(e) the Borrower and the General Partner shall be named as an "additional insured" under the Marine Liability policy, the Primary General Liability policy, the Primary Automobile Liability policy for Steelco; and

(f) the Borrower and the General Partner shall be named as an "additional insured" under the excess Umbrella Liability policies for Steelco, which policies shall be in an amount of $55,000,000.

"**Required Investors**" means, at any time, Investors holding 67% or more of the aggregate principal amount of the Term Loan then outstanding.

"**Responsible Officer**" means, with respect to any Person, the chairman, the president, any vice president, the chief executive officer or the chief operating officer.

"**Sale-Leaseback Transaction**" means, with respect to any Person, any direct or indirect arrangement entered into after the date hereof pursuant to which such Person (or one or more of its Affiliates) transfers or causes the transfer of any Assets to another Person and leases such Assets back from such Person.

"**Sanctions**" means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State.

"**Sanctioned Country**" means, at any time, a country or territory which is the subject or target of any Sanctions.

"**Sanctioned Person**" means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State, by the United Nations Security Council or Canada, (b) any Person located, organized or resident in a Sanctioned Country or (c) any Person owned 50 percent or more by any Person or Persons referenced in clause (a).

"**Secured Liabilities**" means all present and future indebtedness, liabilities and obligations of any and every kind, nature and description (whether direct or indirect, joint or several, absolute or contingent, mature or unmatured) of the Credit Parties, as applicable, to the Collateral Agent and/or the Investors and/or the Administrative Agent under, in connection with or with respect to this Agreement and the other Loan Documents, and any unpaid balance thereof.

"**Security Documents**" means the agreements or instruments described or referred to in Schedule 1.1(A) or Article 4 (including, to the extent such Article describes an amendment, the agreement or instrument amended thereby) and any and all other agreements or instruments now or hereafter executed and delivered by a Credit Party as security (including by way of guarantee) for the payment or performance of all or part of the Secured Liabilities, as any of the foregoing may have been, or may hereafter be, amended, modified or supplemented.

"**Short-Term Note**" means the promissory note dated as of the date hereof in the principal amount of U.S.$73,000,000 granted by the Borrower in favour of POI in partial payment for the Port Assets acquired pursuant to the Asset Purchase Agreement.

"**Solvency Certificate**" means a certificate of the General Partner substantially in the form of Exhibit D addressed to the Administrative Agent, the Collateral Agent and the Investors.

"**Solvent**" means, with respect to any Person on any date of determination, that on such date (a) the fair value of the property (for the avoidance of doubt, calculated to include goodwill and other intangibles) of such Person is greater than the total amount of liabilities, including contingent liabilities, of such Person, and (b) such Person is able to pay its debts and liabilities as they mature. The amount of contingent liabilities at any time shall be computed as the amount that, in the light of all the facts and circumstances

existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

"**Steelco**" means Algoma Steel Inc. and its successors.

"**Steelco Approval and Vesting Order**" means an order with respect to the transactions contemplated by the Steelco Asset Purchase Agreement granted by the CCAA Court in form and substance satisfactory to Steelco and the Investors, each acting in a commercially reasonable manner.

"**Steelco Asset Purchase Agreement**" means the asset purchase agreement made as of July 20, 2018 among Essar Steel Algoma Inc., Essar Steel Algoma Inc. USA and Steelco.

"**Steelco Exit ABL Facility**" has the meaning set out in the definition of Steelco Exit Facility Agreements.

"**Steelco Exit CapEx Facility**" has the meaning set out in the definition of Steelco Exit Facility Agreements.

"**Steelco Exit Facility Agreements**" means, collectively (a) that certain revolving credit agreement dated as of the date hereof (the "**Steelco Exit ABL Facility**") between, among others, Steelco, as borrower, and the lenders and other financial institutions party thereto from time to time and Wells Fargo Capital Finance Corporation Canada, as administrative agent and collateral agent, pursuant to which such lenders and financial institutions have committed to provide revolving loans from time to time to Steelco on the terms set forth therein, (b) that certain term loan credit agreement dated as of the date hereof (the "**Steelco Exit Term Loan Facility**") between, among others, Steelco, as borrower, and the lenders and other financial institutions party thereto from time to time and Cortland Capital Market Services LLC, as administrative agent and collateral agent, pursuant to which such lenders and financial institutions have committed to provide a term loan to Steelco on the terms set forth therein, (c) that credit agreement dated as of the date hereof (the "**Steelco Exit CapEx Facility**") among Steelco, as borrower, and Her Majesty the Queen in Right of the Province of Ontario, as represented by the Minister of Energy, Northern Development and Mines, pursuant to which Steelco is provided a capital expenditures facility subject to the terms set forth therein and (d) that certain senior secured loan agreement dated as of the date hereof among Steelco, as borrower, and Her Majesty the Queen in Right of Canada, as represented by the Minister responsible for Federal Economic Development Agency for Southern Ontario, pursuant to which Steelco is provided a capital expenditures facility subject to the terms set forth therein, and that certain program of Strategic Innovation Fund (under the auspices of the Ministry of Innovation, Science and Economic Development Canada) pursuant to which Steelco is provided a secured facility subject to the terms set forth therein (collectively, the "**Steelco Exit FedDev Facility**") in each case, as may be amended, restated or refinanced from time to time.

"**Steelco Exit FedDev Facility**" has the meaning set out in the definition of Steelco Exit Facility Agreements.

"**Steelco Exit Term Loan Facility**" has the meaning set out in the definition of Steelco Exit Facility Agreements.

"**Steelco Guarantee**" means the unlimited guarantee from Steelco dated as of the date hereof in favour of the Collateral Agent, the Investors and the Administrative Agent with respect to the debts, liabilities and obligations of the Borrower and the General Partner under the Loan Documents (as amended, restated, supplemented or replaced).

"**Sublease**" means the sublease dated as of the date hereof among Steelco and the Borrower, substantially in the form attached hereto as Exhibit F, pursuant to which the Borrower will sublease to Steelco the Port Assets in return for quarterly lease payments.

"**subsidiary**" or "**Subsidiary**" means, with respect to any Person (the "**parent**") at any date, any other Person (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held, or (b) that is, as of such date, otherwise Controlled, by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent.

"**Tax Act**" means the *Income Tax Act* (Canada).

"**Tax Return**" shall mean all returns, statements, filings, attachments and other documents or certifications required to be filed in respect of Taxes.

"**Taxes**" means all present or future taxes, charges, fees, levies, imposts, deductions, withholdings and other assessments, including all income, sales, use, goods and services, harmonized sales, value added, capital, capital gains, alternative, net worth, transfer, profits, withholding, payroll, employer health, excise, real property and personal property taxes, and any other taxes, customs duties, fees, assessments, or similar charges in the nature of a tax, including Canada Pension Plan and provincial pension plan contributions, employment insurance premiums and workers' compensation premiums, together with any instalments with respect thereto, and any interest, fines and penalties with respect thereto, imposed by any Governmental Authority (including federal, state, provincial, municipal and foreign Governmental Authorities), and whether disputed or not.

"**Term Loan**" has the meaning set out in Section 2.1.

"**Transactions**" means (a) the execution, delivery and performance by (i) the Credit Parties of this Agreement and the other Loan Documents to which it is a party, (ii) Steelco and the Borrower of the Sublease, and (iii) the Borrower and Steelco of the Core Material Contracts, and (b) the borrowing of the Term Loan and the use of the proceeds thereof.

"**U.S. Base Rate**" means, for any day, the rate of interest per annum equal to the Federal Funds Rate plus 50 basis points per annum, adjusted automatically with each quoted or established change in such rate, all without the necessity of any notice to the Borrower or any other Person.

"**U.S. Dollars**" and "**U.S. $**" refer to lawful money of the United States of America.

"Wholly-Owned Subsidiary" means, in respect of a Person, a Subsidiary of such Person all of the issued and outstanding Equity Interests in which, whether voting or not, are owned by such Person.

1.2 Terms Generally.

The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "or" is disjunctive; the word "and" is conjunctive. The words "to the knowledge of" means, when modifying a representation, warranty or other statement of any Person, that the fact or situation described therein is known by the Person (or, in the case or a Person other than a natural Person, known by the Responsible Officer of such Person) making the representation, warranty or other statement, or with the exercise of reasonable due diligence under the circumstances (in accordance with the standard of what a reasonable Person in similar circumstances would have done) would have been known by the Person (or, in the case of a Person other than a natural Person, would have been known by such Responsible Officer of such Person). Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set out herein), (b) any reference herein to any statute or any section thereof shall, unless otherwise expressly stated, be deemed to be a reference to such statute or section as amended, restated or re-enacted from time to time, (c) any reference herein to any Person shall be construed to include such Person's successors and permitted assigns, (d) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (e) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, and (f) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

1.3 Accounting Terms; IFRS.

Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with IFRS.

1.4 Time.

All time references herein shall, unless otherwise specified, be references to Eastern time. Time is of the essence of this Agreement and the other Loan Documents.

1.5 Currency.

Unless otherwise specified herein, all dollar amounts herein and in any other Loan Document are amounts expressed in U.S. Dollars and any reference to Dollars or $ means, unless otherwise specified, U.S. Dollars. For the purposes of determining compliance with or measuring status under any cap, threshold or basket hereunder denominated in U.S. Dollars (as applicable), reference shall be had to the Equivalent Amount of any portion of the underlying component that is not denominated in U.S. Dollars (as applicable).

1.6 Permitted Liens.

Any reference in any of the Loan Documents to a Permitted Lien is not intended to subordinate or postpone, and shall not be interpreted as subordinating or postponing, or as any agreement to subordinate or postpone, any Lien created by any of the Loan Documents to any Permitted Lien.

1.7 Liability of General Partner

The General Partner acknowledges, confirms and agrees that, as the general partner of the Borrower, it is jointly and severally liable for all present and future indebtedness, liabilities and obligations of any and every kind, nature and description (whether direct or indirect, joint or several, absolute or contingent, matured or unmatured) of the Borrower to the Collateral Agent, the Administrative Agent and the Investors (or any of them) pursuant to this Agreement and the other Loan Documents.

ARTICLE 2
THE CREDITS

2.1 Commitment.

Subject to the terms and conditions set forth herein, each Investor commits to make a loan to the Borrower in an aggregate principal amount equal to the amount set forth beside such Investor's name in Schedule 2.1 under the heading "Term Loan Commitment" (the "**Term Loan**") by way of a single advance on the Advance Date. Any amount of the Term Loan not drawn on the Advance Date shall be permanently cancelled. The Term Loan shall not revolve and any repayments or prepayments of the principal amount of the Term Loan shall permanently reduce the Term Loan. The failure of any Investor to make any Term Loan required to be made by it shall not relieve any other Investor of its obligations hereunder; provided that the commitments of the Investors to advance its portion of the Term Loan are several and no Investor shall be responsible for any other Investor's failure to make the Term Loan as required.

2.2 Request for Borrowing.

To request the Borrowing of the Term Loan, the Borrower shall notify the Administrative Agent of such request in writing substantially in the form of Exhibit A (the "**Borrowing Request**"). The Borrowing Request shall be irrevocable. Upon receipt of the Borrowing Request the Administrative Agent shall provide a copy thereof to the Investors. The Administrative Agent and the Investors are entitled to rely and act upon any Borrowing Request given or purportedly given by the Borrower, and the Borrower hereby waives the right to dispute the authenticity and validity of any such request or resulting transaction once the Investors have advanced funds based on the Borrowing Request. The Borrowing Request shall specify the following information: (i) the date of the requested Borrowing (which shall be a Business Day); (ii) the aggregate amount of the requested Borrowing and (iii) the location and number of the Borrower's account or such other Person's account as designated by the Borrower to which funds are to be disbursed, which shall comply herewith.

2.3 Funding of Borrowing.

The Investors are hereby irrevocably directed by the Borrower to make the Term Loan on the Closing Date by paying the funds applicable to the Borrowing Request to BDO Canada

Limited, in its capacity as Court-appointed receiver of POI, in full and final repayment of the Short-Term Note. BDO Canada Limited, solely in its capacity as Court-appointed receiver of POI, shall provide an irrevocable direction to the Administrative Agent that all such funds received by BDO Canada Limited in repayment of the Short-Term Note shall be paid to the lenders under the POI Credit Agreement in permanent reduction of the obligations of POI under the POI Credit Agreement.

2.4 Interest and Commitment Fees.

(1) *Interest.* The Term Loan shall bear interest (computed on the basis of the actual number of days in the relevant Interest Period over a year of 360 days) at the LIBO Rate for each successive Interest Period in effect for the Term Loan, commencing on the Advance Date, in each case, plus the Applicable Margin.

(2) *Before and After Judgment Interest.* Notwithstanding the foregoing, if an Event of Default shall have occurred and be continuing, then at the option of the Investors, any principal of or interest on the Term Loan, or any fee or other amount payable by the Borrower hereunder, shall bear interest (including interest on interest), after as well as before judgment at a rate per annum equal to the rate specified in clause (1) above plus, to the extent permitted by applicable Laws, 2% per annum.

(3) *Accrued Interest.* Accrued interest on the Term Loan shall be payable in arrears on (a) each applicable Interest Payment Date, and (b) the Maturity Date. In addition, in the event of any repayment or prepayment of the Term Loan, accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment. Interest on overdue amounts shall be payable upon demand.

(4) *Days Interest Payable.* All interest hereunder shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable LIBO Rate shall be determined by the Administrative Agent for each successive Interest Period, and such determination shall be conclusive absent manifest error.

(5) *Yearly Rate of Interest.*

(a) For the purposes of the *Interest Act* (Canada) and disclosure thereunder, whenever any interest or any fee to be paid hereunder or in connection herewith is to be calculated on the basis of a 360-day or 365-day year, the yearly rate of interest to which the rate used in such calculation is equivalent is the rate so used multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by 360 or 365, as applicable. The rates of interest under this Agreement are nominal rates, and not effective rates or yields. The principle of deemed reinvestment of interest does not apply to any interest calculation under this Agreement.

(b) The Borrower acknowledges and confirms that:

(i) clause (a) above satisfies the requirements of Section 4 of the Interest Act (Canada) to the extent it applies to the expression or statement of any interest payable under any Loan Document; and

(ii) each Credit Party is able to calculate the yearly rate or percentage of interest payable under any Loan Document based upon the methodology set out in clause (a) above.

(c) The Borrower and the General Partner each agree not to, and to cause each other Credit Party not to, plead or assert, whether by way of defence or otherwise, in any proceeding relating to the Loan Documents, that the interest payable thereunder and the calculation thereof has not been adequately disclosed to any Credit Party, whether pursuant to Section 4 of the Interest Act (Canada) or any other applicable Law or legal principle.

(6) *Criminal Interest.* If any provision of this Agreement would oblige a Credit Party to make any payment of interest or other amount payable to an Investor in an amount or calculated at a rate which would be prohibited by applicable Law or would result in a receipt by such Investor of "interest" at a "criminal rate" (as such terms are construed under the *Criminal Code* (Canada)), then, notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by Law or so result in a receipt by such Investor of "interest" at a "criminal rate", such adjustment to be effected, to the extent necessary (but only to the extent necessary), as follows: (i) first, by reducing the amount or rate of interest required to be paid to such Investor under Section 2.4; and (ii) thereafter, by reducing any fees, commissions, costs, expenses, premiums and other amounts required to be paid to such Investor which would constitute interest for purposes of section 347 of the *Criminal Code* (Canada).

(7) *Commitment Fee*. The Borrower shall pay to the Investors, rateably in accordance with their Applicable Percentages, a commitment fee for the period commencing on December 1, 2018 to and including the Advance Date, computed at the rate equal to the LIBO Rate for a three month Interest Period plus 6.5% per annum, on an amount equal to U.S.$173,000,000. Such commitment fee shall be payable in arrears on the Advance Date, shall be computed daily on the basis of the year of 360 days, and shall be payable for the actual number of days elapsed (including the first day but excluding the last day). Notwithstanding the foregoing, this Section 2.4(7) shall not apply and such commitment fee shall not be payable if (a) the conditions precedent in Article 5 are satisfied (or waived in accordance with Section 11.2) on or before November 30, 2018 or (b) the conditions precedent in Article 5 are not satisfied (or waived in accordance with Section 11.2) and the advance of the Term Loan does not occur.

(8) *Other Fees*. The Borrower shall pay to the Administrative Agent and the Collateral Agent for their own account, in U.S. Dollars, fees in the amounts and at the times specified in the Fee Letter. Such fees shall be fully earned when paid and shall not be refundable for any reason whatsoever.

(9) *Currency.* All amount of principal, interest, premiums and fees under this Agreement and the other Loan Documents shall be payable in U.S. Dollars.

2.5 Repayment of Term Loan.

(a) The Borrower hereby unconditionally promises to pay to the Investors on each date below the following amounts on account of the outstanding principal amount of the Term Loan held by the Investors, to be applied

rateably by the Investors in accordance with their respective Applicable Percentages:

Date	Amount
Each of the first eight (8) Interest Payment Dates after the Advance Date.	$2,500,000 less the amount of interest paid on such Interest Payment Date.
Each of the ninth (9th) through and including the twelfth (12th) Interest Payment Dates after the Advance Date.	$2,875,000 less the amount of interest paid on such Interest Payment Date.
Each Interest Payment Date occurring after the twelfth (12th) Interest Payment Date after the Advance Date.	$3,250,000 less the amount of interest paid on such Interest Payment Date

(b) The Borrower hereby unconditionally promises to pay to each Investor the outstanding principal amount of the Term Loan held by such Investor, together with all accrued and unpaid interest thereon, and any other amounts outstanding hereunder, on the Maturity Date.

2.6 Evidence of Debt.

(1) *Accounts of Indebtedness.* The Administrative Agent shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to the Investors resulting from the Term Loan, including the amounts of principal and interest payable and paid to the Investors from time to time hereunder.

(2) *Accounts Conclusive.* The entries made in the accounts maintained pursuant to Section 2.6(1) shall be conclusive evidence (absent manifest error) of the existence and amounts of the obligations recorded therein; provided that the failure of the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Term Loan in accordance with the terms of this Agreement.

(3) *Promissory Notes.* Any Investor may request that the Term Loan made by it be evidenced by a promissory note. In such event, the Borrower shall prepare, execute and deliver to such Investor a promissory note payable to the order of such Investor (or, if requested by such Investor, to such Investor and its registered assigns) and in a form approved by such Investor (with a copy thereof to the Administrative Agent). Thereafter, the Term Loan evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 11.4) be represented by one or more promissory notes in such form payable to the order of the payee named therein (or, if such promissory note is a registered note, to such payee and its registered assigns).

2.7 Prepayments.

(1) *Mandatory Term Loan Prepayments*.

(a) In the event of an Asset Disposition by the Borrower or the General Partner, the Borrower shall, within five Business Days of such Asset Disposition, prepay an aggregate principal amount of the Term Loan equal to the amount of Net Proceeds received by the Borrower or the General Partner, as the case may be; provided that this prepayment requirement shall not apply (i) to that portion of such Net Proceeds which, when aggregated with the Net Proceeds from any other Asset Disposition made by the Borrower and the General Partner in the same Fiscal Year in respect of which payment has not been made pursuant to this Section 2.7(1)(a), is less than $250,000, or (ii) to that portion of such Net Proceeds (other than insurance proceeds) used or committed by the Borrower or the General Partner to purchase replacement assets or other equipment necessary for the Borrower's or the General Partner's business within 365 days of such Asset Disposition if prior to such Asset Disposition, the Borrower has notified the Administrative Agent of its intention to apply the Net Proceeds in such manner.

(b) An amount equal to 100% of the Net Proceeds from the issuance of any Equity Interests by the Borrower or the General Partner or of any capital contributions by any Person in the Borrower or the General Partner, shall, forthwith upon receipt thereof by the Borrower or the General Partner, be applied to a prepayment of an aggregate principal amount of the Term Loan.

(c) An amount equal to any property insurance maintained by the Borrower or the General Partner received by the Borrower or the General Partner in an amount in excess of $250,000 on account of each separate loss, damage or injury shall, forthwith upon receipt thereof by the Borrower or the General Partner, be applied to a prepayment of an aggregate principal amount of the Term Loan, except to the extent such proceeds shall have been expended or committed by the Borrower or the General Partner for the repair or replacement of the affected property within 365 days of receipt of such proceeds and the Borrower shall have furnished to the Administrative Agent and the Investors reasonably satisfactory evidence of such expenditure or commitment to such expenditure.

(d) An amount equal to 100% of the Net Proceeds of any Extraordinary Receipt shall, within three (3) Business Days of receipt thereof by the Borrower or the General Partner, be applied as a prepayment of an aggregate principal amount of the Term Loan if the aggregate amount of the Net Proceeds of such Extraordinary Receipt, together with the aggregate amount of the Net Proceeds of all Extraordinary Receipts received by the Borrower and the General Partner within in a Fiscal Year, shall exceed $250,000.

(e) Prepayments of the Term Loan pursuant to this Section 2.7(1) shall be applied to the permanent prepayment of the Term Loan, and shall be applied rateably among the Investors according to their Applicable Percentage. In the case of any prepayment pursuant to any of Sections 2.7(1)(a), (b), (c) or (d), the Borrower shall provide to the Administrative Agent written notice of such prepayment no later than 1:00 p.m. (Toronto time) at least one (1)

Business Day prior to the date such prepayment is to be made. If any such notice is given, the amount specified in such notice shall be due and payable on the date required by this Section 2.7(1), together with any amounts payable pursuant to this Section 2.7, Section 2.11 or otherwise pursuant to this Agreement, and together with accrued interest to such date on the amount so prepaid.

(f) If any mandatory prepayment to be made under this Section 2.7(1):

(i) falls on a day that is not the last day of an Interest Period;

(ii) would result in the Borrower being obliged to make a break funding payment pursuant to Section 2.11; and

(iii) no Default or Event of Default has occurred and is continuing,

such payment shall, if requested by the Borrower, upon receipt by the Administrative Agent be deposited into a cash collateral account maintained by the Administrative Agent and shall be applied by the Administrative Agent toward the permanent repayment of the Term Loan on the earlier of (1) the last day of the current Interest Period in effect and (2) the occurrence of a Default or an Event of Default.

(2) *Voluntary Prepayments.* The Borrower may, at its option, at any time and from time to time, prepay the Term Loan, in whole or in part, without premium or penalty, upon giving three Business Days' prior written notice to the Administrative Agent. Such notice shall specify the date and amount of prepayment. If any such notice is given, the amount specified in such notice shall be due and payable on the date specified therein, together with any amounts payable pursuant to this Section 2.7, Section 2.11 or otherwise pursuant to this Agreement, and together with accrued interest to such date on the amount prepaid. Each voluntary prepayment shall be in a minimum principal amount of $5,000,000 and in an integral multiple of $1,000,000, and shall be applied rateably among the Investors according to their Applicable Percentage.

(3) *Order of Application of Prepayments*. All prepayments of the Term Loan hereunder (whether mandatory or voluntary) shall be applied (a) firstly, in payment of any unpaid accrued interest and fees hereunder, (b) secondly, against the principal payments required to be made pursuant to Section 2.5(a), in direct order of maturity, and (c) thirdly, against the payments required to be made on the Maturity Date pursuant to Section 2.5(b).

(4) *Notice by Borrower*. Each notice provided by the Borrower hereunder in respect of any prepayment hereunder shall be irrevocable and shall specify the prepayment date and the principal amount of the Term Loan to be prepaid.

(5) *No Reborrowing.* For greater certainty, the amount of any prepayment or repayment of the principal amount of Term Loan shall permanently reduce the principal amount of the Term Loan and may not be reborrowed.

2.8 Mandatory Change of Control Offer.

(1) If a Change of Control occurs, each Investor shall have the right to require the Borrower to repay all (but not less than all) of the Term Loan then outstanding of such

Investor pursuant to a Change of Control offer made by the Borrower pursuant to clause (2) below (a "**Change of Control Offer**") on the terms set forth herein. In the Change of Control Offer, the Borrower will offer a Change of Control payment in cash equal to 100% of the aggregate principal amount of the Term Loan repaid, plus accrued and unpaid interest and fees to, but not including, the date of payment (the "**Change of Control Payment**").

(2) Within five Business Days following the occurrence of any Change of Control, the Borrower will give notice to the Administrative Agent and the Investors describing the transaction or transactions, or event, that constitute the Change of Control and stating (i) that the Change of Control Offer is being made pursuant to this Section 2.8 and that any Investor that elects to have all of its Term Loan repaid will be accepted for payment; (ii) the repayment date, which shall be no earlier than 15 days after the giving of such notice and not later than 30 days following the giving of such notice (the "**Change of Control Payment Date**"); (iii) that any Investor's Term Loan that such Investor does not elect to be repaid will remain outstanding and continue to accrue interest; and (iv) that, unless the Borrower defaults in the payment of the Change of Control Payment, any Investor's Term Loan that is accepted for payment by such Investor shall cease to accrue interest after the Change of Control Payment Date.

(3) Each Investor shall provide the Administrative Agent with its written response to any Change of Control Offer no later than 5 Business Day prior to the proposed Change of Control Payment Date as to whether such Investor has elected to accept or refuse such Change of Control Offer. Any Investor that has not provided its response to the Administrative Agent prior to such date shall be deemed to have accepted such Change of Control Offer for the full amount of its portion of the Term Loan. Upon receipt of any such notice the Administrative Agent will provide a copy thereof to the Borrower.

(4) On the Change of Control Payment Date, the Borrower shall deposit with the Administrative Agent an amount equal to the Change of Control Payment of all Investors that have accepted or been deemed to have accepted such Change of Control Offer and the Administrative Agent shall promptly pay such amounts to the applicable Investors.

2.9 Alternate Rate of Interest.

If prior to the commencement of any Interest Period the Administrative Agent determines (which determination shall be conclusive absent manifest error) that:

(a) adequate and reasonable means do not exist for ascertaining the "LIBO Rate" for such Interest Period; or

(b) the LIBO Rate for such Interest Period will not adequately and fairly reflect the cost to Investors (constituting not less than the Required Investors) of making or maintaining the Term Loan for such Interest Period,

then the Administrative Agent shall give written notice thereof to the Borrower and each Investor as promptly as practicable thereafter and, until the Administrative Agent notifies the Borrower and the Investors that the circumstances giving rise to such notice no longer exist, the Term Loan shall bear interests at the U.S. Base Rate (plus 4.00% per annum) in effect, calculated daily and payable in arrears on the last Business Day of each calendar month**.** Notwithstanding the foregoing, if at any time the Administrative Agent, in consultation with the Required Investors, determines (which determination shall be conclusive absent manifest error) that (i) the circumstances set forth in Section 2.9(a) have arisen and such circumstances are unlikely to

be temporary or (ii) the circumstances set forth in Section 2.9(a) have not arisen but the supervisor for the administrator of the LIBOR Screen Rate or a Governmental Authority having jurisdiction over the Administrative Agent has made a public statement identifying a specific date after which the LIBO Rate shall no longer be used for determining interest rates for loans, then the Administrative Agent (in consultation with the Required Investors) and the Borrower shall endeavor to establish an alternate rate of interest to the LIBO Rate that gives due consideration to the then prevailing market convention for determining a rate of interest for syndicated loans in the United States at such time, and shall enter into an amendment to this Agreement to reflect such alternate rate of interest and such other related changes to this Agreement as may be applicable. Until an alternate rate of interest shall be determined in accordance with this Section 2.9, the Term Loan shall bear interest at a rate equal to the U.S. Base Rate plus 4.00% per annum.

2.10 Increased Costs; Illegality.

(1) *Compensation for Increased Costs.* If any Change in Law shall:

(a) impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, an Investor; or

(b) impose on an Investor any other condition affecting this Agreement (including the imposition on an Investor of, or any change to, any Tax or other charge with respect to the Term Loan or its obligation to make the Term Loan, except any Tax covered by Section 2.12 and any Excluded Tax imposed on such Investor),

and the result of any of the foregoing is to increase the cost to such Investor of making or maintaining the Term Loan (or of maintaining its obligation to make the Term Loan) or to reduce the amount of any sum received or receivable by such Investor hereunder (whether of principal, interest or otherwise), then the Borrower shall pay to such Investor such additional amount or amounts as will compensate such Investor for such additional costs incurred or reduction suffered.

(2) *Compensation for Reduced Rate of Return.* If an Investor determines that any Change in Law regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Investor's capital or on the capital or liquidity of such Investor's holding company, if any, as a consequence of this Agreement or the Term Loan made by, such Investor, to a level below that which such Investor or such Investor's holding company could have achieved but for such Change in Law (taking into consideration the Investor's policies and the policies of the Investor's holding company with respect to capital adequacy or liquidity and the Investor's desired return on capital), then from time to time the Borrower shall pay to such Investor such additional amount or amounts as will compensate such Investor or the Investor's holding company for any such reduction suffered. Notwithstanding anything herein to the contrary, (a) all requests, rules, guidelines, requirements and directives promulgated by the Bank for International Settlements, and Basel Committee on Banking Supervision (or any successor or similar authority) or by United States, Canadian or foreign regulatory authorities, in each case pursuant to Basel III, and (b) the *Dodd-Frank Wall Street Reform and Consumer Protection Act* (United States) and all requests, rules, guidelines, requirements and directives thereunder or issued in connection therewith or in implementation thereof, shall in each case be deemed to be a Change in Law for purposes of this Section regardless of the date enacted, adopted, issued or implemented.

(3) *Certificate.* A certificate of the applicable Investor setting forth the amount or amounts necessary to compensate such Investor as specified in Sections 2.10(1) or (2), together with a brief description of the Change of Law, shall be delivered to the Borrower by the Investor, and shall be conclusive absent manifest error. In preparing any such certificate, such Investor shall be entitled to use averages and to make reasonable estimates, and shall not be required to "match contracts" or to isolate particular transactions. The Borrower shall pay such Investor the amount shown as due on any such certificate within 10 days after receipt thereof.

(4) *Illegality.* If an Investor determines that it is unlawful, or that any Governmental Authority has asserted that it is unlawful, for such Investor or its applicable lending office to make or maintain the Term Loan (or to maintain its obligation to make the Term Loan), or to determine or charge interest rates based upon any particular rate, then, on notice thereof by such Investor to the Borrower, any obligation of such Investor with respect to the activity that is unlawful shall be suspended until such Investor notifies the Borrower that the circumstances giving rise to such determination no longer exist. For the avoidance of doubt, such suspension shall occur notwithstanding that the activity in question was unlawful on the Closing Date. Upon receipt of such notice, the Borrower shall, upon demand from the Investor, prepay the Term Loan, if required in order to avoid the activity that is unlawful. Upon any such prepayment, the Borrower shall also pay accrued interest on the amount so prepaid. The applicable Investor shall designate a different lending office if such designation will avoid the need for such notice and will not, in the good faith judgment of the Investor, otherwise be materially disadvantageous to the Investor.

(5) *Delay in Requests*. Failure or delay on the part of any Investor to demand compensation pursuant to this Section shall not constitute a waiver of such Investor's right to demand such compensation, except that the Borrower shall not be required to compensate an Investor pursuant to this Section for any increased costs incurred or reductions suffered more than six months prior to the date that such Investor notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Investor's intention to claim compensation therefor, unless the Change in Law giving rise to such increased costs or reductions is retroactive, in which case the six-month period referred to above shall be extended to include the period of retroactive effect thereof.

2.11 Break Funding Payments.

In the event of (a) the failure by the Borrower to borrow, continue or prepay the Term Loan on the date specified in any notice delivered by the Borrower pursuant hereto, or (b) any payment, prepayment or repayment of principal on the Loan being made other than on the last day of an Interest Period (including as a result of an Event of Default), then, in any such event, the Borrower shall compensate each Investor for the loss, cost and expense attributable to such event. Such loss, cost or expense to an Investor shall be deemed to be an amount determined by such Investor to be the excess, if any, of (i) the amount of interest which would have accrued on the principal amount of the Term Loan had such event not occurred, at the LIBO Rate that would have been applicable to the Term Loan, for the period from the date of such event to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow, or continue, for the period that would have been the Interest Period for the Term Loan), over (ii) the amount of interest which would accrue on such principal amount for such period and the interest rate which such Investor would bid were it to bid**,** at the commencement of such period, for U.S. Dollar deposits of a comparable amount and period from other banks in the euro dollar market. A certificate of the applicable Investor setting forth any amount or amounts that such Investor is entitled to receive pursuant to this Section 2.11 shall be delivered to the Borrower by

such Investor and shall be conclusive absent manifest error. The Borrower shall pay such Investor the amount shown as due on any such certificate within 10 days after receipt thereof.

2.12 Taxes.

(1) *Gross-up for Taxes.* Any and all payments by or on account of any obligation of the Borrower or any other Credit Party hereunder or under any other Loan Document shall be made free and clear of and without deduction or withholding for any Taxes except as may be required by applicable Law; provided that if the Borrower or such other Credit Party shall be required by applicable Law to deduct or withhold any Taxes from such payments, then (a) the sum payable shall be increased as necessary so that, after making all required deductions or withholdings with respect to Indemnified Taxes (including deductions or withholdings applicable to additional sums payable under this Section 2.12), an Investor and the Administrative Agent receives an amount equal to the sum it would have received had no such deduction or withholding been made, (b) the Borrower or such other Credit Party shall make such deduction or withholding, and (c) the Borrower or such other Credit Party shall pay to the relevant Governmental Authority in accordance with applicable Law the full amount deducted or withheld.

(2) *Stamp and Other Taxes.* In addition to the payments by the Borrower and the other Credit Parties required by Section 2.12(1), the Borrower and each other Credit Party shall pay any and all present or future stamp or documentary Taxes or any other excise or property Taxes, charges or similar levies arising from any payment made hereunder or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Loan Document (collectively "**Other Taxes**") to the relevant Governmental Authority in accordance with applicable Law.

(3) *Indemnity for Taxes.* The Borrower and each other Credit Party shall indemnify each Investor and the Administrative Agent (and, in the case of an Investor or Administrative Agent that is a partnership or other "flow-through" entity for tax purposes, each member or equity owner thereof), within 30 days after written demand therefor (accompanied by documented particulars thereof), for the full amount of any Indemnified Taxes (including Other Taxes) paid by the Investor, Administrative Agent or any member or equity owner of such Investor or Administrative Agent, on or with respect to any payment by or on account of any obligation of the Borrower or any other Credit Party hereunder or under any other Loan Document (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 2.12) and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes (including Other Taxes) were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by the applicable Investor, Administrative Agent or any member or equity owner of such Investor or Administrative Agent shall be conclusive absent manifest error.

(4) *Evidence of Tax Payments.* As soon as practicable after any payment of Indemnified Taxes by the Borrower to a Governmental Authority, the Borrower shall deliver to the applicable Investor the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the applicable Investor.

(5) *Other*. (i) Any Investor that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to

the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower, such properly completed and executed documentation reasonably requested by the Borrower as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Investor, if reasonably requested by the Borrower, shall deliver such other documentation prescribed by applicable Law or reasonably requested by the Borrower as will enable the Borrower to determine whether or not such Investor is subject to backup, withholding or information reporting requirements; (ii) if reasonably requested by the Borrower, each Investor resident in, or organized under, the Laws of a jurisdiction outside Canada (any such Investor being hereinafter referred to as a "**Non-Canadian Investor**") that is entitled to receive any amounts pursuant to any Loan Document from a Credit Party and that is either exempt from or eligible for a reduced rate of Canadian withholding tax under an applicable tax treaty shall submit to the Borrower and the Administrative Agent on or before the first date that any payments are made to such Non-Canadian Investor under the Loan Documents by the Credit Party, two properly completed and executed original Canada Revenue Agency (the "**CRA**") Forms NR301, NR302 or NR303, as applicable, or other applicable form, certificate or document prescribed by the CRA certifying as to such Non-Canadian Investor's entitlement to such exemption or reduced rate (a "**Certificate of Exemption**") except that such Investor shall not be required to submit any such form, certificate or document where such payments are exempt from Canadian withholding tax pursuant to the Tax Act and not by operation of an applicable tax treaty. Where a Non-Canadian Investor has previously delivered a Certificate of Exemption, such Non-Canadian Investor further agrees to deliver a true and accurate replacement Certificate of Exemption to the Borrower and the Administrative Agent before or promptly upon the earlier of (a) the occurrence of any events requiring a change in the most recent certificate previously delivered pursuant to Section 2.12(5)(ii), and (b) such time indicated in the most recent certificate previously delivered pursuant to Section 2.12(5)(ii) which was signed and dated or such time provided under CRA administrative policy for a replacement certificate to be delivered; (iii) if a payment made to an Investor under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Investor were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Investor shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by Law and at such time or times reasonably requested by the Borrower such documentation prescribed by applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower as may be necessary for a Credit Party and the Administrative Agent to comply with their obligations under FATCA and to determine that such Credit Party has complied with such Credit Party's obligations under FATCA and to determine the amount to deduct and withhold from such payment. Notwithstanding anything to the contrary in this Section 2.12(5), execution and submission of such documentation shall not be required if such Investor is not legally able to do so.

Each Investor agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(6) *Tax Refunds*. If the Administrative Agent or an Investor determines, in its sole discretion exercised in good faith, that it has received a refund of any Indemnified Taxes or Other Taxes as to which it has been indemnified by a Credit Party or with respect to which such Credit Party has paid additional amounts pursuant to this Section 2.12, it shall pay over an amount equal to such refund to such Credit Party (but only to the extent of indemnity

payments made, or additional amounts paid, by such Credit Party under this Section 2.12 with respect to the Indemnified Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of the Administrative Agent or such Investor (including any Taxes imposed with respect to such refund) as is determined by the Administrative Agent or Investor and in its sole discretion, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund net of any applicable Taxes); provided that such Credit Party, upon the request of the Administrative Agent or such Investor, agrees to repay as soon as reasonably practicable the amount paid over to such Credit Party (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent or such Investor in the event the Administrative Agent or such Investor is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (6), in no event will the Administrative Agent or any Investor be required to pay any amount to any Credit Party pursuant to this paragraph (6) the payment of which would place the Administrative Agent or such Investor in a less favourable net after-Tax position than the Administrative Agent or such Investor would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This Section 2.12(6) shall not be construed to require the Administrative Agent or any Investor to make available its Tax Returns (or any other information relating to its Taxes which it deems confidential) to the Credit Parties or any other Person, to arrange its affairs in any particular manner or to claim any applicable refund.

2.13 Payments Generally.

(1) *Borrower Payments.* Unless otherwise expressly provided in this Agreement, the Borrower, the General Partner or Steelco, as applicable, shall make any payment required to be made by it to the Administrative Agent by depositing the amount of the payment in the relevant currency to the Administrative Agent's Account not later than 12:00 p.m. (Eastern time) on the date the payment is due. Any amounts received after such time on any date shall be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. The Administrative Agent shall distribute payments to each applicable Investor promptly upon receipt in like funds as received by the Administrative Agent. If the distribution is not made on that date, the Administrative Agent shall pay interest on the amount for each day, from the date the amount is received by the Administrative Agent until the date of distribution, at the prevailing interbank rate for late payments. All such payments shall be made by the Administrative Agent to an Investor to its Investor's Account. If any payment hereunder shall be due by the Borrower, the General Partner or Steelco, as applicable, on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension, provided that, in the case of any payment with respect to the Term Loan at maturity, the date for payment shall be advanced to the next preceding Business Day if the next succeeding Business Day is in a subsequent calendar month.

(2) *Allocation of Insufficient Funds.* If at any time insufficient funds are received by the Administrative Agent and available to the Investors to pay fully all amounts of principal, interest and fees then due hereunder, such funds shall be applied (a) first, towards payment of interest and fees then due hereunder, and (b) second, towards payment of principal then due hereunder, in each case, rateably among the Investors according to its Applicable Percentage.

(3) *Allocation of Funds in Event of Default.* If an Event of Default shall have occurred and be continuing, and the maturity of the Term Loan shall have been accelerated pursuant to Section 9.1 or otherwise, all payments or proceeds received by the Collateral Agent, the Administrative Agent and/or the Investors hereunder or under any other Loan Document in respect of any of the Secured Liabilities including, but not limited to all proceeds received by the Collateral Agent, the Administrative Agent and/or the Investors in respect of any sale, any collection from, or other realization upon all or any part of the Collateral, shall be applied as follows:

(a) first, to the payment of all fees, expenses and indemnity obligations of Steelco, the Borrower or the General Partner to the Administrative Agent and the Collateral Agent under this Agreement and the other Loan Documents;

(b) second, to the payment of all reasonable and documented costs and expenses of such sale, collection or other realization, including reasonable and documented compensation to the Collateral Agent, the Administrative Agent and the Investors and their agents and outside counsel, and all other reasonable and documented expenses, liabilities and advances made or incurred by the Collateral Agent, the Administrative Agent and/or the Investors in connection therewith, and to the payment of all reasonable and documented costs and expenses paid or incurred by the Collateral Agent, the Administrative Agent and/or the Investors in connection with the exercise of any right or remedy hereunder or under any other Loan Document, all in accordance with the terms hereof or thereof;

(c) third, to the extent of any excess of such payments or proceeds, to the payment of any accrued interest, fee or commission due but unpaid under this Agreement rateably among the Investors according to their Applicable Percentage;

(d) fourth, to the extent of any excess of such payments or proceeds, to the payment of the principal amount of the Term Loan rateably among the Investors according to their Applicable Percentage;

(e) fifth, to the extent of any excess of such payments or proceeds, to the payment of any other amount due but unpaid under the Loan Documents; and

(f) sixth, to the extent of any excess of such payments or proceeds, to the payment to or upon the order of the Borrower or to whosoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

2.14 Currency Indemnity.

If, for the purposes of obtaining judgment in any court in any jurisdiction with respect to this Agreement or any other Loan Document, it becomes necessary to convert into a particular currency (the "**Judgment Currency**") any amount due under this Agreement or under any other Loan Document in any currency other than the Judgment Currency (the "**Currency Due**"), then conversion shall be made at the rate of exchange prevailing on the Business Day before the day on which judgment is given. For this purpose "rate of exchange" means the rate at which the Collateral Agent, the Administrative Agent and/or the Investors is able, on the relevant date, to

purchase the Currency Due with the Judgment Currency in accordance with its normal practice at its head office in New York, New York. In the event that there is a change in the rate of exchange prevailing between the Business Day immediately preceding the day on which the judgment is given and the date of receipt by the Collateral Agent, the Administrative Agent and/or the Investors of the amount due, the Borrower shall, on the date of receipt by the Collateral Agent, the Administrative Agent and/or the Investors, pay such additional amounts, if any, or be entitled to receive reimbursement of such amount, if any, as may be necessary to ensure that the amount received by the Collateral Agent, the Administrative Agent and/or the Investors on such date is the amount in the Judgment Currency which when converted at the rate of exchange prevailing on the date of receipt by the Collateral Agent, the Administrative Agent and/or the Investors is the amount then due under this Agreement or such other Loan Document in the Currency Due. If the amount of the Currency Due which the Collateral Agent, the Administrative Agent and/or the Investors is so able to purchase is less than the amount of the Currency Due originally due to it, the Borrower and the General Partner shall indemnify and save the Collateral Agent, the Administrative Agent and/or the Investors harmless from and against all loss or damage arising as a result of such deficiency. This indemnity shall constitute an obligation separate and independent from the other obligations contained in this Agreement and the other Loan Documents, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by the Collateral Agent, the Administrative Agent and/or the Investors from time to time and shall continue in full force and effect notwithstanding any judgment or order for a liquidated sum in respect of an amount due under this Agreement or any other Loan Document or under any judgment or order.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of the Borrower.

Each of Steelco, the General Partner and the Borrower represents and warrants to the Administrative Agent, the Collateral Agent and each Investor, acknowledging and confirming that the Administrative Agent, the Collateral Agent and each Investor is relying on such representations and warranties without independent inquiry in entering into this Agreement and providing the Term Loan that:

(1) *Existence and Standing*. Each of Steelco and the General Partner is a corporation incorporated under the laws of the Province of British Columbia and the Borrower is a limited partnership formed under the laws of the Province of Ontario. Each of Steelco, the General Partner and the Borrower has all requisite corporate or other constitutional power and authority to own, hold under licence or lease its property, undertaking and Assets and to carry on (i) its business as now conducted; and (ii) the Transactions. Steelco and the General Partner are the only partners of the Borrower and the General Partner is the sole general partner of the Borrower.

(2) *Corporate Power*. Each of Steelco, the General Partner and the Borrower has all requisite corporate or other constitutional power and authority to enter into and perform its obligations under (i) this Agreement and each other Loan Document to which it is a party (and, in the case of the General Partner, which it is executing and performing for and on behalf of the Borrower); and (ii) each of the Material Contracts to which it is a party (and, in the case of the General Partner, which it is executing and performing for and on behalf of the Borrower), in each case, and to do all acts and things and execute and deliver all other

documents and instruments as are required hereunder or thereunder to be done, observed or performed by it in accordance with the terms hereof and thereof.

(3) *Conflict with Other Instruments.* The execution and delivery by Steelco, the General Partner and the Borrower and the performance by it of its obligations under, and compliance with the terms, conditions and provisions of, this Agreement and each other Loan Document and Material Contracts to which it is a party (or, in the case of the General Partner, which it is executing and performing for and on behalf of the Borrower) will not conflict with or result in a breach of any of the terms, conditions or provisions of (i) its articles, by-laws, partnership agreement, shareholders' agreement or other organizational documents, as the case may be; (ii) any applicable Law; (iii) any Material Contract, Material Authorization or any material contractual restriction binding on or affecting it or its Assets, except, in the case of this clause (iii) as it relates to Steelco, as could not, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; or (iv) any material judgment, injunction, determination or award which is binding on it.

(4) *Corporate Action, Governmental Approvals, etc*. The execution and delivery by Steelco, the General Partner and the Borrower of this Agreement and each of the Loan Documents and Material Contracts to which it is a party (and, in the case of the General Partner, which it is executing for and on behalf of the Borrower), and the performance by it of its obligations thereunder have been duly authorized by all necessary corporate, partnership or other action including, without limitation, the obtaining of all necessary shareholder or other material and relevant consents. No authorization, consent, approval, registration, qualification, designation, declaration or filing with any Governmental Entity is or was necessary in connection with the execution, delivery and performance of Steelco, the General Partner or the Borrower's obligations under this Agreement and the other Loan Documents and Material Contracts to which it is a party (or, in the case of the General Partner, which it is executing and performing for and on behalf of the Borrower), except for (x) those that have otherwise been obtained or made on or prior to the Closing Date and which remain in full force and effect on the Closing Date and (y) filings which are necessary to perfect the security interests created under the Security Documents.

(5) *Due Execution; Validity and Enforceability; Defaults.* This Agreement and each other Loan Document and Core Material Contract to which Steelco, the General Partner and/or the Borrower is a party has been duly executed and delivered, as the case may be, by Steelco and/or the General Partner (in its own capacity and in its capacity as general partner for an on behalf of the Borrower), as applicable, and constitutes a legal, valid and binding obligation, enforceable against it in accordance with its terms (except as such enforceability may be limited by the availability of equitable remedies and the effect of bankruptcy, insolvency or similar laws affecting the enforcement of creditor's rights generally), and is (or will be immediately upon the execution thereof by such Person) in full force and effect.

(6) *Authorizations, etc*. As at the date hereof, all Authorizations of Steelco, the General Partner and the Borrower which are necessary to properly conduct their respective business are in full force and effect and none of Steelco, the General Partner or the Borrower is in default with respect thereto, other than Authorizations the absence of which could not reasonably be expected to result in a Material Adverse Effect.

(7) *Litigation and Other Proceedings.* As at the date hereof, there is no litigation, arbitration, claim, dispute (whether labour, industrial or otherwise), governmental investigation, proceeding or inquiry pending or, to its knowledge, threatened against or affecting Steelco, the General Partner or the Borrower, except for any litigation, arbitration,

claim, dispute (whether labour, industrial or otherwise), governmental investigation, proceeding or inquiry which could not reasonably be expected to result in a Material Adverse Effect.

(8) *Ownership of Assets*. The Borrower and the General Partner each has good and marketable title to its Assets, free and clear of all Liens other than Permitted Liens. Steelco has good and marketable title to its Equity Interests in the Borrower and the General Partner, free and clear of all Liens other than Permitted Liens.

(9) *Subsidiaries*.

(a) As of the date hereof, Steelco does not have any Subsidiaries other than the Borrower, the General Partner and a U.S. Subsidiary to be incorporated to purchase certain assets from Essar Steel Algoma Inc. USA pursuant to the Steelco Asset Purchase Agreement.

(b) The Borrower and the General Partner are each a Wholly-Owned Subsidiary of Steelco.

(c) Neither the Borrower nor the General Partner have any Subsidiaries.

(10) *Corporate Structure*. Schedule 3.1(10) hereto sets out the corporate structure of Steelco, the General Partner and the Borrower as at the date hereof.

(11) *Ownership/Lease of Real Property*. Other than the Lease (and the related Leased Premises), neither the Borrower nor the General Partner own or lease any real property.

(12) *The Lease*.

(a) The Lease is a valid and enforceable lease and pursuant to the Lease, the General Partner, for an on behalf of the Borrower, has indefeasible and good and marketable leasehold title to the Leased Lands free and clear of all Liens other than Permitted Liens.

(b) There are no restrictive covenants, municipal by-laws or other laws or regulations which prevent the use of the Leased Lands for the purposes for which they are presently being used.

(c) All utilities required for the ordinary conduct of the business of the Borrower and the General Partner on the Leased Lands connect into the Leased Lands through adjoining public highways or, if they pass through adjoining private land, do so in accordance with valid registered easements and are sufficient for the ordinary conduct of the business of the Borrower and the General Partner on the Leased Lands.

(d) The Leased Lands have full and free legally enforceable access to and from public highways, which access is sufficient for the ordinary conduct of the business of the Borrower and the General Partner on the Leased Lands, and neither Steelco nor the General Partner has knowledge of any fact or circumstance that would result in the interruption or termination of such access.

(e) The Leased Lands are zoned so as to permit their current use as a port facility.

(f) At the date hereof, there are no outstanding work orders, deficiency notices or other similar notices of non-compliance issued by any Governmental Authority or otherwise with respect to the Leased Lands that require or recommend that work or repairs in connection with the Leased Lands or any part thereof are necessary, desirable or required.

(13) *[Reserved]*.

(14) *Place of Business*. As at the date hereof, the only jurisdictions (or registration districts within such jurisdictions) in which the Borrower or the General Partner have any place of business or stores any tangible personal property is the Province of Ontario.

(15) *No Default Under this Agreement.* No Default or Event of Default has occurred and is continuing.

(16) *Material Contracts.* As at the date hereof, neither the Borrower nor the General Partner is party or otherwise subject to or bound or affected by any Material Contract, except the Core Material Contracts and the other contracts set out in Schedule 3.1(16). As at the date hereof, all Material Contracts are in full force and effect, unamended, and none of the Borrower, the General Partner or (to the best of the knowledge of the General Partner) any other party to any such agreement is in default with respect thereto.

(17) *Compliance with Other Legal Obligations*. Neither the Borrower nor the General Partner is in violation of any contractual obligation howsoever arising (whether under any agreement, indenture, covenant, restriction or easement, mortgage, franchise, licence or otherwise) relating in any way to it, to the present or future operation of its business or to its Assets, or any judgment or decree applicable to it, which violation could reasonably be expected to result in a Material Adverse Effect.

(18) *Taxes.* Except as set forth in Schedule 3.1(18), each of Steelco, the General Partner and the Borrower has (a) timely filed or caused to be timely filed all federal Tax Returns and all material provincial, territorial, state, local and foreign Tax Returns or materials required to have been filed by it and all such Tax Returns are true and correct in all material respects and (b) duly and timely paid, collected or remitted or caused to be duly and timely paid, collected or remitted all Taxes (whether or not shown on any Tax Return) due and payable, collectible or remittable by it and all assessments received by it, except Taxes (i) that are being contested in good faith by appropriate proceedings and for which Steelco, the General Partner or the Borrower has set aside on its books adequate reserves in accordance with IFRS and (ii) which could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Each of Steelco, the General Partner and the Borrower has made adequate provision in accordance with IFRS for all Taxes not yet due and payable. None of Steelco, the General Partner or the Borrower is aware of any proposed or pending tax assessments, deficiencies or audits that could be reasonably expected to, either individually or in the aggregate, result in a Material Adverse Effect.

(19) *Financial Statements*. The financial statements of the Borrower and the General Partner which have been provided to the Administrative Agent pursuant to Section 6.1(1) present fairly, in all material respects, the financial position of the Borrower and the

General Partner, as at the date thereof and are prepared in accordance with IFRS (subject, in the case of any interim financial statements, to normal year-end adjustments).

(20) *Compliance with Laws*. Except as disclosed in Schedule 3.1(31), each of Steelco, the General Partner and the Borrower is in compliance with all applicable statutes, regulations and orders of, and all applicable restrictions imposed by, all Governmental Authorities in respect of the conduct of its business and the ownership of its property, except such non-compliances as could not, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(21) *Insurance.* Each of the Borrower and the General Partner maintains insurance policies and coverage in compliance with Section 6.1 hereof or Steelco maintains such insurance for and on behalf of the Borrower and the General Partner. Such insurance coverage (a) is sufficient for compliance with all requirements of applicable Law and of all agreements to which the Borrower or the General Partner is a party, (b) is provided under valid, outstanding and enforceable policies, (c) provides adequate insurance coverage in at least such amounts and against at least such risks (but including in any event public liability) as are usually insured against in the same general area by Persons engaged in the same or a similar business to the assets and operations of the Borrower and the General Partner, and (d) will not in any way be affected by, or terminate or lapse by reason of, the Transactions. All such insurance policies are in full force and effect, all premiums with respect thereto have been paid in accordance with their respective terms, and no notice of cancellation or termination has been received with respect to any such policy except in respect of any policy which is to be replaced prior to or contemporaneously with the termination thereof. The certificate of insurance delivered to the Collateral Agent pursuant to Section 5.1 contains an accurate and complete description of all policies of insurance owned or held by or for the benefit of the Borrower or the General Partner on the date hereof.

(22) *Material Adverse Effect.* As at the date hereof, there has occurred no event or development which has resulted in or which could reasonably be expected to result in a Material Adverse Effect in respect of the Borrower or the General Partner.

(23) *Intellectual Property*. Each of the Borrower and the General Partner owns or licenses all intellectual property required to be able to carry on its business and all such licenses are in full force and effect except where the failure to own or licence such intellectual property or to maintain such licenses in full force and effect could not reasonably be expected to result in a Material Adverse Effect.

(24) *Indebtedness.* Neither the General Partner nor the Borrower has incurred any Debt other than (i) Debt under this Agreement and the other Loan Documents; (ii) Debt pursuant to the Short-Term Note, and (iii) Debt incurred after the date hereof as permitted pursuant to Section 7.1(1).

(25) *Security*. Upon execution, delivery and registration of same, the Security will create a valid and perfected first-priority Lien in and to the Assets of the Borrower and the General Partner and all Equity Interests held by Steelco in the Borrower and the General Partner, in each case, in favour of the Collateral Agent (for itself and for and on behalf of the Administrative Agent and the Investors), subject to no Liens except Permitted Liens.

(26) *Labour Matters*. Neither the Borrower nor the General Partner is party to or otherwise subject to any collective bargaining or similar agreement. To the best of the knowledge of the General Partner, at the date hereof there is no existing or threatened strike,

lock-out or other dispute relating to any collective bargaining agreement to which the Borrower or the General Partner is a party or could otherwise be affected which could reasonably be expected to result in a Material Adverse Effect.

(27) *Completeness of Disclosure*. All written information (taken as a whole) furnished by or on behalf of either of Steelco, the General Partner or the Borrower to the Administrative Agent or any Investor (including, without limitation, all information contained in the Loan Documents) for purposes of or in connection with this Agreement, the other Loan Documents or any transaction contemplated herein or therein is, and all other such information (taken as a whole) hereafter furnished by or on behalf of any of Steelco, the General Partner or the Borrower to the Administrative Agent or any Investor will be, true and accurate in all material respects on the date as of which such information is dated or certified and not incomplete by omitting to state any fact necessary to make such information (taken as a whole) not misleading in any material respect at such time in light of the circumstances under which such information was provided, it being understood and agreed that for purposes of this Section 3.1(27), such written information shall not include the projections or any pro forma financial information.

(28) *Solvency*. On the date hereof, after giving effect to the making of the Term Loan to the Borrower by the Investors hereunder, each of the Borrower, the General Partner and Steelco is Solvent.

(29) *Pension Plans*. Neither the Borrower nor the General Partner has or is subject to any liability under any defined benefit Pension Plans.

(30) *Casualties; Taking of Properties*. At the date hereof, neither the business nor the properties of the Borrower or the General Partner have been affected in a manner that has had, or could reasonably be expected to have, a Material Adverse Effect as a result of any fire, explosion, earthquake, flood, drought, windstorm, accident, strike or other labour disturbance, embargo, requisition or taking of property or cancellation of contracts, permits or concessions by any domestic or foreign Governmental Authority, riot, activities of armed forces, or acts of God or of any public enemy.

(31) *Environmental Matters*. Except as disclosed to the Investors in Schedule 3.1(31):

(a) *Environmental Orders*. The Leased Lands and the Borrower's and General Partner's operations conducted thereon do not violate any applicable order of any Governmental Authority made pursuant to any Environmental Laws other than as would not reasonably be expected to result in a Material Adverse Effect.

(b) *Environmental Permits*. All Environmental Permits, if any, required to be obtained or filed by the Borrower or the General Partner, including but not limited to any Environmental Permits required in connection with any treatment, transportation, storage, disposal or Release of Hazardous Materials into the environment, have been duly obtained or filed other than as would not reasonably be expected to result in a Material Adverse Effect.

(c) *Hazardous Material Generation*. All Hazardous Materials generated by the Borrower or the General Partner at the Leased Lands have been treated, transported, stored and disposed of only in accordance with, in all material

respects, all Environmental Laws applicable to them other than as would not reasonably be expected to result in a Material Adverse Effect.

(d) *Hazardous Material Release*. Neither the Borrower nor the General Partner has caused any Release and, to the General Partner's knowledge, there has been no Release on the Leased Lands, in each case, other than as would not reasonably be expected to result in a Material Adverse Effect.

(e) *No Environmental Liability.* As at the date hereof, the General Partner has no knowledge of any material Environmental Liability associated with the Business or the Leased Lands that would reasonably be expected to result in a Material Adverse Effect.

(32) *Employee Matters*. Each of the Borrower and the General Partner has withheld from each payment to its officers, directors and employees the amount of all Taxes, including income tax and Canada Pension Plan contributions, as applicable, employment insurance premiums and other payments and deductions required to be withheld therefrom, and has paid the same to the proper taxation or other receiving authority in accordance with applicable Law.

(33) *Fiscal Year*. The Fiscal Year of the Borrower and the General Partner ends on March 31 of each calendar year, and the Fiscal Quarters end on the last day of each of March, June, September and December of each calendar year.

(34) *Residency of Borrower for Tax Purposes*. Each of Steelco, the General Partner and the Borrower is a resident of Canada for purposes of the Tax Act.

(35) *Bank Accounts*. Schedule 3.1(35), as updated from time to time, lists all banks and other financial institutions at which the Borrower and the General Partner maintains deposit or other accounts, and Schedule 3.1(35) correctly identifies the name, address and facsimile number of each depository, the name in which the account is held, a description of the purpose of the account, and the complete account number therefor.

(36) *"Know Your Customer" Information*. All materials and information provided to the Administrative Agent, the Collateral Agent and/or the Investors in connection with applicable "know your customer" and AML Legislation are true and correct.

(37) *AML Legislation*. Each of Steelco, the General Partner and the Borrower is in compliance in all material respects with AML Legislation.

(38) *Anti-Corruption Laws and Sanctions*. Steelco, the General Partner and the Borrower and their respective officers and employees and to the knowledge of Steelco and the General Partner, its directors and agents and the agents of the Borrower, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects. None of (a) Steelco, the General Partner or the Borrower or, to the knowledge of Steelco or the General Partner, any of their respective directors, officers or employees or any employees of the Borrower, or (b) to the knowledge of Steelco and the General Partner, any agent of any Steelco, the General Partner or the Borrower that will act in any capacity in connection with or benefit from the credit facility established hereby, is a Sanctioned Person. The borrowing of the Term Loan, the use of proceeds thereof nor any other transaction contemplated by this Agreement will not violate Anti-Corruption Laws or applicable Sanctions.

(39) *Asset Purchase Agreement*. The Borrower has delivered to the Administrative Agent a complete and correct copy of the Asset Purchase Agreement (including all schedules, exhibits, amendments, supplements, modifications, assignments and all other documents delivered pursuant thereto or in connection therewith). No Credit Party or, to the best of the General Partner's knowledge, any other Person, is in default in the performance or compliance with any provisions of the Asset Purchase Agreement. As at the Closing Date, to the best of the General Partner's knowledge, there is no basis for a claim by the Borrower under any indemnification provision in the Asset Purchase Agreement. The Asset Purchase Agreement is in full force and effect as of the Closing Date and has not been terminated, rescinded or withdrawn. The Asset Purchase Agreement and the rights of the Borrower thereunder are not subject to any restriction on their assignment that would prevent the Liens granted under the Security Documents from attaching thereto. To the best of the General Partner's knowledge, all requisite approvals by Governmental Authorities having jurisdiction over the sellers, any Credit Party and other Persons referenced therein, with respect to the transactions contemplated by the Asset Purchase Agreement, have been obtained, and no such approvals impose any conditions to the consummation of the transactions contemplated by the Asset Purchase Agreement or to the conduct by any Credit Party of its business thereafter. The Asset Purchase Agreement complies with, and the Asset Purchase Agreement has been consummated in accordance with, all applicable Laws.

(40) *Steelco Asset Purchase Agreement*. Steelco has delivered to the Administrative Agent a complete and correct copy of the Steelco Asset Purchase Agreement (including all schedules, exhibits, amendments, supplements, modifications, assignments and all other documents delivered pursuant thereto or in connection therewith). The Steelco Asset Purchase Agreement is in full force and effect as of the Closing Date and has not been terminated, rescinded or withdrawn.

The representations and warranties herein set forth or contained in any certificates or documents delivered to the Administrative Agent, the Collateral Agent and/or the Investors pursuant hereto shall not merge in or be prejudiced by and shall survive any advance made by the Administrative Agent, the Collateral Agent and/or the Investors hereunder and shall continue in full force and effect (as of the date when made or deemed to be made) so long as any amounts are owing by the Borrower to the Investors hereunder or the Administrative Agent, the Collateral Agent and/or the Investors has any obligation under this Agreement.

ARTICLE 4
SECURITY

4.1 Security.

On or prior to the date hereof, Steelco, the General Partner and the Borrower shall have provided or cause to be provided, as the case may be, to the Collateral Agent, for and on behalf of itself, the Administrative Agent and the Investors as continuing collateral security for the present and future indebtedness and liability of Steelco, the General Partner and the Borrower hereunder and under the other Loan Documents (i) a first priority security interest in all present and future real property and personal property of the Borrower and the General Partner; (ii) a first ranking pledge of all Equity Interests held by Steelco in the Borrower and the General Partner, in each case, pursuant to the Initial Security Documents, and in each case, in form and substance satisfactory to the Investors (together with any relevant power of attorney, registrations, filings and other supporting documentation and opinions of counsel as reasonably requested by the Investors or their counsel).

4.2 Obligations Secured by the Security.

The Security Documents shall secure the present and future Secured Liabilities and any proceeds from any realization of the Collateral shall be applied to the Secured Liabilities pursuant to Section 2.13(3).

4.3 Further Assurances.

Each of Steelco , the General Partner and the Borrower will from time to time at its expense duly authorize, execute and deliver or cause to be duly authorized, executed and delivered to the Collateral Agent such further instruments and documents and take such further action within its control as the Administrative Agent (acting at the direction of the Required Investors) may reasonably request for the purpose of obtaining or preserving a first priority security interest in (a) all of the real and personal property of the Borrower and the General Partner and (b) all Equity Interests held by Steelco in the Borrower and the General Partner, and the full benefits granted or intended to be granted to the Collateral Agent by the Loan Documents and of the rights and remedies therein granted to the Collateral Agent, including the filing of financing statements or other documents under any applicable Law with respect to the Liens created thereby. Steelco, the General Partner and the Borrower acknowledge that the Loan Documents have been prepared on the basis of applicable Law and the corporate structure and capitalization of Steelco, the General Partner and the Borrower in effect on the date thereof, and that changes to applicable Law or the corporate structure and capitalization of Steelco, the General Partner and the Borrower may require the execution and delivery of different forms of documentation, and accordingly the Loan Documents may be amended, supplemented or replaced (and Steelco, the General Partner and the Borrower shall duly authorize, execute and deliver to the Collateral Agent any such amendment, supplement or replacement with respect to any of the Loan Documents) within 5 Business Days of presentation of reasonable drafts thereof (i) to reflect any change in applicable Law or the corporate structure and capitalization of the Borrower or the General Partner; (ii) to facilitate the creation and registration of appropriate forms of security in applicable jurisdictions; or (iii) to confer upon the Collateral Agent Liens similar to the Liens created or intended to be created by the Loan Documents. In the event that the Borrower or the General Partner shall enter into any additional Material Contract or obtains any Material Authorization after the date hereof, the Borrower and the General Partner shall use commercially reasonable efforts to cause the counterparty thereto (in respect of any Material Authorization, to the extent assignable) to execute a consent to the specific assignment thereof to the Collateral Agent.

ARTICLE 5
CONDITIONS

5.1 Conditions for the Benefit of the Investors

This Agreement shall not become effective unless each of the conditions listed below (each of which are for the benefit of the Administrative Agent, the Collateral Agent and the Investors and may be waived at the discretion of the Investors) is satisfied (as determined by the Investors, acting reasonably) or waived pursuant to Section 11.2 at or prior to 3:00 p.m., Eastern time, on December 31, 2018 (and, in the event such conditions are not so satisfied or waived by such time, the obligations of the Investors to make the Term Loan hereunder shall terminate at such time):

(1) *Core Material Contracts*. The Investors shall have received copies (certified as final) of and be satisfied with each of the Core Material Contracts, and each Core Material Contract shall be in full force and effect.

(2) *Management Structure.* The Investors shall be satisfied, acting reasonably, with the management and board of directors of the General Partner.

(3) *Filing/Approvals*. The Investors shall have received and be satisfied with copies of all filings if any, made with any governmental authority in connection with the Core Material Contracts and all necessary government and other regulatory approvals if any, in respect of the Core Material Contracts.

(4) *Execution/Delivery of Credit Agreement.* The Investors shall have received from each party hereto either (a) a counterpart of this Agreement signed on behalf of each party hereto, or (b) written evidence satisfactory to the Investors (which may include a facsimile transmission of a signed signature page of this Agreement) that such party has signed a counterpart of this Agreement.

(5) *Execution/Delivery of Initial Security Documents*. The Investors shall have received the Initial Security Documents, duly executed by each of the parties thereto.

(6) *Execution/Delivery of Fee Letter*. The Administrative Agent and the Collateral Agent shall have received the Fee Letter, duly executed by each of the parties thereto.

(7) *Perfection of Liens*. The Initial Security Documents shall have been registered (or arrangements for registration satisfactory to the Investors shall have been made) in all offices in which, in the reasonable opinion of the Investors or their counsel, registration is necessary or of advantage to perfect or render opposable to third parties the Liens intended to be created thereby. The Investors shall have received and be satisfied with the results of all personal property, pending litigation, judgment, bankruptcy, execution and other searches conducted by the Investors and their counsel with respect to Steelco, the General Partner and the Borrower in all jurisdictions selected by the Investors and their counsel.

(8) *Legal Opinions*. The Investors shall have received a favourable written opinion from counsel to Steelco, the General Partner and the Borrower, covering such matters relating to this Agreement, the other Loan Documents and the Transactions as the Investors shall reasonably request (together with copies of all factual certificates and legal opinions delivered to such counsel in connection with such opinion upon which counsel has relied).

(9) *Title Insurance*. The Investors shall have received a title insurance policy in respect of the Leased Lands and the first priority charge in favour of the Collateral Agent against the Leased Lands, in form and substance and from a title insurance company acceptable to the Investors.

(10) *Corporate Certificates*. The Investors shall have received:

(a) certified copies of the resolutions of the board of directors, general partner, or shareholders, as applicable, of each of Steelco, the General Partner and the Borrower approving, as appropriate, the Term Loan, this Agreement, the other Loan Documents, the Material Contracts and all other documents, if any, to which it is a party and evidencing authorization with respect to such documents; and

(b) a certificate of a director or officer of each of Steelco and the General Partner (for an on behalf of itself and the Borrower) dated as of the Advance Date, and certifying (i) the name, title and true signature of each officer of such Person authorized to execute this Agreement, the other Loan Documents and the Material Contracts to which it is a party (and, in the case of the General Partner, to which the Borrower is a party), (ii) the name, title and true signature of each officer of such Person authorized to provide the certifications required pursuant to this Agreement, including certifications required pursuant to Section 6.1(1) and the Borrowing Request, and (iii) that attached thereto is a true and complete copy of the articles of incorporation and bylaws of each such Person (and, in the case of the General Partner, the partnership agreement of the Borrower), as amended to date, and a recent certificate of status, certificate of compliance, good standing certificate or analogous certificate.

(11) *Fees*. The Administrative Agent and the Collateral Agent shall have received payment of all of their administrative fees and expenses and all reasonable out-of-pocket legal expenses incurred in connection with the preparation of this Agreement and the other Loan Documents on or prior to the Advance Date.

(12) *Insurance.* The Investors shall have received a certificate of insurance coverage, dated not more than 30 days prior to the Advance Date, evidencing that the Borrower and the General Partner (or Steelco for and on behalf of the Borrower and the General Partner) is carrying insurance in accordance with Section 6.1 hereof, such insurance to name the Collateral Agent as first loss payee.

(13) *Regulatory Approval; Consents; Waivers*. The Investors shall be satisfied that:

(a) all Authorizations (including all approvals listed in Schedule 3.1(6));

(b) all corporate, partnership, shareholder and court approvals; and

(c) all consents and waivers (the failure to obtain which would result in a breach or default under any Core Material Contract),

required to consummate the Transactions and the Steelco Asset Purchase Agreement have been obtained and are in full force and effect, in each case without the imposition of any

burdensome provision, and that all applicable waiting periods shall have expired without any action being taken or threatened by any Governmental Authority that would materially restrain, prevent or otherwise impose material adverse conditions on the Transactions or the consummation of the transactions contemplated by the Steelco Asset Purchase Agreement.

(14) *Landfill.* The Investors shall have received and be satisfied, acting reasonably, with (i) a notice pursuant to Section 12 of the Landfill Approval filed with the Director (as defined under the Landfill Approval) by Steelco confirming that the Leased Lands are being leased to the Borrower; and (ii) evidence that Steelco will promptly following the Closing Date make arrangements to replace all financial assurance required to be made in connection with the Landfill Approval which is currently in place.

(15) *Delivery of Financial Statements*. The Investors shall have received *pro forma* opening balance sheets for each of the Borrower, the General Partner and Steelco, giving effect to the Transactions and the consummation of the transactions contemplated by the Steelco Asset Purchase Agreement.

(16) *Use of Proceeds*. The Investors shall have received a breakdown of all sources and uses of proceeds in connection with this Agreement, the Transactions, the borrowing of the Term Loan and the use of proceeds thereof.

(17) *"Know Your Customer" Information*. The Administrative Agent, the Collateral Agent and the Investors shall have received all documentation and other information required by bank regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including AML Legislation, the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) and OFAC.

(18) *Accuracy of Representations and Warranties*. The representations and warranties of the Borrower and the General Partner set out in this Agreement shall be true and correct.

(19) *No Default*. No Default or Event of Default shall have occurred and be continuing or would arise immediately after giving effect to the Borrowing and the Transactions.

(20) *Borrowing Request*. The Investors shall have received a Borrowing Request in the manner and within the time period required by Section 2.2.

(21) *Solvency Certificate*. The Investors shall have received a Solvency Certificate.

(22) *Contribution; Payment Direction*. The Investors shall be satisfied that, substantially concurrently with the borrowing of the Term Loan, the Borrower shall receive a cash contribution from Steelco in an amount of not less than U.S.$100,000,000 and such amount shall be invested by Steelco in cash in common equity of the Borrower or by way of a loan to the Borrower (on a "deeply subordinated" basis on terms satisfactory to the Investors), and arrangements satisfactory to the Investors shall have been made for the payment and direction of the proceeds of the Term Loan and the proceeds of the foregoing equity contribution or loan to BDO Canada Limited, in its capacity as Court-appointed receiver of POI, in partial satisfaction of the purchase price under the Asset Purchase Agreement. In addition, the Investors shall have received a copy of a written direction addressed to both the Borrower and the Investors, under which BDO Canada Limited, in its capacity as Court-appointed receiver of POI, shall direct that all proceeds of the purchase

price under the Asset Purchase Agreement and the repayment of the Short-Term Note shall be paid directly to the lenders under the POI Credit Agreement and applied in partial payment of the amounts outstanding under the POI Credit Agreement, with the result that the lenders under the POI Credit Agreement shall receive, in the aggregate, a $173,000,000 repayment on account of the amounts outstanding under the POI Credit Agreement.

(23) *Asset Purchase Agreement*. The Administrative Agent shall have received a copy of the Asset Purchase Agreement, which shall remain in full force and effect, unamended, as of the Advance Date.

(24) *Steelco Asset Purchase Agreement*. The Administrative Agent shall have received a copy of the Steelco Asset Purchase Agreement, which shall remain in full force and effect, unamended, as of the Advance Date.

(25) *Litigation.* As at the date hereof, there is no litigation, arbitration, claim, dispute (whether labour, industrial or otherwise), governmental investigation, proceeding or inquiry pending or, to its knowledge, threatened against or affecting the Borrower, the General Partner, the Transactions or the execution, delivery and performance by Steelco of the Steelco Asset Purchase Agreement.

(26) *Other Documentation*. The Investors shall have received such other documents and instruments as are customary for transactions of this type or as they may reasonably request to give effect to the terms of this Agreement.

5.2 Mutual Conditions

This Agreement shall not become effective unless each of the conditions listed below (each of which are for the mutual benefit of the Administrative Agent, the Collateral Agent and the Investors, on one hand, and the Borrower, the General Partner and Steelco, on the other hand) is satisfied (as determined by the parties, acting reasonably) or waived pursuant to Section 11.2 at or prior to 3:00 p.m., Eastern time, on December 31, 2018 (and, in the event such conditions are not so satisfied or waived by such time, the obligations of the Investors to make the Term Loan hereunder shall terminate at such time):

(1) *Steelco Financing*. Prior to or substantially concurrently with the borrowing of the Term Loan, Steelco shall have entered into the Steelco Exit Facility Agreements, other than the Steelco Exit FedDev Facility, and all conditions to the funding thereunder shall have been satisfied or waived. The lenders under each Steelco Exit Facility Agreement (or their agents or other representatives), other than the lender under the Steelco Exit FedDev Facility, shall have entered into the Inter-Lender Agreement.

(2) *Vesting Orders.* Each of the Approval and Vesting Order and the Steelco Approval and Vesting Order shall have been issued and entered and shall be Final.

(3) *Consummation of Asset Purchase Agreement*. The terms and conditions of the Asset Purchase Agreement shall have been complied with and all conditions precedent set out therein (other than the payment of that portion of the purchase price thereunder being funded with the Term Loan) shall have been satisfied and not waived, such that contemporaneously with the making of the Term Loan on the Advance Date the Asset Purchase Agreement shall be consummated and the Monitor's Port Vesting Certificate shall be issued by Ernst & Young Inc. (a true and complete copy of which shall be promptly delivered to the Administrative Agent).

(4) *Consummation of Steelco Asset Purchase Agreement*. The terms and conditions of the Steelco Asset Purchase Agreement shall have been complied with and all conditions precedent set out therein shall have been satisfied and not waived, such that contemporaneously with the making of the Term Loan on the Advance Date the Steelco Asset Purchase Agreement shall be consummated and the Monitor's Sale Certificate shall be issued by Ernst & Young Inc. (a true and complete copy of which shall be promptly delivered to the Administrative Agent).

(5) *Lease and Sublease*. The Lease and the Sublease shall be in form and substance acceptable to the Investors and Steelco, each acting reasonably.

(6) *Mutual Release***.** The Investors, Steelco, Algoma Steel Parent S.C.A. and Algoma Steel Intermediate Holdings Inc. shall have executed and delivered a full and final release, effective as of the Advance Date, in favour of, among others, certain shareholders of Algoma Steel Parent S.C.A. who have provided a release in favour of, among others, certain Investors, in each case, of all claims, obligations, indebtedness and causes of action relating to all acts, omissions or other matters arising or relating to the port facility in Sault Ste. Marie, Ontario, the Port Assets and the acquisition thereof by the Borrower, the Approval and Vesting Order, the transactions contemplated by the Steelco Asset Purchase Agreement, the Steelco Approval and Vesting Order and the proceedings against Essar Steel Algoma Inc. and certain of its affiliates under the *Companies' Creditors Arrangement Act* (Canada) under chapter 15, title 11 of the *United States Code*.

ARTICLE 6
AFFIRMATIVE COVENANTS

6.1 Covenants.

So long as any amount owing hereunder remains unpaid or the Collateral Agent, the Administrative Agent or any Investor has any obligation under this Agreement or any other Loan Document, each of Steelco, the General Partner and the Borrower shall, and the General Partner shall cause the Borrower to:

(1) *Financial Statements and Other Information*. Furnish to the Administrative Agent and each Investor:

(a) as soon as available and in any event within (i) in the case of the Borrower and the General Partner, 60 days (or 75 days in the case of the first three Fiscal Quarters following the closing of the Transactions) after the end of each Fiscal Quarter in each Fiscal Year and (ii) in the case of Steelco, the earlier of (x) 60 days after the end of each Fiscal Quarter in each Fiscal Year and (y) five (5) Business Days after delivery of the same pursuant to any Steelco Exit Facility Agreement, copies of the unaudited financial statements of the Borrower, the General Partner and Steelco as of the end of such Fiscal Quarter, all prepared in accordance with IFRS (subject to year-end adjustments and excluding footnotes) and stating in comparative form the respective figures as of the end of and for the corresponding period in the previous Fiscal Year, if applicable, and certified by a senior financial officer of the General Partner (in the case of the financial statements of the Borrower and the General Partner) or Steelco, as applicable, to the effect that the statements present fairly, in all material respects, the financial

position of the Borrower, the General Partner or Steelco, as applicable, as of the end of such Fiscal Quarter and the related results of operations and changes in financial position for such Fiscal Quarter in accordance with IFRS, (subject to year-end adjustments and excluding footnotes);

(b) as soon as available and in any event within (i) in the case of the Borrower, 120 days after the end of each Fiscal Year, and (ii) in the case of Steelco, the earlier of (x) 120 days (or 150 days for the first Fiscal Year after the closing of the Transactions) after the end of each Fiscal Year and (y) five (5) Business Days after delivery of the same pursuant to any Steelco Exit Facility Agreement, copies of the audited financial statements of Steelco, the General Partner and the Borrower, in each case, for the end of such Fiscal Year, prepared in accordance with IFRS and stating in comparative form the respective figures as of the end of and for the previous Fiscal Year, accompanied by a report thereon of independent chartered accountants of recognized national standing in Canada (without any qualification as to the scope of such audit) to the effect that the statements present fairly, in all material respects, the financial position the Borrower, the General Partner or Steelco, as applicable, as of the end of such Fiscal Year and the results of the operations and changes in financial position for such Fiscal Year in conformity with IFRS;

(c) concurrently with the financial statements required pursuant to Sections 6.1(1)(a) and (b), a Compliance Certificate from the General Partner, for and on behalf of itself and the Borrower;

(d) promptly after the General Partner learns of the receipt or occurrence of any of the following, a certificate of the General Partner signed by a Responsible Officer of the General Partner, specifying (i) any event which constitutes a Default or Event of Default, together with a detailed statement specifying the nature thereof and the steps being taken to cure such Default or Event of Default, (ii) any notice of termination or other proceedings or actions which could reasonably be expected to adversely affect any of the Loan Documents, (iii) any event or condition not previously disclosed to the Investors, which violates any Environmental Laws and which could potentially, in the General Partner's reasonable judgment, have a Material Adverse Effect, (iv) any default or event of default by any party to any Material Contract; and (v) any other event, development or condition which may reasonably be expected to have a Material Adverse Effect;

(e) promptly, and in any event within three Business Days after any officer of the General Partner obtains knowledge thereof, notice of any litigation or governmental investigation or proceeding pending against the Borrower or the General Partner (or any Subsidiary of either of them) which, either individually or in the aggregate, has had, or could reasonably be expected to have, a Material Adverse Effect;

(f) upon request by the Administrative Agent (acting at the direction of the Required Investors), a summary of the insurance coverage of the Borrower, the General Partner and Steelco (but in the case of Steelco, only as it relates to the Port Assets), in form and substance reasonably satisfactory to the Administrative Agent and the Required Investors, and upon renewal of any

insurance policy, a copy of an insurance certificate summarizing the terms of such policy, and upon request by the Administrative Agent (acting at the direction of the Required Investors), copies of the applicable policies;

(g) concurrently with any delivery of financial statements under Section 6.1(1)(a) and (b), a certificate of a Responsible Officer of the General Partner identifying (i) any change in IFRS or in the application thereof has occurred since the date of the audited financial statements referred to in Section 6.1(1)(a) and specifying the effect of such change on the financial statements accompanying such certificate, (ii) any entry into a Material Contract or Material Authorization, in either case, of the Borrower or the General Partner, or any entry into, material amendment to, or termination of any Material Contract or Material Authorization, in either case, of the Borrower or the General Partner, (iii) any changes of the type described in Section 6.1(18) that have not been previously reported by the Borrower or the General Partner;

(h) in the case of Steelco only, (i) copies of any financial statements, financial projections and compliance certificates that Steelco has provided to the term lenders under any Steelco Exit Facility Agreement and (ii) copies of any notices of default or other material notices that Steelco has provided to the lenders under any Steelco Exit Facility Agreement, in each case, within five (5) Business Days after delivery of same to such lenders; and

(i) promptly following any request therefor, such other information regarding the operations, business affairs and financial condition of the Borrower or the General Partner, or compliance with the terms of this Agreement or any other Loan Document, as the Administrative Agent (acting at the direction of the Required Investors) may reasonably request.

(2) *Corporate Existence, Ownership of Subsidiaries*. Preserve and maintain its existence pursuant to the laws of the Province of British Columbia. Steelco shall ensure that each of the Borrower and the General Partner is and remains a Wholly-Owned Subsidiary of Steelco.

(3) *Compliance with Laws, etc*. Comply (i) with the requirements of all applicable Laws (including all applicable Environmental Laws), where failure to so comply could reasonably be expected to have a Material Adverse Effect and (ii) in all material respects with Anti-Corruption Laws.

(4) *Conduct of Business and Maintenance of Properties*. (i) conduct its business in a prudent manner and consistent with good business practices where failure to so conduct its business could reasonably be expected to have a Material Adverse Effect; and (ii) in the case of the Borrower and the General Partner, maintain and preserve all of its respective Assets in all material respects in good repair, working order and condition (other than ordinary wear and tear) and in material compliance with all applicable Laws (except where failure to so comply could not reasonably be expected to have a Material Adverse Effect) and, from time to time, make all needful and proper repairs, renewals, replacements, additions and improvements thereto, so that the business may be properly and advantageously conducted at all times in accordance with prudent business management.

(5) *Books and Records.* In the case of the Borrower and the General Partner, keep proper books of account and records in accordance with sound and consistent accounting practices, covering all of its business and affairs on a current basis.

(6) *Payment of Taxes and Claims.* In the case of the Borrower and the General Partner, pay and discharge, before the same shall become delinquent, (i) all Taxes, assessments and governmental charges or levies imposed upon it or upon its Assets; and (ii) all lawful Claims which, if unpaid, might by Law become a Lien (other than a Permitted Lien) upon its Assets, except any such Tax or Claim which is being contested in good faith and by proper proceedings and in respect of which appropriate reserves have been made, and except for any Permitted Liens or unless the non-payment of such Taxes, assessments, charges, levies or Claims could not reasonably be expected to result in a Material Adverse Effect.

(7) *Cure Defects.* Promptly upon having knowledge thereof, cure or cause to be cured any defects in the execution and delivery of any of the Loan Documents or any of the other agreements, instruments or documents contemplated thereby or executed pursuant thereto or any defects in the validity or enforceability of any of the Loan Documents and execute and deliver or cause to be executed and delivered all such agreements, instruments and other documents as the Administrative Agent (acting at the direction of the Required Investors) may consider reasonably necessary or desirable for the foregoing purposes.

(8) *Property Insurance.*

(a) The Borrower and the General Partner shall maintain or cause Steelco to maintain for and on behalf of the Borrower and the General Partner, with financially sound and reputable insurers, insurance with respect to its properties and business against such liabilities, casualties, risks and contingencies and in such types (including business interruption insurance) and amounts and with deductibles as are customary in the case of Persons engaged in the same or similar businesses and similarly situated and in accordance with any requirement of any Governmental Authority, including, without limitation the Required Insurance.

(b) In the case of any fire, accident or other casualty causing loss or damage to any property of the Borrower or the General Partner used in generating cash flow or required by Applicable Law, all proceeds of such policies shall be used to either (i) promptly repair or replace any such damaged property, or (ii) repay the Term Loan in accordance with Section 2.7.

(c) Each of the Borrower and the General Partner shall obtain endorsements to the policies pertaining to all physical properties in which the Collateral Agent shall have a Lien under the Loan Documents, naming the Collateral Agent as an additional insured (with respect to liability insurance only) and first loss payee and containing (i) provisions that such policies will not be cancelled without 30 days prior written notice having been given by the insurance company to the Collateral Agent, and (ii) a standard non-contributory "mortgagee", "lender" or "secured party" clause, as well as such other customary provisions as may be required to fully protect the Collateral Agent's interest in the Collateral and to any payments to be made under such policies. All original policies or true copies thereof are to be delivered to the Collateral Agent and the Investors.

(D) In the event the Borrower or the General Partner fails to provide the Collateral Agent and the Investors with timely evidence of the maintenance of insurance coverage required pursuant to this Section 6.1(8), or in the event that the Borrower or the General Partner fails to maintain such insurance, the Collateral Agent may (acting at the direction of the Required Investors) arrange for such insurance, but at the Borrower's expense and without any responsibility on the Collateral Agent's part for: (i) obtaining the insurance; (ii) the solvency of the insurance companies; (iii) the adequacy of the coverage; or (iv) the collection of claims. The insurance acquired by the Collateral Agent may, but need not, protect the Borrower's or the General Partner's interest in the Collateral, and therefore such insurance may not pay claims which the Borrower or the General Partner may have with respect to the Collateral or pay any claim which may be made against the Borrower or the General Partner in connection with the Collateral. In the event the Collateral Agent obtains or acquires insurance covering all or any portion of the Collateral, the Borrower shall be responsible for all of the applicable costs of such insurance, including premiums, interest (at the applicable interest rate for the Term Loan), fees and any other charges with respect thereto, until the effective date of the cancellation or the expiration of such insurance. Each of the Borrower and the General Partner hereby acknowledges that the costs of the premiums of any insurance acquired or arranged by the Collateral Agent may exceed the costs of insurance which the Borrower or the General Partner may be able to purchase on its own. In the event that the Collateral Agent arranges such insurance, the Collateral Agent shall promptly, and in any event within 15 days, notify the Borrower of said purchase.

(E) Upon the occurrence and continuance of an Event of Default (and without limiting any other rights of the Administrative Agent, the Collateral Agent and/or the Investors hereunder or under any other Loan Document), (i) the Collateral Agent shall, subject to the rights of any holders of Permitted Liens holding claims senior to the Collateral Agent, have the sole right (upon the direction of the Required Investors), in the name of the Collateral Agent or the Borrower or the General Partner, to file claims under any insurance policies, to receive, receipt and give acquittance for any payments that may be payable thereunder, and to execute any and all endorsements, receipts, releases, assignments, reassignments or other documents that may be necessary to effect the collection, compromise or settlement of any claims under any such insurance policies, and (ii) all insurance proceeds in respect of any Collateral shall be paid to the Collateral Agent. In such event, the Collateral Agent shall apply such insurance proceeds to the obligations of the Borrower and the General Partner in accordance with Section 2.7.

(9) *Use of Proceeds of Term Loan.* Use the proceeds of the Term Loan for purposes of financing, in part, acquisition of the Port Assets from POI pursuant to the Asset Purchase Agreement.

(10) *Authorizations, Intellectual Property*. Maintain (i) any Authorizations held by the Borrower or the General Partner in good standing, and (ii) any owned intellectual property or Licensed Intellectual Property in the name of the Borrower or the General Partner, except in each case where the failure to do so could not reasonably be expected to result in a Material Adverse Effect.

(11) *Inspections.* Permit the Investors and their representatives and consultants to visit and inspect any of its assets to examine the Borrower's or the General Partner's books and records and to make copies and take extracts therefrom, and to discuss the Borrower's or the General Partner's affairs, finances and accounts with the senior officers thereof or (following the occurrence of an Event of Default and in the presence of the Borrower's or the General Partner's personnel) the Borrower's or the General Partner's independent auditors,

not more than once per six months (or without limitation if an Event of Default has occurred and is continuing), as the Investors may reasonably request upon reasonable prior notice to the Borrower by the Investors and during regular business hours.

(12) *Protect Security Interests*. At all times take all action and supply the Collateral Agent with all information necessary to maintain the Security as valid and perfected first ranking Security charging the Assets covered thereby, subject to Permitted Liens.

(13) *Maintenance of Bank Accounts*. In the case of the Borrower and the General Partner, maintain all of its bank accounts with Royal Bank of Canada (or such other bank as may be agreed to by the Administrative Agent, acting at the direction of the Required Investors).

(14) *Further Assurances.* At the Borrower's cost and expense, duly execute and deliver, upon request by the Administrative Agent (acting at the direction of the Required Investors), such further instruments and do and cause to be done such further acts as may be necessary or proper in the reasonable opinion of the Required Investors to carry out more effectually the provisions and purposes of the Loan Documents.

(15) *KYC and Other Similar Information*. Upon reasonable request by the Administrative Agent, the Collateral Agent or any Investor, provide and/or deliver such "know your client", anti-money laundering or similar information as may be reasonably requested by such Person.

(16) *Payment When Due*. Duly and punctually pay or cause to be paid all amounts required to be paid by it to the Administrative Agent, the Collateral Agent and/or the Investors pursuant to the Loan Documents, including principal, interest, fees, premiums, breakage costs, other fees and expenses and any other amounts, at the times, in the currencies and in the manner set forth herein or therein.

(17) *Observance of Covenants*. Observe and perform in all material respects all of the covenants, agreements, terms and conditions to be performed by it under each Material Contract to which it is a party (except where failure to so observe and perform could not reasonably be expected to have a Material Adverse Effect).

(18) *Registrations*. Each of Steelco, the General Partner and the Borrower shall record, file or register, at its own expense, applications for registration or financing statements (and continuation or financing change statements when applicable), and make any other registrations or filings, including where required, the registration of each of the Security Documents (collectively, **"Registrations"**) with respect to the Collateral now existing and hereafter created or arising and the creation of Liens therein under and as contemplated by the Security Documents, meeting the requirements of applicable Law, in such manner and in such jurisdictions as are necessary to protect, perfect and maintain the protection and perfection of, such Liens, and to deliver a file stamped copy of each such Registration or other evidence of such Registration to the Investors and the Collateral Agent on or prior to the date hereof. If Steelco, the General Partner or the Borrower (a) makes any change in its name, jurisdiction of organization or corporate structure, (b) changes its chief executive office or principal place of business, or (c) takes any other action, which in any such case would, under the applicable Law, require the amendment of any Registration recorded, registered and filed in accordance with the provisions hereof, Steelco, the General Partner or the Borrower, as applicable, shall prior to the taking of any action referred to in clause (a), clause (b) or clause (c), give the Investors and the Collateral Agent notice of any

such change or other action and shall promptly file such Registrations as may be necessary or desirable to continue the perfection of the Liens in the Collateral intended under the Security Documents. The Administrative Agent, the Collateral Agent and the Investors shall be under no obligation whatsoever to record, file, register, maintain, continue or investigate any Registration, or to make any other recording, filing, registration, continuation or investigation in connection herewith.

(19) *Separateness*. The General Partner shall and shall cause the Borrower to:

(a) operate its business in the ordinary course and for its own account;

(b) maintain books of account and business records separate from those of Steelco and any other Person, including separate financial statements, and will file its own tax returns;

(c) maintain its own bank accounts, use separate invoices and cheques and not commingle or pool its funds or other assets with those any other Person;

(d) maintain the office premises provided by Steelco as the office premises of the Borrower and the General Partner with a mailing address which identifies the Borrower and the General Partner and separate stationery different from that of Steelco and any other Person and those premises will be conspicuously identified as the office of the Borrower and the General Partner, so they can easily be located and identified by outsiders;

(e) use stationery and telephone and facsimile numbers distinct from Steelco and will use a distinct signature on all email correspondence identifying such correspondence as originating from the Borrower and the General Partner;

(f) hold itself out and deal with third parties separately under its own name and not as a division or part of any other Person;

(g) maintain its assets in such a manner that it is not costly or difficult to segregate, ascertain or otherwise identify its individual assets;

(h) in the case of the General Partner, have a distinct board of directors;

(i) observe distinct corporate procedures and formalities, including without limitation, the holding of meetings, the recording and maintenance of minutes of such meetings, and the recording of and maintenance of resolutions adopted at such meetings, in each case from those of any other Person;

(j) ensure that each officer and director of the General Partner has discharged and will discharge his or her respective fiduciary duties and obligations to the General Partner in accordance with, and subject to, all applicable laws;

(k) ensure that any and all of the transactions between Steelco and the Borrower and the General Partner have been and will be fully documented and have reflected and will reflect transactions on arm's length terms undertaken in good faith;

(l) at all times comply with the provisions set forth in the General Partner's articles of incorporation and bylaws and the partnership agreement of the Borrower; and

(m) not hold itself out to be responsible for the debts or the decisions or actions respecting the daily business and affairs of any other Person (other than as provided in the Loan Documents).

(20) *Planning Act Approval*. As soon as reasonably possible and practicable after the date hereof and in any event by no later than February 28, 2019, apply for, and thereafter diligently pursue, all required consents pursuant to the *Planning Act* (Ontario) for, at the option of the Borrower, either (i) the transfer in fee simple of the Leased Lands to the Borrower (or the General Partner, for an on behalf of the Borrower), or (ii) the extension of the term of the Lease for a period of 50 years less a day, including appealing any refusal to grant *Planning Act* (Ontario) consent and opposing any appeal by a third party to the granting of the *Planning Act* (Ontario) consent. Prior to submitting any such application, Steelco and the Borrower shall deliver a draft copy of such application to the Administrative Agent and its counsel for approval (acting at the direction of the Required Investors), such approval not to be unreasonably withheld or delayed. Steelco, the General Partner and the Borrower shall make such amendments to such application as the Required Investors or their counsel may reasonably require. Steelco, the General Partner and the Borrower agree to satisfy any commercially reasonable conditions to the Planning Act consent before the lapsing of any such consent so that such consent may become final and binding.

(21) *Replacement CEO*. Not later than the date that is 90 days after the Closing Date (or such longer period as agreed to by the Required Investors), identify, appoint and independently employ an executive officer of the General Partner.

(22) *Proceeds of Sublease*. In the case of the Borrower and the General Partner, cause all amounts received by the Borrower pursuant to the Sublease to be deposited in an account which shall, within 30 days of the Closing Date and at all times thereafter, be subject to a blocked account agreement, account control agreement or similar agreement in favour of the Collateral Agent (such blocked account agreement, account control agreement or similar agreement to be in form and substance satisfactory to the Collateral Agent, acting reasonably).

ARTICLE 7
NEGATIVE COVENANTS

7.1 Negative Covenants.

So long as any amount owing hereunder remains unpaid or the Administrative Agent, the Collateral Agent and/or any Investor has any obligation under this Agreement or any other Loan Document, Steelco, the General Partner and the Borrower shall not, and the General Partner shall cause the Borrower to not:

(1) *Indebtedness*. In the case of the Borrower and the General Partner, create, incur, assume or suffer to exist, any Debt other than (i) Debt hereunder and under the Loan Documents; (ii) Debt for borrowed money incurred in connection with any loan made by Steelco to the Borrower (on a "deeply subordinated" basis on terms satisfactory to the

Investors); and (iii) other Debt in an aggregate amount outstanding at any time of not more than $500,000.

(2) *Liens*. In the case of the Borrower and the General Partner, create, incur, assume or suffer to exist, any Lien on any of its properties or assets, other than Permitted Liens. In the case of Steelco, create, incur, assume or suffer to exist, any Lien on any of its Equity Interests in the Borrower or the General Partner, other than Permitted Liens.

(3) *Corporate Changes*. In the case of the Borrower, merge into or amalgamate or consolidate with any other Person, or permit any other Person to merge into or amalgamate or consolidate with it, or liquidate, wind-up, dissolve or any other similar transaction.

(4) *Investments*. In the case of the Borrower and the General Partner, directly or indirectly, make any Investments other than Permitted Cash Investments.

(5) *Hedge Arrangements*. In the case of the Borrower and the General Partner, enter into or suffer to exist any commodity, interest rate, currency rate hedging agreement or other similar understanding or obligation, except interest rate hedging obligations entered into in respect of the Borrower's obligations under this Agreement.

(6) *Distributions*. Make or commit to make any Distributions; provided that Steelco shall be permitted to make:

(a) payments (other than any voluntary payments which are not required by the terms of the Steelco Exit Term Loan Facility, the Steelco Exit FedDev Facility or the Steelco Exit CapEx Facility) on account of any principal of or interest or premium on, and fees owed in connection with:

(i) (w) up to an aggregate principal amount of U.S.$300,000,000 of Debt incurred pursuant to the Steelco Exit Term Loan Facility, (x) up to an aggregate principal amount of U.S.$300,000,000 of Debt incurred pursuant to the Steelco Exit ABL Facility, (y) up to an aggregate principal amount of Cdn..$60,000,000 of Debt incurred pursuant to the Steelco Exit CapEx Facility and (z) up to an aggregate principal amount of Cdn.$75,000,000 of Debt incurred pursuant to the Steelco Exit FedDev Facility;

(ii) any other Debt for borrowed money incurred by Steelco after the Closing Date, provided that:

(A) if such Debt is owed to a holder of Equity Interests in Steelco (or any Affiliate thereof), the terms of such Debt are on fair and reasonable terms no less favorable to Steelco (taken as a whole) than would be obtained in a comparable arm's length transaction with a Person who is not a holder of Equity Interests in Steelco (or otherwise consented to by the Investors, such consent not to be unreasonably withheld); and

(B) if any Debt incurred by Steelco after the Closing Date is held, as to 50% or more of such Debt, by Persons which are not holders of Equity Interests in Steelco (or any Affiliate thereof)

upon the incurrence of such Debt, such Debt shall be deemed to satisfy the requirements of paragraph (A) above;

(iii) any Debt incurred to refinance any of the Debt described in (i) or (ii) above, provided that the pricing and other terms thereof are no less favorable to Steelco (taken as a whole) than would be obtained in an arm's length transaction with a Person who is not a holder of Equity Interests in Steelco (or otherwise consented to by the Investors, such consent not to be unreasonably withheld);

(b) any repayment of Debt described in paragraphs (a)(i) or (a)(ii) above made with the proceeds of Debt described in paragraph (a)(iii) above;

(c) Distributions to a direct or indirect parent of Steelco (including the general partner of such direct or indirect parent) in amounts required for such parent to pay any of the following expenses, liabilities or other obligations, to the extent that the board of managers, managing member, board of directors or similar governing body of such parent (each, a "**Parent Board**") determines reasonably and in good faith that any such expenses, liabilities or other obligations are solely and directly related to such parent's role as a direct or indirect holding company for Steelco or any of its Affiliates or the business and affairs of Steelco or any of its Affiliates: (1) operating, administrative, legal, regulatory and other similar costs and expenses of such parent, (2) any compensation, indemnity or insurance for employees or members of a Parent Board; provided that no compensation may be paid to a member of a Parent Board if such member is an employee of a holder of outstanding Equity Interests in the ultimate parent of Steelco (such ultimate parent, the "**Ultimate Parent**") or an employee of a holder of outstanding Equity Interests in the general partner of the Ultimate Parent (the "**Ultimate GP**") (each such holder of outstanding Equity Interests in the Ultimate Parent or outstanding Equity Interests of the Ultimate GP, other than the Ultimate Parent or the Ultimate GP itself, an "**Ultimate Parent Shareholder**") (or any Affiliate or manager of an Ultimate Parent Shareholder, except, for the purpose of this clause (c), each of the Ultimate GP and Ultimate Parent and their respective subsidiaries shall be deemed not to be an Ultimate Parent Shareholder or an Affiliate or manager thereof), other than indemnification and insurance in connection with service as a member of a Parent Board or other related service to such parent and reimbursement for reasonable out-of-pocket expenses incurred in connection with attending meetings of a Parent Board, (3) any accounting, audit, legal, tax advisor, financial advisor and other professional fees and expenses of such parent, (4) taxes, assessments and governmental charges (including, in each case, penalties and interest) levied or imposed upon such parent or for which such parent is liable; provided that the aggregate amount distributed under this clause (4) to pay taxes, assessments and governmental charges other than any taxes, assessments and governmental charges arising in connection with items (1) through (3) and (5) through (7) of this clause (c) (the "**Other Taxes Distributions**") in a calendar year shall not exceed the sum of the Annual Other Tax Distribution Cap plus the Annual Other Tax Distribution Surplus; and provided further that (x) any such Distribution permitted under this clause (4) shall only be used to pay amounts due to a governmental entity and shall not be used, directly or indirectly, to pay a Distribution to an

Ultimate Parent Shareholder, and (y) the amount of any such Distribution permitted under this clause (4) shall be determined after giving effect to any corresponding tax deduction, credit or other reduction that reduces the amount actually payable; (5) any judgments, settlements, penalties, fines or other costs and expenses of such parent in respect of any claims against, or any litigation or proceedings involving, such parent, (6) fees and expenses related to any securities offering, investment or acquisition transaction (whether or not successful) authorized by a Parent Board and (7) other fees and expenses in connection with the maintenance of the existence of such parent such that the business of such parent and Steelco may be properly and advantageously conducted at all times; provided that Steelco shall be prohibited from making any Distribution or other payment to any Ultimate Parent Shareholder (or from making any Distribution or other payment to the Ultimate Parent or any other direct or indirect parent of Steelco for the purposes of making any Distribution or payment to an Ultimate Parent Shareholder) in respect of management fees, legal fees or financial advisor fees or comparable expenses of any Ultimate Parent Shareholder (other than to cover compensation, indemnification, insurance or out-of-pocket expenses permitted under clause (2) above);

(d) all payments pursuant to the terms of the Lease and Sublease; and

(e) any Distribution paid solely by the issuance of Equity Interests of Steelco.

(7) *Related Party Transactions*. In the case of the Borrower and the General Partner and except with respect to the Lease and the Sublease, directly or indirectly (i) purchase, acquire, lease or licence any asset, right or service from, or (ii) sell, transfer, lease or licence any assets, right or service to, any Person which is an Affiliate of the Borrower or the General Partner, except at prices and on terms not less favourable to the Borrower or the General Partner than those which would have been obtained in a transaction with a Person which is not an Affiliate of the Borrower or the General Partner, provided that the consent of the Required Investors, acting reasonably, shall be required for any transaction or series of transactions between the Borrower or the General Partner and any Person which is an Affiliate of the Borrower or the General Partner involving payments or the provisions of services in excess of (A) $100,000 individually, and (B) $750,000 by the Borrower and the General Partner in aggregate during any Fiscal Year (excluding the Core Material Contracts); provided that that this Section 7.1(7) shall not in any way restrict the execution, delivery or performance of the Lease or the Sublease.

(8) *Limitation on Sale-Leaseback Transactions*. In the case of the Borrower and the General Partner, enter into any Sale-Leaseback Transaction.

(9) *Asset Dispositions*. In the case of the Borrower and the General Partner, make any Asset Disposition, except (i) an Asset Disposition in respect of which the Net Proceeds therefrom are applied in accordance with Section 2.7(1)(b); or (ii) expressly permitted by Sections 7.1(4) or (6).

(10) *Change in Business*. In the case of the Borrower and the General Partner, engage in any business other than the Business.

(11) *Fiscal Year*. In the case of the Borrower and the General Partner, change its Fiscal Year.

(12) *No Share Issuances by Borrower or the General Partner*. In the case of the Borrower and the General Partner, issue any Equity Interests unless the Person to whom such Equity Interests are issued is Steelco and then only if the additional Equity Interests so issued are concurrently and validly pledged to the Collateral Agent under the Security Documents, certificates together with stock transfer powers in respect of such Equity Interests are delivered to the Collateral Agent, and all resolutions (corporate, shareholder or otherwise) and customary legal opinions in connection therewith are delivered to the Collateral Agent.

(13) *No New Subsidiaries*. In the case of the Borrower and the General Partner, create or acquire or permit to exist any Subsidiary after the date of this Agreement.

(14) *Amendments to Organizational Documents*. In the case of the Borrower and the General Partner, amend its organizational documents in a manner that would be prejudicial in any material respect to the interests of the Administrative Agent, the Collateral Agent and/or any Investor under the Loan Documents.

(15) *Amendments/Termination of Core Material Contracts*. In the case of the Borrower and the General Partner, directly or indirectly, (i) amend, modify, terminate or replace any Core Material Contract or any material provision thereof (other than, in respect of the Lease and the Sublease, Permitted Amendments); or (ii) waive or excuse performance by the counterparty thereunder of any of its material obligations thereunder.

(16) *No Change of Name*. In the case of the Borrower and the General Partner, change its name or adopt a French form of name or change or the jurisdiction of its organization, or its chief executive office or principal place of business, in each case, without prior written notice to the Investors and the Administrative Agent.

(17) *Location of Assets in Other Jurisdictions*. In the case of the Borrower and the General Partner, except for property in transit in the ordinary course of business, acquire, acquire or store any property outside of the Province of Ontario.

(18) *Pension Plan Compliance*. In the case of the Borrower and the General Partner, establish, or otherwise become liable or subject to, any Pension Plan.

(19) *Capital Expenditures*. In the case of the Borrower and the General Partner, make any Capital Expenditures in any Fiscal Year other than Capital Expenditures (i) in an aggregate amount of not more than $100,000 (or such greater amount as agreed to in writing by the Required Investors), collectively among the Borrower and the General Partner, (ii) funded by way of grants from Governmental Authorities and designated for such purpose, (iii) funded by Net Proceeds from the issuance of Equity Interests by the Borrower or the General Partner or of any capital contributions by any Person to the Borrower or the General Partner and designated for such use.

(20) *Distributions on Closing Date*. Make Distributions on the Closing Date to a holder of Equity Interests of Steelco or its Affiliates, other than as set forth in the sources and uses of funds provided pursuant to Section 5.1(16).

ARTICLE 8
[DELETED INTENTIONALLY]

ARTICLE 9
EVENTS OF DEFAULT

9.1 Events of Default.

If any of the following events ("**Events of Default**") shall occur:

(a) the Borrower shall fail to pay any principal of the Term Loan when and as the same shall become due and payable (including any payment required to be made pursuant to Section 2.5(a)), whether at the due date thereof or at a date fixed for prepayment thereof or otherwise;

(b) the Borrower or the General Partner shall fail to pay any interest on the Term Loan or any fee or any other amount (other than an amount referred to in Section 9.1(a)) payable under this Agreement, within 3 Business Days after the date the same shall become due and payable;

(c) any representation or warranty made or deemed made by or on behalf of Steelco, the General Partner or the Borrower in or in connection with any Loan Document, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with any Loan Document, shall prove to have been incorrect in a material respect when made or deemed to be made;

(d) the Borrower or the General Partner shall fail to observe or perform any covenant contained in Section 7.1 (*Negative Covenants*);

(e) Steelco shall fail to pay any amount payable by it under the Sublease when and as the same shall become due and payable and such failure continues for 3 Business Days;

(f) (i) Steelco, the General Partner or the Borrower shall fail to observe or perform any covenant, condition or agreement contained in this Agreement (other than those specified in Section 9.1(a), (b), and (d) above) or any other Loan Document or (ii) the Borrower, the General Partner or Steelco shall fail to observe or perform any covenant, condition or agreement contained in the Sublease, and such failure shall continue unremedied for a period of 30 days after the earlier of (x) knowledge thereof by Steelco or the General Partner, or (y) notice thereof from the Administrative Agent (acting at the direction of the Required Investors) to Steelco or the Borrower, as applicable;

(g) (i) the Borrower or the General Partner shall fail to pay any amount of the principal of or premium or interest on any Debt (excluding any Debt hereunder) which is outstanding in an aggregate principal amount exceeding $150,000 (or the Equivalent Amount in any other currency), when such amount becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) and such failure shall continue after the applicable grace period, if any, specified in the agreement

or instrument relating to such Debt without waiver of such failure by the holder or holders of such Debt on or before the expiration of such period; or (ii) any other event shall occur or condition shall exist, and shall continue after the applicable grace period, if any, specified in any agreement or instrument relating to any such Debt without waiver of such failure by the holder or holders of such Debt on or before the expiration of such period, if the effect of such event is to accelerate, or permit the acceleration of such Debt; or (iii) any such Debt shall be declared to be due and payable in accordance with its terms prior to the stated maturity thereof;

(h) any of the following shall be declared to be due and payable in accordance with its terms prior to the stated maturity thereof: (i) any Debt incurred pursuant to any Steelco Exit Facility Agreement or any Debt incurred to refinance any Debt incurred pursuant to any Steelco Exit Facility Agreement; or (ii) any other Debt (excluding any Debt hereunder) of Steelco which is outstanding in an aggregate principal amount equal to or greater than $50,000,000 (or the Equivalent Amount in any other currency);

(i) any final judgment or order (subject to no further right of appeal) for the payment of money in excess of $200,000 (or the Equivalent Amount in any other currency) is rendered against or in respect of the Borrower or the General Partner or any of their assets and either (A) enforcement proceedings have been commenced by a creditor upon the judgment or order; or (B) there is any period of 45 consecutive days during which a stay of enforcement of the judgment or order, by reason of a pending appeal or otherwise, is not in effect; provided that this Section 9.1(i) will not apply if the entire judgment amount is covered by insurance provided by a reputable and solvent insurance company and such insurance company has not denied coverage in respect of such judgment;

(j) Steelco, the General Partner or the Borrower (i) is adjudicated insolvent or generally is not able to pay its debts as they become due; (ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit of creditors; (iii) institutes or has instituted against it any proceedings seeking (x) to adjudicate it a bankrupt or insolvent, (y) liquidation, winding-up, reorganization, arrangement, adjustment, protection, release or composition of it or its Debt under any Law relating to bankruptcy, insolvency, reorganization or release of debtors including any plan of compromise or arrangement or other corporate proceedings involving or affecting its creditors, or (z) the entry of an order for relief or the appointment of a receiver, trustee or other similar official for it or for any substantial part of its assets, and in the case of any such proceeding instituted against it (but not instituted by it), (a) such proceeding shall remain undismissed or unstayed for a period of 30 days, or (b) Steelco, the General Partner or the Borrower fails to diligently and actively oppose such proceeding, or (c) any of the relief sought in such proceeding (including the entry of an order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its Assets) is given; or (iv) takes any corporate or other action to authorize any of the above actions;

(k) if an encumbrancer shall take possession of all or a substantial part of the property of the Borrower or the General Partner (whether by appointment of a

receiver, receiver and manager or otherwise) or if a distress or execution or any similar process be levied or enforced there against and remain unsatisfied for such period as would permit such property or such substantial part thereof to be sold thereunder;

(l) the Borrower or the General Partner shall cease or threaten in writing to cease to carry on business or a substantial part thereof in the ordinary course;

(m) any Lien purported to be created by any Security Document shall cease to be, or shall be asserted by any Credit Party not to be, a valid, perfected, first priority (except as otherwise expressly provided in this Agreement or such Security Document) Lien unless the Borrower has remedied such default within 5 Business Days of the Borrower receiving notice from the Collateral Agent of such Default (without material prejudice to the Investors);

(n) any of the Loan Documents or the Core Material Contracts shall cease to be in full force and effect against Steelco, the General Partner or the Borrower, as applicable, (except as such enforceability may be limited by the availability of equitable remedies and the effect of bankruptcy, insolvency or similar laws affecting the enforcement of creditor's rights generally);

(o) the validity of any of the Loan Documents or the applicability thereof to the Term Loan or any other obligations purported to be secured thereby or any material part thereof shall be disaffirmed in writing by or on behalf of Steelco, the General Partner or the Borrower, as applicable, or any other Person party thereto (other than the Administrative Agent, the Collateral Agent or any Investor);

(p) there shall be any Impermissible Qualification; or

(q) the occurrence of a default or event of default by any Person pursuant to any Core Material Contract which has had or could reasonably be expected to have a Material Adverse Effect,

then, and in every such event (other than an event with respect to Steelco, the General Partner or the Borrower, as applicable, described in Section 9.1(j), (k) or (l)), and at any time thereafter during the continuance of such event or any other such event, the Administrative Agent (acting at the direction of the Required Investors), by notice to Steelco and the Borrower, may declare the Term Loan then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Term Loan so declared to be due and payable, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind except as set out earlier in this paragraph, all of which are hereby waived by Steelco, the General Partner and the Borrower; and in the case of any event with respect to Steelco, the General Partner or the Borrower, as applicable, described in Section 9.1(j), (k) or (l), the principal of the Term Loan then outstanding, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder, shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by Steelco, the General Partner and the Borrower.

ARTICLE 10
ADMINISTRATIVE AGENT/COLLATERAL AGENT

10.1 Appointment and Authority.

Each Investor hereby irrevocably appoints the Administrative Agent to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are expressly delegated to the Administrative Agent by the terms hereof or thereof. The Administrative Agent and each Investor hereby irrevocably appoints the Collateral Agent to act on its behalf as the Collateral Agent hereunder and under the other Loan Documents and authorizes the Collateral Agent to take such actions on its behalf and to exercise such powers as are expressly delegated to the Collateral Agent by the terms hereof or thereof. The provisions of this Article are solely for the benefit of the Administrative Agent, the Collateral Agent and the Investors, and none of Steelco, the General Partner or the Borrower shall have rights as a third party beneficiary of any of such provisions.

10.2 Rights as an Investor.

The Person serving as the Administrative Agent or Collateral Agent, as applicable, hereunder shall have the same rights and powers in its capacity as an Investor as any other Investor and may exercise the same as though it were not the Administrative Agent or Collateral Agent, as applicable. Such Person and its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with Steelco, the General Partner, the Borrower or any Affiliate of any of the foregoing as if such Person were not the Administrative Agent or Collateral Agent, as applicable, and without any duty to account to the Investors.

10.3 Exculpatory Provisions.

(1) The Administrative Agent or Collateral Agent, as applicable, shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents. Without limiting the generality of the foregoing, the Administrative Agent and Collateral Agent, as applicable:

(a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default or Event of Default has occurred and is continuing;

(b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent or Collateral Agent, as applicable, is required to exercise as directed in writing by the Required Investors (or such other number or percentage of the Investors as shall be expressly provided for in the Loan Documents), but the Administrative Agent and Collateral Agent, as applicable, shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent or Collateral Agent, as applicable, to liability or financial risk or that is contrary to any Loan Document or applicable Law; and

(c) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to

disclose, any information relating to Steelco, the General Partner, the Borrower or any of their Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or Collateral Agent, as applicable, or any of its Affiliates in any capacity.

(2) The Administrative Agent and Collateral Agent, as applicable, shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Investors (or such other number or percentage of the Investors as is necessary, or as the Administrative Agent or Collateral Agent, as applicable, believes in good faith is necessary, under the provisions of the Loan Documents) or (ii) in the absence of its own gross negligence or wilful misconduct. The Administrative Agent and Collateral Agent, as applicable, shall be deemed not to have knowledge of any Default or Event of Default unless and until notice describing the Default or Event of Default is given to the Administrative Agent or Collateral Agent, as applicable, by the Borrower.

(3) Except as otherwise expressly specified in this Agreement, the Administrative Agent and Collateral Agent, as applicable, shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any order, direction, instruction, certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default or Event of Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document or (v) the satisfaction of any condition specified in this Agreement.

10.4 Reliance by Administrative Agent/Collateral Agent.

The Administrative Agent and the Collateral Agent, as applicable, shall be entitled to rely upon, and shall not incur any liability for relying upon, any order, direction, instruction, notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent and Collateral Agent, as applicable, also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a borrowing that by its terms must be fulfilled to the satisfaction of an Investor, the Administrative Agent and Collateral Agent, as applicable, may presume that such condition is satisfactory to such Investor unless the Administrative Agent or Collateral Agent, as applicable, shall have received written notice to the contrary from such Investor prior to the making of such borrowing. The Administrative Agent and the Collateral Agent, as applicable, may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

10.5 Indemnification of Administrative Agent and Collateral Agent.

Each Investor agrees to indemnify the Administrative Agent and the Collateral Agent and hold each of them harmless (to the extent not reimbursed by Steelco or the Borrower), rateably according to its Applicable Percentage (and not jointly or jointly and severally) from and against any and all losses, claims, damages, liabilities and related expenses, including the fees, charges and disbursements of any counsel, which may be incurred by or asserted against the

Administrative Agent or Collateral Agent, as applicable, in any way relating to or arising out of the Loan Documents or the transactions therein contemplated. However, no Investor shall be liable for any portion of such losses, claims, damages, liabilities and related expenses resulting from the Administrative Agent's or Collateral Agent's, as applicable, gross negligence or wilful misconduct as determined by a court of competent jurisdiction in a final non-appealable ruling.

10.6 Delegation of Duties.

The Administrative Agent or Collateral Agent, as applicable, may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent or Collateral Agent, as applicable, from among the Investors and their respective Affiliates. The Administrative Agent or Collateral Agent, as applicable, and any sub-agents may perform any and all of their duties and exercise their rights and powers by or through their respective Related Parties. The provisions of this Article and other provisions of this Agreement for the benefit of the Administrative Agent and the Collateral Agent, as applicable, shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and the Collateral Agent, and shall apply to their respective activities in connection with the activities as Administrative Agent or Collateral Agent, as applicable.

10.7 Replacement of Administrative Agent and Collateral Agent.

(1) The Administrative Agent or Collateral Agent, as applicable, may at any time give notice of its resignation to the Investors and the Borrower. Upon receipt of any such notice of resignation, the Required Investors shall have the right to appoint a successor Administrative Agent or Collateral Agent, as applicable. The Administrative Agent or Collateral Agent, as applicable, may also be removed at any time by the Required Investors upon 30 days' notice to the Administrative Agent or Collateral Agent, as applicable, and the Borrower as long as the Required Investors appoint and obtain the acceptance of a successor within such 30 days.

(2) If no such successor shall have been so appointed by the Required Investors and shall have accepted such appointment within 30 days after the retiring Administrative Agent or Collateral Agent, as applicable, gives notice of its resignation, then such resignation shall nonetheless become effective in accordance with such notice and (a) the retiring Administrative Agent or Collateral Agent, as applicable, shall be discharged from its duties and obligations hereunder and under the other Loan Documents, and (b) all payments, communications and determinations provided to be made by, to or through the Administrative Agent or Collateral Agent, as applicable, shall instead be made by or to each Investor directly, until such time as the Required Investors appoint a successor Administrative Agent or Collateral Agent, as applicable, as provided for above in the preceding paragraph.

(3) Upon a successor's appointment as Administrative Agent or Collateral Agent, as applicable, hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the former Administrative Agent or Collateral Agent, as applicable, and the former Administrative Agent or Collateral Agent, as applicable, shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided in the preceding paragraph). The fees payable by the Borrower to a successor Administrative Agent or Collateral Agent, as applicable, shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the termination of the service of the former Administrative Agent or Collateral Agent, as applicable, the provisions of this Article

shall continue in effect for the benefit of such former Administrative Agent or Collateral Agent, as applicable, and their respective sub-agents and Related Parties in respect of any actions taken or omitted to be taken by any of them while the former Administrative Agent or Collateral Agent, as applicable, was acting as Administrative Agent or Collateral Agent, as applicable.

10.8 Non-Reliance on Administrative Agent and Collateral Agent.

Each Investor acknowledges that it has, independently and without reliance upon the Administrative Agent or Collateral Agent, as applicable, or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Investor also acknowledges that it will, independently and without reliance upon the Administrative Agent or Collateral Agent, as applicable, or any of its representatives and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

10.9 Collateral and Filings.

Notwithstanding anything contained herein to the contrary and for the avoidance of doubt, nothing in this Agreement or any other Loan Document shall require the Collateral Agent or the Administrative Agent to file financing statements or continuation statements (except for the safe custody of any Collateral in its possession), or be responsible for maintaining the security interests purported to be created as described herein, and such responsibility shall be solely that of the Borrower. Neither the Collateral Agent nor the Administrative Agent makes any representations and shall not be responsible for the existence, genuineness, validity or value of any Collateral or for the legality, effectiveness or sufficiency of any Security Documents, or for the creation, perfection, priority, sufficiency, protection or enforceability of any Lien.

10.10 Collective Action of the Investors.

Each Investor hereby acknowledges that to the extent permitted by applicable Law, any Security Document and the remedies provided under the Loan Documents to the Investors are for the benefit of the Investors collectively and acting together and not severally and further acknowledges that its rights hereunder and under any collateral security are to be exercised not severally, but by the Administrative Agent or the Collateral Agent, as applicable, upon the decision of the Required Investors (or such other number or percentage of the Investors as shall be expressly provided for in the Loan Documents). Accordingly, notwithstanding any of the provisions contained herein or in any collateral security, each of the Investors hereby covenants and agrees that it shall not be entitled to take any action hereunder or thereunder including, without limitation, any declaration of default hereunder or thereunder but that any such action shall be taken only by the Administrative Agent or the Collateral Agent, as applicable, with the prior written agreement of the Required Investors (or such other number or percentage of the Investors as shall be expressly provided for in the Loan Documents). Each Investor hereby further covenants and agrees that upon any such written agreement being given, it shall cooperate fully with the Administrative Agent and the Collateral Agent to the extent requested by the Administrative Agent and the Collateral Agent.

10.11 Limited Duties and Liabilities.

In no event and under no circumstances shall the Collateral Agent or the Administrative Agent be required or deemed to be the operator of any facility, plant, property or other Collateral of the Borrower, the General Partner or Steelco. In the event that the Collateral Agent or the Administrative Agent is required to acquire title to an asset for any reason, or take any operational or managerial action of any kind in regard thereto, in order to carry out any fiduciary or trust obligation for the benefit of another, which in the Collateral Agent's or the Administrative Agent's sole discretion may cause the Collateral Agent or the Administrative Agent to incur potential liability under any Environmental Law or any other applicable Laws, each of the Collateral Agent and the Administrative Agent reserves the right, instead of taking such action, to either resign or arrange for the transfer of the title or control of the asset to a court-appointed receiver. Neither the Collateral Agent nor the Administrative Agent shall be liable to the Borrower, the General Partner, Steelco, the Investors, any Participant, or any other Person for any Environmental Liability or any other losses, claims, cost recovery actions, demands, damages, expenses, and liabilities of any kind arising under, in connection with or related to any Environmental Law, or under any applicable Law, rule or regulation, by reason of the Collateral Agent's or the Administrative Agent's actions and conduct as authorized, empowered and directed hereunder or relating to the presence, release, or threatened release of any Hazardous Materials.

10.12 No Risk of Funds.

Neither the Administrative Agent nor the Collateral Agent shall be required to expend or risk any of its own funds or otherwise incur any liability, financial or otherwise, in the performance of any of its duties hereunder or under any other Loan Document. The Administrative Agent and the Collateral Agent may refuse to perform any duty or exercise any right or power unless it receives indemnity and/or security satisfactory to it against the costs, expenses and liabilities which might be incurred by it in performing such duty or exercising such right or power.

10.13 USA Patriot Act.

Each of the Borrower, the General Partner and Steelco acknowledges that in order to help the United States government fight the funding of terrorism and money laundering activities, pursuant to Federal regulations that became effective on October 1, 2003 (Section 326 of the USA PATRIOT Act) all financial institutions are required to obtain, verify, record and update information that identifies each person establishing a relationship or opening an account. Each of the Borrower, the General Partner and Steelco agrees that it will provide to the Administrative Agent and Collateral Agent such information as they may request, from time to time, in order for the Administrative Agent and Collateral Agent to satisfy the requirements of the USA PATRIOT Act, including but not limited to the name, address, tax identification number and other information that will allow it to identify the individual or entity who is establishing the relationship or opening the account and may also ask for formation documents such as articles of incorporation or other identifying documents to be provided.

10.14 Force Majeure.

Neither the Administrative Agent nor the Collateral Agent shall incur any liability for not performing any act or fulfilling any duty, obligation or responsibility hereunder by reason of any occurrence beyond their control of (including but not limited to any act or provision of any present or future law or regulation or governmental authority, any act of God or war, civil unrest,

local or national disturbance or disaster, any act of terrorism, or the unavailability of the Federal Reserve Bank wire or facsimile or other wire or communication facility).

ARTICLE 11
MISCELLANEOUS

11.1 Notices.

Except in the case of notices and other communications expressly permitted to be given by telephone, all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile or e-mail in each case to the addressee, as follows:

(a) if to Steelco, the General Partner or the Borrower:

105 West Street,
Sault Ste. Marie
Ontario, Canada P6A 7B4

Attention: Rajat Marwah, Chief Financial Officer
E-mail: rajat.marwah@algoma.com

with a copy to:

Osler, Hoskin & Harcourt LLP
100 King Street West
1 First Canadian Place, 62nd Floor
Toronto, Ontario M5X 1B8

Attention: Marc Wasserman
Facsimile: (416) 862-6666

(b) if to an Investor, to it as provided on its signature page hereto:

(c) if to the Administrative Agent or Collateral Agent:

Cortland Capital Market Services LLC
225 W. Washington St. 9th Floor
Chicago, Illinois 60606

Attention: Francis Real and Legal Department
Facsimile: (312) 376-0751
Email: CPCAgency@cortlandglobal.com and
legal@cortlandglobal.com

Any party hereto may change its address, facsimile number or e-mail address for notices and other communications hereunder by notice to the other parties hereto. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt.

11.2 Waivers; Amendments.

(1) *Waiver*. No failure or delay by the Administrative Agent, the Collateral Agent or any Investor in exercising any right or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of Administrative Agent, the Collateral Agent and the Investors hereunder are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by Steelco, the General Partner or the Borrower therefrom shall in any event be effective unless the same shall be permitted by Section 11.2(2), and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of the Term Loan shall not be construed as a waiver of any Default, regardless of whether the Administrative Agent, the Collateral Agent or any Investor may have had notice or knowledge of such Default at the time.

(2) *Amendments.* Neither this Agreement nor any other Loan Document (or any provision hereof or thereof) may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by Steelco, the General Partner, the Borrower, the Administrative Agent, the Collateral Agent and the Required Investors, provided that only written acceptances, amendments, waivers or consents signed by all the Investors shall (i) reduce the principal or amount of, or interest on, directly or indirectly, the Term Loan or any fees; (ii) postpone any date fixed for any payment of principal of, or interest on, the Term Loan or any fees; (iii) change the percentage of the Term Loan or the number or percentage of Investors required for the Investors, or any of them, or the Administrative Agent to take any action; (iv) permit any termination of the Sublease, the Steelco Guarantee or any other guarantees required hereunder or the Security or release any of such guarantees or any substantial portion of the Assets subject to the Security; (v) change the definition of Required Investors; or (vi) amend this Section. An amendment, modification or waiver affecting the Fee Letter may be made only by the parties to it.

11.3 Expenses; Indemnity; Damage Waiver.

(1) *Expenses*. Steelco, the General Partner and the Borrower shall pay (a) all reasonable out-of-pocket expenses (fully evidenced by invoices, receipts or other similar documentation as appropriate), incurred by the Administrative Agent and the Collateral Agent, including the reasonable fees, charges and disbursements of one firm of legal counsel on behalf of the Administrative Agent and the Collateral Agent, together with one firm of local counsel in each applicable jurisdiction, and all applicable Taxes, in connection with the preparation of this Agreement and the other Loan Documents, (b) all reasonable out-of-pocket expenses (fully evidenced by invoices, receipts or other similar documentation as appropriate) incurred by the Administrative Agent, the Collateral Agent or the Investors, including the reasonable fees, charges and disbursements of one firm of legal counsel on behalf of the Administrative Agent and the Collateral Agent and one firm of legal counsel on behalf of the Investors, together with one firm of local counsel in each applicable jurisdiction, and applicable Taxes, in connection with any amendments, modifications or waivers of the provisions hereof or of any of the other Loan Documents, (whether or not the transactions contemplated hereby or thereby shall be consummated), and (c) all reasonable out-of-pocket expenses (fully evidenced by invoices, receipts or other similar documentation as appropriate) incurred by the Administrative Agent, the Collateral Agent or any Investor, including the fees, charges and disbursements of any of one firm of legal counsel on behalf

of the Administrative Agent and the Collateral Agent and one firm of legal counsel on behalf of the Investors, together with one firm of local counsel in each applicable jurisdiction, and all applicable Taxes, in connection with the administration of this Agreement and the assessment, enforcement or protection of their rights in connection with this Agreement or in connection with the Term Loan, including all such reasonable out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of the Term Loan. For greater certainty and notwithstanding anything to the contrary in this Agreement, none of Steelco, the General Partner or the Borrower shall be required to pay or reimburse the out-of-pocket expenses (including legal fees) incurred by the Investors prior to the Advance Date, including in connection with the negotiation and preparation of the Term Loan, this Agreement and the other Loan Documents; however, nothing in this Agreement precludes the Investors from requiring payment or reimbursement of any of such expenses pursuant to the POI Credit Agreement.

(2) *Indemnity*. Steelco, the General Partner and the Borrower shall indemnify the Administrative Agent (or any sub-agent thereof), the Collateral Agent (or any sub-agent thereof) and each Investor, as well as each Related Party and each assignee of any of foregoing Persons (each such Person and each such assignee being called an "**Indemnitee**") against, and hold each Indemnitee harmless from, any and all losses, claims, cost recovery actions, damages, expenses and liabilities of whatsoever nature or kind and all reasonable out-of-pocket expenses (including due diligence expenses, travel expenses and reasonable fees, charges and disbursements of counsel, but excluding expenses addressed by clause 11.3(1) above and any costs incurred by the Investors in connection with the negotiation and preparation of the Term Loan, this Agreement or the other Loan Documents) and all applicable Taxes (other than Excluded Taxes) to which any Indemnitee may become subject arising out of or in connection with (a) in respect of the Administrative Agent (or any sub-agent thereof) and the Collateral Agent (or any sub-agent thereof) and each of their Related Parties only, the preparation, execution or delivery of the Loan Documents or any agreement or instrument contemplated thereby, the performance by the parties thereto of their respective obligations thereunder, and the consummation of the Transactions or any other transactions thereunder, (b) the Term Loan or any actual or proposed use of the proceeds therefrom, (c) any actual or alleged presence or release of Hazardous Materials on or from any property owned, leased or operated by the Borrower or the General Partner, or any Environmental Liability related in any way to the Borrower or the General Partner, (d) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory and regardless of whether any Indemnitee is a party thereto, (e) any other aspect of this Agreement, the other Loan Documents and the Core Material Contracts, or (f) the enforcement of any Indemnitee's rights hereunder and any related assessment, investigation, defence, preparation of defence, litigation and enquiries, in each case regardless of whether or not the Transactions are consummated; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and non-appealable judgment to have resulted from the gross negligence (it being acknowledged that ordinary negligence does not necessarily constitute gross negligence) or wilful misconduct of such Indemnitee.

(3) *No Special, Punitive, etc. Damages.* None of Steelco, the General Partner or the Borrower shall assert, and hereby waives to the fullest extent permitted by applicable Law, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages or lost profits (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, any Loan Document, or any agreement or

instrument contemplated thereby, the Transactions, the Term Loan or the use of the proceeds thereof irrespective of whether such Indemnitee has been advised of the likelihood of such loss or damage and regardless of the form of such action.

(4) *Inspections for Administration.* Any inspection of any property of Steelco, the General Partner or the Borrower made by or through Administrative Agent, the Collateral Agent or any Investor shall be for purposes of administration of the Credit only, and none of Steelco, the General Partner or the Borrower shall be entitled to rely upon the same (whether or not such inspections are at the expense of the Borrower) and neither the Administrative Agent nor the Collateral Agent shall be deemed to have any knowledge of any fact or circumstance as a result of such inspection.

(5) *No Representation.* By accepting or approving anything required to be observed, performed, fulfilled or given to the Administrative Agent, the Collateral Agent or any Investor pursuant to the Loan Documents, the Administrative Agent, the Collateral Agent and the Investors shall not be deemed to have warranted or represented the sufficiency, legality, effectiveness or legal effect of the same, or of any term, provision or condition thereof, and such acceptance or approval thereof shall not constitute a warranty or representation to anyone with respect thereto by the Administrative Agent, the Collateral Agent or any Investor.

(6) *Relationship Between Parties.* The relationship between Steelco, the General Partner and the Borrower and the Administrative Agent, the Collateral Agent and any Investor is, and shall at all times remain, solely that of borrower and investor. The Administrative Agent, the Collateral Agent and each Investor shall not under any circumstances be construed to be a partner or joint venturer of Steelco, the General Partner or the Borrower or their Affiliates. Neither the Administrative Agent, the Collateral Agent nor any Investor shall under any circumstances be deemed to be in a relationship of confidence or trust or a fiduciary relationship with Steelco, the General Partner or the Borrower or their Affiliates, or to owe any fiduciary duty to Steelco, the General Partner or the Borrower or their Affiliates. The Administrative Agent, the Collateral Agent and the Investors shall not undertake or assume any responsibility or duty to Steelco, the General Partner or the Borrower or their Affiliates to select, review, inspect, supervise, pass judgment upon or inform Steelco, the General Partner or the Borrower or their Affiliates of any matter in connection with their property or the operations of Steelco, the General Partner or the Borrower or their Affiliates. Steelco, the General Partner and the Borrower and their Affiliates shall rely entirely upon their own judgment with respect to such matters, and any review, inspection, supervision, exercise of judgment or supply of information undertaken or assumed by the Administrative Agent, the Collateral Agent or any Investor in connection with such matters shall be solely for the protection of the Administrative Agent, the Collateral Agent and the Investors, and neither Steelco nor the Borrower nor any other Person shall be entitled to rely thereon.

(7) *Limitation of Liability.* Neither the Administrative Agent, the Collateral Agent nor any Investor shall be responsible or liable to any Person for any loss, damage, liability or claim of any kind relating to injury or death to Persons or damage to property caused by the actions, inaction or negligence of Steelco, the General Partner or the Borrower or their Affiliates, and Steelco, the General Partner and the Borrower hereby indemnifies and holds the Administrative Agent, the Collateral Agent and each Investor harmless on the terms set out in Section 11.3(2) from any such loss, damage, liability or claim.

(8) *Agreement Between Parties.* The parties agree that this Agreement is made for the purpose of defining and setting forth certain obligations, rights and duties of Steelco,

the General Partner, the Borrower, the Administrative Agent, the Collateral Agent and the Investors in connection with the Term Loan, and is made for the sole benefit of Steelco, the General Partner, the Borrower, the Administrative Agent, the Collateral Agent and the Investors (and their respective successors and permitted assigns). Except as provided in Section 11.3(2) or otherwise provided hereunder, no other Person shall have any rights of any nature hereunder or by reason hereof.

(9) *Payment of Expenses and Indemnity.* All amounts due under this Section 11.3 shall be payable not later than five Business Days after written demand therefor accompanied by documented particulars thereof.

11.4 Successors and Assigns.

(1) *Successors and Assigns*. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that none of Steelco, the General Partner or the Borrower shall assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent, the Collateral Agent and the Required Investors (and any attempted assignment or transfer by Steelco, the General Partner or the Borrower without such consent shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby and, to the extent expressly contemplated hereby, the Related Parties of the Administrative Agent, the Collateral Agent and each Investor) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(2) *Assignment by Investor*. An Investor may assign to one or more assignees all or any part of its rights and obligations under this Agreement and the other Loan Documents. None of Steelco's, the General Partner's or the Borrower's consent shall be required with respect to any assignment of all or any part of any Investor's rights and obligations under this Agreement and the other Loan Documents provided that (i) such assignees shall not be entitled to receive any greater payments under Sections 2.10 and 2.12 than the assigning Investor would have been entitled to receive with respect to such assignment unless the assignment is made with the Borrower's consent, acting reasonably, and (ii) no such assignment shall be made to an industry participant or competitor of either Steelco or the Borrower as set out on the list provided to the Administrative Agent and the Investors on the Closing Date, as updated from time to time by the Borrower with the consent of GIP Primus, L.P. (or if GIP Primus, L.P. shall no longer be an Investor, with the consent of the Required Investors) acting reasonably, or any Person known by the assigning Investor to be an Affiliate or Person acting in concert with any Person so listed. Any such assignment shall be made pursuant to an Assignment and Acceptance in the form of Exhibit B and the assigning Investor shall provide the Administrative Agent with a copy thereof forthwith upon execution thereof by the parties thereto. From and after the effective date specified in each Assignment and Acceptance, the assignee thereunder shall be a party hereto and shall share in all of the rights and obligations of an Investor under this Agreement, and upon assignment of the full amount its share of the Term Loan, any assigning Investor shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.10, 2.11, 2.12 and 11.3. Each assignee shall provide the Administrative Agent with an Administrative Questionnaire, tax information and all other information, including supporting documentation and other evidence, as may be reasonably requested by the Administrative Agent in order to comply with any applicable AML Legislation, whether now or hereafter in existence, requested by the Administrative Agent together with an assignment fee of $2,500.

(3) *Participations.* An Investor may, without notice to the Borrower or the consent of the Borrower, sell participations to one or more Persons, other than Persons to whom assignment would be restricted under Section 11.4(2) (a "**Participant**") in all or a portion of the Investor's rights and obligations under this Agreement and the other Loan Documents (including all or a portion of the Term Loan; provided that (a) the Investor's obligations under this Agreement shall remain unchanged, (b) such Investor shall remain solely responsible to the other parties hereto for the performance of such obligations, and (c) Steelco, the General Partner and the Borrower shall continue to deal solely and directly with such Investor in connection with the Investor's rights and obligations under this Agreement. Any agreement or instrument pursuant to which such Investor sells such a participation shall provide that (e) such Investor shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Investor shall not, without the consent of the Participant, agree to material amendments, modifications or waivers for which the approval of all the Investors is required under Section 11.2(2), and (f) the Participant shall agree to maintain the confidentiality of Information (as defined in Section 11.15) on terms and conditions substantively similar to those contained in Section 11.15. Subject to Section 11.4(4), the Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.10, 2.11, 2.12 and 11.3 to the same extent as if it were an Investor and had acquired its interest by assignment pursuant to Section 11.4(2).

(4) *Rights of Participant.* A Participant shall not be entitled to receive any greater payment under Sections 2.10, 2.11, 2.12 and 11.3 than such Investor would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent.

(5) *Investor Pledge of Security.* An Investor may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of the Investor, including any pledge or assignment to secure obligations to a Federal Reserve Bank, and Section 11.4 shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release such Investor from any of its obligations hereunder or substitute any such pledgee or assignee for such Investor as a party hereto.

(6) *Borrower's Obligations.* Any assignment or grant of a participation pursuant to this Agreement shall constitute neither a repayment by the Borrower to the assigning or granting Investor of the Term Loan, nor a new advance of the Term Loan to the Borrower by the Investor or by the assignee or Participant, as the case may be. The parties acknowledge that the Borrower's obligations hereunder with respect to the Term Loan shall continue and shall not constitute new obligations as a result of such assignment or participation.

11.5 Anti-Money Laundering Legislation.

Steelco, the General Partner and the Borrower acknowledges that, pursuant to AML Legislation, the Administrative Agent, the Collateral Agent or any Investor may be required to obtain, verify and record information regarding Steelco, the General Partner and the Borrower, their directors, authorized signing officers, direct or indirect shareholders or other Persons in control of Steelco, the General Partner or the Borrower, and the transactions contemplated hereby. Steelco, the General Partner and the Borrower shall promptly provide all such information, including supporting documentation and other evidence, as may be reasonably requested by the Administrative Agent, the Collateral Agent or any Investor, or any prospective

assignee or participant of the Administrative Agent, the Collateral Agent or any Investor, in order to comply with any applicable AML Legislation, whether now or hereafter in existence.

11.6 Survival.

All covenants, agreements, representations and warranties made by Steelco, the General Partner and/or the Borrower herein and in the certificates or other instruments delivered in connection with or pursuant to this Agreement shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement and the making of the Term Loan, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent, the Collateral Agent or any Investor may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on the Term Loan or any fee or any other amount payable under this Agreement is outstanding and unpaid. All indemnities contained herein shall survive and remain in full force and effect, regardless of the consummation of the Transactions, the repayment of the Term Loan, the expiration or the termination of this Agreement or any provision hereof or the resignation or removal of the Administrative Agent or the Collateral Agent.

11.7 Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument. Counterparts may be executed either in original or faxed or other electronic form and the parties adopt any signatures received by a receiving fax machine or via e-mail as original signatures of the parties; provided, however, that any party providing its signature in such manner shall promptly forward to the other parties an original of the signed copy of this Agreement which was so faxed or e-mailed.

11.8 Entire Agreement.

This Agreement (together with the other Loan Documents and any separate letter agreements with respect to fees payable to the Administrative Agent, the Collateral Agent or any Investor), constitutes the entire agreement between the parties pertaining to the subject matter of this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written. There are no conditions, warranties, representations or other agreements between the parties in connection with the subject matter of this Agreement (whether oral or written, express or implied, statutory or otherwise) except as specifically set out in this Agreement or in such other applicable agreements.

11.9 Severability.

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability and shall be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

11.10 Right of Set Off.

If an Event of Default shall have occurred and be continuing, the Administrative Agent, the Collateral Agent and each Investor is hereby authorized at any time and from time to time, to the fullest extent permitted by Law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other obligations at any time owing by the Administrative Agent, the Collateral Agent or any Investor to or for the credit or the account of any Credit Party against any of and all of the obligations of the Credit Parties now or hereafter existing under the Loan Documents held by the Administrative Agent, the Collateral Agent or any Investor, irrespective of whether or not the Administrative Agent, the Collateral Agent or any Investor shall have made any demand under any Loan Document and although such obligations may be unmatured and regardless of the currency of the deposit. The rights of the Administrative Agent, the Collateral Agent or any Investor under this Section are in addition to other rights and remedies (including other rights of set off) which the Administrative Agent, the Collateral Agent or any Investor may have.

11.11 Governing Law.

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 that Province and shall be treated, in all respects, as an Ontario contract.

11.12 Attornment.

Each party hereto agrees (i) that any action or proceeding relating to this Agreement may (but need not) be brought in any court of competent jurisdiction in the Province of Ontario, and for that purpose now irrevocably and unconditionally attorns and submits to the jurisdiction of such Ontario court; (ii) that it irrevocably waives any right to, and shall not, oppose any such Ontario action or proceeding on any jurisdictional basis, including forum non conveniens; and (iii) not to oppose the enforcement against it in any other jurisdiction of any judgment or order duly obtained from an Ontario court as contemplated by this Section.

11.13 Service of Process.

Each party hereto irrevocably consents to service of process in the manner provided for notices in this Agreement. Nothing in this Agreement shall affect the right of any party to this Agreement to serve process in any other manner permitted by Law. Without prejudice to any other mode of service, the Borrower, the General Partner and Steelco each consent to the service of process relating to any such proceedings by prepaid mailing or by personal delivery of a copy of the process at the address identified in Section 11.1 or by facsimile or prepaid mailing by air mail, certified or registered mail, or by personal delivery, of a copy of the process at the address as provided for pursuant to Section 11.1.

11.14 WAIVER OF JURY TRIAL.

EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER LOAN DOCUMENT, OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (a) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED,

EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (b) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

11.15 Confidentiality.

The Administrative Agent, the Collateral Agent and each Investor shall maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to directors, officers, employees, agents and advisors, including accountants, legal counsel and other advisors of such Person (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and either be under a fiduciary, legal or contractual obligation to keep such Information confidential or otherwise have agreed to keep such Information confidential), (b) to the extent required by regulatory authority or other Governmental Authority, (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies under any Loan Document or any suit, action or proceeding relating to any Loan Document or the enforcement of rights thereunder, (f) subject to a non-disclosure agreement containing provisions substantially the same as the agreement entered into by the Investors, to (i) any actual or prospective assignee of or Participant in any of its rights or obligations under this Agreement, or (ii) any actual or prospective counterparty (or its advisors) to any Hedge Arrangement relating to the Borrower or the General Partner and their respective obligations, in each such case with the consent of the Borrower to the extent such consent is required for the participation or assignment pursuant to Section 11.4, (g) to their auditors in connection with any audit, (i) with the consent of the Borrower, or (h) to the extent such Information (i) has become publicly available other than as a result of a breach of this Section or (ii) becomes available to the Investors on a non-confidential basis from a source other than the Borrower or the General Partner; provided that such source is not known by the Investors to be (A) bound by a confidentiality agreement with the Borrower or the General Partner or (B) otherwise prohibited from disclosing information to the Investors by a contractual, legal or fiduciary obligation. In addition, the Administrative Agent, the Collateral Agent and the Investors may disclose the existence of this Agreement and relevant information about this Agreement, including the terms of this Agreement, to (i) rating agencies and credit bureaus and (ii) current or prospective investors in any fund managed by an Affiliate of any Investor. All Information provided by a Credit Party pursuant to the Loan Documents will be assumed to be confidential unless otherwise identified in writing by such Credit Party. For the purposes of this Section, "**Information**" means all information received from any Credit Party relating to any Credit Party or any of their subsidiaries or Affiliates, or their respective business, other than any such information that is available to the Investors on a non-confidential basis prior to disclosure by such Credit.

11.16 Application under the CCAA

Each of the Borrower and the General Partner acknowledges that its business and financial relationships with the Investors are unique from its relationship with any other of its creditors. The Borrower shall not file any plan of arrangement under the Companies' Creditors Arrangement Act (the "**CCAA Plan**") which provides for, or would permit, directly or indirectly, the Investors to be classified in the same class with any other creditor of the Borrower or the General Partner for purposes of such CCAA Plan.

11.17 No Strict Construction.

The parties hereto have participated jointly in the negotiation and drafting of this Agreement. If an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto and no presumption or burden of proof shall arise favouring or disfavouring any party by virtue of the authorship of any provisions of this Agreement.

11.18 Paramountcy.

In the event of any inconsistency between the provisions of this Agreement and the provisions of any other Loan Document, the provisions of this Agreement shall prevail.

11.19 Limitation of Liability.

NO CLAIM MAY BE MADE BY THE BORROWER, THE GENERAL PARTNER, STEELCO OR ANY OTHER PERSON AGAINST THE ADMINISTRATIVE AGENT, THE COLLATERAL AGENT OR ANY INVESTOR OR THE AFFILIATES, DIRECTORS, OFFICERS, EMPLOYEES, OR AGENTS OF THE ADMINISTRATIVE AGENT, THE COLLATERAL AGENT OR ANY INVESTOR FOR ANY SPECIAL, INDIRECT, CONSEQUENTIAL OR PUNITIVE DAMAGES OR LOST PROFITS IN RESPECT OF ANY CLAIM FOR BREACH OF CONTRACT OR ANY OTHER THEORY OF LIABILITY ARISING OUT OF OR RELATED TO THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, OR ANY ACT, OMISSION OR EVENT OCCURRING IN CONNECTION THEREWITH, AND EACH OF THE BORROWER, THE GENERAL PARTNER AND STEELCO HEREBY WAIVES, RELEASES AND AGREES NOT TO SUE UPON ANY CLAIM FOR SUCH DAMAGES, WHETHER OR NOT ACCRUED AND WHETHER OR NOT KNOWN OR SUSPECTED TO EXIST IN ITS FAVOUR.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

[signatures on the next following page]

ALGOMA DOCKS LIMITED PARTNERSHIP, by its general partner, **ALGOMA DOCKS GP INC.,** as Borrower

By: /s/ Joanna Anderson
Name: Joanna Anderson
Title: Director

ALGOMA DOCKS GP INC., as General Partner

By: /s/ Joanna Anderson
Name: Joanna Anderson
Title: Director

ALGOMA STEEL INC., as Guarantor

By: /s/ Joanna Anderson
Name: Joanna Anderson
Title: Director

CORTLAND CAPITAL MARKET SERVICES LLC, as Collateral Agent

By: /s/ Matthew Trybula
Name: Matthew Trybula
Title: Associate Counsel

CORTLAND CAPITAL MARKET SERVICES LLC, as Administrative Agent

By: /s/ Matthew Trybula
Name: Matthew Trybula
Title: Associate Counsel

GIP PRIMUS, L.P., as an Investor

BY: GLOBAL INFRASTRUCTURE PRIMUS GP, L.P., its general partner

BY: GIM PRIMUS GP, LLC, its general partner

By: /s/ Reiner Boehning

Name: Reiner Boehning
Title: CAPS Partner

Address: 1345 Avenve of The Americas
30TH Floor
New York, NY 10105

Facsimile: (855) 299-5167
E-Mail: reiner.boehning@global-infra.com

BRIGHTWOOD CAPITAL FUND III HOLDINGS SPV-3, LLC, as an Investor

By: /s/ Phil Daniele

Name: Phil Daniele
Title: Chief Risk Officer
Address: 810 Seventh Ave 26 FL
New York, NY 10019

By: /s/ Sengal Selassie

Name: Sengal Selassie
Title: Managing Member

Facsimile:
E-mail

BRIGHTWOOD CAPITAL FUND lll-U, LP, as an Investor

BY: BRIGHTWOOD CAPITAL FUND MANAGERS III, LLC, its general partner

By: /s/ Phil Daniele
Name: Phil Daniele
Title: Chief Risk Officer

By: /s/ Sengal Selassie
Name: Sengal Selassie
Title: Managing Member

Address: 810 Seventh Ave 26 FL
New York, NY 10019

Facsimile:
E-mail

FORETHOUGHT LIFE INSURANCE COMPANY, as an Investor

By: /s/ Gilles Dellaert

Name: Gilles Dellaert
Title: CIO

By: /s/ Lorenzo Lorilla

Name: Lorenzo Lorilla
Title: Managing Director

Address: Four World Trade Center, 51st Floor
150 Greenwich Street
New York, NY 10007

Facsimile:
E-mail Lorenzo.Lorilla@gafg.com

Exhibit 10.9

Recipient Name: Algoma Steel Inc.

ADVANCED MANUFACTURING FUND

AMENDED AND RESTATED CONTRIBUTION AGREEMENT

This Amended and Restated Contribution Agreement is made as of December 19th, 2018.

BETWEEN:	**HER MAJESTY THE QUEEN IN RIGHT OF CANADA** ("Her Majesty") hereby represented by the Minister responsible for the Federal Economic Development Agency for Southern Ontario
AND:	**ALGOMA STEEL INC.** ("Recipient") a corporation incorporated under the laws of British Columbia
AND:	**ALGOMA STEEL INTERMEDIATE HOLDINGS INC.** ("Algoma Holdings") a corporation incorporated under the laws of British Columbia
AND:	**ALGOMA STEEL USA INC.** ("Algoma USA" and collectively with Algoma Holdings, the "Guarantors") a corporation incorporated under the laws of Delaware

WHEREAS the Federal Economic Development Agency for Southern Ontario was created to help make Canadians more productive and competitive in the knowledge-based economy, by supporting economic development, economic diversification, job creation, and self-reliant communities in Southern Ontario (as defined herein);

WHEREAS as part of the Southern Ontario Prosperity Program, the Minister has established the *Advanced Manufacturing Fund* to assist Ontario manufacturing firms to adopt cutting-edge technologies that demonstrate a commitment to product, process and technological innovation; and

WHEREAS the Minister entered into a contribution agreement ("Original Contribution Agreement") made as of July 15, 2015 with Essar Steel Algoma Inc. (n/k/a/ Old Steelco Inc.) ("Essar") for a repayable contribution up to Thirty Million Dollars ($30,000,000);

WHEREAS the Recipient has acquired all of the assets of Essar and Essar Steel Algoma Inc. USA (n/k/a Old Steelco Inc. USA) (collectively, the "**Sellers**");

WHEREAS Essar has assigned to the Recipient absolutely all of Essar's right, title and interest in and to the Original Contribution Agreement and the Recipient has agreed to assume all obligations and liabilities of Essar under the Original Contribution Agreement;

WHEREAS the Minister has agreed, *inter alia*, to amend the Original Contribution Agreement to increase the amount of the repayable Contribution (as defined below) up to the maximum amount of **Sixty Million Dollars ($60,000,000)** in support of the Recipient's Eligible and Supported Costs (as defined herein) of the Project;

WHEREAS the Parties have agreed to amend and restate the Original Contribution Agreement;

NOW THERETOFORE, in accordance with the mutual covenants and agreements herein, Her Majesty as represented by the Minister (as defined herein) and the Recipient agree as follows:

1. Purpose of the Agreement

The purpose of this Agreement is to set out the terms and conditions under which the Minister will provide funding in support of the Project (as defined herein).

2. Interpretation

2.1. Definitions. In this Agreement, a capitalized term has the meaning given to it in this section, unless the context indicates otherwise:

ABL Agent means Wells Fargo Capital Finance Corporation Canada, in its capacity as administrative agent and collateral agent for the ABL Lenders, and any successor thereto in such capacity in respect of the ABL Facility.

ABL Credit Agreement shall mean the Revolving Credit Agreement, dated as of November 30th, 2018, among the Recipient, the guarantors from time to time party thereto, the lenders from time to time party thereto, the ABL Agent and the other parties thereto from time to time party thereto.

ABL Facility means an asset based credit facility provided by the ABL Lender to the Recipient in an aggregate principal amount and secured by the Collateral, not exceeding the greater of (a) US$312,500,000 with an incremental facility that allows for increasing the initial aggregate principal amount to the "Incremental Cap" (as defined in the ABL Credit Agreement as of November 30th, 2018, including after giving effect to Sections 1.06 and 1.07(c) thereof) and (b) the "Borrowing Base" (as defined in the ABL Credit Agreement as in effect on November 30th, 2018, but without giving effect to any "reserves" and regardless of whether the ABL Facility in effect as of November 30th, 2018 is in effect at such time).

ABL Lender means the lenders party to the ABL Facility from time to time.

Acquisition means the transaction of purchase and sale contemplated by the Asset Purchase Agreement.

Affiliate means, with respect to any Person (the "first Person"), a Person that Controls, is Controlled by or is under common Control with, the first Person.

Agency means the Federal Economic Development Agency for Southern Ontario.

Agreement means this amended and restated contribution agreement as executed by the parties including all the annexes attached hereto, as such may be amended, restated or supplemented, from time to time.

Applicable Law means any law, statute, by-law, ordinance, decree, requirement, directive, order, license, permit, code or regulation having the force of law, and any applicable determination, interpretation, ruling, order or decree of any Governmental Authority or arbitrator, which is legally binding.

Asset Purchase Agreement means that certain asset purchase agreement dated as of July 20, 2018, between the Sellers and the Recipient, pursuant to which the Recipient will purchase the Facility along with substantially all of the other property and assets owned by the Sellers and used in connection with the Business, as such agreement may be amended, amended and restated, supplemented, extended and/or assigned from time to time.

Assets means, with respect to any Person, any property, assets and undertakings of such Person of every kind, real and personal, tangible and intangible, and wherever situate, whether now owned or hereafter acquired (and, for greater certainty, includes any equity or like interest in any Person).

Authorization means, with respect to any Person, any authorization, order, permit, approval, grant, licence, consent, right, franchise, privilege, certificate, judgment, writ, injunction, award, determination, direction, decree, by-law, rule or regulation of any Governmental Authority having jurisdiction over such Person, whether or not having the force of Applicable Law.

Business means the Recipient's integrated steel production business (including without limitation, the production or certain raw steel inputs, steelmaking, and the sale and distribution of steel products).

Business Asset Sale means a Disposition of all or substantially all of the assets of the Recipient to a Person that is not an Affiliate of the Recipient.

Business Day means any working day Monday to Friday inclusive, excluding statutory and other holidays, namely: New Year's Day; Family Day; Good Friday; Easter Monday; Victoria Day; Canada Day; Civic Holiday; Labour Day; Thanksgiving Day; Remembrance Day; Christmas Day; Boxing day; and any other day on which the Government of Canada has elected to be closed for business.

Canada Documents means this Agreement, the Security Documents, each Guarantee and all other documents to be executed and delivered to the Minister in connection with the Contribution.

Capex Plan means the capital expenditure plan described in Annex I - Statement of Work.

Capital Stock means, with respect to any Person from time to time, any and all shares, units, trust units, partnership, membership or other interests, participations or other equivalent rights in the Person's equity or capital from time to time, however designated and whether voting or non-voting.

Change of Control has the meaning specified in Subsection 8.4.

Collateral means the Assets of the Recipient or any Guarantor subject to any Lien pursuant to a Security Document.

Control means, in respect of a particular Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ability to exercise voting power, by contract or otherwise; and "Controlling" and "Controlled" have meanings correlative thereto.

Closing Date means the date of execution of this Agreement by the Recipient.

Completion Date means the Project completion date, March 31, 2021.

Contribution means the contribution to Eligible and Supported Costs in the amount stipulated in Subsection 4.1.

Control Period means the period of one (1) year following the period determined in Subsection 3.1 as the duration of the Agreement.

Date of Acceptance means the date on which the duplicate fully executed copy of this Agreement is received by the Minister.

Default means an act, omission, occurrence or circumstance which constitutes, or would constitute unless remedied following the giving of notice or the passage of time as prescribed herein, an Event of Default.

Disposition means with respect to any Asset of any Person, any direct or indirect sale, lease (where such Person is the lessor of such Asset), assignment, cession, transfer (including any transfer of title or possession), exchange, conveyance, release, gift or other disposition of such Asset; and "Dispose" and "Disposed" have meanings correlative thereto.

Eligibility Date means October 1, 2014.

Eligible Costs means those costs incurred by the Recipient and which, in the opinion of the Minister, are reasonable and required to carry out the Project.

Eligible and Not-Supported Costs means those Eligible Costs which are not supported by the Contribution and which are identified in Annex I – Statement of Work.

Eligible and Supported Costs means those Eligible Costs supported by the Contribution and which are identified in Annex 1 – Statement of Work and relating to the Project activities described therein and which are in compliance with Annex 2 – Costing Memorandum.

Event of Default means the events of defaults described in Subsection 12.1 hereof.

Facility means the facilities used or operated in connection with the Business and located in Sault Ste. Marie.

Fiscal Year means the Government of Canada's fiscal year beginning on April 1st of a year and ending on March 31st of the following year.

Foreground Intellectual Property includes, without limitation, all technical data, designs, specifications, software, data, drawings, plans, reports, patterns, models, prototypes, demonstration units, practices, inventions, methods and related technology, processes or other information conceived, produced, developed or reduced to practice in carrying out the Project, and all rights therein, including, without limitation, patents, copyrights, industrial designs, trade-marks and any registrations or applications for the same and all other rights of intellectual property therein, including any rights which arise from the above items being treated by the Recipient as trade secrets or confidential information.

Governmental Authority means any government or governmental entity, parliament, legislature, or commission or board of any government, parliament or legislature, or any political subdivision thereof, or any court or (without limitation to the foregoing) any other law, regulation or rule-making entity (including, without limitation, any central bank, fiscal or monetary authority or authority regulating banks or pension plans) having or purporting to have jurisdiction in the relevant circumstances, or any Person acting or purporting to act under the authority of any of the foregoing (including, without limitation, any arbitrator) or any other authority charged with the administration or enforcement of Applicable Laws.

Guarantee means the guarantee set forth in Section 18 of this Agreement provided by the Guarantors in favour of Her Majesty as such provisions may be amended, restated or supplemented, from time to time.

Guarantor has the meaning ascribed to it in the appearances to this Agreement and any other Person who becomes a guarantor of the Recipient's indebtedness, liabilities and obligations hereunder pursuant to Paragraphs 8.2 (n) and 83 (g).

Intercreditor Agreement means an intercreditor agreement dated on or about the date hereof among the Her Majcsty, the Recipient, the Guarantors, the Term Agent, the ABL Agent and the Government of Ontario in its capacity as lender under the Ontario Facility confirming the following order of priority of the Liens granted by the Recipient to such Persons, notwithstanding the order of registration of such Liens:

(a) firstly, the Liens granted to the Term Agent (other than in respect of (i) the Recipient's current assets (as defined in accordance with GAAP), which the ABL Agent shall have first lien against), and (ii) the Capital Stock of New Port LP and New Port GP owned by the Recipient, which the Port Lender shall have a first lien against and no other party to the Intercreditor Agreement shall have any Lien against);

(b) secondly, the Lien granted to the ABL Lender, and

(c) thirdly, the Liens granted to Her Majesty and the Government of Ontario (which shall rank on a *pari passu* basis with one another).

Lease has the meaning specified in Paragraph 8.1(o).

Leased Lands has the meaning specified in Paragraph 8.l(o).

Lien means any mortgage, debenture, pledge, charge, assignment by way of security, hypothecation, security interest or other lien or charge (whether fixed, floating or otherwise), title retention, any deposit of moneys under any agreement or arrangement whereby such moneys may be withdrawn only upon fulfilment of any condition as to the discharge of any other indebtedness or any other arrangement, trust or agreement having the effect of security for the payment of any debt, liability or obligation to any creditor.

Material Adverse Effect means (a) any material adverse change in the Assets, operations or condition (financial or otherwise) of the Recipient, taken as a whole; (b) any material adverse effect on the ability of the Recipient to perform its obligations to the Minister under the Canada Documents; (c) any material adverse effect on the legality, validity or enforceability of this Agreement or any of the Canada Documents including the validity, enforceability, perfection or priority of any Lien created or intended to be created under any of the Security Documents; or (d) any material impairment of the rights or remedies of the Minister under the Canada Documents.

Material Agreements means those agreements of the Recipient or its Subsidiaries, the breach, non-performance, cancellation or non-renewal of which could reasonably be expected to have a Material Adverse Effect, including those agreements set out in Schedule 1.1A of the Ontario Facility credit agreement.

Minister means the Minister responsible for the Agency or any one or more of his/her representatives.

New Port GP means Algoma Docks GP Inc., a British Columbia corporation and the general partner of New Port LP.

New Port LP means Algoma Docks Limited Partnership, an Ontario limited partnership.

Non-Arm's Length and similar phrases have the meaning attributed thereto for the purposes of the ***Income Tax Act*** (Canada) and Arm's Length has the opposite meaning.

Ontario Facility means the credit facility provided by the Government of Ontario (through the Ministry of Northern Development and Mines) to the Recipient in the aggregate principal amount of $60,000,000 and secured by the Collateral.

Parties means the Minister, the Recipient and the Guarantors and Party means any one of them.

Permitted Prior Secured Indebtedness means the indebtedness for borrowed money in respect of (i) the Term Loan, (ii) the ABL Facility, (iii) the Port Loan and (iv) any other indebtedness, the security for which is permitted under the terms of the documentation governing the Term Loan and/or the ABL Facility to rank *pari passu* with or in priority to the security granted in connection with the Term Loan or the ABL Facility, as the case may be.

Permitted Refinancing Term Loans shall mean any broadly syndicated indebtedness of the Recipient issued in exchange for, or the net cash proceeds of which are used to extend, renew, refund, refinance, replace, defease or discharge the Term Loan indebtedness of the Recipient provided that:

(a) the principal amount (or accreted value, if applicable) of such Permitted Refinancing Term Loans docs not exceed the principal amount (or accreted value, if applicable) of the Term Loans being extended, renewed, refunded, refinanced, replaced, defeased or discharged (plus all interest thereon that has been paid-in-kind, all accrued and unpaid interest on such Term Loans being extended, renewed, refunded, refinanced, replaced, defeased or discharged and the amount of all premiums (including tender premiums), penalties, fees and expenses (including upfront fees and original issue discount), incurred in connection therewith);

(b) such Permitted Refinancing Term Loans have a final maturity date no earlier than the final maturity date of the Term Loans being extended, renewed, refunded, refinanced, replaced, defeased or discharged;

(c) such Permitted Refinancing Term Loans are not secured by any assets other than the assets that secured the Term Loans being extended, renewed, refunded, refinanced, replaced, defeased or discharged and the holders of such Permitted Refinancing Term Loans (or their agent or other representative) shall become a party to the Intercreditor Agreement;

(d) such Permitted Refinancing Term Loans is guaranteed only by those Persons that are guarantors of the Term Loans being extended, renewed, refunded refinanced, replaced, defeased or discharged; and

(c) the Incorporated Covenants and "Change of Control" provisions of any Permitted Refinancing Term Loans (excluding, for greater clarity, pricing, interest, fees, rate floors, premiums, optional prepayment or redemption terms, security and maturity) shall be (i) substantially identical to, or (taken as a whole) no more favorable (as determined by the Recipient in good faith and certified by the Recipient to the Minister) to the Recipient than those applicable to the refinanced Term Loans, or (ii) reasonably acceptable to the Minister (it being agreed that (x) Incorporated Covenants and "Change of Control" provisions of any Permitted Refinancing Term Loans that are more favorable to the lenders or the agent of such refinanced Term Loans than those contained in the Term Loan Credit Agreement and are then conformed (or added) to the Term Loan Credit Agreement pursuant to the applicable refinancing amendment shall thereafter be deemed acceptable to the Minister and (y) with respect to any Incorporated Covenants or "Change of Control" provisions of any Permitted Refinancing Term Loans, replacing any "Required Lenders Negative Consent" or similar provisions in the Term Loan Credit Agreement on the date hereof with the reasonable discretion of the Term Agent, and/or permitting thresholds, dollar or ratio "baskets" therein (as of the effective date or issuance of such Permitted Required Term Loans) in an amount not exceeding the amounts set forth in the Term Loan Credit Agreement on the date hereof, shall, in each ease of this clause (y), be deemed acceptable to the Minister).

Person means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership. Government Authority or other entity.

Port Agent means Cortland Capital Market Services LLC, in its capacity as the administrative agent and collateral agent under the Port Loan, or any successor administrative agent and collateral agent under the Port Loan.

Port Lender means, collectively, GIP Primus, L.P. and Brightwood Loan Services LLC, as investors party to the Port Loan.

Port Loan means the Senior Secured Term Loan Credit Agreement among New Port LP, as borrower. New Port GP, as General Partner, the Recipient, as guarantor, the Port Agent and the Port Lender pursuant to which the Port Lender shall advance USS73,000,000 to New Port LP on November 30th, 2018 in connection with the transactions contemplated under the Asset Purchase Agreement.

Project means the project described in Annex I – Statement of Work, which is a sub-project of the Capex Plan.

Security Documents means all deeds, documents, instruments and agreements entered into in favour of and for the benefit of Her Majesty securing the obligations of the Recipient and Guarantors under this Agreement, as such deeds, documents, instruments or agreements may be amended, restated or supplemented, from time to time.

Sellers has the meaning ascribed to it in the Recitals hereof.

"**SIF Facility**" means a contribution to be provided by the Government of Canada (though Strategic Innovation Fund under the auspices of the Ministry of Innovation, Science and Economic Development Canada) to the Recipient in the aggregate principal amount of CDN $30,000,000 in the form of a CDN $15,000,000 repayable contribution and a CDN $15,000,000 grant, and which is unsecured.

Subsidiary means, at any time with respect to a Person, any other person, if at such time such first-mentioned Person owns, directly or indirectly, more than 50% of the Capital Stock, in such other Person entitled ordinarily to vote in the election of the board of directors of, or Persons performing similar functions for, such other Person.

Taxes means all present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Authority, including an interest, additions to tax or penalties applicable thereto.

Term Agent means Cortland Capital Market Services LLC, in its capacity as administrative agent and collateral agent for the Term Lenders on the date hereof, and any successor thereto in such capacity in respect of the Term Loan.

Term Lenders means the lenders from time to time party to the Term Loan.

Term Loan means collectively, (a) the term loan as of the date hereof in the aggregate principal amount of (i) U.S.$357,000,000.00 plus (ii) any payment in kind interest pursuant to the exercise of the "PIK Election" (as defined in the Term Loan Credit Agreement as of November 30th, 2018) being provided by the Term Lenders to the Recipient, with an incremental facility that allows for increasing the initial aggregate principal amount to the "Incremental Cap" (as defined in the Term Loan Credit Agreement as of November 30th, 2018 but regardless of whether then in effect on the relevant date of determination, including after giving effect to Sections 1.05 and 1.06(c) thereof) and (b) any Permitted Refinancing Term Loans in respect of the term loan described under clause (a), and in each case secured by the Collateral.

Term Loan Credit Agreement shall mean the Term Loan Credit Agreement, dated as of November 30th. 2018, among the Recipient, the guarantors from time to time party thereto, the Term Lenders from time to time party thereto, the Term Agent and the other parties thereto from time to time party thereto.

2.2. **Singular/Plural**. Wherever from the context it appears appropriate, each term stated in either the singular or plural shall include the singular and the plural.

2.3. **Entire Agreement**. This Agreement together with the agreements and other documents to be delivered pursuant to this Agreement constitute the entire agreement between the Parties. No prior document, negotiation, provision, undertaking or agreement in relation to the subject matter of this Agreement has legal effect. No representation or warranty, whether express, implied or otherwise, has been made by the Minister to the Recipient or Guarantors, except as expressly set out in this Agreement.

2.4. **Inconsistency**. In case of inconsistency or conflict between a provision contained in the part of the Agreement preceding the signatures and a provision contained in any of the Annexes to this Agreement, the provision contained in the part of the Agreement preceding the signatures will prevail.

2.5. **Calculation of Time**. Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends. Where the last day of any such time period is not a Business Day, such time period shall be extended to the next Business Day following the day on which it would otherwise end, unless otherwise expressly provided.

2.6. **Business Days**. Whenever any action to be taken or payment to be made pursuant to this Agreement would otherwise be required to be made on a day that is not a Business Day, such action shall be taken or such payment shall be made on the first Business Day following such day, and such extension of time shall be included in the computation of interest or fees, as the case may be.

2.7. **Annexes**. This Agreement contains the following Annexes as described below, which form an integral part of this Agreement:

Annex 1 - Statement of Work
Annex 2 - Costing Guideline Memorandum
Annex 3 - Reporting Requirements
Annex 4 - Federal Visibility Requirements

Annex 5 - Repayment Schedule
Annex 6 - Recipient Information

2.8. **Amendment and Restatement**. This Agreement amends and restates the Original Contribution Agreement in its entirety.

3. Duration of Agreement

3.1. **Duration of Agreement**. This Agreement comes into force on the Date of Acceptance and will terminate, subject to Subsection 3.2, upon the date on which all amounts due by the Recipient to Her Majesty under this Agreement have been paid in full, unless terminated earlier in accordance with the terms of this Agreement.

3.2. **Control Period**. Notwithstanding the provisions of Subsection 3.1 above, during the Control Period, the rights and obligations described in the following sections shall continue beyond the duration of the Agreement:

Subsections 7.2, 7.3, 7.4, 7.5, 7.6, 7.7 and 7.8 – Reporting, Monitoring, Audit and Evaluation
Section 11 – Indemnification and Limitation of Liability
Section 15.7 and 15.8– Confidentiality
Section 3 of Annex 3 – Reporting Requirements

3.3. **Commencement**. The Recipient agrees to commence the Project, no later than sixty (60) calendar days after the Date of Acceptance otherwise the Minister may terminate this Agreement at his sole discretion.

4. The Contribution

4.1. The Minister will make a repayable Contribution to the Recipient in respect of the Project in an amount not exceeding the lesser of (a) and (b) as follows:

(a) 50% of Eligible and Supported Costs incurred by the Recipient; and

(b) $60.000.000

4.2. The payment of the Contribution per Fiscal Year is estimated at amounts specified in Annex 1 – Statement of Work. The Minister will have no obligation to pay any amounts in any other Fiscal Years than those specified in Annex 1 – Statement of Work.

4.3. The Minister shall not contribute to any Eligible and Supported Costs incurred prior to the Eligibility Date or later than the Completion Date.

4.4. The Recipient shall be responsible for all costs of the Project, including cost overruns, if any.

4.5. **Holdbacks**. Notwithstanding any other provisions of this Agreement, the Minister may, at the minister's sole discretion, withhold up to ten percent (10%) of the Contribution amount until:

(a) the Project is completed to the satisfaction of the Minister;

(b) the Recipient has satisfied all the conditions of this Agreement;

(c) the final report described in Subsection 6.5(a)(iii) has been submitted to the satisfaction of the Minister;

(d) audits and site visit, where required by the Minister, have been completed to the satisfaction of the Minister, and

(c) the Minister has approved the final claim described in Subsection 6.5.

5. Other Government Financial Support

5.1. The Recipient hereby confirms that for purposes of this Project, no federal, provincial, municipal or local government assistance has been requested, received or will be received except as disclosed in Annex 1 – Statement of Work.

5.2. The Recipient shall promptly inform the Minister in writing in the event additional and/or other government financial support has been requested or received for the Project, during the term of this Agreement and acknowledges and agrees that an adjustment to the amount of the Contribution and a request for repayment of part or all of the amounts paid to the Recipient may be made as a result thereof. In such event, Annex 5 – Repayment Schedule, will be adjusted accordingly and communicated to the Recipient. The amount of repayment requested will constitute a debt due to Her Majesty and will be recovered as such from the Recipient.

5.3. In no instance will the total government funding towards the Eligible Costs be allowed to exceed fifty percent (50%) of the total Eligible Costs.

6. Claims and Payments

6.1. The Recipient shall maintain accounting records that account for the Contribution paid to the Recipient and the related Project costs in respect of this Agreement, separate and distinct from any other sources of funding.

6.2. **Claims Procedures**. The Recipient shall submit claims for reimbursement of Eligible and Supported Costs incurred, not more frequently than monthly and not less frequently than quarterly in a form satisfactory to the Minister. Each claim will include the following information:

(a) an itemized summary by cost category of Eligible and Supported Costs incurred substantially in the form prescribed by the Minister;

(b) a certification of the claim by a director or officer of the Recipient, confirming the accuracy of the claim and all supporting information provided;

(c) if applicable, a certification by a director or officer of the Recipient that any environmental mitigation measures that may be set out in this Agreement have been implemented; and

(d) any other substantiating documentation (including without limitation, any invoice or proof of payment), as may be required by the Minister.

6.3. The Recipient agrees to submit its first claim for Eligible and Supported Costs ninety (90) calendar days after the date any conditions precedent described in Section 17 are satisfied, as communicated by the Minister to the Recipient.

6.4. **[Intentionally deleted]**

6.5. **Final Claim Procedures**

(a) The Recipient shall submit a final claim pertaining to the final reimbursement of any Eligible and Supported Costs previously claimed or not, signed by a director or officer of the Recipient and accompanied by the following, in addition to the requirements set out in Subsection 6.2, in a form satisfactory to the Minister in scope and detail:

(i) a final statement of total Project costs;

(ii) a statement of the total government assistance (federal, provincial and municipal assistance) received or requested towards the Eligible Costs of the Project;

(iii) a final report on the Project, as more fully described in Section 2 of Annex 3 – Reporting Requirements; and

(iv) a final certificate executed by a director or officer of the Recipient substantially in the form prescribed by the Minister;

(b) The Recipient shall submit the final claim for reimbursement of Eligible and Supported Costs to the satisfaction of the Minister no later than three (3) months after the Completion Date or the date the Project is completed to the satisfaction of the Minister, whichever is earlier. The Minister shall have no obligation to pay any claims submitted after this date.

6.6. **Payment Procedures.**

(a) The Minister shall review and approve the documentation submitted by the Recipient following the receipt of the Recipient's claim and in the event of any deficiency in the documentation, it will notify the Recipient and the Recipient shall immediately take action to address and rectify the deficiency.

(b) Subject to the maximum Contribution amounts set forth in Subsection 4.1 and all other conditions contained in this Agreement, the Minister shall pay to the Recipient the Eligible and Supported Costs set forth in the Recipient's claim, in accordance with the Minister's customary practices.

(c) The Minister may request at any time that the Recipient provides satisfactory evidence to demonstrate that all Eligible and Supported Costs claimed have been paid.

(d) The Minister may require, at his expense, any claim submitted for payment of the Contribution be certified by the Recipient's external auditor or by an auditor approved by the Minister.

6.7. **Overpayment or Non-Entitlement.** Where, for any reason, the Recipient is not entitled to all or part of the Contribution or the amount paid to the Recipient exceeds the amount to which the Recipient is entitled, the Contribution or the amount in excess, as the case may be, shall constitute a debt due to Her Majesty and shall be recovered as such from the Recipient. The Recipient shall repay Her Majesty within thirty (30) calendar days from the date of the Minister's notice, the amount of the Contribution disbursed or the amount of the overpayment, as the case may be, together with interest as calculated in accordance with Subsection 15.2 of this Agreement.

6.8. **Repayment.**

(a) The Recipient agrees to repay the Contribution to Her Majesty in accordance with the repayment schedule attached hereto as Annex 5 – Repayment Schedule.

(b) Any overdue amount will bear interest in accordance with Subsection 15.2.

(c) A fifteen dollar ($15) administration fee will be charged on every payment for which funds were unavailable in the account identified or used for payment.

(d) The Recipient may at any time make prepayments on account of repayment instalments and each such prepayment will be applied first to interest owing, if any, and secondly to repayment instalments in reverse order of maturity.

7. Reporting, Monitoring, Audit and Evaluation

7.1. The Recipient agrees to provide the Minister with the reports as described in Annex 3 – Reporting Requirements, to the Minister's satisfaction.

7.2. Upon request of the Minister and at no cost to the Minister, the Recipient shall promptly elaborate upon any report submitted or provide such additional information as may be requested.

7.3. The Minister may request a copy of any report or publication produced as a result of this Agreement or the Project, whether interim or final, as soon as it becomes available

7.4. The Recipient shall at its own expense:

(a) preserve and make available for audit and examination by the Minister, proper books, accounts and records of the Project costs and Capex Plan costs, wherever such books, and records may be located, and permit the Minister to conduct such independent audits and evaluations as the Minister in his discretion may require;

(b) upon reasonable notice and after consultation with the Recipient, permit the Minister, reasonable access to the Project site and/or the Recipient's premises and documents in order to inspect and assess the progress and results of the Project and compliance with the terms of this Agreement; and

(c) supply promptly, on request, such other reports or data in respect of the Project and Capex Plan and their results, as the Minister may require for purposes of this Agreement and for statistical and/or evaluation purposes.

7.5. The Minister shall have the right, at his own expense, and as and when he determines necessary, to perform audits of the Project and Capex Plan costs and the Recipient's books, accounts, records, financial statements and claims for reimbursement of Eligible and Supported Costs, and the Recipient's administrative, financial and claim certification processes and procedures, for the purposes of verifying the costs of the Project and Capex Plan, validating claims for reimbursement of Eligible and Supported Costs, ensuring compliance with the terms of this Agreement, and confirming amounts repayable to Her Majesty under the provisions of this Agreement.

7.6. Any audits performed hereunder will be carried out by auditors selected by the Minister, which may include any of the following: Agency officials, an independent auditing firm, and/or the Recipient's external auditors. The Minister will provide the Recipient with a description of the scope and criteria of the audit and the expected time frames for completion of the audit and public release of the related reports.

7.7. The Recipient agrees that the Minister, at the Minister's expense, may engage outside firms or individuals, unrelated to the Government of Canada, with the required expertise to evaluate and monitor the Project and the Capex Plan and its implementation or review any documents submitted by the Recipient. The Recipient agrees to provide access to any site, meeting or to any document in relation to the Project and Capex Plan to such firms or individuals. Contracts for services with these advisors or consultants will contain confidentiality provisions.

7.8. Auditor General of Canada. The Recipient acknowledges that the Auditor General of Canada may, at the Auditor General's cost, after consultation with the Recipient, conduct an inquiry under the authority of Subsection 7.1(1) of the *Auditor General Act* in relation to any funding agreement (as defined in Subsection 42(4) of the *Financial Administration Act*) with respect to the use of funds received. For purposes of any such inquiry undertaken by the Auditor General, the Recipient shall provide, upon request and in a timely manner, to the Auditor General or anyone acting on behalf of the Auditor General:

(a) all records held by the Recipient or by agents or contractors of the Recipient, relating to this Agreement and the use of the Contribution; and

(b) such further information and explanations as the Auditor General, or anyone acting on behalf of the Auditor General, may request relating to this Agreement and/or the Contribution.

8. Representations and Covenants

8.1. **Representations**. The Recipient represents and warrants that:

(a) it is a corporation, duly incorporated and validly existing and in good standing under the laws of British Columbia and has the power and authority to carry on its business, to hold its property and to enter into this Agreement. The Recipient warrants that it shall remain as such for the duration of this Agreement;

(b) the execution, delivery and performance of this Agreement and the Canada Documents have been duly and validly authorized by the necessary corporate actions of the Recipient and the Guarantors and when executed and delivered by the Recipient and the Guarantors, this Agreement and the Canada Documents constitute a legal, valid and binding obligation of the Recipient and the Guarantors, enforceable against them in accordance with their respective terms subject only to (i) bankruptcy, insolvency, reorganization, moratorium or creditors' rights generally; and (ii) the discretion that a court may exercise in the granting of equitable remedies;

(c) the only jurisdictions (or registration districts within such jurisdictions) in which the Recipient and the Guarantors have any place of business or store any material tangible personal property are as set forth in Annex 6 – Recipient Information. Annex 6 – Recipient Information also sets out a complete and accurate list of full and correct name of the Recipient and Guarantors, including any French and English forms of names;

(d) the Recipient's Assets are insured in accordance with the provisions of the Permitted Prior Secured Indebtedness and Paragraph 8.2(k) of this Agreement;

(e) each signatory to this Agreement, on behalf of the Recipient and each Guarantor, has been duly authorized under all necessary corporate action to execute and deliver this Agreement;

(f) [Intentionally deleted]

(g) the execution and delivery of this Agreement and the performance by the Recipient of its obligations hereunder will not, with or without the giving of notice or the passage of time or both:

(i) violate the provisions of the Recipient's constating documents, any other corporate governance document subscribed to by the Recipient or any resolution of the Recipient, currently in effect;

(ii) violate any judgment, decree, order or award of any court, government agency, regulatory authority or arbitrator; or

(iii) conflict with or result in the breach or termination of any term or provision of, or constitute a default under, or cause any acceleration under, any license, permit, concession, franchise, indenture, mortgage, lease, equipment lease, contract, permit, deed of trust or any other instrument or agreement by which it is bound, in each case which could be reasonably be expected to have a Material Adverse Effect;

(h) there are no actions, suits, investigations or other proceedings pending or, to the knowledge of the Recipient, threatened and there is no order, judgment or decree of any court or governmental agency, which could be reasonably expected to have a Material Adverse Effect on the Recipient's ability to carry out the activities contemplated by this Agreement;

(i) the Recipient possesses all Authorizations as may be necessary to properly conduct its business, the failure of which to possess would reasonably be expected to have a Material Adverse Effect. All such Authorizations are in good standing and the Recipient is not in material default under any of them except where the failure of such Authorizations to be in good standing or any such material default would not reasonably be expected to have a Material Adverse Effect;

(j) it owns or holds sufficient rights in any intellectual property required to carry out the Project and Capex Plan;

(k) the description of the Project and Capex Plan in Annex I – Statement of work is complete and accurate in all material respects;

(l) it is undertaking manufacturing and/or research and development activities in Ontario;

(m) the Security Documents will be effective to create (i) a valid and continuing Lien on the Collateral and, (ii) upon the filing of the appropriate financing statements or other applicable personal property security registrations and filings, a perfected Lien in favour of Her Majesty on the Collateral, with respect to which a security interest may be perfected by filing pursuant to personal property security legislation in all applicable jurisdictions;

(n) the Recipient owns its Assets with good and marketable title thereto, free and clear of all Liens except for Liens permitted under the Permitted Prior Secured Indebtedness. The Security Documents and the Liens securing Permitted Prior Secured Indebtedness described in clauses (a) and (b) of the definition of that term will rank in the order of priority set out in the Intercreditor Agreement;

(o) as of the date hereof, the real property listed in Annex 6 – Recipient Information are the only leased lands of the Recipient (the "**Leased Lands**"). Each lease of the Leased Lands (each a "**Lease**") is in full force and effect, unamended except as permitted under this Agreement. Each Lease is in good standing in all material respects and all amounts owing under them have been paid by the Recipient except any such amount the payment obligation in respect of which is in bona fide dispute;

(p) the Recipient is in compliance with all Applicable Law, except where non-compliance would reasonably be expected to have a Material Adverse Effect;

(q) no Default has occurred and is continuing;

(r) Annex 6 – Recipient Information lists the authorized capital of the Recipient together with the registered and beneficial owners of the issued capital thereof as of the Closing Date. Except as set forth in Annex 6 – Recipient Information, as of the Closing Date, no Person has an agreement or option or any other right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement or option, including convertible securities, warrants or convertible obligations of any nature, for the purchase, subscription, allotment or issuance of any Capital Stock of the Recipient. Except as set forth in Annex 6 – Recipient Information, the Recipient does not as of the Closing Date have any subsidiaries;

(s) each Material Agreement is in full force and effect, unamended. No event has occurred and is continuing which would constitute a breach of, or a default under, any Material Agreement;

(t) the Recipient is not a party to any agreement or instrument or subject to any restriction (including any restriction set forth in its constating documents) which would reasonably be expected to have a Material Adverse Effect on its material operations, business, Assets or financial conditions;

(u) no written statement furnished by or on behalf of or at the direction of the Recipient to the Minister in connection with the negotiation, consummation or administration of the Contribution contains, as of the time such statements were so furnished, any untrue statement of a material fact or an omission of a material fact as of such time, which material fact is necessary to make the statements contained therein not misleading and all such statements, taken as a whole, together with this Agreement, do not contain any untrue statement of a material fact or omit a material fact necessary to make the statements contained herein or therein not misleading;

(v) the Recipient is not insolvent;

(w) none of the ABL Lenders are Non-Debt Fund Affiliates (as such term is used and defined in the Intercreditor Agreement); and

(x) all information furnished by or on behalf of the Recipient to the Minister for the purposes of, or in connection with, this Agreement or any other Canada Document, or other transaction contemplated by this Agreement, including any information furnished in the future, is or will be true and accurate in all material respects on the date as of which such information is dated or certified, and not incomplete by omitting to state any material fact necessary to make such information not misleading at such time in light of then-current circumstances. There is no fact now known to the Recipient which has had, or could reasonably be expected to have, a Material Adverse Effect

8.2. **Affirmative Covenants**. The Recipient covenants and agrees that it shall:

(a) use the Contribution solely and exclusively to support the Eligible and Supported Costs of the Project and shall complete the Project as described in the Project description, activities and milestones sections of Annex 1 – Statement of Work in a diligent and professional manner, using qualified personnel, by the Completion Date; for greater certainty, failure by the Recipient to maintain the "Job" or "FTE" requirements in Annex 1 – Statement of Work shall not be a breach of this Section 8.2(a);

(b) obtain the prior written consent of the Minister before making any material change to the Project;

(c) comply with the federal visibility requirements set out in Annex 4 – Federal Visibility Requirements;

(d) conduct, in each of its fiscal year, its business in a prudent manner and consistent with good business practices, except where failure to do so would not reasonably be expected to have a Material Adverse Effect;

(e) it shall deliver to the Minister.

(i) as soon as possible, and in any event within five (5) days after the Recipient becomes aware of the occurrence of any Default, a statement of the chief financial officer, treasurer or chief operating officer of the Recipient or any other office acceptable to the Minister setting forth the details of such Default and the action which the Recipient proposes to take or have taken with respect thereto;

(ii) prompt notice in writing of any default, or event condition or occurrence which with notice or lapse of time, or both would constitute a default under any agreement in respect of indebtedness to which the Recipient owes (contingently or otherwise) at least $50,000,000 (or the equivalent amount in any other currency), or in respect of Permitted Prior Secured Indebtedness or the Ontario Facility;

(iii) from time to time upon request of the Minister, evidence of maintenance of all insurance required to be maintained by the Permitted Prior Secured Indebtedness, including such originals or copies as the Minister may reasonably request of policies, certificates of insurance, riders and endorsements relating to such insurance and proof of premium payments; and

(iv) promptly, and in any event within ten (10) days of receipt by the Recipient notice of any suit, proceeding or similar action commenced or threatened by any Governmental Authority or any other Person, which has had or could reasonably be expected to have a Material Adverse Effect; and

(f) preserve and maintain its existence as a corporation;

(g) observe and perform all of the covenants, agreements, terms and conditions to be observed and performed by it under this Agreement or the other Canada Documents;

(h) comply with all Applicable Laws, except where such non-compliance would not reasonably be expected to have a Material Adverse Effect;

(i) maintain and preserve all of its Assets used or useful in its businesses in all material respects in good repair, working order and condition (reasonable wear and tear and obsolete Assets excepted) and in material compliance with environmental laws and, from time to time, make all material needful and proper repairs, renewals, replacements, additions and improvements thereto, so that the businesses of the Recipient may be properly and advantageously conducted at all time in accordance with prudent business management, provided that the Recipient may, in accordance with the Leases, or with the approval of the Minister (not to be unreasonably withheld), remove or demolish buildings or structures on the Leased Lands which are no longer in use;

(j) except for the filing of renewal statements and the making of other filings by the Minister as a secured party, at all times from and after the Closing Date, take all action and supply the Minister with all information necessary to maintain the Liens provided for under the Security Documents and confer upon the Minister, the Liens intended to be created thereby;

(k) maintain or cause to be maintained insurance at all times complying with the terms of the Term Loan Credit Agreement, on or prior to date insurance certificates are delivered to either the Term Agent and ABL Agent, and take all steps necessary to ensure that all such policies show the Minister as loss payee as its interests may appear and additional insured and promptly furnish or cause to be furnished, upon written request by the Minister, evidence thereof to the Minister. The Recipient will pay or cause to be paid all premiums necessary for such purpose as the same shall become due and will provide particulars of all such policies and all renewals thereof to the Minister upon request;

(l) promptly cure or cause to be cured any defects in the execution and delivery of any of the Canada Documents or any of the other agreements, instruments or documents contemplated thereby or executed pursuant thereto or any defects in the validity or enforceability of any of the Canada Documents and, at its expense, execute and deliver or cause to be executed and delivered all such agreements, instruments and other documents as the Minister may consider necessary or desirable for the foregoing purposes;

(m) At the Recipient’s cost and expense, upon request of the Minister, duly execute and deliver or cause to be duly executed and delivered to the Minister such further instruments and do and cause to be done such further acts as may be necessary or proper in the reasonable opinion of the Minister to carry out more effectually the provisions and purposes of the Canada Documents;

(n) cause any Subsidiary formed or acquired by it or any Guarantor after the date hereof, to, within the timeframe required and to the extent so required under the Permitted Prior Secured Indebtedness in favour of the Term Lenders and ABL Lenders, enter into an unlimited guarantee in favour of the Minister of the obligations of the Recipient under the Canada Documents, and grant to the Minister pursuant to a Security Document a first ranking Lien over all Assets of such Subsidiary (subject to the terms of the Intercreditor Agreement and Liens securing the Permitted Prior Secured Indebtedness), as collateral security for its obligations under such guarantee. The Recipient shall also deliver or cause to deliver to the Minister.

(i) a certificate of status, compliance, good standing or like certificate with respect to such Subsidiary issued by the appropriate Governmental Authority of the jurisdiction of its incorporation;

(ii) share certificates representing all the issued and outstanding shares of such Subsidiary, together with a power of attorney delivered in blank to the Minister, executed by the holders of all shares evidenced by such certificates (subject to the terms of the Intercreditor Agreement); and

(iii) any such other security document (s) as reasonably requested by the Minister. Following execution and delivery of all documentation contemplated by this section, such Subsidiary shall be deemed to be a Guarantor for the purposes of this Agreement and the guarantee and Security Documents entered into by such subsidiary shall be considered Canada Documents for the purposes of this Agreement; and

(o) make capital investments of no less than Six Hundred Million Dollars ($600,000,000) the Capex Plan during the period from the Eligibility Date to and including March 31, 2023; and

(p) develop and implement a workplace diversity plan to the satisfaction of the Minister by no later than March 31, 2020.

8.3. **Negative Covenants**. The Recipient covenants and agrees that it shall not and shall not permit any of its Subsidiary to:

(a) Amalgamate into or with any other Person, or permit any other Person to amalgamate into or with it, without the prior written consent from the Minister, except that, if at the time thereof and immediately after giving effect thereto no Event of Default shall have occurred: (i) any Recipient and any Guarantor may amalgamate with any other Guarantor, (ii) any Subsidiary may amalgamate with any other Subsidiary; and (iii) the Recipient may amalgamate with any other Person if, in the opinion of the Minister, acting reasonably, the successor entity resulting from the amalgamation is capable of performing the obligations of the Recipient under this Agreement, the other Canada Documents and the Permitted Prior Secured Indebtedness, and provided that, in each case, any transaction pursuant to this section 8.3(a) shall not be permitted unless the conditions set out in Section 9.02 (Mergers and Consolidations) of the Term Loan Credit Agreement are satisfied;

(b) create, incur, assume or suffer to exist on the Assets of the Recipient or any Subsidiary any Lien securing any indebtedness ranking prior to the Liens granted pursuant to the Security Documents other than Liens securing the Permitted Prior Secured Indebtedness;

(c) engage in any material business or activity other than the Business or incur any material liabilities unrelated to the Business, in each case that would reasonably be expected to have a Material Adverse Effect;

(d) enter into any agreement prohibiting the granting of security as contemplated in Subsection 17.3, or the repayment of any amounts owing in accordance with this Agreement other than as set out in any documentation approved by the Minister pursuant to Subsection 17.1;

(c) acquire supplies, equipment or services for the Project for an amount greater than $500,000 unless a competitive process is used, including a written request for at least three proposals, written evaluation of bids received and a written agreement with the successful contractor;

(f) make any material changes to the Project without the prior written consent of the Minister and the Recipient abides by the terms and conditions imposed by the Minister in connection with such consent; and

(g) provide to the holder of any Permitted Prior Secured Indebtedness any security (other than security in respect of real property) for, or guarantee of any Person of, any Permitted Prior Secured Indebtedness, unless such security or guarantee has already been granted or is simultaneously granted to the Minister to secure or guarantee the Recipient's indebtedness, liabilities and obligations under the Canada Documents.

8.4. **Covenants incorporated by Reference and Change of Control**

Subject to the terms of this Section 8.4, the covenants made by the Recipient to and in favour of the Term Lenders in Sections 8.08 (End of Fiscal Years), 9.02 (Merger and Consolidation), 9.03 (Restricted Payments), 9.04 (Indebtedness), 9.05 (Restrictions on Distributions from Restricted subsidiaries), 9.06 (Transactions with Affiliate), 9.08 (Limitation on Sales or Assets and Subsidiary Stock) and 9.11 (Limitation on Activities) of the Term Loan Credit Agreement or the credit agreement dated after the date hereof governing any Permitted Refinancing Term Loans (the "Incorporated Covenants") are hereby incorporated by reference into this Agreement, mutatis mutandis, and are made by the Recipient to and in favour of the Minister (and for such purpose any references in an Incorporated Covenant to the "Collateral Agent" or the "Administrative Agent" or the "Lenders" shall be deemed to include Her Majesty and any references therein to the "Security Documents" or "Credit Documents" shall be deemed to include the Canada Documents). The event or default in Section 10.0l(i)(Change of Control) of the Term Loan Credit Agreement or the credit agreement dated after the date hereof governing any Permitted Refinancing Term Loans (a "Change of Control") is hereby incorporated by reference into this Agreement, mutatis mutandis. Any act, omission, event or circumstance which would constitute a breach of an Incorporated Covenant, or a Change of Control, but which is waived, modified or extended by the Term Lenders (or the Term Agent on behalf of the Term Lenders pursuant to the express terms of the Term Loans) shall be deemed to be waived, modified or extended to the same extent by the Minister hereunder, and any amendment by the Term Lenders and the Recipient of an Incorporated Covenant will bind Her Majesty, provided that:

(a) the ABL Lenders (or the ABL Agent on their behalf) have waived the breach of or modified or extended, or have amended in the same manner as the Term Lenders, the covenant contained in the ABL Credit Agreement which is comparable to the Incorporated Covenant subject to such waiver, amendment, modification or extension, or have waived or modified the Change of Control, as applicable;

(b) the Recipient notifies the Minister promptly upon becoming aware of such an act, omission, event or circumstance or of a potential amendment and upon it seeking a waiver, modification or extension and promptly responds to all inquiries made by the Minister and keeps the Minister fully informed with respect to such matters;

(c) the Recipient promptly (and in any event within one (1) Business Day) provides the Minister with a copy of any waiver, amendment, modification or extension granted or agreed to by the Term Lenders and the ABL Lenders (or the Term Agent or the ABL Agent, as applicable, on their behalf) in respect of any Incorporated Covenant or Change of Control, including all conditions imposed by the Term Lenders or the ABL Lenders (or the Term Agent or the ABL Agent, as applicable, on their behalf) in connection therewith;

(d) if any payment, consideration or further security or assurance is made, paid or granted by the Recipient to the Term Lenders (or the Term Agent on their behalf) or any other holder of Permitted Prior Secured Indebtedness (or duly authorized agent or representative thereof) in consideration for a waiver, extension, modification or amendment as aforesaid, the same payment, consideration, further security or assurance will also be made, paid or granted to the Minister, and

(e) within thirty (30) days of being notified of a waiver by the Term Lenders of a breach of an Incorporated Covenant or the occurrence of a Change of Control or of an amendment of an Incorporated Covenant as aforesaid, the Minister may, if it determines (acting reasonably) that such waiver or amendment would cause a Material Adverse Effect or, in the case of a Change of Control only, negatively impact the Government of Canada's policy priorities or national interests, so notify the Recipient and the Term Lenders and in such notice may

terminate the Minister's obligation to reimburse claims under this Agreement and the Parties will negotiate a new repayment schedule.

8.5. **Increase in Term Loan and/or ABL Facility**

If the amount of the Term Loan or the ABL Facility is to be increased beyond the aggregate amount specified in this Agreement's definition of "Term Loan" or "ABL Facility" respectively, then:

(a) The Recipient will promptly notify the Minister of such increase and promptly respond to all inquiries made by the Minister and keep the Minister fully informed with respect to such matter;

(b) The Recipient will immediately provide the Minister with a copy of all documentation effecting the increase; and

(c) Within thirty (30) days of being notified of the increase, the Minister may, if it determines (acting reasonably) that the increase would cause a Material Adverse Effect so notify the Recipient and in such notice may terminate the Minister's obligation to reimburse claims under this Agreement and the Parties will negotiate a new repayment schedule.

9. Official Languages

The Recipient agrees that any public acknowledgement of the Agency's support for the Project will be expressed in both official languages.

10. Environmental and Other Requirements

10.1. The Recipient represents that the Project is not a "designated project" as defined in the *Canadian Environmental Assessment Act, 2012* ("CEAA") and is not being carried out on "federal lands" as defined in the CEAA.

10.2. The Recipient agrees to comply in all material respects with all federal, provincial, territorial, municipal and other Applicable Laws governing the Recipient and the Project, including without limitation, statutes, regulations, by-laws, rules, ordinances and decrees. This includes legal requirements and regulations relating to environmental protection and the successful implementation of and adherence to any mitigation measures, monitoring or follow-up program, which may be prescribed by federal, provincial, territorial, municipal bodies. The Recipient will certify to the Minister that it has done so.

10.3. The Recipient will provide the Minister with reasonable access to any Project site, for the purpose of ensuring that the terms and conditions of any environmental approval are met, and that any required conditions, mitigation measures, monitoring or program follow up have been carried out.

10.4. If as a result of changes to the Project or otherwise, should a subsequent assessment be required in accordance with CEAA for the Project, the Minister and the Recipient agree that the Minister's obligations under this Agreement will be suspended from the moment that the Minister informs the Recipient, until (i) a decision statement has been issued to the Recipient or, if applicable, the Minister has decided that the Project is not likely to cause significant adverse environmental effects, and (ii) if required, an amendment to this Agreement has been signed, setting out any conditions included in the decision statement. The Recipient agrees to comply with any such conditions.

10.5. **Aboriginal Consultation**. The Recipient acknowledges that the Minister's obligation to pay the Contribution is conditional upon Her Majesty satisfying any obligation that Her Majesty may have to consult with or to accommodate any Aboriginal groups, which may be affected by the terms of this Agreement.

11. Indemnification and Limitation of Liability

11.1. The Recipient shall at all times indemnify and save harmless Her Majesty, its officers, officials, employees and agents, from and against all claims and demands, losses, costs, damages, actions, suits or other proceedings (including, without limitation, those relating to injury to persons, damage to or loss or destruction of property, economic loss or infringement of rights) by whomsoever brought or prosecuted, or threatened to be brought or prosecuted, in any manner based upon or occasioned by any injury to persons, damage to or loss or destruction of property, economic loss or infringement of rights, caused by, or arising directly or indirectly from:

(a) the Project, its operation, conduct or any other aspect thereof;

(b) the performance or non-performance of this Agreement, or the breach or failure to comply with any term, condition, representation or warranty of this Agreement by the Recipient or the Guarantors, its officers, employees and agents;

(c) the design, construction, operation, maintenance and repair of any part of the Project; or

(d) any omission or other wilful or negligent act or delay of the Recipient or a third party and their respective employees, officers, or agents, except to the extent to which such claims and demands, losses, costs, damages, actions, suits, or other proceedings relate to the negligent act or omission of an officer, official, employee, or agent of Her Majesty, in the performance of his or her duties.

11.2. The Minister shall have no liability under this Agreement, except for payments of the Contribution, in accordance with and subject to the provisions of this Agreement. Without limiting the generality of the foregoing, the Minister shall not be liable for any direct, indirect, special or consequential damages, or damages for loss of revenues or profits of the Recipient.

11.3. Her Majesty, her agents, employees and servants will not be held liable in the event the Recipient enters into loan, a capital or operating lease or other long-term obligation in relation to the Project for which the Contribution is provided.

12. **Default and Remedies**

12.1. **Event of Default**. The Minister may declare that an Event of Default has occurred if:

(a) the Recipient has failed or neglected to pay Her Majesty any amount due in accordance with this Agreement and such failure remains unremedied for three (3) Business Days;

(b) the Project is abandoned in whole or in any material part;

(c) any representation or warranty or certification made or deemed to be made by the Recipient or any Guarantor in this Agreement or any other Canada Document to which it is a party shall prove to have been incorrect in any material respect when made or deemed to be made and such incorrect representation or warranty or certification continues unremedied for a period of thirty (30) days after the earlier of the date on which Recipient becomes aware thereof or receives written notice thereof by the Minister;

(d) the Recipient or any Guarantor shall fail to perform or observe in any material respect any of the terms, covenants or agreements contained in this Agreement or in any other Canada Document (other than the terms, covenants and agreements relating to the payment of amounts due), on its part to be performed, observed, or otherwise applicable to it and shall fail to remedy such failure within thirty (30) days of being notified of same by the Minister;

(e) the Recipient or any Guarantor shall fail to perform or observe any of the covenants set out in Section 8.3 of this Agreement;

(f) the Recipient or any Guarantor shall fail to perform or observe any of the Incorporated Covenants pursuant to the terms of Section 8.4 of this Agreement (subject to any cure rights provided for in the Term Loan Credit Agreement);

(g) any (i) failure by the Recipient or any Guarantor to pay indebtedness exceeding $50,000,000 (or the equivalent amount in other currencies) or any Permitted Prior Secured Indebtedness or indebtedness under the Ontario Facility at the stated maturity thereof or as a result of which, the creditor may declare the principal thereof to be due and payable prior to the stated maturity thereof, or any event shall occur and shall continue after the applicable grace period (if any) specified in any agreement or instrument relating to any such debt of the Recipient or any Guarantor to any Person, the effect of which is to permit the holder of such debt to declare the principal amount thereof to be due and payable prior to its stated maturity, in each case, to the extent such failure or event has not been cured by the Recipient or any Guarantor or waived by the affected creditor; or (ii) failure by the Recipient or any Guarantor to perform or observe any covenant or agreement to be performed or observed by it contained in any other agreement or in any instrument evidencing any of its indebtedness exceeding $50,000,000 or any Permitted Prior Secured Indebtedness or any indebtedness under the Ontario Facility, the effect of which is to permit the holder of such indebtedness to declare the principal amount thereof to be due and payable prior to its stated maturity, to the extent such failure has not been cured by the Recipient or Guarantor or waived by the affected creditor; provided that, in the case of clause (ii) above, any failure by the Recipient or any Guarantor to perform or observe any covenant or agreement to be performed or observed by it contained in any such agreement or instrument (other than a payment default) will not constitute an Event Of Default unless the agent and/or the lenders thereunder have demanded repayment of, or otherwise accelerated, any of the indebtedness or other obligations thereunder (or terminated commitments thereunder);.

(h) all or any material part of the Assets of the Recipient or any Guarantor are executed, sequestered or distrained upon and such execution, sequestration or distraint (i) relates to claims in the aggregate in excess of $50,000,000 (or the equivalent amount in other currencies), and (ii) the Recipient or any Guarantor do not discharge the same or provide for its discharge in accordance with its terms, or procure a stay of execution thereof (by reason of pending appeal or otherwise), or cause the same to be fully bonded, or deposit with the Minister cash collateral or other security reasonably satisfactory to the Minister in the amount of the claim, within sixty (60)days from the date of entry thereof;

(i) final judgment for the payment of money in the aggregate in excess of $10,000,000 (or the equivalent amount in other currencies) in excess of applicable insurance shall be rendered by a court of competent jurisdiction against the Recipient or any Guarantor and the Recipient or such Guarantor do not discharge same or provide for its discharge in accordance with its terms, or procure a stay of execution thereof (by reason of a pending appeal or otherwise), or deposit with the Minister cash collateral or other security reasonably satisfactory to the Minister in the amount of the judgement, within forty five (45) days from the date of entry thereof;

(j) the Recipient or any Guarantor shall: (i) apply for or consent to the appointment of, or the taking of possession by, an interim receiver, a receiver, custodian, administrator, trustee, liquidator or other similar official for itself or for all or any material part of its assets; (ii) generally not pay its debts as such debts become due or admit in writing its inability to pay its debts generally, or declare any general moratorium on its indebtedness; (iii) institute any proceeding seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, dissolution, winding-up, reorganization, restructuring, arrangement, adjustment, protection, relief or composition of it or its debts under any statute, rule or regulation relating to bankruptcy, insolvency, reorganization, relief or protection of debtors including without limitation a general assignment for the benefit of creditors or a proposal under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) or the *Winding-up and Restructuring Act* (Canada) or a similar law of any applicable jurisdiction; or (iv) take any corporate action to authorize any of the actions described in the foregoing;

(k) any proceeding against the Recipient or any Guarantor has been commenced to: (i) adjudicate it a bankrupt or insolvent; (ii) result in the liquidation, dissolution, winding-up, reorganization, restructuring, arrangement, adjustment, protection or relief or composition of it or its debts under any statute, rule or regulation relating to bankruptcy, insolvency, reorganization, relief or protection of debtors; or (iii) result in the appointment of an interim receiver, receiver, custodian, administrator, trustee, liquidator or other similar official for it or for all or any material part of its assets and, in each case, such proceeding remains undismissed or unstayed for a period of sixty (60) days or any of the actions sought in such proceeding shall occur;

(l) any Canada Document shall become unenforceable other than by reason of the direct act or omission of the Minister, unless such a deficiency is corrected within a fifteen (15) day period following written notification from the Minister in regard to the deficiency or a thirty (30) day period following such notification if (i) the Recipient delivers an officers certificate within such initial fifteen (15) day period stating that the Recipient is taking steps in good faith to remedy the deficiency and (ii) the deficiency does not have a Material Adverse Effect on the Security Documents; or

(m) there shall occur a Business Asset Sale in the context of which the obligations of the Recipient and the Guarantors under the Canada Documents are not assumed (pursuant to documentation satisfactory to the Minister acting reasonably) by a buyer and other parties who are in the Minister's reasonable opinion capable of performing such obligations.

12.2. Remedies. If an Event of Default has occurred, the Minister may immediately exercise any one or more of the following remedies, in addition to any remedy available at law or equity:

(a) terminate the Agreement, including any obligation by the Minister to make any payment under this Agreement, including any obligation to pay an amount owing prior to such termination;

(b) suspend any obligation by the Minister to make any payment under this Agreement, including any obligation to pay an amount owing prior to such suspension; and

(c) require the Recipient to repay forthwith to Her Majesty all or part of any amount outstanding including interest accrued thereon and all other amounts payable under this Agreement in respect of the Contribution, and those amounts are a debt due to Her Majesty and may be recovered as such.

12.3. The Recipient acknowledges the policy objectives served by the Minister's agreement to make the Contribution, that the Contribution comes from the public monies, and that the amount of damages sustained by Her Majesty in an Event of Default is difficult to ascertain and therefore, that it is fair and reasonable that the Minister be entitled to exercise any or all of the remedies, provided for in this Agreement and to do so in the manner provided for in this Agreement, if an Event of Default occurs and is continuing.

13. Project Assets and Intellectual Property

13.1. The Recipient shall retain title to, and ownership of any assets (including any Foreground Intellectual Property), the cost of which has been contributed to by the Minister under this Agreement and shall not Dispose of same, without the prior written consent of the Minister. As a condition of such consent, the Minister may require the Recipient to repay Her Majesty the whole or any part of the Contribution paid to the Recipient hereunder.

13.2. Title to any Foreground Intellectual Property shall vest exclusively in the Recipient. The Recipient shall take appropriate steps to protect the Foreground Intellectual Property and shall, upon written request, provide information to the Minister in that regard.

14. Miscellaneous

14.1. The Recipient represents and warrants that no member of the House of Commons or Senate of Canada shall be admitted to any share or part of this Agreement or to any benefit arising from it, that are not otherwise available to the general public.

14.2. The Recipient confirms that no current or former public servant or public office holder, to whom the *Values and Ethics Code for the Public Service*, the *Values and Ethics Code for the Public Sector*, the *Polity on Conflict of Interest and Post-Employment or* the *Conflict of Interest Act* applies, shall derive direct benefit from the Agreement, including any employment, payments or gifts, unless the provision or receipt of such benefits is in compliance with such codes and the legislation. Where the Recipient employs or has a major shareholder, who is either a current or former (in the last twelve (12) months) public office holder or public servant in the federal government, the Recipient shall demonstrate compliance with these codes and the legislation.

14.3. The Recipient represents and warrants that:

(a) it has not paid, nor agreed to pay to any person, either directly or indirectly, a commission, fee or other consideration that is contingent upon the execution of this Agreement, or upon the person arranging a meeting with a public office holder;

(b) it will not pay, nor agree to pay to any person, either directly or indirectly, any commission, fee or other consideration that is contingent upon the person arranging a meeting with a public office holder,

(c) the Recipient or any persons who are or have been engaged by the Recipient to communicate or arrange meetings with public office holders, regarding the Project or this Agreement, are in full compliance with all requirements of the *Lobbying Act*; and

(d) any persons who may be engaged by the Recipient to communicate or arrange meetings with public office holders, regarding the Project or this Agreement, will at all times be in full compliance with the requirements of the *Lobbying Act*.

14.4. The Recipient acknowledges that the representations and warranties in this section are fundamental terms of this Agreement. In the event of breach of these, the Minister may exercise the remedies set out in Subsection 12.2.

15. General

15.1. **Debt Due to Canada**. Any amount owed to Her Majesty under this Agreement shall constitute a debt due to Her Majesty and shall be recoverable as such. Unless otherwise specified herein, the Recipient agrees to make payment of any such debt forthwith on demand.

15.2**. Interest**. Debts due to Her Majesty will accrue interest in accordance with the *Interest and Administrative Charges Regulations*, in effect on the due date, compounded monthly on overdue balances payable, from the date on which the payment is due, until payment in full is received by Her Majesty. Any such amount is a debt due to Her Majesty and is recoverable as such.

15.3. **Set-Off**. Without limiting the scope of set-off rights provided in the *Financial Administration Act*. the Minister may set off against the Contribution, any amounts owed by the Recipient to Her Majesty under legislation or contribution agreements and the Recipient shall declare to the Minister all amounts outstanding in that regard, when making any claim under this Agreement

15.4. **No Assignment or Agreement**. Neither this Agreement nor any part thereof shall be assigned by the Recipient or any Guarantor, without the prior written consent of the Minister. Neither this Agreement nor any part thereof shall be assigned by the Minister, without the prior written consent of the Recipient.

15.5. **Annual Appropriation**. Payment by the Minister of amounts due under this Agreement shall be conditional on there being a legislated appropriation for the Fiscal Year in which the payment is to be made. The Minister shall have the right to terminate or reduce the Contribution, in the event that the amount of the appropriation is reduced or denied by Parliament. In the event that any portion of the Contribution has been paid to the Recipient and the legislated appropriation for the Fiscal Year in which such payment is made is not obtained, the Minister shall have the right to recover the amount so paid from the Recipient.

15.6. **Successors and Assigns**. This Agreement is binding upon the Recipient, its successors and permitted assigns.

15.7. **Confidentiality**. Subject to the *Access to Information Act* (Canada), the *Privacy Act*, the *Library and Archives Act* of Canada and Annex 4 – Federal Visibility Requirements, the Parties shall keep confidential and shall not disclose the contents of this Agreement or the transactions contemplated hereby, without the consent of all Parties.

15.8. **International Disputes**. Notwithstanding Subsection 15.7 of this Agreement, the Recipient waives any confidentiality rights to the extent such rights would impede Her Majesty from fulfilling her notification obligations to a world trade panel for the purposes of the conduct of a dispute, in which Her Majesty is a party or a third party intervener. The Minister is authorized to disclose the contents of this Agreement and any documents pertaining thereto, whether predating or subsequent to this Agreement, or of the transactions contemplated herein, where in the opinion of the Minister, such disclosure is necessary to the defence of Her Majesty's interests in the course of a trade remedy investigation conducted by a foreign investigative authority, and is protected from public dissemination by the foreign investigative authority. The Minister shall notify the Recipient of such disclosure.

15.9. **Governing Law**. This Agreement shall be subject to and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

15.10. **Dispute Resolution**. If a dispute arises concerning the application or interpretation of this Agreement, the Parties shall attempt to resolve the matter through good faith negotiation, and may, if necessary and the Parties consent in writing, resolve the matter through mediation or by arbitration, by a mutually acceptable mediator or arbitration in accordance with the Commercial Arbitration Code set out in the schedule to the *Commercial Arbitration Act* (Canada), and all regulations made pursuant to that Act.

15.11. **No Amendment**. No amendment to this Agreement shall be effective unless it is made in writing and signed by the Parties hereto.

15.12. **No Agency**. No provision of this Agreement or action by the Parties will establish or be deemed to establish any partnership, joint venture, principal-agent or employer-employee relationship in any way, or for any purpose, between Her Majesty and the Recipient, or between Her Majesty and a third party. The Recipient is not in any way authorized to make a promise, agreement or contract and to incur any liability on behalf of Her Majesty, nor shall the Recipient make a promise, agreement or contract and incur any liability on behalf of Her Majesty, and shall be solely responsible for any and all payments and deductions, required by the Applicable Laws.

15.13. **No Waiver**. Any tolerance or indulgence demonstrated by one Party to the other, or any partial or limited exercise of rights conferred on a Party, shall not constitute a waiver of rights, and unless expressly waived in writing the Parties shall be entitled to exercise any right and to seek any remedy, available under this Agreement or otherwise at law. Either Party may, by notice in writing, waive any of its rights under this Agreement.

15.14. **Public Dissemination**. All reports and other information that the Minister collects, manages or has a right to receive or produce in accordance with this Agreement, or that the Recipient collects, creates, manages and shares with the Minister, shall be deemed to be "Canada Information". The Minister shall have the right, subject to the provisions of the ***Access to Information Act,*** to release to the public, table before Parliament, or publish by any means, any Canada Information, including such excerpts or summaries of the Canada Information as he may, from time to time, decide to make.

15.15. **No Conflict of Interest**. The Recipient and its consultants and any of their respective advisors, partners, directors, officers, shareholders, employees, agents and volunteers shall not engage in any activity where such activity creates a real, apparent or potential conflict of interest in the sole opinion of the Minister, with the carrying out of the Project. For greater certainty, and without limiting the generality of the foregoing, a conflict of interest includes a situation where anyone associated with the Recipient owns or has an interest in an organization that is carrying out work related to the Project.

15.16. **Disclose Potential Conflict of Interest**. The Recipient shall disclose to the Minister without delay any actual or potential situation that may be reasonably interpreted as either a conflict of interest or a potential conflict of interest.

15.17. **Severability**. If for any reason a provision of this Agreement that is not a fundamental term of the agreement between the Parties is found to be or becomes invalid or unenforceable, whether in whole or in part, such provision or part thereof declared invalid or unenforceable shall be deemed to be severable and shall be deleted from this Agreement and all remaining terms and conditions of this Agreement will continue to be valid and enforceable.

15.18. **Business Information**. Notwithstanding anything else contained in this Agreement the Minister shall be given the right to the use of any of the Recipient's publicly available business information about the Project (e.g. brochures, awareness, packages, etc.).

15.19. **Tax**. The Recipient acknowledges that financial assistance from government programs may have tax implications for its organization and that advice should be obtained from a qualified tax professional.

15.20. **Currency**. Unless otherwise indicated, all dollar amounts referred to in this Agreement are to the currency of Canada.

16. Notice

16.1. Any notice, information or document required under this Agreement shall be effectively given, if delivered or sent by letter or facsimile (postage or other charges prepaid). Any notice that is delivered shall be deemed to have been received on delivery, any notice sent by facsimile shall be deemed to have been received one (1) working day after being sent, any notice that is mailed shall be deemed to have been received eight (8) calendar days after being mailed.

16.2. All notices must be sent to the following addresses:

To the Minister	To the Recipient
Federal Economic Development Agency for Southern Ontario 101-139 Northfield Drive West Waterloo ON N2L 5A6 **Attention: Advanced Manufacturing Fund**	Algoma Steel Inc. 105 West Street Sault Ste. Marie, ON P6A 7B4 **Attention: Rajat Marwah, CFO** Any notice or correspondence to the Guarantors shall be addressed to: c/o Algoma Steel Inc. 105 West Street Sault Ste. Marie, ON P6A 7B4] **Attention: Rajat Marwah, CFO**

16.3. Each of the Parties may change the address, which they have stipulated in this Agreement by notifying in writing the other party of the new address, and such change shall be deemed to take effect fifteen (15) calendar days after receipt or such notice.

17. Special Conditions

17.1 **Conditions Precedent**. The obligation of the Minister to execute this Agreement and make the first disbursement is subject to the Minister being satisfied that the following conditions precedent have been met:

(a) the Minister shall have received a certified copy of the constating documents and by-laws of the Recipient; (ii) the resolutions of the board of directors of the Recipient approving the execution of, and the borrowing and other matters contemplated by, this Agreement and approving the entering into of all other Canada Documents and the completion of all transactions contemplated under them; and (iii) the names and true signatures of its officers authorized to sign this Agreement and the other Canada Documents;

(b) the Minister shall have received a Certificate of Good Standing in respect of the Recipient issued by the office of the British Columbia Registrar of Companies;

(c) the Minister shall have received a certificate of an authorized signing officer of the Recipient certifying that, as of the Closing Date, no Material Adverse Effect has occurred;

(d) the Minister will have received evidence satisfactory to it that the Recipient has successfully completed the Acquisition, on terms and conditions satisfactory to the Minister and shall have received a true and complete copy of (i) the Asset Purchase Agreement together with any other related documents and agreements that the Minister may reasonably request (ii) the certificate of the court-appointed monitor of the *Companies Creditors Arrangement Act* proceeding relating to the Sellers certifying satisfaction or waiver by the Sellers and the Recipient of all conditions to closing under the Asset Purchase Agreement; and (iii) the vesting order issued by the Court approving such transaction and vesting title to the Facility and all related business assets in the Recipient and such vesting order shall not have been appealed and the applicable appeal periods relating thereto shall have expired, and the Minister shall have been satisfied with the terms and conditions of such Asset Purchase Agreement, related documents and agreements and vesting order, acting reasonably;

(e) the Minister shall have received the Security Documents described in Subsection 17.3;

(f) the Minister shall have received a certified copy of each Material Agreement;

(g) the Minister shall have received a favourable opinion of counsel to the Recipient confirming the due authorization, execution and delivery of, and the validity and enforceability of, the Canada Documents and such other matters as the Minister may reasonably require;

(h) the Minister shall have received a certificate from an authorized signing officer of the Recipient confirming that (i) the representations and warranties contained in Subsection 8.1 are true and correct on and as of such date, all as though made on and as of such date; (ii) no event or condition has occurred and is continuing, or would result from disbursing the first claim, which constitutes a Default; and (iii) such disbursement, or otherwise giving effect to such disbursement, will not violate any Applicable Law then in effect;

(i) credit agreements and other definitive documentation governing the Term Loan, the ABL Facility, the Port Loan, the Ontario Facility shall have been executed by the lenders thereunder and the Recipient, such documentation shall have been provided to and be satisfactory to the Minister, acting reasonably, and all conditions precedent to the first advance of funds under each such credit agreement shall have been satisfied;

(j) the Intercreditor Agreement, in a form satisfactory to the Minister, shall have been executed by all parties thereto and the Minister shall be satisfied that the only Liens securing indebtedness of the Recipient are the Liens governed by the Intercreditor Agreement and that there are no other Liens encumbering the Assets of the Recipient other than Liens permitted under Permitted Prior Secured Indebtedness;

(k) an Interlender Agreement among the Minister, the Term Agent, the ABL Agent, the Port Agent, the Recipient, New Port LP and the Government of Ontario in its capacity as lender under the Ontario Facility in a form satisfactory to the Minister shall have been executed by all parties thereto;

(l) the Original Contribution Agreement shall have been assigned to the Recipient in a manner satisfactory to the Minister, acting reasonably;

(m) [Intentionally deleted];

(n) Her Majesty the Queen in Right of Ontario, as represented by the Minister of Environment, Conservation and Parks and the Recipient shall have entered into certain agreements pertaining to environmental matters;

(o) the Recipient shall have entered into collective bargaining agreements with its unionized employees on terms and conditions satisfactory to the Minister, acting reasonably, including arrangements with respect to pension and post-retirement benefit obligations;

(p) the Recipient shall have delivered a satisfactory report on the Project from May 2014 to 2019 to the Minister's satisfaction;

(q) the Recipient shall have provided written evidence satisfactory to the Minister that the funds from other sources necessary to complete the Project have been committed on terms and conditions satisfactory to the Minister,

(r) the Recipient shall have provided to the Minister a direct deposit authorization in the form prescribed by the Minister; and

(s) the Minister shall have received such other certificates and documentation as the Minister may reasonably request.

17.2 **Conditions to all Advances**. It is a condition precedent to any disbursement under this Agreement that (i) the representations and warranties contained in this Agreement are true at the time of payment and that the Recipient is not in default of compliance with any terms of this Agreement and (ii) no event of default under the SIF Facility has occurred that is continuing.

17.3 **Security**. As general and continuing security for the due payment and performance of all present and future indebtedness, obligations and liabilities of the Recipient and Guarantors to the Minister, the following Security Documents will be provided to the Minister, all in form and substance satisfactory to the Minister:

(a) a leasehold charge against the Recipient's interests in the Leased Lands;

(b) a Canadian general security agreement by the Recipient and Algoma Holdings in favour of the Her Majesty, granting a security interest in all of the Recipient's and Algoma Holdings' present and future Assets, other than Excluded Assets (as defined therein);

(c) a U.S. general security agreement by Algoma USA in favour of the Her Majesty, granting a security interest in all of Algoma USA's present and future Assets, other than Excluded Assets (as defined therein);

(d) a Canadian pledge agreement by the Recipient and Algoma Holdings in favour of the Her Majesty, pledging all of the Recipient's and Algoma Holdings' present and future Capital Stock, other than Excluded Assets (as defined therein); and

(e) a U.S. pledge agreement by Algoma USA in favour of the Her Majesty, pledging all of Algoma USA's present and future Capital Stock, other than Excluded Assets (as defined therein).

17.4 **Satisfactory to Minister**. Subject to the Intercreditor Agreement, the Security Documents will be in such form or forms, and will be registered in such jurisdictions, as the Minister and its legal counsel may from time to time reasonably require, and in any event in such form or forms as the security provided to or for the benefit of the Term Agent, ABL Agent, Term Lenders and ABL Lenders, as applicable.

17.5 **Registration/Further Assurances**

(a) At any time from and after the Closing Date the Minister may, at the expense of the Recipient, register, file or record the Security Documents or notices in respect of the Security Documents in all offices where such registration, filing or recording is, in the reasonable opinion of the Minister or its counsel, necessary or of advantage to the creation, perfection and preservation of the security interests arising pursuant to the Security Documents. The Minister may, at the Recipient's expense, renew such registrations, filings and recordings from time to time as and when required to keep them in full force and effect. The Recipient acknowledges that the various forms of Security Documents have been prepared based upon the laws of the Province of Ontario and the laws of the State of New York in effect at the date of execution of the Security Documents and that such laws may change, and that the execution and delivery of different forms of security instruments may therefore be required in order to grant to the Minister the rights intended to be granted by the applicable Security Documents. The Recipient will upon request from the Minister from time to time, execute and provide to the Minister such additional security instruments and will amend or supplement any Security Documents theretofore provided to the Minister.

(i) to reflect any changes in Applicable Laws, whether arising as a result of statutory amendments, court decisions or otherwise;

(ii) to facilitate the registration of appropriate forms of Security in all appropriate jurisdictions; or

(iii) if any entity having delivered security amalgamates with any other Person or enters into any corporate reorganization;

in each case in order to confer upon the Minister such security interests with such priority, as are intended to be created by such Security Documents subject to the terms of the Intercreditor Agreement.

(b) The Recipient will pay or indemnify the Minister against any and all stamp duties, registration fees and similar Taxes or charges which may be payable or determined to be payable in connection with the execution, delivery, performance, registration or enforcement of any of the Canada Documents or any of the transactions contemplated by any Canada Document.

(c) The provisions of this Subsection 17.5 shall survive the termination of this Agreement and the repayment of all amounts outstanding.

17.6 **Intercreditor Agreement**

Notwithstanding anything herein to the contrary, it is acknowledged that the liens and security interests granted to the Her Majesty pursuant to a Security Document in any Collateral and the exercise of any right or remedy by the Her Majesty with respect to such Collateral are, as between Her Majesty and the other lenders who are parties to the Intercreditor Agreement, subject to the provisions of the Intercreditor Agreement; provided that (x) the foregoing shall in no event limit the Recipient's obligations hereunder and it is the intention of the parties hereto that the Collateral securing the obligations and liabilities of the Recipient and the Guarantors to Her Majesty under the Canada Documents shall be the same (and perfected to the same extent) as the Liens securing the Term Loans (it being understood that Her Majesty may, in its sole discretion, decide not to take certain assets as Collateral (or perfect such Collateral) on behalf of itself).

18. **Guarantee**

18.1. **Guarantee**. In consideration of Her Majesty providing the Contribution, the Guarantors hereby absolutely and unconditionally guarantee to Her Majesty the prompt payment and performance of the Recipient's obligations under this Agreement, whether at stated maturity, upon acceleration or otherwise and at all times thereafter, including without limitation, the completion of the Project and the repayment of the Contribution in accordance with this Agreement. The obligations of the Guarantors hereunder are joint and several. As a result of the forgoing, the Guarantors or the Recipient may be compelled separately to repay the Contribution or perform any other obligations contained in this Agreement.

18.2. **Costs**. The Guarantors absolutely and unconditionally guarantee all costs and expenses including, without limitation, all court costs and legal counsel's fees and expenses paid or incurred by the Minister in endeavouring to collect all or any part of any amounts due from the Recipient or the Guarantors.

18.3. **Taxes**. All payments by the Guarantors will be made free and clear of and without withholding or deduction for any Taxes; provided that if the Guarantor is required to withhold or deduct any Taxes from such payments, then (i) the sum payable shall be increased as necessary so that after making all required withholdings or deductions (including withholdings or deductions applicable to additional sums payable under this section) Her Majesty receives an amount equal to the sum it would have received had no such withholding or deduction been made (ii) the Guarantor shall make such withholding or deduction and (iii) the Guarantor shall pay the full amount withheld deducted to the relevant Governmental Authority in accordance with applicable law.

18.4. **Waiver**. The Guarantee is a guarantee of payment not of collection. The Guarantors waive any right to require the Minister to sue the Recipient or to enforce its payment against any Collateral.

18.5. **Representations**. The Guarantors represent to the Minister that they have the power and authority, and have met all legal requirements to grant the guarantee under Subsection 18.1 and that such guarantee is enforceable against each of them in accordance with its terms.

18.6. **Service of Process**. The Guarantors irrevocably consent to the service of process in the manner provided for notices in Section 16.2 of this Agreement. Nothing in this Agreement will affect the right of the Minister to serve process in any other manner permitted by law.

18.7 **Forum**. The Guarantors irrevocably agree that any actions or proceedings arising out of or in connection with this Agreement may be brought in any court in the Province of Ontario or the Federal Court of Canada as applicable, and submits and attoms to the non-exclusive jurisdiction of each such court.

19. **Acceptance**

The Recipient agrees that unless the Minister receives a duly executed duplicate copy of this Agreement within thirty (30) calendar days of the date of execution by the Minister, this Agreement is revocable at the discretion of the Minister.

IN WITNESS WHEREOF the Parties hereto have executed this Agreement through authorized representatives.

HER MAJESTY THE QUEEN IN RIGHT OF CANADA

Per: /s/ Navdeep Singh Bains Date: DEC 17 2018

The Honourable Navdeep Singh Bains
Minister responsible for the Federal Economic Development Agency for Southern Ontario

Recipient Name: Algoma Steel Inc.

ALGOMA STEEL INC. ***as Recipient***

Per: /s/ Kalyan Ghosh
Kalyan Ghosh
President and Chief Executive Officer

Date: December 19, 2018

I have authority to bind the corporation.

Recipient Name: Algoma Steel Inc.

ALGOMA STEEL INTERMEDIATE HOLDINGS INC. ***as Guarantor***

Per: /s/ Kalyan Ghosh
Kalyan Ghosh
Chief Executive Officer

Date: December 19, 2018

I have authority to bind the corporation.

Recipient Name: Algoma Steel Inc.

ALGOMA STEEL USA INC. ***as Guarantor***

Per: /s/ Rajat Marwah
Rajat Marwah
President, Chief Financial Officer and Secretary

Date: December 19, 2018

I have authority to bind the corporation

Exhibit 10.10

EXECUTION COPY

Algoma Steel Inc.
a corporation established and
organized under the laws of the Province of British Columbia

– and –

Her Majesty the Queen in Right of Ontario,
as represented by the Minister of Energy, Northern Development and Mines

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CREDIT AGREEMENT

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CREDIT AGREEMENT

CREDIT AGREEMENT dated as of November 30, 2018.

A M O N G:

Algoma Steel Inc., a corporation established and organized under the laws of the Province of British Columbia

(the "**Borrower**")

– and –

Her Majesty the Queen in Right of Ontario,
as represented by the Minister of Energy, Northern Development and Mines

(the "**Lender**")

RECITALS:

A. Pursuant to the Asset Purchase Agreement, the Borrower is acquiring substantially all of the property and assets owned by Essar Steel Algoma Inc. ("**ESAI**") and Essar Steel Algoma Inc. USA, (collectively, with ESAI, the "**Sellers**") and used in connection with Sellers' integrated steel production business (including without limitation, the production or certain raw steel inputs, steelmaking, and the sale and distribution of steel products), (the "**Business**") including the facilities of the Sellers used or operated in connection with the Business and located in Sault Ste. Marie (the "**Algoma Sault Ste Marie Facility**").

B. The Lender has agreed to establish the credit facility herein described in order to assist the Borrower with financing capital projects at the Algoma Sault Ste Marie Facility that will improve the Algoma Sault Ste Marie Facility's ability to meet environmental, productivity, competitiveness, collaboration and product and process innovation goals consistent with the public policies of the Lender and the requirements of the Lender's programs under which the credit facility herein described is being provided.

ARTICLE 1
INTERPRETATION

1.1 Defined Terms

Throughout this Credit Agreement, except as otherwise expressly provided, the following words, terms and expressions shall have the following meanings:

"**2015 CCA Agreements**" means that certain $5,000,000.00 Conditional Contribution Agreement between NOHFC and ESAI executed by NOHFC on July 21, 2015 and ESAI on July 17, 2015 and that certain $25,000,000.00 Conditional Contribution Agreement between MNDM and ESAI executed by MNDM on July 22, 2015 and ESAI on July 17, 2015.

"**ABL Agent**" means Wells Fargo Capital Finance Corporation Canada, in its capacity as administrative agent and collateral agent for the ABL Lenders, and any successor thereto in such capacity in respect of the ABL Facility.

"**ABL Credit Agreement**" shall mean the Revolving Credit Agreement, dated as of the Closing Date, among the Borrower, the guarantors from time to time party thereto, the lenders from time to time party thereto, the ABL Agent and the other parties thereto from time to time party thereto.

"**ABL Facility**" means an asset based credit facility provided by the ABL Lenders to the Borrower in an aggregate principal amount, and secured by the Collateral, not exceeding the greater of (a) US$312,500,000, with an incremental facility that allows for increasing the initial aggregate principal amount to the "Incremental Cap" (as defined in the ABL Credit Agreement, including after giving effect to Sections 1.06 and 1.07(c) thereof) and (b) the "Borrowing Base" (as defined in the ABL Credit Agreement as in effect on the Closing Date, but without giving effect to any "reserves" and regardless of whether the ABL Facility in effect as of the Closing Date is in effect at such time).

"**ABL Lenders**" means the lenders party to the ABL Facility from time to time.

"**Acquisition**" means the transaction of purchase and sale contemplated by the Asset Purchase Agreement.

"**Advances**" means the advances made by the Lender under this Credit Agreement pursuant to Article 3, and "**Advance**" means any one of such Advances.

"**Affiliate**" means, with respect to any Person (the "**first Person**"), a Person that Controls, is Controlled by or is under common Control with, the first Person.

"**Algoma Capital Investment Plan**" means the Algoma Capital Investment Plan dated November 29, 2018 and approved by the Lender on November 29, 2018, as such Plan may be amended from time to time by the Borrower with the consent of the Lender.

"**Algoma Sault Ste Marie Facility**" has the meaning specified in the Preamble.

"**Amounts Outstanding**" means, with respect to the Credit Facility, at any time, an amount calculated at such time equal to the sum of the aggregate principal amount of all outstanding Advances under the Credit Facility.

"**Annual Work Schedule**" means an annual work schedule substantially in the form attached as Exhibit 1.1A executed and delivered by the Borrower and accepted and executed by the Lender, as such annual work schedule may be amended from time to time by agreement of the Lender and the Borrower, which shall contain, for each Funded Project, a satisfactory project description, a project budget providing satisfactory details of project costs and confirmed sources of project financing, a project plan setting out milestones or activities and timelines for such project, a claim schedule with the Borrower's best estimate of the timing and amount of its anticipated Borrowing requests and the project completion date, provided that the first Annual Work Schedule (the "**2017-2019 Annual Work Schedule**") will cover the period from April 1, 2017 to March 31, 2019.

"**Applicable Law**" means any law, statute, by-law, ordinance, decree, requirement, directive, order, license, permit, code or regulation having the force of law, and any applicable determination, interpretation, ruling, order or decree of any Governmental Authority or arbitrator, which is legally binding.

"**Asset Purchase Agreement**" means that certain asset purchase agreement dated as of July 20, 2018, between the Sellers and the Borrower, pursuant to which the Borrower will purchase the Algoma Sault Ste Marie Facility along with substantially all of the other property and assets owned by the Sellers and used in connection with the Business, as such agreement may be amended, amended and restated, supplemented, extended and/or assigned from time to time.

"**Assets**" means, with respect to any Person, any property, assets and undertakings of such Person of every kind, real and personal, tangible and intangible, and wherever situate, whether now owned or hereafter acquired (and, for greater certainty, includes any equity or like interest in any Person).

"**Auditor General**" means the Auditor General appointed pursuant to the *Auditor General Act* (Ontario).

"**Authorization**" means, with respect to any Person, any authorization, order, permit, approval, grant, licence, consent, right, franchise, privilege, certificate, judgment, writ, injunction, award, determination, direction, decree, by-law, rule or regulation of any Governmental Authority having jurisdiction over such Person, whether or not having the force of Applicable Law.

"**Borrower**" has the meaning specified in the preamble.

"**Borrowing**" means a drawdown by the Borrower of an Advance.

"**Borrowing Notice**" has the meaning specified in Section 3.2.

"**bps**" means 1/100th of one percent.

"**Business**" has the meaning specified in the Preamble.

"**Business Asset Sale**" means a Disposition of all or substantially all of the assets of the Borrower to a Person that is not an Affiliate of the Borrower.

"**Business Day**" means any working day Monday to Friday inclusive, excluding statutory and other holidays, namely: New Year's Day; Family Day; Good Friday; Easter Monday; Victoria Day; Canada Day; Civic Holiday; Labour Day; Thanksgiving Day; Remembrance Day; Christmas Day; Boxing day; and any other day on which the Province has elected to be closed for business.

"**Canada Facility**" means a repayable contribution provided by the Government of Canada (through the Federal Economic Development Agency for Southern Ontario) to the Borrower in the aggregate principal amount of CDN $60,000,000 and secured by the Collateral.

"**Canada SIF Facility**" means a contribution to be provided by the Government of Canada (though Strategic Innovation Fund under the auspices of the Ministry of Innovation, Science and

Economic Development Canada) to the Borrower in the aggregate principal amount of CDN $30,000,000 in the form of a CDN $15,000,000 repayable contribution and a CDN $15,000,000 grant, and which is unsecured.

"**Capital Stock**" means, with respect to any Person from time to time, any and all shares, units, trust units, partnership, membership or other interests, participations or other equivalent rights in the Person's equity or capital from time to time, however designated and whether voting or non-voting.

"**Change of Control**" has the meaning specified in Section 7.3.

"**Claim**" means any claim, suit, proceeding, demand, action, cause or right of action, damage, loss, costs, liability, obligation or expense, or any proceeding, arbitration, mediation or other dispute resolution procedure relating to any of the foregoing, or any orders, writs, injunctions or decrees of any Governmental Authority.

"**Claims Schedules**" means the claim schedules set out in the Annual Work Schedules for the Funded Projects.

"**Closing Date**" means the date of execution of this Credit Agreement by the Borrower and the Lender.

"**COF Rate**" has the meaning specified in Section 3.3.

"**Collateral**" means the Assets of the Borrower or any Obligor subject to any Lien pursuant to a Security Document.

"**Compliance Certificate**" means a certificate duly completed and executed by the chief executive officer or the chief financial officer or any other officer or representative of the Borrower acceptable to the Lender substantially in the form of Exhibit 4.3 hereto, together with such changes thereto as the Lender may from time to time reasonably request.

"**Contractor**" means a contractor of the Borrower engaged to provide goods or services at the Algoma Sault Ste Marie Facility.

"**Control**" means, in respect of a particular Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ability to exercise voting power, by contract or otherwise; and "**Controlling**" and "**Controlled**" have meanings correlative thereto.

"**Court**" means the Ontario Superior Court of Justice – Commercial List.

"**Credit Agreement**" means this credit agreement, as executed by the parties, and the Schedules attached hereto, as amended, amended and restated, supplemented, extended and/or assigned from time to time.

"**Credit Facility**" means this non-revolving credit facility in the amount of the Facility Amount to be provided by the Lender in favour of the Borrower.

"**Default**" means an act, omission, occurrence or circumstance which constitutes, or would constitute unless remedied following the giving of notice or the passage of time as prescribed herein, an Event of Default.

"**Disposition**" means with respect to any Asset of any Person, any direct or indirect sale, lease (where such Person is the lessor of such Asset), assignment, cession, transfer (including any transfer of title or possession), exchange, conveyance, release, gift or other disposition of such Asset; and "**Dispose**" and "**Disposed**" have meanings correlative thereto.

"**Eligible Project Costs**" means the costs paid by the Borrower (or prior to the Closing Date, ESAI) for the purpose of carrying out the Funded Projects and that (a) have been incurred by the Borrower (or, prior to the Closing Date, ESAI) between April 1, 2017 and the sixth anniversary of the Closing Date; (b) are reasonable and necessary for carrying out the Funded Projects; (c) are limited to the amounts and cost categories for a Funded Project set out in the corresponding Funded Project Budget and (d) have not previously been reimbursed under the 2015 CAA Agreements.

"**Environmental Authorizations**" includes all permits, certificates, approvals, registrations and licenses issued by any Governmental Authority to the Borrower pursuant to Environmental Laws and required for the operation of the business of the Borrower.

"**Environmental Laws**" means all Applicable Law relating to the environment, health and safety matters or conditions, Hazardous Materials, pollution or protection of the environment, including Applicable Law relating to (a) on site or off-site contamination; (b) occupational health and safety relating to Hazardous Materials; (c) chemical substances or products; (d) Releases of pollutants, contaminants, chemicals or other industrial, toxic or radioactive substances or Hazardous Materials into the environment; and (e) the manufacture, processing, distribution, use, treatment, storage, transport or handling of Hazardous Materials.

"**Environmental Liability**" means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities) of the Borrower directly or indirectly resulting from or based upon (a) the violation of any Environmental Laws, (b) the generation, use, handling, collection, treatment, storage, transportation, recovery, recycling or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the Release or threatened Release of any Hazardous Materials into the environment, or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"**ESAI**" has the meaning specified in the Preamble.

"**Event of Default**" has the meaning specified in Section 8.1.

"**Facility Amount**" means CDN$60,000,000.00, as such amount may be reduced from time to time pursuant to Article 2

"**First Cumulative Job Target**" means a 3 year rolling annual average of at least 2,600 Jobs maintained at the Algoma Sault Ste Marie Facility, the satisfaction of which is to be determined and calculated at the end of each Fiscal Year in accordance with the following formula: "(A+B+C)/ 3" where:

- "A" is the number of Jobs maintained at the Algoma Sault Ste Marie Facility on the last day of such Fiscal Year;
- "B" is the number of Jobs maintained at the Algoma Sault Ste Marie Facility on the last day of the Fiscal Year immediately prior to the Fiscal Year referred to in respect of "A" above"; and
- "C" is the number of Jobs maintained at the Algoma Sault Ste Marie Facility on the last day of the Fiscal Year immediately prior to the Fiscal Year referred to in respect of "B" above.

"**First Measurement Period**" means the period commencing on April 1, 2018 and ending on March 31, 2021.

"**Fiscal Year**" shall mean the fiscal year of the Borrower ending March 31 of each calendar year, provided that the Borrower may, upon written notice to the Lender, change its Fiscal Year-end to another date, in which case the Borrower and the Lender will make any adjustments to this Agreement that are necessary to reflect such change in Fiscal Year. However, the Fiscal Year shall be deemed to end March 31 of each calendar year for the purposes of calculating the First Cumulative Job Target and the Second Cumulative Job Target, and for all purposes under Section 2.5, notwithstanding any change to the Fiscal Year pursuant to the foregoing proviso.

"**Funded Project Budgets**" means the budgets for the Funded Projects set out in the Annual Work Schedules and "**Funded Project Budget**" means any one of them.

"**Funded Project Plans**" means the charts setting out the milestones or activities and timelines for the Funded Projects set out in the Annual Work Schedules and "**Funded Project Plan**" means any one of them, as applicable.

"**Funded Projects**" means the Projects described in the Annual Work Schedules and "**Funded Project**" means any one of them. For the avoidance of doubt, no Project which is funded or is to be funded in whole or in part by funds advanced under the Canada Facility or the Canada SIF Facility shall be eligible to be a Funded Project.

"**GAAP**" shall have the meaning given to it in Section 1.6.

"**Governmental Authority**" means any government or governmental entity, parliament, legislature, or commission or board of any government, parliament or legislature, or any political subdivision thereof, or any court or (without limitation to the foregoing) any other Applicable Law, regulation or rule-making entity (including, without limitation, any central bank, fiscal or monetary authority or authority regulating banks or pension plans) having or purporting to have jurisdiction in the relevant circumstances, or any Person acting or purporting to act under the authority of any of the foregoing (including, without limitation, any arbitrator) or any other authority charged with the administration or enforcement of Applicable Laws.

"**Guarantee**" means each guarantee of the Borrower's liabilities and obligations pursuant to the Loan Documents granted by a Guarantor.

"**Guarantor**" means Algoma Steel Intermediate Holdings Inc., Algoma Steel USA Inc. and any other Person who becomes a guarantor of the Borrower's indebtedness, liabilities and obligations hereunder pursuant to Sections 7.1(q) or 7.2(g).

"**Hazardous Materials**" means any substance, waste, liquid, gaseous or solid matter, fuel, micro-organism, sound, vibration, ray, heat, odour, radiation, energy, plasma and organic or inorganic matter, alone or in any combination which is regulated under any applicable Environmental Laws as hazardous waste, a pollutant, a deleterious substance, a contaminant or a source of pollution or contamination under any Environmental Laws.

"**Incorporated Covenant**" has the meaning specified in Section 7.3.

"**Indemnitee**" has the meaning specified in Section 9.3(a).

"**Ineligible Project Costs**" means all costs incurred in relation to Funded Projects that are not Eligible Project Costs.

"**Intercreditor Agreement**" means an intercreditor agreement dated on or about the date hereof among the Lender, the Borrower, the Guarantors, the Term Agent, the ABL Agent, and, upon execution of an Intercreditor Agreement Joinder (as defined in the Intercreditor Agreement) pursuant to Section 8.22 of the Intercreditor Agreement, the Government of Canada in its capacity as lender under the Canada Facility confirming the following order of priority of the Liens granted by the Borrower to such Persons, notwithstanding the order of registration of such Liens:

(a) firstly, the Liens granted to the Term Agent (other than in respect of (i) the Borrower's current assets (as defined in accordance with GAAP), which the ABL Agent shall have a first Lien against), and (ii) the Capital Stock of New Port LP and New Port GP owned by the Borrower, which the Port Lender shall have a first Lien against and no other party to the Intercreditor Agreement shall have any Lien against).

(b) secondly, the Liens granted to the ABL Lender; and

(c) thirdly, the Liens granted to the Lender and the Government of Canada as lender under the Canada Facility (which shall rank on *pari passu* basis with one another).

"**Interest**" has the meaning specified in Section 3.3.

"**Job**" means:

(a) For hourly employees, the number of "Jobs" for hourly paid employees on the Borrower's or any Contractor's payroll, in respect of any Fiscal Year, is an amount equal to "X", calculated in accordance with the following formula:

$$X = \frac{a}{2000};$$

where "a" = the total number of hours worked at the Algoma Sault Ste Marie Facility during such Fiscal Year by all hourly employees employed by the

Borrower or any Contractor, including hours worked in overtime or taken as paid vacation, sick leave, and for other similar reasons, and hours for which pay is provided in lieu of notice; and

(b) For salaried employees, a "Job" means a full time job of a salaried employee who is employed by the Borrower or a Contractor at the Algoma Sault Ste Marie Facility. The number of "Jobs" for salaried employees in respect of any Fiscal Year is an amount equal to the number of such salaried employees employed for the entirety of such Fiscal Year, plus 1/12th times the number of full months worked by salaried employees employed for less than the entirety of such Fiscal Year.

and "Jobs" in respect of any Fiscal Year means the sum of the amounts specified in clause (a) and (b) above.

"**Lease**" has the meaning specified in Section 6.1(i).

"**Leased Lands**" has the meaning specified in Section 6.1(i).

"**Lender**" has the meaning specified in the preamble.

"**Lien**" means any mortgage, debenture, pledge, charge, assignment by way of security, hypothecation, security interest or other lien or charge (whether fixed, floating or otherwise), title retention, any deposit of moneys under any agreement or arrangement whereby such moneys may be withdrawn only upon fulfilment of any condition as to the discharge of any other indebtedness or any other arrangement, trust or agreement having the effect of security for the payment of any debt, liability or obligation to any creditor.

"**Loan Documents**" means this Credit Agreement, the Security Documents, each Guarantee and all other documents to be executed and delivered to the Lender in connection with the Credit Facility.

"**Loss**" means any loss whatsoever, whether direct or indirect, including expenses, costs, damages, judgments, penalties, fines, charges, claims, demands, liabilities and any and all legal fees and disbursements, except any such loss representing loss of profit.

"**Material Adverse Effect**" means (a) any material adverse effect on the Assets, operations or condition (financial or otherwise) of the Borrower, taken as a whole; (b) any material adverse effect on the ability of the Borrower to perform its obligations to the Lender under the Loan Documents; (c) any material adverse effect on the legality, validity or enforceability of this Credit Agreement or any of the Loan Documents including the validity, enforceability, perfection or priority of any Lien created or intended to be created under any of the Security Documents; or (d) any material impairment of the rights or remedies of the Lender under the Loan Documents.

"**Material Agreements**" means those agreements of the Borrower or its Subsidiaries, the breach, non-performance, cancellation or non-renewal of which could reasonably be expected to have a Material Adverse Effect, including those agreements set out in Schedule 1.1A.

"**Maturity Date**" means the tenth (10th) anniversary of the Closing Date.

"**MNDM**" means Her Majesty the Queen in Right of Ontario as represented by the Minister of Northern Development and Mines (other than in its capacity as Lender hereunder).

"**New Port GP**" means Algoma Docks GP Inc., a British Columbia corporation and the general partner of New Port LP.

"**New Port LP**" means Algoma Docks Limited Partnership, an Ontario limited partnership.

"**NOHFC**" means Northern Ontario Heritage Fund Corporation.

"**Obligor**" means each of the Borrower and any Guarantor.

"**Owned Real Property**" means the real property upon which the Algoma Sault Ste Marie Facility is situate, as described in Schedule 1.1B and the other real property described in Schedule 1.1B.

"**Participant**" has the meaning specified in Section 9.11.

"**Permitted Prior Secured Indebtedness**" means indebtedness for borrowed money in respect of:

(a) the Term Loan;

(b) the ABL Facility;

(c) the Port Loan; and

(d) any other indebtedness, the security for which is permitted under the terms of the documentation governing the Term Loan and/or the ABL Facility to rank *pari passu* with or in priority to the security granted in connection with the Term Loan or ABL Facility, as the case may be.

References herein to "the amount of Permitted Prior Secured Indebtedness" means, at any given time, the total committed amount of all credit facilities or loans falling within the foregoing definition of Permitted Prior Secured Indebtedness, whether drawn or undrawn at such time.

"**Permitted Refinancing Term Loans**" shall mean any broadly syndicated indebtedness of the Borrower issued in exchange for, or the net cash proceeds of which are used to extend, renew, refund, refinance, replace, defease or discharge the Term Loan indebtedness of the Borrower provided that:

(a) the principal amount (or accreted value, if applicable) of such Permitted Refinancing Term Loans does not exceed the principal amount (or accreted value, if applicable) of the Term Loans being extended, renewed, refunded, refinanced, replaced, defeased or discharged (plus all interest thereon that has been paid-in-kind, all accrued and unpaid interest on such Term Loans being extended, renewed, refunded, refinanced, replaced, defeased or discharged and the amount of all premiums (including tender premiums), penalties, fees and expenses (including upfront fees and original issue discount), incurred in connection therewith);

(b) such Permitted Refinancing Term Loans have a final maturity date no earlier than the final maturity date of the Term Loans being extended, renewed, refunded, refinanced, replaced, defeased or discharged;

(c) such Permitted Refinancing Term Loans are not secured by any assets other than the assets that secured the Term Loans being extended, renewed, refunded, refinanced, replaced, defeased or discharged and the holders of such Permitted Refinancing Term Loans (or their agent or other representative) shall become a party to the Intercreditor Agreement;

(d) such Permitted Refinancing Term Loans is guaranteed only by those Persons that are guarantors of the Term Loans being extended, renewed, refunded, refinanced, replaced, defeased or discharged; and

(e) the Incorporated Covenants and "Change of Control" provisions of any Permitted Refinancing Term Loans (excluding, for greater clarity, pricing, interest, fees, rate floors, premiums, optional prepayment or redemption terms, security and maturity) shall be (i) substantially identical to, or (taken as a whole) no more favorable (as determined by the Borrower in good faith and certified by the Borrower to the Lender) to the Borrower than those applicable to the refinanced Term Loans, or (ii) reasonably acceptable to the Lender (it being agreed that (x) Incorporated Covenants and "Change of Control" provisions of any Permitted Refinancing Term Loans that are more favorable to the lenders or the agent of such refinanced Term Loans than those contained in the Term Loan Credit Agreement and are then conformed (or added) to the Term Loan Credit Agreement pursuant to the applicable refinancing amendment shall thereafter be deemed acceptable to the Lender and (y) with respect to any Incorporated Covenants or "Change of Control" provisions of any Permitted Refinancing Term Loans, replacing any "Required Lenders Negative Consent" or similar provisions in the Term Loan Credit Agreement on the date hereof with the reasonable discretion of the Term Agent, and/or permitting thresholds, dollar or ratio "baskets" therein (as of the effective date or issuance of such Permitted Required Term Loans) in an amount not exceeding the amounts set forth in the Term Loan Credit Agreement on the date hereof, shall, in each case of this clause (y), be deemed acceptable to the Lender).

"**Person**" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"**Port Agent**" means Cortland Capital Market Services LLC, in its capacity as the administrative agent and collateral agent under the Port Loan, or any successor administrative agent and collateral agent under the Port Loan "**Port Lender**" means, collectively, GIP Primus, L.P. and Brightwood Loan Services LLC, as investors party to the Port Loan.

"**Port Loan**" means the Senior Secured Term Loan Credit Agreement among New Port LP, as borrower, New Port GP, as General Partner, the Borrower, as guarantor, the Port Agent and the Port Lender pursuant to which the Port Lender shall advance US$73,000,000 to New Port LP on the Closing Date in connection with the transactions contemplated under the Asset Purchase Agreement.

"**Projects**" means the capital investment projects detailed in the Algoma Capital Investment Plan, which projects are organized into six categories: Algoma Sault Ste Marie Facility – modernization projects, environmental compliance projects, asset life and efficiency enhancement projects, new and upgraded technology projects, reliability enhancement projects and sustaining capex projects.

"**Province**" means Her Majesty the Queen in Right of Ontario.

"**Real Property Security Date**" means the date which is the earlier of (a) the day on which a charge in favour of the Term Lenders is registered against title to the Owned Real Property to secure the Term Loan, and (b) ninety (90) days after the Closing Date, in each case subject to extension in the reasonable discretion of the Term Agent on the terms set forth in the Term Loan Credit Agreement on the date hereof to a date that is not more than one hundred and eighty (180) days after the Closing Date.

"**Release**" when used as a verb includes release, spill, leak, emit, deposit, discharge, leach, migrate or dispose into the environment and the term "**Release**" when used as a noun has a correlative meaning.

"**Reports**" means the financial and progress reports described in Exhibit 1.1B.

"**Second Cumulative Job Target**" means a 3 year rolling annual average of at least 2,300 Jobs maintained at the Algoma Sault Ste Marie Facility, the satisfaction of which is to be determined and calculated at the end of each Fiscal Year in accordance with the following formula: "(A+B+C)/ 3" where:

- "A" is the number of Jobs maintained at the Algoma Sault Ste Marie Facility on the last day of such Fiscal Year;
- "B" is the number of Jobs maintained at the Algoma Sault Ste Marie Facility on the last day of the Fiscal Year immediately prior to the Fiscal Year referred to in respect of "A" above"; and
- "C" is the number of Jobs maintained at the Algoma Sault Ste Marie Facility on the last day of the Fiscal Year immediately prior to the Fiscal Year referred to in respect of "B" above.

"**Second Measurement Period**" means the period commencing on April 1, 2021 and ending on March 31, 2024.

"**Security Documents**" means the agreements described in Section 5.1 and any other security granted to the Lender as security for the obligations of the Borrower under this Credit Agreement and the other Loan Documents.

"**Subsidiary**" means, at any time with respect to a Person, any other person, if at such time such first-mentioned Person owns, directly or indirectly, more than 50% of the Capital Stock, in such other Person entitled ordinarily to vote in the election of the board of directors of, or Persons performing similar functions for, such other Person.

"**Tax Act**" means the *Income Tax Act* (Canada) as it may be amended from time to time.

"**Taxes**" means all present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"**Term Agent**" means Cortland Capital Market Services LLC, in its capacity as administrative agent and collateral agent for the Term Lenders on the date hereof, and any successor thereto in such capacity in respect of the Term Loan.

"**Term Lenders**" means the lenders from time to time party to the Term Loan.

"**Term Loan**" means collectively, (a) the term loan as of the date hereof in the aggregate principal amount of (i) U.S.$357,000,000.00 plus (ii) any payment in kind interest pursuant to the exercise of the "PIK Election" (as defined in the Term Loan Credit Agreement as of the Closing Date) being provided by the Term Lenders to the Borrower, with an incremental facility that allows for increasing the initial aggregate principal amount to the "Incremental Cap" (as defined in the Term Loan Credit Agreement as of the Closing Date but regardless of whether then in effect on the relevant date of determination, including after giving effect to Sections 1.05 and 1.06(c) thereof) and (b) any Permitted Refinancing Term Loans in respect of the term loan described under clause (a), and in each case secured by the Collateral.

"**Term Loan Credit Agreement**" shall mean the Term Loan Credit Agreement, dated as of the Closing Date, among the Borrower, the guarantors from time to time party thereto, the Term Lenders from time to time party thereto, the Term Agent and the other parties thereto from time to time party thereto.

1.2 Certain Rules of Interpretation

In this Credit Agreement and the other Loan Documents:

(a) **Time** – Time is of the essence in and of this Credit Agreement and every part hereof in the performance of the respective obligations of the parties hereto. Any extension, waiver or variation of any provision of this Credit Agreement shall not be deemed to affect this provision and there shall be no implied waiver of this provision.

(b) **Calculation of Time** – Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends. Where the last day of any such time period is not a Business Day, such time period shall be extended to the next Business Day following the day on which it would otherwise end, unless otherwise expressly provided.

(c) **Business Days** – Whenever any action to be taken or payment to be made pursuant to this Credit Agreement would otherwise be required to be made on a day that is not a Business Day, such action shall be taken or such payment shall

be made on the first Business Day following such day, and such extension of time shall be included in the computation of interest or fees, as the case may be.

(d) **Currency** – Unless otherwise specified, all references to amounts of money in the Loan Documents refer to the lawful currency of Canada.

(e) **Headings** – The descriptive headings preceding Articles and Sections of this Credit Agreement are inserted solely for convenience of reference and are not intended as complete or accurate descriptions of the content of such Articles or Sections. The division of this Credit Agreement into Articles and Sections shall not affect the interpretation of this Credit Agreement.

(f) **Plurals and Gender** – The use of words in the singular or plural, or referring to a particular gender, shall not limit the scope or exclude the application of any provision of this Credit Agreement to such persons or circumstances as the context otherwise permits.

(g) **Statutory References** – Any reference to a statute shall mean the statute in force as at the date of this Credit Agreement (together with all regulations promulgated under it), as the same may be amended, re-enacted, consolidated or replaced from time to time, and any successor statute thereto, unless otherwise expressly provided.

(h) **Consent** – Whenever a provision of this Credit Agreement requires an approval or consent by a party to this Credit Agreement and notification of such approval or consent is not delivered within the applicable time limit, then, unless otherwise specified, the party whose consent or approval is required shall be conclusively deemed to have withheld its, his or her approval or consent.

(i) **Amendments** – Unless the context otherwise requires any definition of or reference to any agreement, instrument or other document (including any definition of or reference to this Credit Agreement) shall be construed as referring to that agreement, instrument or other document as from time to time amended, supplemented, restated or otherwise modified.

1.3 Knowledge

Whenever any party makes any representation, warranty or other statement to such party's knowledge, such party will be deemed to have made due inquiry, including due inquiry by any officer or director of such party or any other Person who has responsibility with respect to the relevant subject matter, into the subject matter of such representation, warranty or other statement.

1.4 Entire Agreement

(a) This Credit Agreement together with the agreements and other documents to be delivered pursuant to this Credit Agreement and the other Loan Documents, constitute the entire agreement between the Parties pertaining to the subject matter of the Loan Documents and supersede all prior agreements,

understandings, negotiations and discussions, whether oral, written or otherwise, of the Parties. There are no representations, warranties, covenants or other agreements between the parties hereto in connection with the subject matter of this Credit Agreement except as specifically set forth in this Credit Agreement and any document delivered pursuant to this Credit Agreement.

(b) No supplement, modification, amendment, waiver or termination of this Credit Agreement shall be binding unless executed in writing by the party to be bound thereby.

1.5 Governing Law

This Credit Agreement shall be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and shall be treated, in all respects, as an Ontario contract.

1.6 Accounting Principles

All references to generally accepted accounting principles or "**GAAP**" mean, as determined by the Borrower in its discretion on notice to the Lender not less than 30 days prior to the date of the Borrower's first financial year end following the execution of this Agreement, one of the following three accounting standards, which the Borrower shall use to prepare its audited financial statements: (a) the Accounting Standards for Private Enterprises which are in effect from time to time in Canada, as published in Part II of the Handbook of the Canadian Institute of Chartered Accountants or any successor thereof (the "**Handbook**"), or (b) International Financial Reporting Standards which are in effect from time to time in Canada, as published in Part I of the Handbook ((a) and (b) collectively, the "**Accounting Standards**").

1.7 Exhibits and Schedules

The Schedules and Exhibits described below and appended to this Credit Agreement shall be deemed to be integral parts of this Credit Agreement:

Schedules

Schedule 1.1A	Material Agreements
Schedule 1.1B	Owned Real Property
Schedule 6.1(f)	Location of Business; Names
Schedule 6.1(i)	Leased Lands
Schedule 6.1(n)	Authorized and Issued Capital

Exhibits

Exhibit 1.1A	Form of Annual Work Schedule
Exhibit 1.1B	Reports and Other Deliverables
Exhibit 3.2	Form of Borrowing Notice
Exhibit 4.3	Form of Compliance Certificate

ARTICLE 2
CREDIT FACILITY

2.1 Availability

(a) The Lender hereby establishes the Credit Facility in favour of the Borrower.

(b) The Credit Facility will be a non-revolving facility such that repayments of Advances under the Credit Facility will permanently reduce the Facility Amount.

2.2 Facility Limits

The Amounts Outstanding under the Credit Facility shall not at any time exceed the Facility Amount.

2.3 Mandatory Repayment

The Borrower shall repay (subject to Section 8.1 – *Events of Default*) the Amounts Outstanding (together with all Interest which has accrued on Advances made thereunder) under the Credit Facility in accordance with an amortization table which will be prepared by the Lender and delivered to the Borrower on or prior to the sixth (6^{th}) anniversary of the Closing Date and on each subsequent anniversary of the Closing Date. Each such amortization table will cover the twelve month period commencing on the anniversary on which it is delivered and will provide for equal monthly blended payments of principal and Interest payable on the final Business Day of each month during such period in such amount as, if such payments were continued through to the Maturity Date and the rate of Interest during the period covered by the amortization table were to remain constant through to the Maturity Date, would result in all Amounts Outstanding and all accrued Interest having been repaid in full by the Maturity Date. Each amortization table as prepared by the Lender will, absent manifest error, be conclusive and binding upon the Borrower. For the avoidance of doubt, the Borrower will pay all Amounts Outstanding, all Interest accrued thereon and all other amounts due and owing under or by virtue of this Credit Agreement on or prior to the Maturity Date.

2.4 [Intentionally deleted.]

2.5 Mandatory Prepayment – Cumulative Job Targets

(a) If the First Cumulative Job Target is not satisfied on the last day of any Fiscal Year occurring during the First Measurement Period, the Borrower shall repay a portion of the Amounts Outstanding determined in accordance with the following formula:

$$X = (1 – (Y/2600)) *Z$$

where:

- "X" is the amount of the cash repayment to be made by the Borrower to the Lender;

- "Y" is the number that results from the First Cumulative Job Target calculation made on such date of determination in accordance with the formula referred to in the definition of "First Cumulative Job Target"; and
- "Z" is the total Amount Outstanding as of the date of determination;

provided, that, if on the last day of any Fiscal Year occurring during the First Measurement Period, the 3 year rolling annual average of Jobs as determined in accordance with the formula in the definition of First Cumulative Job Target is less than 2,600 and equal to or greater than 2,500, the Borrower shall not be obligated to repay such amount unless and until, on the last day of the immediately succeeding Fiscal Year, the 3 year rolling average of Jobs is less than (i) 2,600, if the last day of such immediately succeeding Fiscal Year is in the First Measurement Period or (ii) 2,300, if the last day of such immediately succeeding Fiscal Year is in the Second Measurement Period.

(b) If the Second Cumulative Job Target is not satisfied on the last day of any Fiscal Year occurring during the Second Measurement Period, the Borrower shall repay to the Lender a portion of the Amounts Outstanding determined in accordance with the following formula:

$$X = (1 – (Y/2300)) *Z$$

where:

- "X" is the amount of the cash repayment to be made by the Borrower to the Lender;
- "Y" is the number that results from the Second Cumulative Job Target calculation made on such date of determination in accordance with the formula referred to in the definition of "Second Cumulative Job Target"; and
- "Z" is the total Amount Outstanding as of the date of determination;

provided, that, if on the last day of any Fiscal Year occurring during the Second Measurement Period, the 3 year rolling annual average of Jobs as determined in accordance with the formula in the definition of Second Cumulative Job Target is less than 2,300 and equal to or greater than 2,200, the Borrower shall not be obligated to repay such amount unless and until, on the last day of the immediately succeeding Fiscal Year, the 3 year rolling average of Jobs is less than 2,300; provided further, that, if on the last day of the last full Fiscal Year in the Second Measurement Period, the 3 year rolling annual average of Jobs as determined in accordance with the formula in the definition of Second Cumulative Job Target is less than 2,300 and equal to or greater than 2,200, the Borrower shall not be obligated to repay such amount.

(c) For greater certainty, the aggregate amount payable by the Borrower pursuant to this Section 2.5 shall not exceed the aggregate Amount Outstanding.

(d) If an amount calculated pursuant to Section 2.5(a) or 2.5(b) exceeds the Amount Outstanding at the time of such calculation, the Lender may by notice to the Borrower reduce the Facility Amount by the amount of such excess.

(e) The Borrower shall repay the amounts calculated in accordance with Sections 2.5(a) or(b), if any, within 90 days after the end of the Fiscal Year to which such payment relates. Any attempt, in the Lender's reasonably held opinion, by the Borrower to manipulate or artificially inflate the number of Jobs by artificial transactions or schemes shall be an Event of Default under this Credit Agreement.

2.6 Optional Prepayments

The Borrower may, subject to the provisions of this Credit Agreement, prepay without penalty or bonus Amounts Outstanding under the Credit Facility upon no less than three Business Days' notice to the Lender by a notice stating the proposed date and aggregate principal amount of the prepayment or reduction. In such case, the Borrower shall pay to the Lender in accordance with such notice the amount of such prepayment, together with Interest accrued on the amount prepaid in accordance with Section 3.3. Each partial prepayment or reduction shall be in a minimum aggregate principal amount of $1,000,000 and in an integral multiple of $500,000, provided that the provisions respecting minimum principal amount and integral multiples referred to in this sentence shall not apply in the case of any partial prepayment or reduction that results in the Credit Facility being repaid or cancelled in full.

2.7 Mandatory Prepayment/Reduction of Facility Amount

The Borrower shall not use the proceeds of Advances for any Eligible Project Costs for which the Borrower is in receipt of funds from other sources. If funds are received for the Funded Projects from sources other than, or in amounts greater than, those set out in the corresponding Funded Project Budgets: (i) the Borrower shall promptly give notice thereof to the Lender and (ii) the Lender may, in its sole discretion and whether it has received such notice or not, reduce the Facility Amount by the amount of such funds, or demand the repayment of a portion of the Amount Outstanding in an amount equal to such additional funds, whereupon the amount demanded by the Lender shall immediately become due and payable.

2.8 Appropriations

The Borrower acknowledges that the Lender has received the necessary appropriation from the Ontario Legislature pursuant to the *Financial Administration Act* (Ontario) only for the making of Advances in the aggregate amount of CDN $30,000,000.00, and that until a further appropriation is received the Borrower may not submit Borrowing Notices which would cause the aggregate Amounts Outstanding to exceed CDN $30,000,000.00. If pursuant to the *Financial Administration Act* (Ontario) the Lender does not receive the necessary appropriation(s) from the Ontario Legislature to make Advances in an aggregate amount totalling the Facility Amount the Lender will have the right upon notice to the Borrower to reduce the Facility Amount to the aggregate amount for which appropriations have been received.

2.9 Interest on Amounts Prepaid Pursuant to Sections 2.5 and 2.7.

A prepayment of all or a portion of the Amount Outstanding pursuant to Section 2.5 or 2.7 will be accompanied by a payment of the Interest which has accrued on the amount of principal being prepaid.

ARTICLE 3
ADVANCES AND INTEREST ON ADVANCES

3.1 Principal Amount and Availability

The Lender shall make Advances to the Borrower in amounts equal to 50% of the Eligible Project Costs paid by the Borrower and claimed in a Borrowing Notice delivered pursuant to Section 3.2, and in the aggregate up to the Facility Amount provided that no Borrowing Notice shall be delivered and no Advance shall be made following the sixth (6^{th}) anniversary of the Closing Date.

Borrowings under the Credit Facility will be subject to Section 3.2 and to the conditions precedent set out in Article 4.

3.2 Procedure for Borrowing

Each Advance shall subject to Section 3.1 be made on 30 Business Days' prior notice, given not later than 11:00 a.m. (Toronto time) by the Borrower to the Lender. Each notice of an Advance (a "**Borrowing Notice**") shall be in substantially the form of Exhibit 3.2, shall be irrevocable and binding on the Borrower once given by it to the Lender, and shall specify (i) the requested date of the Borrowing; and (ii) the aggregate amount of the Borrowing. Each Borrowing Notice will be accompanied by copies of all invoices and cancelled cheques relating to such costs or such other evidence reasonably satisfactory to the Lender of payment of the Eligible Project Costs claimed in such Borrowing Notice. Further, if any portion of the Eligible Project Costs claimed in a Borrowing Notice represents costs of internal technical labour, such Borrowing Notice will also be accompanied by a labour attestation (in a form to be provided by the Lender) itemizing the applicable individuals, their hours worked, and the split between their wages and benefits. Upon receipt by the Lender of the Borrowing Notice and the aforementioned materials fulfilment of the applicable conditions set forth in Article 4 and expiration of the 30 Business Day notice period referred to above, the Lender will make such funds available to the Borrower, subject to the terms and conditions of this Credit Agreement.

3.3 Interest on Advances

Interest shall accrue on the unpaid principal amount of each Advance made under the Credit Facility from the date of such Advance until such principal amount is repaid in full, at an annual interest rate equal to the greater of (i) 2.5% per annum; and (ii) the Lender's cost of funds for a ten-year non-amortizing bond, inclusive of fees and commissions, (the "COF Rate"), in each case calculated and compounded monthly ("**Interest**"). On the Closing Date and on each anniversary thereof the Lender will determine and notify the Borrower of the COF Rate as of such date, and the COF Rate of which the Borrower is so notified shall be deemed to be the COF Rate throughout the following twelve month period. The Lender's determination of the Interest

payable in accordance with this Section 3.3 shall, absent manifest error, be conclusive and binding upon the Borrower.

3.4 Computations of Interest

(a) All computations of Interest shall be made by the Lender taking into account the actual number of days occurring in the period for which such Interest is payable pursuant to Section 3.3, and a year of 365 days or 366 days, as the case may be, and using the nominal rate method of calculation, and will not be calculated using the effective rate method of calculation or on any other basis that gives rise to the principle of deemed re-investment of interest.

(b) No provision of this Credit Agreement shall have the effect of requiring the Borrower to pay interest (as such term is defined in section 347 of the *Criminal Code* (Canada)) at a rate in excess of 60% per annum, taking into account all other amounts which must be taken into account for the purpose thereof and, to such extent, the Borrower's obligation to pay interest hereunder shall be so limited.

ARTICLE 4
CONDITIONS OF LENDING

4.1 Conditions Precedent to Execution of Agreement

The obligation of the Lender to execute this Credit Agreement is subject to Lender being satisfied that the following conditions precedent have been met:

(a) the Lender shall have received a certified copy of (i) the constating documents and by-laws of the Borrower; (ii) the resolutions of the board of directors of the Borrower approving the execution of, and the borrowing and other matters contemplated by, this Credit Agreement and approving the entering into of all other Loan Documents and the completion of all transactions contemplated under them; and (iii) the names and true signatures of its officers authorized to sign this Credit Agreement and the other Loan Documents;

(b) the Lender shall have received a Certificate of Good Standing in respect of the Borrower issued by the office of the British Columbia Registrar of Companies;

(c) the Lender shall have received a certificate of an authorized signing officer of the Borrower certifying that, as of the Closing Date, no Material Adverse Effect has occurred;

(d) the Lender will have received evidence satisfactory to it that the Borrower has successfully completed the Acquisition, on terms and conditions satisfactory to the Lender and shall have received a true and complete copy of (i) the Asset Purchase Agreement together with any other related documents and agreements that the Lender may reasonably request (ii) the certificate of the court-appointed monitor of the Companies Creditors Arrangement Act proceeding relating to the Sellers certifying satisfaction or waiver by the Sellers and the Borrower of all

conditions to closing under the Asset Purchase Agreement; and (iii) the vesting order issued by the Court approving such transaction and vesting title to the Algoma Sault Ste Marie Facility and all related business assets in the Borrower and such vesting order shall not have been appealed and the applicable appeal periods relating thereto shall have expired, and the Lender shall have been satisfied with the terms and conditions of such Asset Purchase Agreement, related documents and agreements and vesting order, acting reasonably;

(e) the Lender shall have received the Guarantees and Security Documents described in Section 5.1;

(f) the Lender shall have received a certified copy of each Material Agreement;

(g) the Lender shall have received a favourable opinion of counsel to the Borrower confirming the due authorization, execution and delivery of, and the validity and enforceability of, the Loan Documents and such other matters as the Lender may reasonably require;

(h) the Lender shall have received a certificate from an authorized signing officer of the Borrower confirming that (i) the representations and warranties contained in Article 6 are true and correct on and as of such date, all as though made on and as of such date; (ii) no event or condition has occurred and is continuing, or would result from such Advance or giving effect to such Advance, which constitutes a Default; and (iii) such Advance, or otherwise giving effect to such Advance, will not violate any Applicable Law then in effect;

(i) credit agreements and other definitive documentation governing the Term Loan, the ABL Facility and the Port Loan shall have been executed by the lenders thereunder and the Borrower, such documentation shall have been provided to and be satisfactory to the Lender, acting reasonably, and all conditions precedent to the first advance of funds under each such credit agreement shall have been satisfied;

(j) the Intercreditor Agreement, in a form satisfactory to the Lender, shall have been executed by all parties thereto and the Lender shall be satisfied that the only Liens securing indebtedness of the Borrower are the Liens governed by the Intercreditor Agreement and that there are no other Liens encumbering the Assets of the Borrower other than Liens permitted under Permitted Prior Secured Indebtedness;

(k) an Interlender Agreement among the Lender, the Term Agent, the ABL Agent, the Port Agent, the Borrower and New Port LP in a form satisfactory to the Lender shall have been executed by all parties thereto;

(l) the 2015 CCA Agreements shall have been terminated pursuant to a mutual termination and release agreement satisfactory to the Lender, acting reasonably;

(m) Her Majesty the Queen in Right of Ontario, as represented by the Minister of Environment, Conservation and Parks and the Borrower shall have entered into certain agreements pertaining to environmental matters;

(n) the Borrower shall have entered into collective bargaining agreements with its unionized employees on terms and conditions satisfactory to the Lender, acting reasonably, including arrangements with respect to pension and post-retirement benefit obligations;

(o) the Lender shall have received the Algoma Capital Investment Plan; and

(p) the Lender shall have received such other certificates and documentation as the Lender may reasonably request.

4.2 Conditions Precedent to First Advance

The obligation of the Lender to make the first Advance under the Credit Facility is subject to the Lender being satisfied that the following conditions precedent have been met:

(a) Credit agreements and other definitive documentation governing the Canada Facility shall have been executed by the lender thereunder and the Borrower, such documentation shall have been provided to and be satisfactory to the Lender, acting reasonably, and all conditions precedent to the first advance of funds under such agreement shall have been satisfied;

(b) the lender under the Canada Facility shall have executed an Intercreditor Agreement Joinder (as defined in the Intercreditor Agreement) pursuant to Section 8.22 of the Intercreditor Agreement;

(c) the Lender shall have received a certificate from an authorized signing officer of the Borrower confirming that (i) the representations and warranties contained in Article 6 are true and correct on and as of the date of the making of the such Advance all as though made on and as of such date; (ii) no event or condition has occurred and is continuing, or would result from such Advance or giving effect to such Advance, which constitutes a Default; and (iii) such Advance, or otherwise giving effect to such Advance, will not violate any Applicable Law then in effect;

(d) the Borrower shall have delivered a satisfactory executed 2017-2019 Annual Work Schedule to the Lender and the Lender shall have accepted and executed same;

(e) the lender under the Canada Facility has not exercised any right it has thereunder to terminate its obligation to reimburse claims under the Canada Facility;

(f) the Lender shall have received satisfactory evidence that all required permits, approvals and municipal authorizations have been obtained for the Funded Projects referred to in the 2017-2019 Annual Work Schedule;

(g) all of the conditions precedent set out in Section 4.1 have been met to the satisfaction of the Lender;

(h) the Lender shall have received a Compliance Certificate from the Borrower dated the date of the applicable Borrowing Notice in respect of such Advance; and

(i) the Borrower will have delivered a Borrowing Notice and the other materials required under Section 3.2.

4.3 Conditions Precedent to Subsequent Advances

Each Advance hereunder shall be subject to the conditions precedent that on the date of such Advance, and immediately after giving effect thereto and to the application of any proceeds from it, (i) the representations and warranties contained in Article 6 are true and correct on and as of such date, all as though made on and as of such date; (ii) no event or condition has occurred and is continuing, or would result from such Advance or giving effect to such Advance, which constitutes a Default; (iii) such Advance, or otherwise giving effect to such Advance, will not violate any Applicable Law then in effect, (iv) the lender under the Canada Facility has not exercised any right it has thereunder to terminate its obligation to reimburse claims under the Canada Facility; (v) the Lender shall have received a Compliance Certificate from the Borrower dated the date of the applicable Borrowing Notice; (vi) the Borrower shall have delivered a satisfactory executed Annual Work Schedule to the Lender for the Fiscal Year in which the applicable Borrowing Notice has been delivered and the Lender shall have accepted and executed same; (vii) the Lender shall have received satisfactory evidence that all material permits, approvals and municipal authorizations which, as at the date of the Advance, are required for such Funded Projects and are possible to have been obtained by the Borrower at such time, have been obtained; and (viii) the Borrower will have delivered a Borrowing Notice and the other materials required by Section 3.2.

4.4 No Waiver

The making of an Advance without the fulfilment of one or more conditions set forth in Sections 4.1, 4.2 or 4.3 shall not constitute a waiver of any such condition, and the Lender reserves the right to require fulfilment of such condition in connection with any subsequent Advance.

ARTICLE 5
SECURITY

5.1 Security

Subject to Section 5.2, as general and continuing security for the due payment and performance of all present and future indebtedness, obligations and liabilities of the Obligors to the Lender, the following Security Documents will be provided to the Lender, all in form and substance satisfactory to the Lender:

(a) a secured charge (including a specific assignment of any leases) on and against the Owned Real Property including (i) a Demand Debenture by the Borrower in favour of the Lender with respect to the Owned Real Property; and (ii) a Debenture Delivery Agreement by the Borrower in favour of the Lender (collectively, the "**Charge**");

(b) a leasehold charge against the Borrower's interests in the Leased Lands, including (i) a Demand Debenture by the Borrower in favour of the Lender with respect to

the Borrower's interest in the Leased Lands; and (ii) a Debenture Delivery Agreement by the Borrower in favour of the Lender ;

(c) a Canadian general security agreement by the Borrower and Algoma Steel Intermediate Holdings Inc. in favour of the Lender, granting a security interest in all of such Obligors' present and future Assets, other than Excluded Assets (as defined therein);

(d) a U.S. general security agreement by Algoma Steel USA Inc. in favour of the Lender, granting a security interest in all of the Algoma Steel USA Inc.'s present and future Assets, other than Excluded Assets (as defined therein);

(e) a Canadian pledge agreement by the Borrower and Algoma Steel Intermediate Holdings Inc. in favour of the Lender, pledging all of such Obligors' present and future Capital Stock, other than Excluded Assets (as defined therein);

(f) a U.S. pledge agreement by the Borrower in favour of the Lender, pledging all of the Borrower's present and future Capital Stock, other than Excluded Assets (as defined therein); and

(g) a Canadian intellectual property security agreement by the Borrower in favour of the Lender granting a security interest in the Borrower's intellectual property.

5.2 Real Property Security Date

Notwithstanding Section 5.1, the Charge will not be executed and delivered or registered until the Real Property Security Date. On the Real Property Security Date, the Borrower will execute and deliver to and in favour of the Lender the Charge (which will be identical to the secured charge on and against the Owned Real Property granted to the ABL Lenders and Term Lenders) and the Charge will be registered against the Owned Real Property

5.3 Satisfactory to Lender

Subject to Section 5.2 and the Intercreditor Agreement, the Security Documents will be in such form or forms, and will be registered in such jurisdictions, as the Lender and its legal counsel may from time to time reasonably require and in any event in such form or forms as the security provided to or for the benefit of the Term Agent, ABL Agent, Term Lenders and ABL Lenders, as applicable.

5.4 Security Charging Real Property

Notwithstanding anything to the contrary contained in any of the Loan Documents, to the extent that the Liens created by the Security Documents charge real property or any interest therein such Liens shall secure interest after the occurrence of an Event of Default at the same rates as those in effect immediately prior to such occurrence.

5.5 Registration/Further Assurances

(a) At any time from and after the Closing Date (or after the Real Property Security Date in the case of the Charge) the Lender may, at the expense of the Borrower, register, file or record the Security Documents or notices in respect of the Security Documents in all offices where such registration, filing or recording is, in the reasonable opinion of the Lender or its counsel, necessary or of advantage to the creation, perfection and preservation of the security interests arising pursuant to the Security Documents. The Lender may, at the Borrower's expense, renew such registrations, filings and recordings from time to time as and when required to keep them in full force and effect. The Borrower acknowledges that the various forms of Security Documents have been prepared based upon the laws of the Province of Ontario and the laws of the State of New York in effect at the date of execution of the Security Documents and that such laws may change, and that the execution and delivery of different forms of security instruments may therefore be required in order to grant to the Lender the rights intended to be granted by the applicable Security Documents. The Borrower will upon request from the Lender from time to time, execute and provide to the Lender such additional security instruments and will amend or supplement any Security Documents theretofore provided to the Lender:

(i) to reflect any changes in Applicable Laws, whether arising as a result of statutory amendments, court decisions or otherwise;

(ii) to facilitate the registration of appropriate forms of Security in all appropriate jurisdictions; or

(iii) if any entity having delivered security amalgamates with any other Person or enters into any corporate reorganization;

in each case in order to confer upon the Lender such security interests with such priority, as are intended to be created by such Security Documents subject to the terms of the Intercreditor Agreement.

(b) The Borrower will pay or indemnify the Lender against any and all stamp duties, registration fees and similar Taxes or charges which may be payable or determined to be payable in connection with the execution, delivery, performance, registration or enforcement of any of the Loan Documents or any of the transactions contemplated by any Loan Document.

(c) The provisions of this Section 5.5 shall survive the termination of this Credit Agreement and the repayment of all Amounts Outstanding.

5.6 Intercreditor Agreement

Notwithstanding anything herein to the contrary, it is acknowledged that the liens and security interests granted to the Lender pursuant to a Security Document in any Collateral and the exercise of any right or remedy by the Lender with respect to such Collateral are, as between the Lender and other lenders who are parties to the Intercreditor Agreement, subject to the

provisions of the Intercreditor Agreement; provided that (x) the foregoing shall in no event limit the Borrower's obligations hereunder and it is the intention of the parties hereto that the Collateral securing the obligations and liabilities of the Obligors to the Lender under the Loan Documents shall be the same (and perfected to the same extent) as the Liens securing the Term Loans (it being understood that the Lender may, in its sole discretion, decide not to take certain assets as Collateral (or perfect such Collateral) on behalf of itself).

ARTICLE 6
REPRESENTATIONS AND WARRANTIES

6.1 Representations and Warranties

The Borrower represents and warrants to the Lender, with effect as of and from the Closing Date, and acknowledges and confirms that the Lender is relying thereon without independent inquiry in providing Advances hereunder, that:

(a) Incorporation and Qualification. The Borrower is a corporation duly incorporated, continued or amalgamated and is validly existing under the laws of British Columbia and is duly qualified, licensed or registered to carry on business under the laws of the Province of Ontario and any other Applicable Law in all jurisdictions in which the nature of its Assets or business makes such qualification necessary, except where the failure to be so qualified, licensed or registered would not reasonably be expected to have a Material Adverse Effect.

(b) Power. The Borrower has all requisite corporate power and authority to (i) own and operate its Assets and to carry on the business carried on by it; and (ii) to enter into and perform its obligations under this Credit Agreement and the other Loan Documents to which it is a party.

(c) Conflict With Other Instruments. The execution and delivery of the Loan Documents by the Borrower and the performance by the Borrower of its obligations under them and compliance with the terms, conditions and provisions thereof, will not (i) conflict with or result in a breach of any of the terms, conditions or provisions of (A) its constating documents, (B) any Applicable Law, or (C) any material contractual restriction binding on or affecting it or its properties, to the extent such restriction could be reasonably expected to have a Material Adverse Effect; or (ii) result in, require or permit (A) the imposition of any Lien in, on or with respect to the Assets now owned or hereafter acquired by it (other than pursuant to the Security Documents or which is a Lien permitted under Permitted Prior Secured Indebtedness), (B) the acceleration of the maturity of any material indebtedness binding on or affecting it, or (C) any third party to terminate or acquire any rights materially adverse to the Borrower under any Material Agreement except any such imposition, termination or acquisition which would not reasonably be expected to have a Material Adverse Effect.

(d) Authorization, Governmental Approvals, etc. The execution and delivery of each of the Loan Documents by the Borrower and the performance by the Borrower of its obligations hereunder and thereunder have been duly authorized by all necessary corporate action.

(e) Execution and Binding Obligation. This Credit Agreement and the other Loan Documents (other than as provided in Section 5.2) have been duly executed and delivered by the Borrower and constitute legal, valid and binding obligations of the Borrower, enforceable against it in accordance with their respective terms, subject only to any limitation under Applicable Law relating to (i) bankruptcy, insolvency, reorganization, moratorium or creditors' rights generally; and (ii) the discretion that a court may exercise in the granting of equitable remedies.

(f) Location of Business; Names. The only jurisdictions (or registration districts within such jurisdictions) in which the Borrower has any place of business or stores any material tangible personal property are as set forth in Schedule 6.1(f). Schedule 6.1(f) also sets out a complete and accurate list of the full and correct name of the Borrower, including any French and English forms of name.

(g) Material Authorizations. The Borrower possesses all Authorizations as may be necessary to properly conduct its business, the failure of which to possess would reasonably be expected to have a Material Adverse Effect. All such Authorizations are in good standing and the Borrower is not in material default under any of them, except where the failure of such Authorizations to be in good standing or any such material default would not reasonably be expected to have a Material Adverse Effect.

(h) Ownership of Property. The Borrower owns the Owned Real Property and its other Assets with good and marketable title thereto, free and clear of all Liens, except for Liens permitted under Permitted Prior Secured Indebtedness. As of the date hereof, the Borrower does not own any interests in any real property other than the Owned Real Property listed in Schedule 1.1B. The Security Documents and the Liens securing Permitted Prior Secured Indebtedness described in clauses (a) and (b) of the definition of that term will rank in the order of priority set out in the Intercreditor Agreement.

(i) Leased Lands. As of the date hereof, the real property listed in Schedule 6.1(i) are the only leased lands of the Borrower (the "**Leased Lands**"). Each lease of Leased Lands (each, a "**Lease**") is in full force and effect, unamended except as permitted under this Credit Agreement. Each Lease is in good standing in all material respects and all amounts owing under them have been paid by the Borrower except any such amount the payment obligation in respect of which is in bona fide dispute.

(j) Compliance with Laws. The Borrower is in compliance with all Applicable Law, non-compliance with which could reasonably be expected to have a Material Adverse Effect.

(k) Use of Real Property. The uses to which the Owned Real Property and Leased Lands are being put by the Borrower are not in breach, in any material respect, of any Environmental Laws or other Applicable Law or official plans.

(l) Environmental Matters. Except as would not reasonably be expected to result in a Material Adverse Effect, the Borrower's business, the Owned Real Property, the

Leased Lands and other Assets (i) are in material compliance with all Environmental Laws; (ii) possess, and are operated in compliance with, all Environmental Authorizations which are required for the operation of its business; and (iii) are not subject to any present fact, condition or circumstance that could result in any material liability under any Environmental Laws. No Hazardous Materials are stored, disposed of or otherwise used by the Borrower in violation of any Environmental Law.

(m) No Default. No Default has occurred and is continuing.

(n) Authorized and Issued Capital. Schedule 6.1(n) lists the authorized capital of the Borrower together with the registered and beneficial owners of the issued capital thereof as of the Closing Date. Except as set forth in Schedule 6.1(n), as of the Closing Date no Person has an agreement or option or any other right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement or option, including convertible securities, warrants or convertible obligations of any nature, for the purchase, subscription, allotment or issuance of any Capital Stock of the Borrower. Except as set forth in Schedule 6.1(n), the Borrower does not as at the Closing Date have any Subsidiaries.

(o) Material Agreements. Each Material Agreement is in full force and effect, unamended. No event has occurred and is continuing which would constitute a breach of, or a default under, any Material Agreement.

(p) No Burdensome Agreements. The Borrower is not a party to any agreement or instrument or subject to any restriction (including any restriction set forth in its constating documents) which would reasonably be expected to have a Material Adverse Effect on its material operations, business, Assets or financial condition.

(q) No Litigation. There are no Claims, actions, suits or proceedings pending, taken or, to the Borrower's knowledge, threatened, before or by any Governmental Authority or by any elected or appointed public official or private person in Canada or elsewhere, whether or not having the force of law, and no Applicable Law which may affect the Borrower has been enacted, promulgated or applied, or to the knowledge of the Borrower, has been proposed, in each case which, if determined adversely to the Borrower, would reasonably be expected to have a Material Adverse Effect.

(r) No Judgments. The Borrower is not subject to any judgment, order, writ, injunction, decree or award, or to any restriction, rule or regulation (other than customary or ordinary course restrictions, rules and regulations consistent or similar with those imposed on other Persons engaged in similar businesses) which restrains, prohibits or delays the execution and delivery of the Loan Documents, in a manner that would reasonably be expected to have a Material Adverse Effect.

(s) Validity, Priority and Perfection of Security. The Security Documents, other than the Charge, will, and the Charge will from and after the Real Property Security Date, be effective to create (i) a valid and continuing Lien on the Collateral and, (ii) upon the filing of the appropriate financing statements or other applicable

personal property security registrations and filings, a perfected Lien in favour of the Lender on the Collateral, with respect to which a security interest may be perfected by filing pursuant to personal property security legislation in all applicable jurisdictions.

(t) Insurance. The Borrower's Assets are insured in accordance with the provisions of the Permitted Prior Secured Indebtedness and Section 7.1(m).

(u) Accuracy of Information. No written statement furnished by or on behalf of or at the direction of the Borrower to the Lender in connection with the negotiation, consummation or administration of the Credit Facility contains, as of the time such statements were so furnished, any untrue statement of a material fact or an omission of a material fact as of such time, which material fact is necessary to make the statements contained therein not misleading and all such statements, taken as a whole, together with this Credit Agreement, do not contain any untrue statement of a material fact or omit a material fact necessary to make the statements contained herein or therein not misleading.

(v) Algoma Capital Investment Plan and Annual Work Schedules. With respect to the information and documentation, including forecasts, contained in the Algoma Capital Investment Plan and the Annual Work Schedules, that:

(i) the forecasts were based upon the judgment of directors and officers of the Borrower, who considered the most likely set of future conditions in their opinion at that time and their impact upon the Borrower;

(ii) the information used in preparing such document substantially reflects the plans of the Borrower;

(iii) the assumptions relied upon in preparing the forecasts are appropriate in the opinion of directors and officers of the Borrower;

(iv) adequate support documentation outlining methods and procedures used in preparing the forecasts is available from the Borrower;

(v) all statements and documentation provided to the Lender in support of such documents are true and correct; and

(vi) the Borrower recognizes that the Lender has relied upon the truth, authenticity and accuracy of such information and documentation in authorizing the funding contemplated by this Credit Agreement.

(w) Insolvency. The Borrower is not insolvent.

(x) ABL Lenders. None of the ABL Lenders are Non-Debt Fund Affiliates (as such term is used and defined in the Intercreditor Agreement).

(y) Full Disclosure. All information furnished by or on behalf of the Borrower to the Lender for purposes of, or in connection with, this Credit Agreement or any other

Loan Document, or any other transaction contemplated by this Credit Agreement, including any information furnished in the future, is or will be true and accurate in all material respects on the date as of which such information is dated or certified, and not incomplete by omitting to state any material fact necessary to make such information not misleading at such time in light of then-current circumstances. There is no fact now known to the Borrower which has had, or could reasonably be expected to have, a Material Adverse Effect.

ARTICLE 7
COVENANTS OF THE BORROWER

7.1 Affirmative Covenants

So long as any amount owing hereunder remains unpaid or the Lender has any obligation under this Credit Agreement, then from and after the Closing Date the Borrower shall:

(a) Financial Reporting Requirements. Provide the Lender with a copy of all financial reporting materials required to be delivered by the Borrower to any lender of Permitted Prior Secured Indebtedness or to the lender under the Canada Facility or the Canada SIF Facility documentation, promptly following the delivery thereof pursuant to the applicable credit or loan documentation.

(b) Environmental Reporting. Provide the Lender with a copy of all materials required to be delivered by the Borrower in respect of environmental matters to any lender of Permitted Prior Secured Indebtedness promptly following the delivery thereof pursuant to the applicable credit or loan documentation.

(c) Additional Reporting Requirements. Deliver to the Lender:

(i) all Reports and other deliverables specified in Exhibit 1.1B using the appropriate form of report or deliverable set out in Exhibit 1.1B in accordance with the timelines and content requirements set out in Exhibit 1.1B or in a form as specified by the Lender from time to time,

(ii) as soon as possible, and in any event within five days after the Borrower becomes aware of the occurrence of any Default, a statement of the chief financial officer, treasurer or chief operating officer of the Borrower or any other officer acceptable to the Lender setting forth the details of such Default and the action which the Borrower proposes to take or have taken with respect thereto,

(iii) prompt notice in writing of any default, or event condition or occurrence which with notice or lapse of time, or both would constitute a default under any agreement in respect of indebtedness to which the Borrower owes (contingently or otherwise) at least $50,000,000 (or the equivalent amount in any other currency), or in respect of Permitted Prior Secured Indebtedness or the Canada Facility or the Canada SIF Facility,

(iv) from time to time upon request of the Lender, evidence of maintenance of all insurance required to be maintained by the Permitted Prior Secured Indebtedness, including such originals or copies as the Lender may reasonably request of policies, certificates of insurance, riders and endorsements relating to such insurance and proof of premium payments,

(v) promptly, and in any event within ten days of receipt by the Borrower, notice of any suit, proceeding or similar action commenced or threatened by any Governmental Authority or any other Person, which has had or could reasonably be expected to have a Material Adverse Effect.

(d) Existence. Preserve and maintain its existence as a corporation.

(e) Observance of Covenants. Observe and perform all of the covenants, agreements, terms and conditions to be observed and performed by it under this Credit Agreement or in any other Loan Document.

(f) Compliance with Laws. Comply with the requirements of all Applicable Law, including all Environmental Laws, all municipal zoning by-laws and including all Applicable Laws pertaining to Taxes, except where such non-compliance would not, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(g) Maintenance of Properties, etc. Maintain and preserve all of its Assets used or useful in its businesses in all material respects in good repair, working order and condition (reasonable wear and tear and obsolete Assets excepted) and in material compliance with Environmental Laws and, from time to time, make all material needful and proper repairs, renewals, replacements, additions and improvements thereto, so that the businesses of the Borrower may be properly and advantageously conducted at all time in accordance with prudent business management, provided that the Borrower may, in accordance with the Leases, or with the approval of the Lender (not to be unreasonably withheld), remove or demolish buildings or structures on the Leased Lands which are no longer in use.

(h) Conduct of Business. Conduct, in each Fiscal Year, its business in a prudent manner and consistent with good business practices.

(i) Protect Liens. Except for the filing of renewal statements and the making of other filings by the Lender as a secured party, at all times from and after the Security Date take all action and supply the Lender with all information necessary to maintain the Liens provided for under the Security Documents and confer upon the Lender, the Liens intended to be created thereby.

(j) Pay all Amounts. Pay all amounts of principal, interest, costs and expenses owing hereunder by the Borrower on the dates, at the times, and at the places specified in this Credit Agreement, any amortization table delivered by Lender to Borrower pursuant to section 2.3 of this Credit Agreement or under any other Loan Documents to which the Borrower is a party.

(k) Visitation and Inspection. At (i) any reasonable time or times and upon reasonable prior notice at the request of the Lender, permit the Lender and its representatives and consultants to visit and inspect the records of the Obligors, the Collateral and the Project and to discuss the affairs, finances and accounts of the Borrower with senior officers including the officer appointed as (or performing the functions of) the chief financial officer thereof at the Lender's expense, it being acknowledged by the Borrower that no provision of this Credit Agreement shall be construed so as to give the Lender any control whatsoever over the Borrower's records, and that the Lender's rights under this Section are in addition to any rights provided to the Auditor General pursuant to the *Auditor General Act* (Ontario).

(l) Additional Reports. If the Lender or the Auditor General believes that there are inaccuracies in, or inconsistencies between, any Borrowing Notice submitted to the Lender (and the materials accompanying same pursuant to Section 3.2) and the Borrower's financial records and books of account, the Borrower must provide at the request of the Lender or the Auditor General and at the Borrower's own expense an audit report from a public accountant licensed under the laws of Ontario which audit report shall be satisfactory to the Lender in form and content and address:

(i) Advances made to date;

(ii) costs which have been claimed as Eligible Project Costs incurred by the Borrower to date;

(iii) whether the Eligible Project Costs were incurred in accordance with the Funded Project Budgets and this Credit Agreement; and

(iv) any other financial information pertaining to this Credit Agreement as may be reasonably specified in the request.

(m) Maintenance of Insurance. Maintain or cause to be maintained insurance at all times complying with the terms of the Term Loan Credit Agreement, and take all steps necessary to ensure that all such policies show the Lender as loss payee as its interests may appear and additional insured thereof under a mortgage clause in a form approved by the Insurance Bureau of Canada and furnish or cause to be furnished evidence thereof to the Lender on or prior to the date of the first Advance under the Credit Facility. The Borrower will pay or cause to be paid all premiums necessary for such purpose as the same shall become due and will provide particulars of all such policies and all renewals thereof to the Lender upon request.

(n) Cure Defects. Promptly cure or cause to be cured any defects in the execution and delivery of any of the Loan Documents or any of the other agreements, instruments or documents contemplated thereby or executed pursuant thereto or any defects in the validity or enforceability of any of the Loan Documents and, at its expense, execute and deliver or cause to be executed and delivered all such agreements, instruments and other documents as the Lender may consider necessary or desirable for the foregoing purposes.

(o) Use of Proceeds. Use the proceeds of all Advances for the reimbursement of Eligible Project Costs and for no other purpose whatsoever.

(p) Further Assurances. At the Borrower's cost and expense, upon request of the Lender, duly execute and deliver or cause to be duly executed and delivered to the Lender such further instruments and do and cause to be done such further acts as may be necessary or proper in the reasonable opinion of the Lender to carry out more effectually the provisions and purposes of the Loan Documents.

(q) Additional Guarantees and Security. Cause any Subsidiaries formed or acquired by it or any other Obligor after the date hereof to, within the timeframe required and to the extent so required under the Permitted Prior Secured Indebtedness in favour of the Term Lenders and ABL Lenders, enter into an unlimited guarantee in favour of the Lender of the obligations of the Borrower to the Lender under the Loan Documents, and grant to the Lender pursuant to a Security Document a first ranking Lien over all Assets of such Subsidiary (subject to the terms of the Intercreditor Agreement and Liens securing Permitted Prior Secured Indebtedness), as collateral security for its obligations under such guarantee. The Borrower shall also deliver or cause to deliver to the Lender: (i) a certificate of status, compliance, good standing or like certificate with respect to such Subsidiary issued by the appropriate Governmental Authority of the jurisdiction of its incorporation; (ii) share certificates representing all the issued and outstanding shares of such Subsidiary, together with a power of attorney delivered in blank to the Lender, executed by the holders of all shares evidenced by such certificates (subject to the terms of the Intercreditor Agreement); and (iii) any such other security document(s) as reasonably requested by the Lender. Following execution and delivery of all documentation contemplated by this Section 7.1(q), such Subsidiary shall be deemed to be Guarantor and Obligor for purposes of this Agreement, and the guarantee and Security Documents entered into by such Subsidiary shall be considered Loan Documents for purposes of this Agreement.

(r) Funding. Use the Borrower's own funds or funds from other sources for all Eligible Project Costs not reimbursed through Advances hereunder and all costs associated with Funded Projects which are not Eligible Project Costs.

(s) Annual Work Schedules. With the exception of the 2017-2019 Annual Work Schedule, which shall be executed by the parties prior to the making of the first Advance under the Credit Facility, the Borrower shall deliver to the Lender for its approval not less than 30 days prior to the beginning of each Fiscal Year a proposed annual work schedule substantially in the form attached as Exhibit 1.1A, which proposed annual work schedule when delivered by the Borrower shall be reviewed by the Lender and either (i) accepted and executed by the Lender, at which point it shall become an Annual Work Schedule and form part of this Agreement; or (ii) be rejected by the Lender, with the Borrower being notified of any deficiencies or issues that need to be addressed, provided that the Lender shall not unreasonably withhold or delay its acceptance and execution of such Annual Work Schedule. Where a deficiency or issue is identified and is capable of correction, the Borrower will revise and resubmit the proposed annual work

schedule, duly executed by the Borrower, for approval within 15 days after having received the notice from the Lender of any deficiencies or issues that need to be addressed.

(t) Job Targets. Meet or exceed the First Cumulative Job Target in each Fiscal Year during the First Measurement Period and meet or exceed the Second Cumulative Job Target in each Fiscal Year during the Second Measurement Period; provided, however, that the Lender agrees that a failure to comply with the foregoing covenant shall constitute an Event of Default only if the Borrower fails to comply with the repayment obligation triggered by such failure pursuant to Section 2.5.

(u) Investment Target. Make such investments in Projects pursuant to the Algoma Capital Investment Plan as will result in investments in Projects totalling CDN $600,000,000.00 having been made over the period from November 14, 2014 to March 31, 2023.

(v) Pensions. Comply, in all material respects, with the Borrower's pension funding obligations under Applicable Law**,** including without limitation, any contributions required under any pension funding agreements between the Borrower and the Financial Services Commission of Ontario.

7.2 Negative Covenants

So long as any amount owing hereunder remains unpaid or the Lender has any obligation under this Credit Agreement, and unless consent is given in accordance with Section 9.1, the Borrower shall not do any of the following or permit any Subsidiary of the Borrower to do any of the following:

(a) Amalgamations. Amalgamate into or with any other Person, or permit any other Person to amalgamate into or with it, without the prior written consent from the Lender, except that, if at the time thereof and immediately after giving effect thereto no Event of Default shall have occurred: (i) any Obligor may amalgamate with any other Obligor, (ii) any Subsidiary may amalgamate with any other Subsidiary; and (iii) the Borrower may amalgamate with any other Person if, in the opinion of the Lender, acting reasonably, the successor entity resulting from the amalgamation is capable of performing the obligations of the Borrower under this Agreement, the other Loan Documents and the Permitted Prior Secured Indebtedness, and provided that, in each case, any transaction pursuant to this section 7.2(a) shall not be permitted unless the conditions set out in Section 9.02 (Mergers and Consolidations) of the Term Loan Credit Agreement are satisfied.

(b) Liens. Create, incur, assume or suffer to exist on the Assets of the Borrower or any Subsidiary any Liens securing any indebtedness ranking prior to the Liens granted pursuant to the Security Documents other than Liens securing Permitted Prior Secured Indebtedness.

(c) Change in Business. Engage in any material business or activity other than the Business or incur any material liabilities unrelated to the Business, in each case that would reasonably be expected to have a Material Adverse Effect.

(d) Restrictive Agreements. Enter into any agreement prohibiting the granting of security as contemplated by Section 5.1, or the repayment of Amounts Outstanding in accordance with the terms hereof other than as set out in any documentation approved by the Lender pursuant to Section 4.1.

(e) Procurement. Acquire supplies, equipment or services for the Funded Projects for an amount greater than five hundred thousand dollars ($500,000.00) unless a competitive process is used, including a written request for at least three proposals, written evaluation of bids received and a written agreement with the successful contractor.

(f) Funded Project Changes. Make any material changes to any Funded Project unless the consent of the Lender to such change is first obtained and the Borrower abides by the terms and conditions imposed by the Lender in connection with such consent.

(g) Additional Security and Guarantees. Provide to the holder of any Permitted Prior Secured Indebtedness any security for, or a guarantee of any Person of, any Permitted Prior Secured Indebtedness, unless such security or guarantee has already been granted or is simultaneously granted to the Lender to secure or guarantee the Borrower's indebtedness, liabilities and obligations under the Loan Documents.

7.3 Covenants Incorporated by Reference and Change of Control

Subject to the terms of this Section 7.3, the covenants made by the Borrower to and in favour of the Term Lenders in Sections 8.08 (End of Fiscal Years), 9.02 (Merger and Consolidation), 9.03 (Restricted Payments), 9.04 (Indebtedness), 9.05 (Restrictions on Distributions from Restricted subsidiaries), 9.06 (Transactions with Affiliate), 9.08 (Limitation on Sales of Assets and Subsidiary Stock) and 9.11 (Limitation on Activities) of the Term Loan Credit Agreement or the credit agreement dated after the date hereof governing any Permitted Refinancing Term Loans (the "**Incorporated Covenants**") are hereby incorporated by reference into this Credit Agreement, *mutatis mutandis*, and are made by the Borrower to and in favour of the Lender (and for such purpose any references in an Incorporated Covenant to the "Collateral Agent" or the "Administrative Agent" or the "Lenders" shall be deemed to include the Lender and any references therein to the "Security Documents" or "Credit Documents" shall be deemed to include the Loan Documents). The event of default in Section 10.01(i)(Change of Control) of the Term Loan Credit Agreement or the credit agreement dated after the date hereof governing any Permitted Refinancing Term Loans (a "**Change of Control**") is hereby incorporated by reference into this Credit Agreement, *mutatis mutandis*. Any act, omission, event or circumstance which would constitute a breach of an Incorporated Covenant, or a Change of Control, but which is waived, modified or extended by the Term Lenders (or the Term Agent on behalf of the Term Lenders pursuant to the express terms of the Term Loans) shall be deemed to be waived, modified or extended to the same extent by the Lender hereunder, and any amendment by the Term Lenders and the Borrower of an Incorporated Covenant will bind the Lender, provided that:

(a) the ABL Lenders (or the ABL Agent on their behalf) have waived the breach of or modified or extended, or have amended in the same manner as the Term

Lenders, the covenant contained in the ABL Credit Agreement which is comparable to the Incorporated Covenant subject to such waiver, amendment, modification or extension, or have waived or modified the Change of Control, as applicable;

(b) the Borrower notifies the Lender promptly upon becoming aware of such an act, omission, event or circumstance or of a potential amendment and upon it seeking a waiver, modification or extension and promptly responds to all inquiries made by the Lender and keeps the Lender fully informed with respect to such matters;

(c) the Borrower promptly (and in any event within one (1) Business Day) provides the Lender with a copy of any waiver, amendment, modification or extension granted or agreed to by the Term Lenders and the ABL Lenders (or the Term Agent or the ABL Agent, as applicable, on their behalf) in respect of any Incorporated Covenant or Change of Control, including all conditions imposed by the Term Lenders or the ABL Lenders (or the Term Agent or the ABL Agent, as applicable, on their behalf) in connection therewith;

(d) if any payment, consideration or further security or assurance is made, paid or granted by the Borrower to the Term Lenders (or the Term Agent on their behalf) or any other holder of Permitted Prior Secured Indebtedness (or duly authorized agent or representative thereof) in consideration for a waiver, extension, modification or amendment as aforesaid, the same payment, consideration, further security or assurance will also be made, paid or granted to the Lender;

(e) within thirty (30) days of being notified of a waiver by the Term Lenders of a breach of an Incorporated Covenant or the occurrence of a Change of Control or of an amendment of an Incorporated Covenant as aforesaid, the Lender may, if it determines (acting reasonably) that such waiver or amendment would cause a Material Adverse Effect, so notify the Borrower and the Term Lenders and in such notice may terminate the Lender's obligation to make further Advances under the Credit Facility; and

(f) within thirty (30) days of the Lender becoming aware that the lender under the Canada Facility has exercised any right it has thereunder to terminate its obligation to reimburse claims under the Canada Facility as a result of a waiver by the Term Lenders of a breach of an Incorporated Covenant or the occurrence of a Change of Control or of an amendment of an Incorporated Covenant as aforesaid, so notify the Borrower and the Term Lenders and in such notice may terminate the Lender's obligation to make further Advances under the Credit Facility.

7.4 Increase in Term Loan and/or ABL Facility

If the amount of the Term Loan or the ABL Facility is to be increased beyond the aggregate amount specified in this Credit Agreement's definition of "Term Loan" or "ABL Facility" respectively, then:

(a) the Borrower will promptly notify the Lender of such increase and promptly respond to all inquiries made by the Lender and keep the Lender fully informed with respect to such matter;

(b) the Borrower will immediately provide the Lender with a copy of all documentation effecting the increase; and

(c) within thirty (30) days of being notified of the increase, the Lender may, if it determines (acting reasonably) that the increase would cause a Material Adverse Effect so notify the Borrower and in such notice may terminate the Lender's obligation to make further Advances under the Credit Facility.

ARTICLE 8
EVENTS OF DEFAULT AND REMEDIES

8.1 Events of Default

Each of the following events shall be an "**Event of Default**":

(a) the Borrower shall fail to pay any principal amount of the Amounts Outstanding under the Credit Facility when such amount becomes due and payable, and such failure shall remain unremedied for three Business Days;

(b) the Borrower shall fail to pay any Interest or any other amount when the same becomes due and payable hereunder or under any of the Loan Documents and such failure shall remain unremedied for three Business Days;

(c) any representation or warranty or certification made or deemed to be made by the Borrower or any Obligor in this Credit Agreement or any other Loan Document to which it is a party shall prove to have been incorrect in any material respect when made or deemed to be made and such incorrect representation or warranty or certification continues unremedied for a period of thirty (30) days after the earlier of the date on which Borrower becomes aware thereof or receives written notice thereof by the Lender;

(d) the Borrower or any Obligor shall fail to perform or observe in any material respect any of the terms, covenants or agreements contained in this Credit Agreement or in any other Loan Document (other than (i) the terms, covenants and agreements relating to the payment of Interest and Amounts Outstanding and (ii) Section 7.3 and Section 7.1(e) to the extent it relates to Section 7.3), on its part to be performed, observed, or otherwise applicable to it and shall fail to remedy such failure within thirty (30) days of being notified of same by the Lender;

(e) the Borrower or any Obligor shall fail to perform or observe any of the covenants set out in Section 7.2 of this Credit Agreement;

(f) the Borrower or any Obligor shall fail to perform or observe any of the Incorporated Covenants pursuant to the terms of Section 7.3 of this Credit Agreement (subject to any cure rights provided for in the Term Loan Credit

Agreement or any future credit agreement governing any Permitted Refinancing Term Loans);

(g) any (i) failure by the Borrower or any Obligor to pay indebtedness exceeding $50,000,000 (or the equivalent amount in other currencies) or any Permitted Prior Secured Indebtedness or indebtedness under the Canada Facility at the stated maturity thereof or as a result of which, the creditor may declare the principal thereof to be due and payable prior to the stated maturity thereof, or any event shall occur and shall continue after the applicable grace period (if any) specified in any agreement or instrument relating to any such debt of the Borrower or any Obligor to any Person, the effect of which is to permit the holder of such debt to declare the principal amount thereof to be due and payable prior to its stated maturity, in each case, to the extent such failure or event has not been cured by the Borrower or Obligor or waived by the affected creditor; or (ii) failure by the Borrower or any Obligor to perform or observe any covenant or agreement to be performed or observed by it contained in any other agreement or in any instrument evidencing any of its indebtedness exceeding $50,000,000 or any Permitted Prior Secured Indebtedness or any indebtedness under the Canada Facility, to the extent such failure has not been cured by the Borrower or Obligor or waived by the affected creditor; provided that, in the case of clause (ii) above, any failure by the Borrower or any Obligor to perform or observe any covenant or agreement to be performed or observed by it contained in any such agreement or instrument (other than a payment default) will not constitute an Event Of Default unless the agent and/or the lenders thereunder have demanded repayment of, or otherwise accelerated, any of the indebtedness or other obligations thereunder (or terminated commitments thereunder);

(h) all or any material part of the Assets of the Borrower or any Obligor are executed, sequestered or distrained upon and such execution, sequestration or distraint (i) relates to claims in the aggregate in excess of $50,000,000 (or the equivalent amount in other currencies), and (ii) the Borrower or any Obligor does not discharge the same or provide for its discharge in accordance with its terms, or procure a stay of execution thereof (by reason of pending appeal or otherwise), or cause the same to be fully bonded, or deposit with the Lender cash collateral or other security reasonably satisfactory to the Lender in the amount of the claim, within 60 days from the date of entry thereof;

(i) final judgment for the payment of money in the aggregate in excess of $50,000,000 (or the equivalent amount in other currencies) in excess of applicable insurance shall be rendered by a court of competent jurisdiction against the Borrower or any Obligor and the Borrower or such Obligor does not discharge same or provide for its discharge in accordance with its terms, or procure a stay of execution thereof (by reason of a pending appeal or otherwise), or deposit with the Lender cash collateral or other security reasonably satisfactory to the Lender in the amount of the judgement, within 45 days from the date of entry thereof;

(j) the Borrower or any Obligor shall: (i) apply for or consent to the appointment of, or the taking of possession by, an interim receiver, a receiver, custodian,

administrator, trustee, liquidator or other similar official for itself or for all or any material part of its assets; (ii) generally not pay its debts as such debts become due or admit in writing its inability to pay its debts generally, or declare any general moratorium on its indebtedness; (iii) institute any proceeding seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, dissolution, winding-up, reorganization, restructuring, arrangement, adjustment, protection, relief or composition of it or its debts under any statute, rule or regulation relating to bankruptcy, insolvency, reorganization, relief or protection of debtors including without limitation a general assignment for the benefit of creditors or a proposal under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) or the *Winding-up and Restructuring Act* (Canada) or a similar law of any applicable jurisdiction; or (iv) take any corporate action to authorize any of the actions described in the foregoing;

(k) any proceeding against the Borrower or any Obligor has been commenced to: (i) adjudicate it a bankrupt or insolvent; (ii) result in the liquidation, dissolution, winding-up, reorganization, restructuring, arrangement, adjustment, protection or relief or composition of it or its debts under any statute, rule or regulation relating to bankruptcy, insolvency, reorganization, relief or protection of debtors; or (iii) result in the appointment of an interim receiver, receiver, custodian, administrator, trustee, liquidator or other similar official for it or for all or any material part of its assets and, in each case, such proceeding remains undismissed or unstayed for a period of 60 days or any of the actions sought in such proceeding shall occur;

(l) any Loan Document shall become unenforceable other than by reason of the direct act or omission of the Lender, unless such a deficiency is corrected within a 15 day period following written notification from the Lender in regard to the deficiency or a 30 day period following such notification if (i) the Borrower delivers an officers certificate within such initial 15 day period stating that the Borrower is taking steps in good faith to remedy the deficiency and (ii) the deficiency does not have a Material Adverse Effect on the Security Documents;

(m) the Borrower shall abandon any Funded Project prior to its completion; or

(n) there shall occur a Business Asset Sale in the context of which the obligations of the Borrower and the Guarantors under the Loan Documents are not assumed (pursuant to documentation satisfactory to the Lender acting reasonably) by a buyer and other parties who are in the Lender's reasonable opinion capable of performing such obligations.

8.2 Acceleration and Termination of Rights

If any Event of Default occurs and is continuing, then:

(a) in the case of an Event of Default described in Sections 8.1(j) or 8.1(k), all of the Lender's obligations to make further Advances under the Credit Facility will, without further notice, act or formality, be automatically terminated and all Amounts Outstanding and all Interest accrued thereon and all other amounts

payable under this Credit Agreement in respect of the Credit facility will be immediately due and payable without presentation, demand, protest or further notice of any kind (except as required by law), all of which are hereby expressly waived by the Borrower; and

(b) in the case of any other Event of Default, the Lender may, by written notice to the Borrower (i) terminate the Lender's obligations to make further Advances under the Credit Facility; and (ii) (at the same time or at any time after such termination) declare all Amounts Outstanding and all Interest accrued thereon and all other amounts payable under this Credit Agreement in respect of the Credit Facility to be immediately due and payable, without presentment, demand, protest or further notice of any kind (except as required by law), all of which are hereby expressly waived by the Borrower.

In that event, the Security Documents shall become immediately enforceable and the Lender may, in its sole discretion, exercise any right or recourse and/or proceed by any action, suit remedy or proceeding against the Borrower authorized or permitted by law for the recovery of all the indebtedness, obligations or liabilities of the Borrower to the Lender, and proceed to exercise any and all rights hereunder and under the Security Documents, and no such remedy for the enforcement of the rights of the Lender shall be exclusive of, or dependent on, any other remedy, but anyone or more of such remedies may from time to time be exercised independently or in combination.

8.3 Remedies Cumulative

For greater certainty, it is expressly understood and agreed that the rights and remedies of the Lender under this Credit Agreement or under any other Loan Documents are cumulative and are in addition to, and not in substitution for, any rights or remedies provided by law or by equity; and any single or partial exercise by any of the Lender of any right or remedy for a default or breach of any term, covenant, condition or agreement contained in this Credit Agreement or other Loan Document shall not be deemed to be a waiver of or to alter, affect or prejudice any other right or remedy or other rights or remedies to which such Lender may be lawfully entitled for such default or breach.

8.4 Saving

The Lender shall have no obligation to the Borrower or other Person to realize any collateral or enforce the security or any part thereof or to allow any of the Collateral to be sold, dealt with or otherwise disposed of. The Lender shall not be responsible or liable to the Borrower or any other Person for any loss or damage upon the realization or enforcement of, the failure to realize or enforce the Collateral or any part thereof or the failure to allow any of the Collateral to be sold, dealt with or otherwise disposed of or for any act or omission on their respective parts or on the part of any director, officer, agent, servant or adviser in connection with any of the foregoing, except that the Lender may be responsible or liable for any loss or damage arising from the wilful misconduct or gross negligence of the Lender.

8.5 Perform Obligations

If an Event of Default has occurred and is continuing, and if the Borrower has failed to perform any of its covenants or agreements in the Loan Documents, the Lender may, but shall be under

no obligation to, perform any such covenants or agreements in any manner deemed fit by the Lender without thereby waiving any rights to enforce the Loan Documents. The reasonable expenses (including any legal costs) incurred by the Lender in respect of the foregoing shall be an obligation of the Borrower and shall be secured by the security granted herein.

8.6 Third Parties

No Person dealing with the Lender or any agent of the Lender shall be concerned to inquire whether the security under the Security Documents has become enforceable, or whether the powers which the Lender is or purporting to exercise have been exercisable, or whether any obligations remain outstanding upon the security thereof, or as to the necessity or expediency of the stipulations and conditions subject to which any sale shall be made, or otherwise as to the propriety or regularity of any sale or other disposition or any other dealing with the collateral charged by such security or any part thereof.

8.7 Set-Off or Compensation

In addition to, and not in limitation of, any rights now or hereafter granted under applicable law, if repayment is accelerated pursuant to Section 8.2, the Lender may, at any time without notice to the Borrower or any other Person, set-off and compensate and apply any and all deposits, general or special, time or demand, provisional or final, matured or unmatured, and any other indebtedness at any time owing by the Province or the Lender to the Borrower, against and on account of the obligations of the Borrower hereunder, notwithstanding that any of them are contingent or unmatured. Without limiting the foregoing and without limiting the application of Section 43 of the *Financial Administration Act* (Ontario) if the Borrower fails to pay any amount owing under this Credit Agreement, the Province may deduct any unpaid amount from any money payable to the Borrower by the Province.

8.8 Application of Payments

Notwithstanding any other provisions of this Credit Agreement, after the occurrence and during the continuance of an Event of Default, all payments made by the Borrower under this Credit Agreement, or from the proceeds or realization of any security, or otherwise collected or received by the Lender on account or amounts outstanding with respect to any of the obligations, owed to the Lender hereunder shall be paid over or delivered to make the following payments (as the same become due at maturity, be acceleration or otherwise):

(a) First, to the payment of all reasonable out-of-pocket costs and expenses (including, without limitation, reasonable legal fees) of the Lender in connection with enforcing the rights of the Lender under the Loan Documents;

(b) Second, to the payment of all obligations consisting of default Interest;

(c) Third, to the payment of all obligations consisting of Interest payable to the Lender hereunder;

(d) Fourth, to the payment of the Amounts Outstanding; and

(e) Fifth, to all other obligations and thereafter the surplus, if any, to the Borrower or whomever else may be lawfully entitled to receive such surplus.

ARTICLE 9
MISCELLANEOUS

9.1 Amendment

No amendment or waiver of any provision of any of the Loan Documents, and no consent to any departure by the Borrower or any other Person from such provisions, shall be effective unless in writing and approved by the Lender. Any amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given.

9.2 Waiver

(a) No failure on the part of the Lender to exercise, and no delay in exercising, any right under any of the Loan Documents shall operate as a waiver of such right; and no single or partial exercise of any right under any of the Loan Documents shall preclude any other or further exercise of such right or the exercise of any other right.

(b) Except as otherwise expressly provided in this Credit Agreement, the covenants, representations and warranties shall not merge on and shall survive the initial Advance and, notwithstanding such initial Advance or any investigation made by or on behalf of any party, shall continue in full force and effect. The closing of this transaction shall not prejudice any right of one party against any other party in respect of anything done or omitted under this Credit Agreement or in respect of any right to damages or other remedies.

9.3 Indemnities

(a) The Borrower shall indemnify Her Majesty the Queen in right of Ontario, Her ministers, agents, appointees, and employees, (each such Person being called an "**Indemnitee**") against, and hold each Indemnitee harmless from, any and all Losses and Claims, incurred by any Indemnitee or asserted against any Indemnitee by any third party or by the Borrower arising out of, in connection with, or as a result of (i) the execution or delivery of this Credit Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance or non-performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation or non-consummation of the transactions contemplated hereby or thereby, (ii) any Advance or the use or proposed use of the proceeds therefrom, (iii) any actual or alleged presence or Release of Hazardous Materials on or from any property owned or operated by the Borrower, or any Environmental Liability related in any way to the Borrower, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Borrower and regardless of whether any Indemnitee is a party thereto, provided that such indemnity shall not, as to any Indemnitee, be available to the extent that

such Losses or Claims (x) are determined by a court of competent jurisdiction by final and non-appealable judgment to have resulted from the gross negligence or wilful misconduct of such Indemnitee or (y) result from a Claim brought by the Borrower against an Indemnitee for breach in bad faith of such Indemnitee's obligations hereunder or under any other Loan Document, if the Borrower has obtained a final and non-appealable judgment in its favour on such Claim as determined by a court of competent jurisdiction nor shall it be available in respect of matters specifically addressed in Sections 9.3(b) and 9.4.

(b) The Borrower shall pay to the Lender on demand any amounts required to compensate the Lender for any Loss suffered or incurred by it as a result of the failure of the Borrower to make a payment or a mandatory repayment in the manner and at the time specified in this Credit Agreement.

(c) A certificate as to the amount of any Loss submitted in good faith by the Lender to the Borrower shall be prima facie evidence of such Loss, absent manifest error.

(d) The provisions of this Section 9.3 shall survive the termination of this Credit Agreement and the repayment of all Amounts Outstanding. The Borrower acknowledges that neither its obligation to indemnify nor any actual indemnification by it of the Lender, or any other Indemnitee in respect of such Person's losses for the legal fees and expenses shall in any way affect the confidentiality or privilege relating to any information communicated by such Person to its counsel.

(e) This Section 9.3 shall not apply with respect to Taxes other than any Taxes that represent Losses or Claims arising from any non-Tax Claim.

9.4 Costs and Expenses

The Borrower shall pay all reasonable out-of-pocket expenses incurred by the Lender including the reasonable fees, charges and disbursements of counsel for the Lender, in connection with (a) the Lender's due diligence in connection with this Credit Agreement, the negotiation, execution, registration and perfection of the Loan Documents and the review and/or negotiation and execution of the documentation described in Section 4.1 and 4.2; and (b) the enforcement or protection of its rights in connection with this Credit Agreement and the other Loan Documents, including its rights under this Section, or in connection with the Advances made hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Advances. The Borrower will pay the expenses referred to in clause (a) above on the earlier of demand by the Lender and the making of the first Advance under the Credit Facility. The Borrower will pay the expenses referred to in clause (b) above on demand by the Lender.

9.5 Interest on Accounts

Except as may be expressly provided otherwise in this Credit Agreement, all amounts owed by the Borrower to the Lender, which are not paid when due (whether at stated maturity, on demand, by acceleration or otherwise) shall (to the extent permitted by Applicable Law) bear Interest (both before and after default and judgment), from the date on which such amount is due

until such amount is paid in full, payable on demand, at a rate per annum equal at all times to the rate specified in Section 3.3.

9.6 Severability

If any provision of this Credit Agreement or portion thereof or the application thereof to any Person or circumstance shall to any extent be invalid or unenforceable: (a) the remainder of this Credit Agreement or the application of such provision or portion thereof to any other Person or circumstance shall not be affected thereby; and (b) the parties will negotiate in good faith to amend this Credit Agreement to implement the intentions set forth in this Credit Agreement. Each provision of this Credit Agreement shall be valid and enforceable to the fullest extent permitted by law.

9.7 Language

The parties hereto confirm that it is their wish that this Credit Agreement, as well as any other documents relating to this Credit Agreement, including Notices, Schedules, Exhibits and authorizations, have been and shall be drawn up in the English language only. Les parties aux présentes confirment leur volonté que cette convention, de même que tous les documents, y compris tous avis, annexes et autorisations s'y rattachant, soient rédigés en anglais seulement.

9.8 Address for Notice

All notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopier or electronic mail to the addresses or telecopier numbers or e-mail addresses specified below.

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by telecopier or electronic mail shall be deemed to have been given when sent (except that, if not given on a Business Day before 5:00 p.m. local time where the recipient is located, shall be deemed to have been given at 9:00 a.m. on the next Business Day for the recipient).

As of the date of this Credit Agreement, the addresses, telecopier numbers and e-mail addresses of the Borrower and the Lender are as follows:

Borrower Algoma Steel Inc.
105 West Street,
Sault Ste. Marie
Ontario, Canada P6A 7B4

Attention: Rajat Marwah, Chief Financial Officer

Email: rajat.marwah@algoma.com

Lender: Ministry of Energy, Northern Development and Mines
Suite 200, 70 Foster Drive

Sault Ste. Marie, Ontario P6A 6V8

Attention: Helen Mulc, Assistant Deputy Minister
Northern Development Division

Fax: (705) 564-7583
Email: helen.mulc@ontario.ca

9.9 Public Notices

All public notices to third parties and all other publicity concerning the matters contemplated by this Credit Agreement shall be jointly planned and coordinated by the parties and no party shall act unilaterally in this regard without the prior written approval of the other parties, except where the party making such notice is required to do so by Applicable Law or any Governmental Authority, or any stock exchange, in circumstances where prior consultation with the other parties is not practicable.

9.10 Counterparts

Notwithstanding the date of execution or transmission of any counterpart, each counterpart shall be deemed to have the effective date first written above.

9.11 Assignment

The Borrower may not assign its rights or obligations under any Loan Document. The Lender may, without the consent of the Borrower, assign, in whole or in part, its rights and/or obligations under the Loan Documents to any Person or sell participations to any Person (a "**Participant**") in all or a portion of the Lender's rights and/or obligations under the Loan Documents. Any payment by a Participant to the Lender in connection with a sale of a participation shall not be or be deemed to be a repayment by the Borrower or a new Advance.

9.12 Confidentiality and Non-Disclosure

The Borrower acknowledges that the Lender is subject to the *Freedom of Information and Protection of Privacy Act* and is accountable to the Executive Council of the Ontario Government, its committees, the Legislative Assembly and the general public of Ontario and the contents of this Credit Agreement and any commitments or agreements arising therefrom and any related documents may form part of the public record.

For greater certainty, the Lender may make such public announcements or disclosure as is considered appropriate.

9.13 Credit

Unless otherwise directed by the Lender, the Borrower shall, in a form approved by the Lender, acknowledge the support of the Lender in any publication of any kind, written or oral, relating to the Funded Projects. If the Borrower publishes any material of any kind, written or oral, relating to the Funded Projects, the Borrower shall indicate in the material that the views expressed in the material are the views of the Borrower and do not necessarily reflect those of the Lender or the

government of Ontario. At the request of the Lender, the Borrower shall install and maintain in good condition, at its own expense, signs or plaques acknowledging the Lender's support for the Funded Projects in conspicuous and visually unobstructed locations near the physical location of each Funded Project, in accordance with the Lender's instructions.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the parties have caused this Credit Agreement to be executed by their respective authorized officers as of the date first above written.

ALGOMA STEEL INC.

Per: /s/ Joanna Anderson
Name:
Title: Authorized Signatory

HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO, as represented by the Minister of Energy, Northern Development and Mines, as **Lender**

Per: /s/ Bill Thornton
Name: Bill Thornton
Title: Deputy Minister

IN WITNESS WHEREOF, the parties have caused this Credit Agreement to be executed by their respective authorized officers as of the date first above written.

ALGOMA STEEL INC.

Per: _____
Name:
Title: Authorized Signatory

HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO, as represented by the Minister of Energy, Northern Development and Mines, as **Lender**

Per: /s/ Bill Thornton
Name: Bill Thornton
Title: Deputy Minister

EXHIBIT 10.11

SIF AGREEMENT NO. 815-812918

STRATEGIC INNOVATION FUND

Adoption of New Innovative Equipment to Streamline Operations and Improve Plate Production and Enhance Grade Capability

This Agreement made

Between:

HER MAJESTY THE QUEEN IN RIGHT OF CANADA ("Her Majesty")

as represented by the Minister of Industry

(the "**Minister**")

And:

Algoma Steel Inc., a corporation duly incorporated under the laws of the Province of Ontario, Canada having its head office located at 105 West Street, Sault Ste. Marie, Ontario, P6A 7B4.

(the "**Recipient**")

And:

Algoma Steel Intermediate Holdings Inc., a corporation duly incorporated under the laws of the British Columbia, Canada, having its head office located at Suite 1700, 1055 West Hastings Street, Vancouver, BC V6E 2E9.

(the "**Guarantor**")

RECITALS

WHEREAS

I- The Strategic Innovation Fund ("**SIF**') is designed to encourage research and development, and accelerate the technology transfer and commercialization of innovative products, services, and processes; facilitate the growth and expansion of firms; secure economically significant mandates within or to Canada; and, advance industrial research and technology demonstration activities through collaboration;

P.W.

II- neither the entering into this Agreement nor the provision by the Minister of the Contribution is contingent upon export performance on the part of the Recipient;

III- the Project is in respect of SIF's support for the steel and aluminum industries;

IV- the Project involves:

- Increasing manufacturing capacity.
- Improving production efficiency through improvements to plant and equipment.
- Improving processes to increase efficiency.

V- the Minister has agreed to make an unconditionally repayable contribution to the Recipient in support of the Recipient's Eligible Costs (as defined herein) of the Project.

NOW, THEREFORE in accordance with the mutual covenants and agreements herein, Her Majesty and the Recipient agree as follows:

1. Purpose of the Agreement

The purpose of this Agreement is to set out respective obligations and the terms and conditions under which the Minister will provide funding in support of the Project (as defined herein).

2. Interpretation

2.1 **Definitions**.

In this Agreement, a capitalized term has the meaning given to it in this section, unless otherwise specified:

"**Acquisition or Divestiture**" means an acquisition of a business, the sale of a business or a merger or amalgamation.

"**Activity**" means a significant task that must take place in order to complete the Project. It has duration, during which time the work of that task is performed, and may have resources and costs associated with that task as set out in Form Cl - COSTS BREAKDOWN of Schedule 1 - *Statement of Work.*

"**Agreement**" means this contribution agreement including all the schedules attached hereto, as such may be amended, restated or supplemented, from time to time.

"**Affiliated Person**" means an affiliated person as defined in the *Income Tax Act,* as amended.

"**Attrition**" means the reduction in Full-Time Equivalents as a result of retirement, voluntary resignation or loss of life that are not replaced by the Recipient. Any type of lay-off will not be considered Attrition.

"**Background Intellectual Property**" means Intellectual Property that is not Project Intellectual Property and that is required for the carrying out of the Project or the exploitation of the Project Intellectual Property.

"**Background Intellectual Property Rights**" means the Intellectual Property Rights in Background Intellectual Property.

"**Benefit Commitments**" means those commitments described in Subsection 6.2 of this Agreement that will generate benefits to Canada.

"**Benefits Phase**" means the period from the Project Completion Date to and including the last day of the Term.

"**Change in Control**" of the Recipient means:

(a) if the Recipient is a public company, the acquisition by an individual or company (or two or more of them acting in concert) that results in its or their direct or indirect beneficial ownership of 20% or more of outstanding shares of voting stock of the Recipient; or

(b) if the Recipient is a private company, the acquisition by an individual or company (or two or more of them acting in concert) that results in its or their direct or beneficial ownership of 50% or more of the voting stock in the Recipient; or

(c) if the Recipient enters into a binding obligation to sell, sells or otherwise disposes of all or substantially all of its assets.

"**Claim Period**" means the following quarters of a calendar year: January 1 to March 31, April! to June 30, July 1 to September 30 and October 1 to December 31.

"**Contribution**" means the funding, in Canadian dollars, made available by the Minister under this Agreement.

"**Dispose**" means, as regards a Project Asset, the transferring outside Canada, use for a purpose other than research and development by the Recipient, selling, leasing or otherwise disposing including, in the case of a prototype or pilot plant, the transfer to commercial production, but in any event, shall not include abandoning the Project Asset for legitimate business reasons, such as the disposal of obsolete or disused equipment or materials.

"**Eligibility Date**" means November 1, 2018.

"**Eligible Costs**" means the costs associated with work performed in Canada, or outside of Canada to the extent explicitly permitted in this Agreement that are incurred and paid by the Recipient in respect of the Project, and in accordance with Schedule 3 - *Cost Principles,* excluding:

(a) any costs that are specifically identified in Schedule 1- *Statement of Work* as not being supported; and

(b) any costs prohibited or deemed ineligible elsewhere in this Agreement.

"**Event of Default**" means the events of default listed in Subsection 14.1 of this Agreement.

"**Execution Date**" means the date of the last signature to this Agreement such that the Agreement is signed and dated by all Parties.

"**Fair Market Value**" means the price that would be agreed to in an open and unrestricted market between knowledgeable and willing parties dealing at arm's length, who are fully informed and not under any compulsion to transact.

"**Force Majeure**" means any cause which is unavoidable or beyond the reasonable control of the Recipient, including war, riot, insurrection, strikes, or any act of God or other similar circumstance and which could not have been reasonably circumvented by the Recipient without incurring unreasonable cost.

"**Full-Time Equivalent**" means each employee or, where applicable, intern, who works for the Recipient on a full-time basis (i.e. they are responsible to work at least 2,000 hours for the Recipient when calculated on an annual basis) and, in the case of hourly paid employees or interns who are responsible to work for the Recipient less than on a full-time basis, each equivalent to such a full-time worker, where the number of such equivalents is calculated by dividing (a) by (b) where (a) = the aggregate of all hours worked by such individuals for the Recipient including hours taken by them as paid vacation, sick leave, and for other similar reasons, calculated on an annual basis, and (b) = 2,000 hours.

"**Government Fiscal Year**" means the period from April 1 of one year to March 31 of the following year.

"**Grace Period**" means the period from the day immediately following the Project Completion Date to the day immediately preceding the Repayment Period.

"**Intellectual Property**" means all inventions, whether or not patented or patentable, all commercial and technical information, whether or not constituting trade secrets, and all copyrightable works, industrial designs, integrated circuit topographies, and distinguishing marks or guises, whether or not registered or registrable.

"**Intellectual Property Rights**" means all rights recognized by law in or to Intellectual Property, including but not limited to Intellectual Property rights protected through legislation. These shall include patents, copyrights, industrial design rights, integrated circuit topography rights, rights in trademarks and trade names, all rights in applications and registrations for any of the foregoing, and all rights in trade secrets and confidential information.

"**Interest Rate**" means the Bank Rate, as defined in the *Interest and Administrative Charges Regulations,* in effect on the due date, plus 300 basis points, compounded monthly. The Interest Rate for a given month can be found at: http://www.tpsgc-pwgsc.gc.ca/recgen/txt/taux-rates-eng.html

"**Master Schedule**" means a summary-level Project schedule that identifies the major Activities and work breakdown structure components and Milestones as reflected in Form A of Schedule 1 - *Statement of Work.*

"**Material Change**" is a significant change in the scope, objectives, outcomes or benefits of the Project including without limitation, the following:

(a) The Project is not completed or not expected to be completed by the Project Completion Date;

(b) the Total Estimated Eligible Costs set out in Form C2 - ESTIMATED COST BREAKDOWN BY FISCAL YEAR of Schedule 1 -*Statement of Work* are expected to be reduced or are expected to be exceeded by twenty percent (20%) or more; and

(c) a change in the locations where the Project is to be performed as identified in Form D - PROJECT LOCATION AND COSTS of Schedule 1 - *Statement of Work.*

"**Maximum Amount to be Repaid**" means the actual amount paid by the Minister to the Recipient under this Agreement.

"**Milestone**" means a significant point or event in the Project as set forth in Form B of Schedule 1 - *Statement of Work.*

"**Not-Supported Eligible Costs**" means those Eligible Costs that are not supported under this Agreement.

"**Party**" means the Minister, or the Recipient or any Guarantor, and "**Parties**" means all of them.

"**Project**" means the project as described in Schedule 1 - *Statement of Work.*

"**Project Asset**' means an asset which, in whole or in part, has been acquired, created, developed, advanced and/or contributed to by the Contribution.

"**Project Completion Date**" means May 1, 2021.

"**Project Intellectual Property**" means all Intellectual Property conceived, produced, developed or reduced to practice in carrying out the Project by the Recipient and/or any Affiliated Persons of the Recipient, or any of their employees, agents, contractors or assigns.

"**Project Intellectual Property Rights**" means the Intellectual Property Rights in the Project Intellectual Property.

"**Public Office Holder**" means a public office holder as defined in the *Lobbying Act,* as amended.

"**Resulting Products**" means all products, services or processes produced using the Project Intellectual Property or that incorporate any of the Project Intellectual Property.

"**Recipient Fiscal Year**" means the period for which the Recipient's accounts in respect of its business or property are prepared for purposes of assessment under the *Income Tax Act,* as amended.

"**Repayment Period**" means the repayment period set out in Section 2 of Schedule *5 - Repayments to the Minister*.

"**Schedule**" means a schedule to this Agreement, including any amendments or supplements.

"**Similar Goods**" means goods or services that closely resemble the goods or services being transferred, in respect of their component materials, form, function and characteristics, and are capable of performing an equivalent function as, and of being commercially interchangeable with, the goods being transferred.

"**Technology Readiness Level**" or "**TRL**" means technology readiness according to the Technology Readiness Level scale described below.

Technology Readiness Level	**Description**
TRL 1—Basic principles observed and reported	Lowest level of technology readiness. Scientific research begins to be translated into applied research and development (R&D). Examples might include paper studies of a technology's basic properties.
TRL 2—Technology concept and/or application formulated	Invention begins. Once basic principles are observed, practical applications can be invented. Applications are speculative, and there may be no proof or detailed

Technology Readiness Level	Description
	analysis to support the assumptions.
TRL 3—Analytical and experimental critical function and/or characteristic proof of concept	Active R&D is initiated. This includes analytical studies and laboratory studies to physically validate the analytical predictions of separate elements of the technology.
TRL 4—Product and/or process validation in laboratory environment	Basic technological products and/or processes are tested to establish that they will work.
TRL 5—Product and/or process validation in relevant environment	Reliability of product and/or process innovation increases significantly. The basic products and/or processes are integrated so they can be tested in a simulated environment.
TRL 6—product and/or process prototype demonstration in a relevant environment	Prototypes are tested in a relevant environment. Represents a major step up in a technology's demonstrated readiness. Examples include testing a prototype in a simulated operational environment.
TRL 7—Product and/or process prototype demonstration in an operational environment	Prototype near or at planned operational system and requires demonstration of an actual prototype in an operational environment (e.g. in a vehicle).
TRL 8—Actual product and/or process completed and qualified through test and demonstration	Innovation has been proven to work in its final form and under expected conditions. In almost all cases, this TRL represents the end of true system development.
TRL 9—Actual product and/or process proven successful	Actual application of the product and/or process innovation in its final form or function.

"**Term**" means the duration of this Agreement as set out in Subsection 3.2 of this Agreement.

"**Work Phase**" means the period of time from the Eligibility Date to and including the Project Completion Date.

"**Years to Repay**" means eight (8) years.

2.2 **Singular/Plural**. Wherever from the context it appears appropriate, each term stated in either the singular or plural shall include the singular and the plural.

2.3 **Entire Agreement**. Unless amended in writing by the Parties, this Agreement comprises the entire agreement between the Parties in relation to the Project. No prior document, negotiation, provision, undertaking or agreement in relation to the subject matter of this Agreement has legal effect. No representation or warranty, whether express, implied or otherwise, has been made by the Minister to the Recipient, except as expressly set out in this Agreement.

2.4 **Inconsistency**. In case of inconsistency or conflict between a provision contained in the part of the Agreement preceding the signatures and a provision contained in any of the Schedules to this Agreement, the provision contained in the part of the Agreement preceding the signatures will prevail.

2.5 **Schedules**. This Agreement contains the following Schedules as described below, which form an integral part of this Agreement:

Schedule 1 - *Statement of Work*
Schedule 2 - *Communications Obligations*
Schedule 3 - *Cost Principles*
Schedule 4 - *Reporting Requirements*
Schedule 5 - *Repayments to the Minister*

3. Duration of Agreement

3.1 **Execution**. This Agreement must be signed by the Recipient and received by the Minister within thirty (30) days of its signature by the Minister, failing which it will be null and void.

3.2 **Duration of Agreement**. This Agreement will commence on the Execution Date and will expire, subject to Subsection 3.3, on the date of the last repayment to the Minister or at the completion of the last Benefit Commitment, unless terminated earlier in accordance with the terms of this Agreement.

3.3 **Survival Period**. Notwithstanding the provisions of Subsection 3.2 above, the rights and obligations described in the following Sections or Subsections will survive for a period of three (3) years beyond the Term or early termination of the Agreement:

Section 7 - Government Financial Support
Subsection 8.6 - Overpayment by Minister
Section 9 - Reporting, Monitoring, Audit and Evaluation
Subsection 10.2(c) - Disposal of Assets
Subsection 13.1 - Indemnification
Subsection 13.2 - Limitation of Liability
Section 14 - Default and Remedies

Subsection 17.2 - Interest
Subsection 17.3 - Set-off Rights of Minister
Subsection 17.8 - Applicable Law

4. The Contribution

4.1 **Contribution**. Subject to the terms and conditions of this Agreement, the Minister agrees to make an unconditionally repayable Contribution to the Recipient in respect of the Project in an amount not exceeding the lesser of (a) and (b) as follows:

(a) forty-four and 76/100 percent (44.76%) of the Eligible Costs; and

(b) thirty million dollars ($30,000,000)

4.2 **Funding Period**. The Minister will not contribute to any Eligible Costs incurred by the Recipient prior to the Eligibility Date or after the Project Completion Date. In no event will Eligible Costs incurred prior to the Execution Date exceed twenty percent (20%) of the "Total Estimated Eligible Costs" set out in Form C2 - ESTIMATED COST BREAKDOWN BY FISCAL YEAR of Schedule 1 - *Statement of Work.*

4.3 **Fiscal Year**. The payment of the Contribution per Government Fiscal Year is estimated at amounts specified in Form C2 - ESTIMATED COST BREAKDOWN BY FISCAL YEAR of Schedule 1 - *Statement of Work.* The Minister will have no obligation to pay any amounts in any Government Fiscal Year other than those specified in Form C2 - ESTIMATED COST BREAKDOWN BY FISCAL YEAR of Schedule 1 - *Statement of Work.* If, for a given Government Fiscal Year, the Recipient claims an amount less than the estimated Contribution for that Government Fiscal Year specified in Form C2 - ESTIMATED COST BREAKDOWN BY FISCAL YEAR of Schedule 1 - *Statement of Work,* the Minister may consider any request to reprofile the excess funds to future Government Fiscal Years before the Project Completion Date.

4.4 **Overruns**. The Recipient shall be responsible for all costs of the Project, including cost overruns, if any.

4.5 **Holdbacks**. Notwithstanding any other provisions of this Agreement, the Minister may, at the Minister's sole discretion, withhold up to ten percent (10%) of the Contribution until:

(a) the Project is completed to the satisfaction of the Minister;

(b) the final report described in Subsection 8.4(c) has been submitted to the satisfaction of the Minister; and

(c) the Minister has approved the final claim described in Subsection 8.4.

5. Recipient's Obligations

5.1 **Project Completion Date**. The Recipient agrees to carry out the Project in a diligent and professional manner using qualified personnel, and complete same on or before the Project Completion Date.

5.2 **Project Location**. Except as otherwise permitted in Subsection 6.5 of this Agreement or by the Minister in writing, the Recipient agrees to carry out the Project exclusively in Canada as set out in Form D - PROJECT LOCATION AND COSTS of Schedule l – *Statement of Work.*

5.3 **Benefit Commitments**. The Recipient agrees to deliver Benefit Commitments exclusively in Canada.

5.4 **Repayment**. The Recipient agrees to make all repayments due to the Minister as set out in Schedule 5 - *Repayments to the Minister.*

5.5 **Compliance**. The Recipient agrees to satisfy and comply with all other terms, conditions and obligations contained in this Agreement.

6. Special Conditions

6.1 **Pre-disbursement Condition**. As a condition precedent to the first disbursement of the Contribution, in each Government Fiscal Year, the Recipient shall provide, to the Minister's satisfaction, evidence that it has available funds for that Government Fiscal Year, which shall be allocated exclusively to the financing of the Project. If the Recipient fails to satisfy such condition, the Minister may, at his discretion, unilaterally terminate the Agreement upon written notice to the Recipient and Guarantor and demand repayment of all or part of Contribution disbursed to the Recipient or may declare an Event of Default in accordance with Section 14.1 of this Agreement.

6.2 **Benefit Commitments.**

6.2.1 **Create and maintain jobs in Canada.**

The Recipient covenants and agrees to the following:

(a) To maintain its current level of three thousand (3,000) FTEs from the Eligibility Date until September 30, 2020. The total number of FTEs maintained plus attrition up to a maximum of two hundred (200) FTEs from the Eligibility Date until September 30, 2020 must be equal to or greater than three thousand (3,000) FTEs;

(b) To maintain two thousand, eight hundred (2,800) FTEs from October l, 2020 until the end of the Work Phase. The total number of FTEs maintained plus attrition up to a maximum of two hundred (200) FTEs from October 1, 2020 until

the end of the Work Phase must be equal to or greater than two thousand, eight hundred (2,800) FTEs;

(c) To create at least fifty (50) FTEs by the end of the Work Phase;

(d) To maintain two thousand, six hundred (2,600) FTEs during the Grace Period and two thousand, three hundred (2,300) FTEs during the Repayment Period. The total number of FTEs maintained plus attrition up to a maximum of two hundred (200) FTEs during the Grace Period must be equal to or greater than two thousand, six hundred (2,600) FTEs, and must be equal to or greater than two thousand, three hundred (2,300) FTEs during the Repayment Period; and

(e) To repay the Contribution disbursed to the Recipient in the event the Recipient does not meet its FTE commitments at any time during the Term of the Agreement.

(f) Notwithstanding Subsection 6.2.l(d), the Minister agrees not to call an Event of Default if the Recipient experiences a fifteen percent (15%) or less decrease/discrepancy in FTE commitments during the Grace Period and/or Repayment Period; and

(g) Notwithstanding Subsection 6.2.1(d), the Minister agrees not to call an Event of Default if the Recipient experiences a decrease/discrepancy in FTE commitments greater than fifteen (15) percent during the Grace Period and/or Repayment Period, provided that the Recipient repay the Contribution disbursed to the Recipient in equal proportion to the level of FTE decrease/discrepancy at a 1: 1 rate (1% FTEs decrease/discrepancy = 1% Contribution repaid), in addition to the Annual Repayment Due during the Recipient Fiscal Year of Years to Repay. The due date of such repayments will be the immediate date in which the Recipient does not meet its commitments set out in Subsection 6.2.1(d).

6.2.2 **Environmental footprint reduction in Canada**.

The Recipient covenants and agrees to the following:

(a) To make best efforts to reduce greenhouse gas emissions as a result of fuel savings of 0.5MMBtu/ton and an improved fuel rate, beginning with a baseline fuel rate of 4.0 MMBTU/ton as of the Execution Date, for the Term of the Agreement.

6.2.3 **Research and Development spending in Canada**.

The Recipient agrees and covenants to the following:

(a) To make best efforts to maintain its current annual R&D spending of two million ($2,000,000) during the Work Phase; and

(b) To make best efforts to increase its R&D spending to an annual average of two million, five hundred thousand ($2,500,000) during the Benefits Phase, such as through new plate trade development. Failure to meet this target will not constitute an Event of Default.

(c) For each Recipient fiscal year-end during the Work Phase and the Benefits Phase, the annual gross Canadian R&D spending is to be verified by an external auditor and provided in a separate statement signed by the external auditor. The Recipient shall provide this verification, to the satisfaction of the Minister, within four (4) months after the Recipient's fiscal year-end.

6.2.4 **Capital Expenditure spending in Canada**.

The Recipient covenants and agrees to the following:

(a) To maintain its annual capital expenditure spending in Canada, at a minimum of sixty-one million, six hundred ($61,600,000) (calculated as 80% of the Recipient's average capital expenditure spending in Canada over the last three years) starting with the fiscal year in which the Project Completion Date falls, until March 31, 2023.

(b) For each Recipient fiscal year-end during the Work Phase and the Benefits Phase, the annual gross Canadian capital expenditures are to be verified in accordance with accounting standards for Property, Plant and Equipment by an external auditor and provided in a separate statement signed by the external auditor. The Recipient shall provide this verification, to the satisfaction of the Minister, within four (4) months after the Recipient's fiscal year-end.

6.2.5 **Expanded collaboration with academia organizations**.

The Recipient agrees and covenants to the following:

(a) To make best efforts to maintain its current three (3) collaborations with universities and colleges during the Work Phase. Failure to do so will not constitute an Event of Default; and

(b) To engage in at least one (1) additional collaboration prior to the end of the Term of the Agreement. Failure to do so will not constitute an Event of Default.

6.2.6 **Employee training and corporate initiatives**.

The Recipient agrees and covenants to the following:

(a) To increase annual spending on corporate initiatives and training to increase additional skills per employee, per year until for the Term of the Agreement.

6.2.7 **Gender equality and diversity**.

The Recipient agrees and covenants to the following:

(a) To adopt a diversity and gender equity plan by March 31, 2020 with measurable goals and outcomes, beginning with a baseline of 175 female FTEs as of the Execution Date. Failure to do so will not constitute an Event of Default;

(b) To provide the diversity and gender equity plan to the Minister, to the Minister's satisfaction by March 31, 2020; and

(c) To undertake efforts to increase Indigenous employment and training in Canada; to engage Indigenous Communities in Canada on labour market opportunities, supply chain opportunities, and raise awareness of careers in the steel industry.

6.3 **Annual Reporting**.

On an annual basis, the Recipient shall report to the Minister on the following information for the Term of the Agreement, in addition to Schedule 4 *–Reporting Requirements:*

(a) Number of jobs created and/or maintained with average and range of salary levels;

(b) Dollars spent on Canadian capital expenditures;

(c) Number and details of post-secondary institution collaborations and increased collaborations, including associated costs and activities;

(d) Number and activities of co-op engagements;

(e) Impact to the growth of Canadian supply chain;

(f) North American market share secured or captured;

(g) New intellectual property generated;

(h) Gross Canadian R&D spending verified by an external auditor, and Product Development levels;

(i) Productivity improvement levels;

(j) Efforts to reduce environmental footprint and progress achieved regarding its greenhouse gas emission and fuel reductions;

(k) Training activities of the workforce, including progress achieved regarding Indigenous employment and training; and

(l) Composition of workforce, including diversity and gender representation and progress achieved regarding its diversity and gender equity plan.

6.4 **Facilities Closure Mandatory Repayment**. The Recipient covenants and agrees to keep facilities identified under Project Location in Form D - PROJECT LOCATION AND COSTS of Schedule 1 – *Statement of Work* open and operational for the Term of the Agreement. In the event of a closure of the facilities under the Project during the Term, the Minister may call an Event of Default and exercise any remedies set out in this Agreement.

6.5 **Work outside Canada**. The Recipient may incur costs outside of Canada up to a maximum of 10% of total submitted Eligible Costs.

6.6 **Canadian Suppliers to the Recipient**. The Recipient shall use best efforts to identify and to develop locally based suppliers capable of meeting its needs aligned with the Project activities.

6.7 **Guarantee**.

(a) **Guarantee**. In consideration of the Minister providing the Contribution, the Guarantor, Algoma Steel Intermediate Holdings Inc., guarantees the complete performance of the Recipient's obligations under this Agreement, including without limitation, the completion of the Project in accordance with this Agreement. The obligations of the Guarantor hereunder are joint and several with those of the Recipient. As a result of the forgoing, the Guarantor or the Recipient may be compelled separately to perform any obligation contained in this Agreement.

(b) **Taxes**. Any payment to be made by the Guarantor in respect of this Agreement shall be made free and clear of and without deduction or withholding for or on account of any present and future taxes, levies, imposts, stamp taxes, duties, charges, fees deductions, withholdings, penalties or interest (collectively, "Taxes") provided that if the Guarantor is required to withhold or deduct any taxes from such payments, the sum payable shall be increased as necessary so that after making all required withholdings or deductions, the Minister receives an amount equal to the sum he/she would have received had no such withholding or deduction been made.

(c) **Costs**. The Guarantor agrees to reimburse the costs and expenses incurred by the Minister in enforcing the guarantee under Paragraph 6.5 (a).

(d) **Waiver**. The Guarantee is a guarantee of payment not of collection. The Guarantor waives any right to require the Minister to sue the Recipient or to enforce its payment against any Collatera1.

(e) **Representations**. The Guarantor represents to the Minister that it has the power and authority, and has met all legal requirements to grant the guarantee under Subsection 6.5(a) and that such guarantee is enforceable against it in accordance with its terms.

(f) **Service of Process**. The Guarantor irrevocably consents to the service of process in the manner provided for notices in Section 18.3 of this Agreement. Nothing in this Agreement will affect the right of the Minister to serve process in any other manner permitted by law.

(g) **Forum**. The Guarantor irrevocably agrees that any actions or proceedings arising out of or in connection with this Agreement may be brought in any court in the Province of Ontario or the Federal Court of Canada as applicable, and submits and attorns to the non-exclusive jurisdiction of each such court.

7. Government Financial Support

7.1 The Recipient represents that the list below states all funding from federal, provincial, territorial or municipal governments in Canada (''Government Funding"), except for investment tax credits (including scientific research and experimental development credits), requested or received by the Recipient or that the Recipient currently expects to request or receive to cover any of the Eligible Costs.

Federal	$ 30,000,000
Provincial	$ 0
Territorial	$ 0
Municipal	$ 0
Total	$ 30,000,000

7.2 The Recipient shall inform the Minister of any change to the amount of Government Funding identified in Subsection 7.1 except for tax credits (other than scientific research and experimental development credits), received or expected to be received by the Recipient for the Eligible Costs. Such notice must be made promptly in writing, and in any case not later than thirty (30) days following any change. In the event of additional assistance, the Minister will have the right to either reduce the Contribution to the extent of any additional funding received by the Recipient or require the Recipient to repay the Contribution hereunder equal to the amount of any such additional funding received by the Recipient in accordance with Subsection 8.6.

7.3 In no instance will the total Government Funding towards Eligible Costs of the Project be allowed to exceed seventy five percent (75%) of total Eligible Costs.

8. Claims and Payments

8.1 **Separate Records**. The Recipient shall maintain accounting records that account for the Contribution paid to the Recipient and the related Project costs, separate and distinct from any other sources of funding.

8.2 **Claims Procedures**. The Minister will reimburse claims for Eligible Costs submitted for a Claim Period, provided there is no Event of Default and the claims are:

(a) submitted for each Claim Period, except for the first claim which will start on the Eligibility Date;

(b) submitted within forty-five (45) days of the end of each Claim Period;

(c) accompanied with details of all costs being claimed according to Schedule 3- *Cost Principles,* which have been incurred by the Recipient and which will be substantiated by such documents as may be required by the Minister and presented in accordance with the Activities and the Milestones contained Schedule l - *Statement of Work;*

(d) certified, in a form satisfactory to the Minister, by the chief financial officer of the Recipient or such other person considered satisfactory to the Minister;

(e) adjusted, if necessary, by including a deduction for expenses included in a previous claim which were not for Eligible Costs or which were not paid by the Recipient;

(f) accompanied by a report containing:

(i) the Recipient's revised projections of the Project cash flows for the current Government Fiscal Year;

(ii) an identification of any planned or completed transfer to commercial production, transfer outside of Canada, sale, lease or other disposal of equipment funded in whole or in part by the Contribution;

(iii) an itemized list of foreign sub-contracting costs, if any;

(iv) the foreign exchange rates used in the claim;

(v) progress report as specified in Subsection 1.2 of Schedule 4 - *Reporting Requirements;* and

(vi) such other information as the Minister may request from time to time.

(g) accompanied by a statement from the Recipient repeating and confirming the representations set out in Section 10 of this Agreement as required by Subsection 10.3, and a certification that there are no Events of Defaults (and no state of facts exist which, with the giving of notice or the passing of time, or both, would constitute an Event of Default);

(h) substantially(± ten percent (10%)) consistent with the cost estimates of Schedule 1 - Statement *of Work;* and

(i) accompanied by the Recipient's travel policy (first claim only).

8.3 **Indirect (Overhead) Costs**

(a) Indirect (overhead) costs will be calculated at a fixed rate of *55* percent of Direct Labour.

(b) Indirect (overhead) costs up to 15 percent of Eligible Costs are considered Supported Eligible Costs.

(c) Indirect (overhead) costs exceeding 15 percent of Eligible Costs are considered Not-Supported Eligible Costs.

8.4 **Final Claim Procedures.**

The Recipient shall submit, within forty-five (45) days after the Project Completion Date, the final claim along with:

(a) an itemized statement certified by the Recipient's chief financial officer, or such other person considered satisfactory to the Minister, attesting to the total Eligible Costs for the Project incurred and paid;

(b) a statement of the total government assistance (federal, provincial and municipal assistance as well as tax credits) received or requested to cover the Eligible Costs of the Project; and

(c) a final progress report on the Project, as more fully described in Subsection 1.3 of Schedule 4 - *Reporting Requirements.*

8.5 **Payment Procedures.**

(a) The Minister shall review and approve the documentation submitted by the Recipient following the receipt of the Recipient's claim and in the event of any deficiency in the documentation, the Minister will notify the Recipient and the Recipient shall immediately take action to address and rectify the

deficiency.

(b) Subject to the maximum Contribution amounts set forth in Subsection 4.1 and all other conditions contained in this Agreement, the Minister shall pay to the Recipient a percentage of the Eligible Costs set forth in the Recipient's claim based on the sharing ratio identified in Form C - ESTIMATED COST BREAKDOWN BY FISCAL YEAR of Schedule 1 - *Statement of Work,* in accordance with the Minister's customary practices.

(c) The Minister may request at any time that the Recipient provide satisfactory evidence to demonstrate that all Eligible Costs claimed have been paid.

8.6 **Overpayment by Minister**. Where the Minister determines that the amount of the Contribution disbursed exceeds the amount to which the Recipient is entitled, the Recipient shall repay to the Minister, promptly and no later than thirty (30) days from notice from the Minister, the amount of the overpayment together with interest at the Interest Rate from the date of the notice to the day of payment to the Minister in full. Any such amount is a debt due to Her Majesty and is recoverable as such.

9. Reporting, Monitoring, Audit and Evaluation

9.1 **Reports**. The Recipient agrees to provide the Minister with the reports as described in Schedule 4 - *Reporting Requirements,* to the Minister's satisfaction.

9.2 **Additional Information**. Upon request of the Minister and at no cost to the Minister, the Recipient shall promptly elaborate upon any report submitted or provide such additional information as may be requested.

9.3 **Minister's Right to Audit Accounts and Records**. The Recipient shall, at its own expense, maintain and preserve in Canada and make available for audit and examination by the Minister or the Minister's representatives all books, accounts and records relating to this Agreement or the Project held by the Recipient, its Affiliated Persons, agents and contractors and of the information necessary to ensure compliance with the terms and conditions of this Agreement, including repayment to the Minister. The Minister will have the right to conduct such audits at the Minister's expense as may be considered necessary.

Unless otherwise agreed to in writing by the Minister, the Recipient and its Affiliated Persons, agents and contractors shall maintain and preserve all books, accounts, invoices, receipts and records and all other documentation related to this Agreement until the end of the Recipient Fiscal Year that ends seven (7) years after the fiscal year of the date on which they were created.

9.4 **Auditor General Rights**. The Recipient recognizes, acknowledges and accepts that the Auditor General of Canada may, at the Auditor General's cost, after consultation

with the Recipient, conduct an inquiry under the authority of subsection 7.1 (1) of the *Auditor General Act* in relation to any funding agreement (as defined in subsection 42 (4) of the *Financial Administration Act)* with respect to the use of the Contribution received.

For the purposes of any such inquiry undertaken by the Auditor General, the Recipient shall provide, upon request and in a timely manner, to the Auditor General or anyone acting on behalf of the Auditor General,

(a) all records held by the Recipient, its Affiliated Persons, agents or contractors relating to this Agreement and the use of the Contribution provided under this Agreement; and

(b) such further information and explanations as the Auditor General, or anyone acting on behalf of the Auditor General, may request relating to this Agreement or the use of the Contribution.

9.5 **Access to Records**. The Recipient shall, at all times, ensure that its agents, employees, assigns, contractors, and Affiliated Persons are obligated to provide to the Minister or the Auditor General or their authorized representatives records and other information that are in possession of those agents, employees, assigns, contractors, and Affiliated Persons and that relate to this Agreement or to the use of the Contribution.

9.6 **Access to Premises**. The Recipient and its Affiliated Persons shall provide the representatives of the Minister reasonable access to premises to inspect and assess the progress of the Project or any element thereof and supply promptly on request such data as the Minister may reasonably require for statistical or Project evaluation purposes. The Recipient shall ensure that any licence agreement entered into by the Recipient and/or Affiliated Persons for the exploitation of the Project Intellectual Property to which the Minister has contributed will contain similar provisions to permit the Minister to audit licensees' accounts and records.

9.7 **Evaluation**. The Recipient shall, at its own expense, participate in the preparation of case studies reporting on the outcomes of the Project, to be completed by the Minister or the Minister's agents, in order to assist in the Minister's preparation of an overall evaluation of the value and effectiveness of SIF.

10. Representations. Warranties and Covenants

10.1 **Representations**. The Recipient represents and warrants that:

(a) it is duly incorporated under Canadian law and validly existing and in good standing and has the power and authority to carry on its business, to hold property and to enter into this Agreement and undertakes to take all necessary action to maintain itself in good standing, to preserve its legal capacity and to remain incorporated in a Canadian jurisdiction;

(b) signatories to the Agreement have been duly authorized to execute and deliver this Agreement;

(c) the execution, delivery and performance of this Agreement have been duly and validly authorized and that when executed and delivered, the Agreement will constitute a legal, valid and binding obligation enforceable in accordance with its terms;

(d) it is under no obligation or prohibition, nor is it subject to or threatened by any actions, suits or proceedings that could or would prevent compliance with the Agreement. The Recipient shall inform the Minister forthwith of any such occurrence;

(e) it has not entered, and undertakes not to enter, without the Minister's written consent, into any agreement that would prevent the full implementation of this Agreement;

(f) the execution and delivery of this Agreement and the performance by the Recipient of its obligations hereunder will not, with or without the giving of notice or the passage of time or both:

(i) violate the provisions of the Recipient's by-laws, any other corporate governance document subscribed to by the Recipient or any resolution of the Recipient;

(ii) violate any judgment, decree, order or award of any court, government agency, regulatory authority or arbitrator; or

(iii) conflict with or result in the breach or termination of any material term or provision of, or constitute a default under, or cause any acceleration under, any license, permit, concession, franchise, indenture, mortgage, lease, equipment lease, contract, permit, deed of trust or any other instrument or agreement by which it is bound;

(g) it has obtained or will obtain all necessary licences and permits in relation to the Project, which satisfy the requirements of all regulating bodies of appropriate jurisdiction;

(h) it owns or holds sufficient rights in any Intellectual Property required to carry out the Project; and,

(i) the description of the Project in Schedule 1 - *Statement of Work* is complete and accurate.

10.2 **Covenants**. The Recipient covenants and agrees that:

(a) it is solely responsible for providing or obtaining the funding, in addition to the Contribution, required to carry out the Project and the fulfilment of the Recipient's other obligations under this Agreement;

(b) (i) No Material Change within the control of the Recipient and, if the Recipient is a private company, no Change of Control will be made without the prior written consent of the Minister. Notice of such Material Change or Change of Control must be delivered promptly to the Minister and in no event later than thirty (30) days prior to the proposed Material Change or Change of Control;

(ii) In the case where the Recipient is a public company, the Recipient shall notify the Minister in writing of any Change in Control no later than thirty (30) days following any Change in Control, and as a result of such Change in Control, the Minister may, at the Minister's discretion, terminate the Agreement and may require that the Recipient pay to the Minister up to the Maximum Amount to be Repaid;

(c) it shall retain possession and control of all Project Assets the cost of which has been contributed to by the Minister under the Agreement, and the Recipient shall not Dispose of the same without the prior written consent of the Minister, other than in the ordinary course of business where the aggregate book value of such Project Assets for each occurrence is no greater than twenty-five thousand dollars ($25,000);

(d) it shall, in advance and in writing, and subject to Paragraphs 10.2 (b) and (c) of this Agreement, notify the Minister in the event of any Acquisition or Divestiture. In the case where the Recipient is a public company, the Recipient shall notify the Minister in writing of any Acquisition or Divestiture contemporaneously with any press release, or filing of a public regulatory notice in respect of such Acquisition or Divestiture;

(e) that it shall not make any dividend payments or other shareholder distributions that would prevent it from implementing the Project or satisfying any other of the Recipient's obligations under this Agreement, including, without limitation, the making of repayments to the Minister hereunder;

(f) it shall comply with the federal visibility requirements set out in Schedule 2 - Communications Obligations;

(g) it shall comply with all laws and regulations applicable to it; and

10.3 **Renewal of Representations**. It is a condition precedent to any disbursement under this Agreement that the representations, warranties and covenants contained in this Agreement are true at the time of payment and that the Recipient is not in default of

compliance with any terms of this Agreement.

11. Intellectual Property

11.1 **Background Intellectual Property**. The Recipient must own the Background Intellectual Property or hold sufficient Background Intellectual Property Rights to permit the Project to be carried out and the Project Intellectual Property to be exploited by the Recipient.

11.2 **Project Intellectual Property**. Ownership and exploitation of the Project Intellectual Property to which the Minister has contributed, and the ownership of Project Intellectual Property Rights therefore, shall remain in Canada for the Term of this Agreement unless otherwise agreed to by the Minister.

11.3 **License of Project Intellectual Property**. The Recipient agrees not to grant any right or license to, any of the Project Intellectual Property without the prior written consent of the Minister.

11.4 **Protection of Project Intellectual Property**. The Recipient shall take appropriate steps to protect and enforce the Project Intellectual Property. The Recipient shall provide information to the Minister in that regard, upon request.

11.5 **Crown Ownership of Intellectual Property**. The Crown will not have an ownership interest in the Project Intellectual Property nor will the Crown acquire new rights in Background Intellectual Property by virtue solely of having provided the Contribution. Rights attributed to the Crown in any other way including under the *Public Servants Inventions Act* are not in any way affected by this Agreement.

12. Environmental and Other Requirements

12.1 The Recipient represents that the Project is not a "designated project" and is not being carried out on "federal lands" as such terms are defined in the *Canadian Environmental Assessment Act, 2012* ("CEAA").

12.2 The Recipient shall, in respect of the Project, comply with all federal, provincial, territorial, municipal and other applicable laws, including but not limited to, statutes, regulations, by-laws, rules, orders, ordinances and decrees governing the Recipient or the Project, or both, relating to environmental protection and the successful implementation of and adherence to any mitigation measures, monitoring or follow-up program that may be prescribed by the Minister or other federal, provincial, territorial, municipal tribunals or bodies, and certifies to the Minister that it has done so to date.

12.3 The Recipient will provide the Minister with reasonable access to any Project site for the purpose of ensuring that the terms and conditions of any environmental approval

are met, and that any mitigation, monitoring or follow-up measure required has been carried out.

12.4 If as a result of changes to the Project or otherwise, an assessment is required in accordance with CEAA for the Project, the Minister and the Recipient agree that the Minister's obligations under this Agreement will be suspended from the moment that the Minister informs the Recipient, until (i) a decision statement has been issued to the Recipient or, if applicable, the Minister has decided that the Project is not likely to cause significant adverse environmental effects or the Governor in Council has decided that the significant adverse environmental effects are justified in the circumstances, and (ii) if required, an amendment to this Agreement has been signed, setting out any conditions included in the decision statement.

12.5 **Aboriginal consultation**. The Recipient acknowledges that the Minister's obligation to pay the Contribution is conditional upon Her Majesty satisfying any obligation that Her Majesty may have to consult with or to accommodate any Aboriginal groups, which may be affected by the terms of this Agreement.

12.6 **Official Languages**. The Recipient agrees that any public acknowledgement of the Minister's public support for the Project will be expressed in both official languages.

13. Indemnification and Limitation of Liability

13.1 **Indemnification**. Except for any claims arising from the gross negligence of, or willful misconduct by, the Minister's employees, officers, agents or servants, the Recipient agrees, at all times, to indemnify and save harmless, the Minister and any of his officers, servants, employees or agents from all and against all claims and demands, actions, suits or other proceedings (and all losses, costs and damages relating thereto) by whomsoever made, brought or prosecuted (all of the foregoing collectively, the "Claims"), where such Claims are asserted or arise from the Minister being a Party to this Agreement and exercising his rights and performing his obligations under this Agreement, to the extent such Claims result from:

(a) the Project, its operation, conduct or any other aspect thereof;

(b) the performance or non-performance of this Agreement, or the breach or failure to comply with any term, condition, representation or warranty of this Agreement by the Recipient, its Affiliated Persons, its officers, employees and agents, or by a third party or its officers, employees, or agents;

(c) the design, construction, operation, maintenance and repair of any part of the Project; or,

(d) any omission or other wilful or negligent act or delay of the Recipient, its Affiliated Person or a third party and their respective employees, officers, or agents.

13.2 **Limitation of Liability**. Notwithstanding anything to the contrary contained herein, the Minister shall not be liable for any direct, indirect, special or consequential damages of the Recipient nor for the loss of revenues or profits arising from, based upon, occasioned by or attributable to the execution of this Agreement, regardless of whether such a liability arises in tort (including negligence), contract, fundamental breach or breach of a fundamental term, misrepresentation, breach of warranty, breach of fiduciary duty, indemnification or otherwise.

13.3 Her Majesty, her agents, employees and servants will not be held liable in the event the Recipient enters into a loan, a capital or operating lease or other long-term obligation in relation to the Project for which the Contribution is provided.

14. Default and Remedies

14.1 **Event of Default**. The Minister may declare that an Event of Default has occurred if:

(a) the Recipient has failed or neglected to pay Her Majesty any amount due in accordance with this Agreement;

(b) the Project is not completed in accordance with Schedule 1 - *Statement of Work* to the Minister's satisfaction by the Project Completion Date or the Project is abandoned in whole or in part;

(c) the Recipient has not, in the opinion of the Minister, met or satisfied a term, covenant or condition of this Agreement;

(d) the Recipient becomes bankrupt or insolvent, goes into receivership, or takes the benefit of any statute, from time to time in force, relating to bankrupt or insolvent debtors;

(e) an order is made or the Recipient has passed a resolution for the winding up or dissolution of the Recipient, or the Recipient is dissolved or wound up;

(f) the Recipient has, in the opinion of the Minister, ceased to carry on business or has sold all or substantially all of its assets or enters into a letter of intent or binding obligation to sell all or substantially all of its assets;

(g) the Recipient has not met or satisfied a term or condition under any other contribution agreement or agreement of any kind with Her Majesty;

(h) the Recipient fails to fulfill any of the contractual obligations set out in this Agreement;

(i) a representation, covenant, warranty or statement contained herein or in any document, report or certificate delivered to the Minister hereunder or in connection therewith is false or misleading at the time it was made; and

(j) the Recipient fails to comply with the obligations regarding audit and evaluation, as set out in Section 9.

14.2 **Notice and Rectification Period**. Except in the case of an Event of Default under paragraphs (d), (e) and (t) of Subsection 14.1 above, the Minister will not declare that an Event of Default has occurred unless the Minister has given written notice to the Recipient of the occurrence which, in the Minister's opinion, constitutes an Event of Default and the Recipient fails, within thirty (30) days of receipt of the notice, either to correct the condition or event or demonstrate, to the satisfaction of the Minister that it has taken such steps as are necessary to correct the condition, failing which the Minister may declare that an Event of Default has occurred.

14.3 **Remedies on Default**. If the Minister declares that an Event of Default has occurred, the Minister may immediately exercise one or more of the following remedies, in addition to any remedy available at law:

(a) suspend or terminate any obligation by the Minister to contribute or continue to contribute to the Eligible Costs including any obligation to pay any amount owing prior to the date of such suspension;

(b) require the Recipient to repay to the Minister all or part of the Contribution paid by the Minister, together with interest from the day of demand at the Interest Rate;

(c) require the Recipient to pay the Minister the total Contribution disbursed, less any amount already repaid to the Minister together with interest from the day of demand at the Interest Rate;

(d) terminate the Agreement; and

(e) post a notice on a Government of Canada website disclosing that the Recipient has committed an Event of Default under the provisions of this Agreement and describing generally the remedies, if any, that the Minister has accordingly exercised.

14.4 The Recipient acknowledges the policy objectives served by the Minister's agreement to make the Contribution, that the Contribution comes from the public monies, and that the amount of damages sustained by Her Majesty in an Event of Default is difficult to ascertain and therefore, that it is fair and reasonable that the Minister be

entitled to exercise any or all of the remedies provided for in this Agreement and to do so in the manner provided for in this Agreement, if an Event of Default occurs.

15. Miscellaneous

15.1 **Compliance with *Lobbying Act***. The Recipient warrants and represents:

(a) that it has filed all *Lobbying Act* returns required to be filed in respect of persons employed by the Recipient who communicate and/or arrange meetings with Public Office Holders as part of their employment duties, and that it will continue to do so;

(b) that it has not contracted with any person to communicate and/or arrange meetings with Public Office Holders for remuneration that is or would be contingent in any way upon the success of such person arranging meetings with Public Office Holders, or upon the approval of the Recipient's application for SIF funding, or upon the amount of SIF funding paid or payable to the Recipient under this Agreement;

(c) that it will not contract with any person to communicate and/or arrange meetings with Public Office Holders for remuneration that is or would be contingent upon the success of such person arranging meetings with Public Office Holders, or upon the amount of SIF funding paid or payable to the Recipient under this Agreement;

(d) all persons who are or have been contracted by the Recipient to communicate and/or arrange meetings with Public Office Holders in respect of this Agreement are in full compliance with the registration and other requirements of the Lobbying Act; and

(e) it shall at all times ensure that any persons contracted to communicate and/or arrange meetings with Public Office Holders in respect of the Agreement are in full compliance with the requirements of the Lobbying Act.

15.2 **Members of Parliament**. The Recipient represents and warrants that no member of the House of Commons will be admitted to any share or part of this Agreement or to any benefit to arise therefrom. No person who is a member of the Senate will, directly or indirectly, be a party to or be concerned in this Agreement.

15.3 **Compliance with Post-Employment Provisions**. The Recipient confirms that no current or former public servant or public office holder to whom the *Values and Ethics Code for the Public Service,* the *Values and Ethics Code for the Public Sector,* the *Policy on Conflict of Interest and Post-Employment* or the *Conflict of Interest Act* apply, will derive a direct benefit from this Agreement unless the provision or receipt of such benefits is in compliance with such legislation and codes.

15.4 The Recipient acknowledges that the representations and warranties in this section are fundamental terms of this Agreement. In the event of breach of these, the Minister may exercise the remedies set out in Subsection 14.3.

16. Confidentiality.

16.1 **Consent Required**. Subject to Schedule 2 - Communications Obligations, the *Access to Information Act,* the *Privacy Act* and the *Library and Archives Act of Canada,* each Party shall keep confidential and shall not without the consent of the other Party disclose the contents of the Agreement and the documents pertaining thereto, whether provided before or after the Agreement was entered into, or of the transactions contemplated herein.

16.2 **International Dispute**. Notwithstanding Subsection 16.1 of this Agreement, the Recipient waives any confidentiality rights to the extent such rights would impede Her Majesty from fulfilling her notification obligations to a world trade panel for the purposes of the conduct of a dispute, in which Her Majesty is a party or a third party intervener. The Minister is authorized to disclose the contents of this Agreement and any documents pertaining thereto, whether predating or subsequent to this Agreement, or of the transactions contemplated herein, where in the opinion of the Minister, such disclosure is necessary to the defence of Her Majesty's interests in the course of a trade remedy investigation conducted by a foreign investigative authority, and is protected from public dissemination by the foreign investigative authority. The Minister shall notify the Recipient of such disclosure.

16.3 **Financing, Licensing and Subcontracting**. Notwithstanding Subsection 16.1 of this Agreement, the Minister hereby consents to the Recipient disclosing this Agreement, and any portion or summary thereof, for any of the following purposes:

(a) securing additional financing;

(b) licensing for commercial exploitation; or

(c) confirming to agents, contractors and subcontractors of the Recipient that all agents, contractors and subcontractors must agree to provide the Minister and the Auditor-General with access to their records and premises, provided that any person to whom this Agreement or any portion or summary thereof is disclosed shall execute a non-disclosure agreement prior to such disclosure.

16.4 **Repayments**. Notwithstanding Subsection 16.1 of this Agreement, the Minister may disclose any information relating to the amount of each repayment made by the Recipient whether due or paid.

17. General

17.1 **Debt due to Canada**. Any amount owed to Her Majesty under this Agreement shall constitute a debt due to Her Majesty and shall be recoverable as such. Unless otherwise specified herein, the Recipient agrees to make payment of any such debt forthwith on demand.

17.2 **Interest**. Debts due to Her Majesty will accrue interest in accordance with the *Interest and Administrative Charges Regulations,* in effect on the due date, compounded monthly on overdue balances payable, from the date on which the payment is due, until payment in full is received by Her Majesty. Any such amount is a debt due to Her Majesty and is recoverable as such.

17.3 **Set-off Rights of Minister**. Without limiting the scope of the set-off rights provided for under the *Financial Administration Act,* it is understood that the Minister may set off against the Contribution any amounts owed by the Recipient to the Minister under legislation or contribution agreements and the Recipient shall declare to the Minister all amounts outstanding in that regard when making a claim under this Agreement.

17.4 **No Assignment of Agreement**. No Party shall assign the Agreement or any part thereof without the prior written consent of the Minister. Any attempt by a Party to assign this Agreement or any part thereof, without the express written consent of the Minister, is void.

17.5 **Annual Appropriation**. Any payment by the Minister under this Agreement is subject to there being an appropriation for the Government Fiscal Year in which the payment is to be made; and to cancellation or reduction in the event that departmental funding levels are changed by Parliament If the Minister is prevented from disbursing the full amount of the Contribution due to a lack or reduction of appropriation or departmental funding levels, the Minister and the Recipient agree to review the effects of such a shortfall in the Contribution on the implementation of this Agreement.

17.6 **Successors and Assigns**. This Agreement is binding upon the Recipient, its successors and permitted assigns.

17.7 **Event of Force Majeure**. The Recipient will not be in default by reason only of any failure in the performance of the Project in accordance with Schedule 1- *Statement of Work* if such failure arises without the fault or negligence of the Recipient and is caused by any event of Force Majeure.

17.8 **Applicable Law**. This Agreement will be interpreted in accordance with the laws of the province of Ontario and federal laws of Canada applicable therein. The word “law” used herein has the same meaning as in the *Interpretation Act,* as amended.

17.9 **Dispute Resolution**. If a dispute arises concerning the application or

interpretation of this Agreement, the Parties will attempt to resolve the matter through good faith negotiation, and may, if necessary and the Parties consent in writing, resolve the matter through mediation or arbitration by a mutually acceptable mediator or by arbitration in accordance with the Commercial Arbitration Code set out in the schedule to the *Commercial Arbitration Act (Canada),* as amended, and all regulations made pursuant to that Act.

17.10 **No Amendment**. No amendment to this Agreement shall be effective unless it is made in writing and signed by the Parties hereto.

17.11 **Contribution Agreement Only**. This Agreement is a contribution agreement only, not a contract for services or a contract of service or employment, and nothing in this Agreement, the Parties relationship or actions is intended to create, or be construed as creating, a partnership, employment or agency relationship between them. The Recipient is not in any way authorized to make a promise, agreement or contract and to incur any liability on behalf of Her Majesty or to represent itself as an agent, employee or partner of Her Majesty, including in any agreement with a third party, nor shall the Recipient make a promise, agreement or contract and incur any liability on behalf of Her Majesty, and the Recipient shall be solely responsible for any and all payments and deductions required by the applicable laws.

17.12 **No Waiver**. The rights and remedies of the Minister under this Agreement shall be cumulative and not exclusive of any right or remedy that he or she would otherwise have. The fact that the Minister refrains from exercising a remedy he or she is entitled to exercise under this Agreement will not constitute a waiver of such right and any partial exercise of a right will not prevent the Minister in any way from later exercising any other right or remedy under this Agreement or other applicable law.

17.13 **Consent of the Minister**. Whenever this Agreement provides for the Minister to render a decision or for the Recipient to obtain the consent or agreement of the Minister, such decision shall be reasonable on the facts and circumstance and such consent or agreement will not be unreasonably withheld but the Minister may make the issuance of such consent or agreement subject to reasonable conditions.

17.14 **No conflict of interest**. The Recipient and its Affiliated Persons, consultants and any of their respective advisors, partners, directors, officers, shareholders, employees, agents and volunteers shall not engage in any activity where such activity creates a real, apparent or potential conflict of interest in the sole opinion of the Minister, with the carrying out of the Project. For greater certainty, and without limiting the generality of the foregoing, a conflict of interest includes a situation where anyone associated with the Recipient owns or has an interest in an organization that is carrying out work related to the Project.

17.15 **Disclose potential conflict of interest**. The Recipient shall disclose to the Minister without delay any actual or potential situation that may be reasonably interpreted as either a conflict of interest or a potential conflict of interest.

17.1 6 **Severability**. Any provision of this Agreement which is prohibited by law or otherwise deemed ineffective will be ineffective only to the extent of such prohibition or ineffectiveness and will be severable without invalidating or otherwise affecting the remaining provisions of the Agreement.

17.17 **Signature in Counterparts**. This Agreement may be signed in counterparts and such counterparts may be delivered by acceptable electronic transmission, including portable document format (PDF), each of which when executed and delivered is deemed to be an original, and when taken together, will constitute one and the same Agreement.

17.18 **Currency**. Unless otherwise indicated, all dollar amounts referred to in this Agreement are to the currency of Canada.

17.19 **Tax**. The Recipient acknowledges that financial assistance from government programs may have tax implications for its organization and that advice should be obtained from a qualified tax professional.

18. Contact Information & Notices

18.1 **Form and Timing of Notice**. Any notice or other communication under this Agreement shall be made in writing. The Minister or the Recipient may send any written notice by any pre-paid method, including regular or registered mail, courier or email. Notice will be considered as received upon delivery by the courier, upon the Party confirming receipt of the email or one (1) day after the email is sent, whichever the sooner or five (5} calendar days after being mailed.

18.2 Any notices to the Minister in fulfillment of obligations such as claims, reporting, and any other documents stipulated under this Agreement, will be addressed to:

Strategic Innovation Fund
Attn: Senior Director
8th Floor
235 Queen Street
Ottawa, Ontario K1A 0H5
Fax No: (613) 954-5649
Email address: to be provided by SIF upon request from the Recipient.

Notwithstanding the foregoing, claims forms will not be sent by email unless otherwise agreed to in writing by the Minister.

18.3 Any notices to the Recipient will be addressed to:

Algoma Steel Inc.
Attn: Laura Devoni

Address: 105 West Street, Sault Ste. Marie, ON P6A 7B4
Fax No: 1-705- 945 2029
Email address: Laura.Devoni@algoma.com

With a copy to the Guarantor:

Algoma Steel Intermediate Holdings Inc.
Attn: J. Robert Sandoval
Address: 105 West Street, Sault Ste. Marie, Ontario, P6A 7B4
Fax No: N/A
Email address: JRobert.Sandoval@algoma.com

18.4 **Change of Contact Information**. Each of the Parties may change the address, which they have stipulated in this Agreement by notifying in writing the other Party of the new address, and such change shall be deemed to take effect fifteen (15) calendar days after receipt of such notice.

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IN WITNESS WHEREOF the Parties hereto have executed this Agreement through duly authorized representatives.

HER MAJESTY THE QUEEN IN RIGHT OF CANADA
as represented by the Minister of Industry

Per: /s/ Colette Kaminsky
Strategic Innovation Fund — Date March 29, 2019
Colette Kaminsky Executive Director

Algoma Steel Inc.

Per: /s/ Rajat Marwah

Rajat Marwah, Chief Financial Officer — Date March 29, 2019

I have the authority to bind the Corporation.

Algoma Steel Intermediate Holdings Inc.

Per: /s/ Rajat Marwah

Rajat Marwah, Director — Date March 29, 2019

I have the authority to bind the Corporation.

Exhibit 10.12

EXECUTION VERSION

INTERCREDITOR AGREEMENT

dated as of November 30, 2018

among

ALGOMA STEEL INTERMEDIATE HOLDINGS INC.,

ALGOMA STEEL INC.,

the other GRANTORS from time to time party hereto,

WELLS FARGO CAPITAL FINANCE CORPORATION CANADA,
as ABL Facility Administrative Agent and as ABL Facility Collateral Agent,

CORTLAND CAPITAL MARKET SERVICES LLC,
as Term Loan Administrative Agent and as Term Loan Collateral Agent,

HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO,
AS REPRESENTED BY THE MINISTER OF ENERGY, NORTHERN DEVELOPMENT AND MINES,
as Ontario Capex Facility Lender,

and

upon execution of an Intercreditor Agreement Joinder pursuant to Section 8.22 hereof,
HER MAJESTY THE QUEEN IN RIGHT OF CANADA, AS REPRESENTED BY THE MINISTER RESPONSIBLE FOR THE FEDERAL ECONOMIC DEVELOPMENT AGENCY FOR SOUTHERN ONTARIO,
as Federal Capex Facility Provider

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This INTERCREDITOR AGREEMENT is dated as of November 30, 2018 and is entered into by and among ALGOMA STEEL INTERMEDIATE HOLDINGS INC., a corporation incorporated under the laws of the Province of British Columbia ("Holdings"), ALGOMA STEEL INC., a corporation incorporated under the laws of the Province of British Columbia (the "Company"), the other Grantors (as defined in Section 1.1 below) from time to time party hereto, WELLS FARGO CAPITAL FINANCE CORPORATION CANADA ("Wells Fargo"), as ABL Facility Administrative Agent and as ABL Facility Collateral Agent (each, as defined below), CORTLAND CAPITAL MARKET SERVICES LC ("Cortland"), as Term Loan Administrative Agent and as Term Loan Collateral Agent (each, as defined below), HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO, AS REPRESENTED BY THE MINISTER OF ENERGY, NORTHERN DEVELOPMENT AND MINES as the Ontario Capex Facility Lender (as defined below) and, upon execution of an Intercreditor Agreement Joinder pursuant to Section 8.22 hereof, HER MAJESTY THE QUEEN IN RIGHT OF CANADA, AS REPRESENTED BY THE MINISTER RESPONSIBLE FOR THE FEDERAL ECONOMIC DEVELOPMENT AGENCY FOR SOUTHERN ONTARIO as the Federal Capex Facility Provider (as defined below). Capitalized terms used herein but not otherwise defined herein shall have the meanings set forth in Section 1 below.

RECITALS:

WHEREAS, Holdings, the Company and each other Grantor have entered into that certain ABL Credit Agreement, dated as of the date hereof (as replaced by (and including) any new ABL Facility Credit Agreement in accordance with Section 8.19, in each case as the same may be amended, restated, amended and restated, amended and extended, Refinanced, replaced, supplemented, increased or modified from time to time, the "ABL Facility Credit Agreement"), among Holdings, the Company, each other Grantor from time to time party thereto, the lenders from time to time party thereto, Wells Fargo as administrative agent (in such capacity and together with its successors and assigns in such capacity, the "ABL Facility Administrative Agent"), Wells Fargo, as collateral agent (in such capacity and together with its successors and assigns in such capacity, the "Initial ABL Facility Collateral Agent") and the other parties referred to therein;

WHEREAS, pursuant to the various ABL Facility Documents, (i) the Grantors are either borrowers of, or have provided guarantees for, the ABL Facility Obligations and (ii) the Grantors have provided security for the ABL Facility Obligations;

WHEREAS, Holdings, the Company and each other Grantor have entered into that certain Term Loan Credit Agreement, dated as of the date hereof (as replaced by (and including) any new Term Loan Credit Agreement in accordance with Section 8.19, in each case as the same may be amended, restated, amended and restated, amended and extended, Refinanced, replaced, supplemented, increased or modified from time to time, the "Term Loan Credit Agreement"), among Holdings, the Company, each other Grantor from time to time party thereto, the lenders from time to time party thereto, Cortland, as administrative agent (in such capacity and together with its successors and assigns in such capacity, the "Term Loan Administrative Agent"), Cortland, as collateral agent (in such capacity and together with its successors and assigns in such capacity, the "Initial Term Loan Collateral Agent") and the other parties referred to therein;

WHEREAS, pursuant to the various Term Loan Documents, (i) the Grantors have provided guarantees for the Term Loan Obligations and (ii) the Grantors have provided security for the Term Loan Obligations;

WHEREAS, the Company has entered into a Credit Agreement, dated as of the date hereof (as replaced by (and including) any new Ontario Capex Facility in accordance with Section 8.19, in each case as the same may be amended, restated, amended and restated, amended and extended, Refinanced, replaced, supplemented, increased or modified from time to time, the "Provincial Capex Facility"), between the Company and Her Majesty the Queen in Right of Ontario, as represented by the Minister of Energy, Northern Development and Mines (together with its successors and assigns in such capacity, the "Initial Provincial Capex Facility Lender");

WHEREAS, pursuant to the various Ontario Capex Facility Documents, (i) the Grantors have provided guarantees for the Ontario Capex Facility Obligations and (ii) the Grantors have provided security for the Ontario Capex Facility Obligations;

WHEREAS, the Company is contemplating to enter into an Amended and Restated Contribution Agreement (upon execution of an Intercreditor Agreement Joinder pursuant to Section 8.22 hereof by the Initial Federal Capex Provider and as replaced by (and including) any new Federal Capex Facility in accordance with Section 8.19, in each case as the same may be amended, restated, amended and restated, amended and extended, Refinanced, replaced, supplemented, increased or modified from time to time, the "Federal Capex Facility" and, together with the ABL Facility Credit Agreement, the Term Loan Credit Agreement and the Ontario Capex Facility, the "Debt Agreements") among, inter alia, the Company and Her Majesty the Queen in Right of Canada, as represented by the minister responsible for the Federal Economic Development Agency for Southern Ontario (upon execution of an Intercreditor Agreement Joinder pursuant to Section 8.22 hereof, together with its successors and assigns in such capacity, the "Initial Federal Capex Facility Provider");

WHEREAS, pursuant to the various Federal Capex Facility Documents, (i) the Grantors are contemplating to provide guarantees for the Federal Capex Facility Obligations and (ii) the Grantors are contemplating to provide security for the Federal Capex Facility Obligations;

WHEREAS, the Company and the other Grantors intend to secure the ABL Facility Obligations under the ABL Facility Credit Agreement and any other ABL Facility Documents (including any Permitted Refinancing thereof) with a First Priority Lien on the ABL Facility Priority Collateral and a Second Priority Lien on the Term Loan Priority Collateral;

WHEREAS, the Company and the other Grantors intend to secure the Term Loan Obligations under the Term Loan Credit Agreement and any other Term Loan Documents (including any Permitted Refinancing thereof) with a First Priority Lien on the Term Loan Priority Collateral and a Second Priority Lien on the ABL Facility Priority Collateral; and

WHEREAS, the Company and the other Grantors intend to secure each of the Ontario Capex Facility Obligations under the Ontario Capex Facility and any other Ontario

Capex Facility Documents (including any Permitted Refinancing thereof) and the Federal Capex Facility Obligations under the Federal Capex Facility and any other Federal Capex Facility Documents (including any Permitted Refinancing thereof) with a Third Priority Lien on the Term Loan Priority Collateral and a Third Priority Lien on the ABL Facility Priority Collateral.

NOW, THEREFORE, in consideration of the premises and the agreements, provisions and covenants herein contained, the parties hereto agree as follows:

Section 1. Definitions.

1.1 Defined Terms. The following terms when used in this Agreement, including its preamble and recitals, shall have the following meanings:

"ABL Facility Administrative Agent" shall have the meaning set forth in the recitals hereto and include any new administrative agent under a new ABL Facility Credit Agreement under Section 8.19.

"ABL Facility Cash Management Creditor" shall mean each provider of the relevant services pursuant to an ABL Facility Secured Cash Management Agreement.

"ABL Facility Cash Management Obligations" shall mean the "Cash Management Obligations" (or comparable term, as defined in the ABL Facility Credit Agreement (as in effect from time to time)) outstanding from time to time pursuant to one or more ABL Facility Secured Cash Management Agreements.

"ABL Facility Collateral Agent" shall mean, as applicable, the Initial ABL Facility Collateral Agent and any New ABL Facility Collateral Agent to the extent set forth in Section 8.19(h).

"ABL Facility Collateral Priority Lien" shall have the meaning set forth in Section 3.4(b)(iv).

"ABL Facility Credit Agreement" shall have the meaning set forth in the recitals hereto.

"ABL Facility DIP Financing" shall have the meaning set forth in Section 4.6(a).

"ABL Facility Documents" shall mean (i) the ABL Facility Credit Agreement and the other Credit Documents (as defined in the ABL Facility Credit Agreement) or a similar term as used therein, (ii) the ABL Facility Secured Cash Management Agreements, (iii) the ABL Facility Secured Hedging Agreements, and (iv) each of the other agreements, documents and instruments providing for or evidencing any ABL Facility Obligation, each as may be amended, restated, amended and restated, replaced, supplemented, increased or modified form time to time in accordance with the provisions of this Agreement (but excluding, for the avoidance of doubt, any documents entered into in connection with an ABL Facility DIP Financing, a Term Loan Collateral DIP Financing or a Term Loan ABL Facility Priority Collateral DIP Financing).

"ABL Facility Hedging Creditor" shall mean each counterparty to any ABL Facility Secured Hedging Agreement (other than a Grantor).

"ABL Facility Hedging Obligations" shall mean the "Hedging Obligations" (or comparable term, as defined in the ABL Facility Credit Agreement (as in effect from time to time)) in respect of the ABL Facility Secured Hedging Agreements.

"ABL Facility Lien" shall mean any Lien created by the ABL Facility Documents.

"ABL Facility Obligations" shall mean all (a) obligations (including guaranty obligations) of every nature of each Grantor from time to time owed to the ABL Facility Secured Parties or any of them under any ABL Facility Document, including all "Incremental Loans", "Obligations" or similar term as defined in the ABL Facility Credit Agreement and whether for principal, premium, interest (including all Post-Petition Interest), reimbursement of amounts drawn under (and obligations to cash collateralize) letters of credit, fees, expenses, indemnification or otherwise, (b) protective advances made in accordance with the ABL Facility Credit Agreement, (c) ABL Facility Cash Management Obligations and (d) ABL Facility Hedging Obligations (excluding all Excluded Swap Obligations as defined in the ABL Facility Credit Agreement).

"ABL Facility Permitted Liens" shall mean the Liens permitted under Section 11.01 (or a comparable section) of the ABL Facility Credit Agreement.

"ABL Facility Priority Collateral" shall mean all interests of each Grantor in the following Collateral, in each case whether now owned or existing or hereafter acquired or arising and wherever located, including (1) all rights of each Grantor to receive moneys due and to become due under or pursuant to the following, (2) all rights of each Grantor to receive return of any premiums for or Proceeds of any Insurance, indemnity, warranty or guaranty with respect to the following or to receive condemnation Proceeds with respect to the following, (3) all claims of each Grantor for damages arising out of or for breach of or default under any of the following, and (4) all rights of each Grantor to terminate, amend, supplement, modify or waive performance under any of the following, to perform thereunder and to compel performance and otherwise exercise all remedies thereunder:

(i) all Accounts, but for purposes of this clause (i), excluding rights to payment for any property which specifically constitutes Term Loan Priority Collateral which has been or is to be sold, leased, licensed, assigned or otherwise disposed of; provided, however, that all rights to payment arising from any sale of Inventory shall constitute ABL Facility Priority Collateral;

(ii) all Chattel Paper;

(iii) all Securities Accounts, Commodity Accounts, Deposit Accounts and all other demand, deposit, time, savings, cash management, passbook and similar accounts maintained with any bank or other financial institution and all monies, securities, Instruments and other investments deposited or required to be deposited in any of the

foregoing (in each case, other than identifiable Proceeds of any Term Loan Priority Collateral and any Term Proceeds Account);

(iv) all Inventory;

(v) all other cash and cash equivalents (other than identifiable Proceeds of any Term Loan Priority Collateral);

(vi) to the extent evidencing or governing any of the items referred to in the preceding clauses (i) through (v), all General Intangibles (including all customer Contracts, Contract Rights and Payment Intangibles related to Accounts included in clause (i) but excluding any Intellectual Property and Equity Interests of Grantors and their Subsidiaries), letters of credit (whether or not the respective letter of credit is evidenced by a writing), Letter-of-Credit Rights, Instruments and Documents; provided that to the extent any of the foregoing also relates to Term Loan Priority Collateral, only that portion related to the items referred to in the preceding clauses (i) through (v) as being included in the ABL Facility Priority Collateral shall be included in the ABL Facility Priority Collateral;

(vii) to the extent relating to any of the items referred to in the preceding clauses (i) through (vi), all Insurance; provided that to the extent any of the foregoing also relates to Term Loan Priority Collateral only that portion related to the items referred to in the preceding clauses (i) through (vi) as being included in the ABL Facility Priority Collateral shall be included in the ABL Facility Priority Collateral;

(viii) to the extent relating to any of the items referred to in the preceding clauses (i) through (vii), all Supporting Obligations; provided that to the extent any of the foregoing also relates to Term Loan Priority Collateral only that portion related to the items referred to in the preceding clauses (i) through (vii) as being included in the ABL Facility Priority Collateral shall be included in the ABL Facility Priority Collateral;

(ix) to the extent relating to any of the items referred to in the preceding clauses (i) through (viii), all Commercial Tort Claims; provided that to the extent any of the foregoing also relates to Term Loan Priority Collateral only that portion related to the items referred to in the preceding clauses (i) through (viii) as being included in the ABL Facility Priority Collateral shall be included in the ABL Facility Priority Collateral;

(x) all books and records, customer lists, credit files, computer files, programs, printouts and other computer materials and records related to any of the foregoing and any General Intangibles at any time evidencing or relating to any of the foregoing; provided that to the extent any of the foregoing also relates to Term Loan Priority Collateral only that portion related to the items referred to in the preceding clauses (i) through (viii) as being included in the ABL Facility Priority Collateral shall be included in the ABL Facility Priority Collateral;

(xi) all tax refunds, other than tax refunds with respect to any property which specifically constitutes Term Loan Priority Collateral; and

(xii) all Cash Proceeds and, solely to the extent not constituting Term Loan Priority Collateral, all non-Cash Proceeds, products, accessions, rents and profits of or in respect of any of the foregoing (including the Proceeds of any insurance policy) and all collateral security, guarantees and other Collateral Support given by any Person with respect to any of the foregoing.

"ABL Facility Priority Collateral Enforcement Actions" shall have the meaning set forth in Section 6.3(a).

"ABL Facility Priority Collateral Lien" shall have the meaning set forth in Section 4.5(a)(iv).

"ABL Facility Priority Collateral Processing and Sale Period" shall have the meaning set forth in Section 6.3(a).

"ABL Facility Secured Cash Management Agreement" shall mean any "Treasury Services Agreement" (as that term is defined in the ABL Facility Credit Agreement (as in effect on the date hereof)) which is at any time secured (or purported to be secured) pursuant to the ABL Facility Security Documents.

"ABL Facility Secured Hedging Agreement" shall mean each "ABL Hedge Letter Agreement" (as that term is defined in the ABL Facility Credit Agreement as in effect on the date hereof) which is at any time secured (or purported to be secured) pursuant to the ABL Facility Security Documents.

"ABL Facility Secured Parties" shall mean (a) the lenders (including, in any event, each letter of credit issuer and each swingline lender), agents and arrangers from time to time under the ABL Facility Credit Agreement and any other "Indemnified Person" under, and as defined in, the ABL Facility Credit Agreement (or any comparable term as defined in any other ABL Facility Document) and shall include (i) all former lenders, agents and arrangers under the ABL Facility Credit Agreement to the extent that any ABL Facility Obligations owing to such Persons were incurred while such Persons were lenders, agents or arrangers under the ABL Facility Credit Agreement and such ABL Facility Obligations have not been paid or satisfied in full, and (ii) all successors to such Persons included pursuant to a Refinancing under Section 8.19, (b) the ABL Facility Cash Management Creditors and (c) the ABL Facility Hedging Creditors.

"ABL Facility Security Documents" shall mean the U.S. ABL Facility Security Agreement, U.S. ABL Facility Pledge Agreement, Canadian ABL Facility Security Agreement, Canadian ABL Facility Pledge Agreement, the other Security Documents (as defined in the ABL Facility Credit Agreement) and any other agreement, document or instrument pursuant to which a Lien is granted (or purported to be granted) securing any ABL Facility Obligations or under which rights or remedies with respect to such Liens are governed, together with any amendments, replacements, modifications, extensions, renewals or supplements to, or restatements of, any of the foregoing.

"ABL Facility Standstill Period" shall have the meaning set forth in Section 3.1(a)(i).

"ABL Facility Term Loan Priority Collateral DIP Financing" shall have the meaning set forth in Section 3.5(a)(ii).

"Account" shall have the meaning set forth in Article 9 of the UCC.

"Additional Junior Priority Obligations" shall mean obligations (and all Post- Petition Interest with respect thereto) with respect to Indebtedness of the Company or any other Grantor issued following the date of this Agreement and documented in an agreement other than the Junior Priority Documents to the extent (a) such Indebtedness is not prohibited by the terms of the Term Loan Credit Agreement, the ABL Facility Credit Agreement, the Ontario Capex Facility, the Federal Capex Facility or any then extant Additional Lien Obligations Agreement from being secured by Liens on the Collateral ranking *pari passu* or junior in right of security with the Liens securing the Junior Priority Obligations, (b) the Grantors have granted Liens on the Collateral ranking *pari passu* or junior in right of security with the Liens securing the Junior Priority Obligations to secure the obligations in respect of such Indebtedness and (c) the Additional Junior Priority Obligations Agent, for the holders of such Indebtedness, has entered into (I) an Intercreditor Agreement Joinder on behalf of the holders of such indebtedness pursuant to Section 8.19, (II) the Canadian Ontario Capex Facility Security Agreement or the Canadian Federal Capex Facility Security Agreement (or, with respect to said junior ranked Liens, such other comparable Additional Junior Priority Obligations Agreement reflecting said junior ranked Lien priority), (III) the Canadian Ontario Capex Facility Pledge Agreement or the Canadian Federal Capex Facility Pledge Agreement (or, with respect to said junior ranked Liens, such other comparable Additional Junior Priority Obligations Agreement reflecting said junior ranked Lien priority), (IV) the U.S. Ontario Capex Facility Security Agreement or the U.S. Federal Capex Facility Security Agreement (or, with respect to said junior ranked Liens, such other comparable Additional Junior Priority Obligations Agreement reflecting said junior ranked Lien priority) and (V) the U.S. Ontario Capex Facility Pledge Agreement or the U.S. Federal Capex Facility Pledge Agreement (or, with respect to said junior ranked Liens, such other comparable Additional Junior Priority Obligations Agreement reflecting said junior ranked Lien priority).

"Additional Junior Priority Obligations Agent" shall mean any Person appointed to act as trustee, agent or representative for the holders of Additional Junior Priority Obligations pursuant to any Additional Junior Priority Obligations Agreement.

"Additional Junior Priority Obligations Agreement" shall mean (i) any indenture, credit agreement or other agreement under which any Additional Junior Priority Obligations are incurred that are designated as Additional Junior Priority Obligations pursuant to Section 8.19 and (ii) any other "Loan Documents" (or similar term as may be defined or referred to in the foregoing or other agreements, documents and instruments executed in connection therewith), in each case, as Refinanced from time to time in accordance with the terms thereof and hereof so long as the same do not violate the terms of the Term Loan Credit Agreement, the ABL Facility Credit Agreement, the Ontario Capex Facility, the Federal Capex Facility or any then extant Additional Lien Obligations Agreement, in each case, as then in effect.

"Additional Junior Priority Obligations Secured Parties" shall mean, at any relevant time, the lenders, creditors and secured parties under any Additional Junior Priority

Obligations Agreements, any Additional Junior Priority Obligations Agent and the other agents under any such Additional Junior Priority Obligations Agreement, in each case, in their capacities as such.

"Additional Lien Obligations" shall mean, collectively, the Additional Term Loan Obligations and the Additional Junior Priority Obligations.

"Additional Lien Obligations Agent" shall mean any Additional Term Loan Obligations Agent and/or any Additional Junior Priority Obligations Agent, as applicable.

"Additional Lien Obligations Agreement" shall mean any Additional Term Loan Obligations Agreement and any Additional Junior Priority Obligations Agreement.

"Additional Term Loan Obligations" shall mean obligations with respect to Indebtedness of the Company or any other Grantor (other than pursuant to one or more Term Loan Secured Hedging Agreements) issued following the date of this Agreement and documented in an agreement other than the Term Loan Credit Agreement and the related Term Loan Documents to the extent (a) such Indebtedness is not prohibited by the terms of the Term Loan Credit Agreement, the ABL Facility Credit Agreement, the Ontario Capex Facility, the Federal Capex Facility or any then extant Additional Lien Obligations Agreement from being secured by Liens on the Collateral ranking *pari passu* in right of security with the Liens securing the Term Loan Obligations, (b) the Grantors have granted Liens on the Collateral ranking *pari passu* in right of security with the Liens securing the Term Loan Obligations to secure the obligations in respect of such Indebtedness and (c) the Additional Term Loan Obligations Agent, for the holders of such Indebtedness, has entered into (I) an Intercreditor Agreement Joinder on behalf of the holders of such indebtedness pursuant to Section 8.19, (II) a "Pari Passu Intercreditor Agreement" (or similar term as may be defined or referred to in the Term Loan Credit Agreement or other agreements, documents and instruments executed in connection therewith) on behalf of the holders of such indebtedness pursuant to the terms thereof, (III) the Canadian Term Loan Security Agreement (or, with respect to said *pari passu* Liens, such other comparable Additional Term Loan Obligations Agreement reflecting said *pari passu* Lien priority), (IV) the Canadian Term Loan Pledge Agreement (or, with respect to said *pari passu* Liens, such other comparable Additional Term Loan Obligations Agreement reflecting said *pari passu* Lien priority), (V) the U.S. Term Loan Security Agreement (or, with respect to said *pari passu* Liens, such other comparable Additional Term Loan Obligations Agreement reflecting said *pari passu* Lien priority) and (VI) the U.S. Term Loan Pledge Agreement (or, with respect to said *pari passu* Liens, such other comparable Additional Term Loan Obligations Agreement reflecting said *pari passu* Lien priority).

"Additional Term Loan Obligations Agent" shall mean any Person appointed to act as trustee, agent or representative for the holders of Additional Term Loan Obligations pursuant to any Additional Term Loan Obligations Agreement.

"Additional Term Loan Obligations Agreement" shall mean (i) any indenture, credit agreement or other agreement under which any Additional Term Loan Obligations are incurred that are designated as Additional Term Loan Obligations pursuant to Section 8.19 and (ii) any other "Loan Documents" (or similar term as may be defined or referred to in the

foregoing or other agreements, documents and instruments executed in connection therewith), in each case, as Refinanced from time to time in accordance with the terms thereof and hereof so long as the same do not violate the terms of the Term Loan Credit Agreement, the ABL Facility Credit Agreement, the Ontario Capex Facility, the Federal Capex Facility or any then extant Additional Lien Obligations Agreement, in each case, as then in effect.

"Additional Term Loan Obligations Secured Parties" shall mean, at any relevant time, the lenders, creditors and secured parties under any Additional Term Loan Obligations Agreements, any Additional Term Loan Obligations Agent and the other agents under any such Additional Term Loan Obligations Agreement, in each case, in their capacities as such.

"Affiliate" shall mean, when used with respect to a specified Person, another person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"Affiliated Lender" shall mean any Non-Debt Fund Affiliate, Holdings, the Company and/or any of its Restricted Subsidiaries.

"Agreement" shall mean this Intercreditor Agreement.

"As-Extracted Collateral" shall have the meaning set forth in Article 9 of the UCC.

"Bankruptcy Code" shall mean Title 11 of the United States Code entitled "Bankruptcy," as now or hereafter in effect, or any successor thereto.

"Business Day" shall mean any day except Saturday, Sunday and any day which shall be in New York, New York or Toronto, Ontario, a legal holiday or a day on which banking institutions are authorized or required by law or other government action to close.

"Canadian ABL Facility Pledge Agreement" shall mean that certain Canadian ABL Facility Pledge Agreement, dated as of the date hereof, among the Company, the other Grantors from time to time party thereto and the ABL Facility Collateral Agent, as amended, modified or supplemented from time to time.

"Canadian ABL Facility Security Agreement" shall mean that certain Canadian ABL Facility Security Agreement, dated as of the date hereof, among the Company, the other Grantors from time to time party thereto and the ABL Facility Collateral Agent, as amended, modified or supplemented from time to time.

"Canadian Debtor Relief Laws" means the Bankruptcy and Insolvency Act (Canada), the Companies' Creditors Arrangement Act (Canada), the Winding-up and Restructuring Act (Canada) and any similar statute or law or any corporate law in any jurisdiction in Canada dealing with bankruptcy, insolvency, restructuring of debts or analogous concepts, and including without limitation, the filing of an application or commencement of proceedings under provisions of the Canada Business Corporations Act or the Business Corporations Act (Alberta) (or any successors to such statutes or comparable legislation in other jurisdictions) seeking to impose a stay of proceedings against creditors, seeking to approve or

impose a plan of arrangement or reorganization providing for the compromise of claims of creditors or imposing other limitations or restrictions on creditors' rights.

"Canadian Federal Capex Facility Pledge Agreement" shall mean, at any time after such document has been entered into and the Initial Federal Capex Facility Provider has entered into an Intercreditor Agreement Joinder pursuant to Section 8.22 hereof, that certain Canadian Federal Capex Facility Pledge Agreement, to be entered into on the closing date of the Federal Capex Facility, among the Company, the other Grantors from time to time party thereto and the Federal Capex Facility Provider, as amended, modified or supplemented from time to time.

"Canadian Federal Capex Facility Security Agreement" shall mean, at any time after such document has been entered into and the Initial Federal Capex Facility Provider has entered into an Intercreditor Agreement Joinder pursuant to Section 8.22 hereof, that certain Canadian Federal Capex Facility Security Agreement to be entered into on the closing date of the Federal Capex Facility, among the Company, the other Grantors from time to time party thereto and the Federal Capex Facility Provider, as amended, modified or supplemented from time to time.

"Canadian Ontario Capex Facility Pledge Agreement" shall mean that certain Canadian Ontario Capex Facility Pledge Agreement, dated as of the date hereof, among the Company, the other Grantors from time to time party thereto and the Ontario Capex Facility Lender, as amended, modified or supplemented from time to time.

"Canadian Ontario Capex Facility Security Agreement" shall mean that certain Canadian Ontario Capex Facility Security Agreement dated as of the date hereof, among the Company, the other Grantors from time to time party thereto and the Ontario Capex Facility Lender, as amended, modified or supplemented from time to time.

"Canadian Term Loan Pledge Agreement" shall mean that certain Canadian Term Loan Pledge Agreement, dated as of the date hereof, among the Company, the other Grantors from time to time party thereto and the Term Loan Collateral Agent, as amended, modified or supplemented from time to time.

"Canadian Term Loan Security Agreement" shall mean that certain Canadian Term Loan Security Agreement, dated as of the date hereof, among the Company, the other Grantors from time to time party thereto and the Term Loan Collateral Agent under Term Loan Credit Agreement, as amended, modified or supplemented from time to time.

"Capitalized Lease Obligations" shall mean, with respect to any Person, all rental obligations of such Person which, under IFRS, are or will be required to be capitalized on the books of such Person as a capital lease, in each case taken at the amount thereof accounted for as indebtedness in accordance with such principles.

"Cash Proceeds" shall mean all Proceeds of any Collateral received by any Grantor or Secured Party consisting of cash and checks.

"Chattel Paper" shall have the meaning set forth in Article 9 of the UCC. Without limiting the foregoing, the term "Chattel Paper" shall in any event include all Tangible Chattel Paper and all Electronic Chattel Paper.

"Collateral" shall mean all property (whether real, personal, movable or immovable) now or hereafter acquired and wherever located (and Proceeds thereof) with respect to which any Liens have been granted (or purported to be granted) by any Grantor pursuant to any Security Document.

"Collateral Agent" shall mean, as applicable, the ABL Facility Collateral Agent, the Term Loan Collateral Agent, the Ontario Capex Facility Lender, the Federal Capex Facility Provider and/or any Additional Lien Obligations Agent.

"Collateral Support" shall mean all property (real or personal) assigned, hypothecated or otherwise securing any Collateral and shall include any security agreement or other agreement granting a lien or security interest in such real or personal property.

"Commercial Tort Claim" shall have the meaning set forth in Article 9 of the UCC.

"Commodity Account" shall have the meaning set forth in Article 9 of the UCC.

"Company" shall have the meaning set forth in the introductory paragraph hereof.

"Comparable ABL Facility Security Document" shall mean, in relation to any Collateral subject to any Lien created under any Term Loan Security Document, Ontario Capex Facility Security Document or Federal Capex Facility Security Document, that ABL Facility Document which creates (or purports to create) a Lien on the same Collateral, granted by the same Grantor.

"Comparable Federal Capex Facility Security Document" shall mean, in relation to any Collateral subject to any Lien created under any ABL Facility Security Document, Term Loan Security Document or Ontario Capex Facility Security Document, that Federal Capex Facility Security Document which creates (or purports to create) a Lien on the same Collateral, granted by the same Grantor.

"Comparable Junior Priority Security Document" shall mean any Comparable Federal Capex Facility Security Document or any Comparable Ontario Capex Facility Security Document.

"Comparable Ontario Capex Facility Security Document" shall mean, in relation to any Collateral subject to any Lien created under any ABL Facility Security Document, Term Loan Security Documen or Federal Capex Facility Security Document, that Ontario Capex Facility Security Document which creates (or purports to create) a Lien on the same Collateral, granted by the same Grantor.

"Comparable Term Loan Security Document" shall mean, in relation to any Collateral subject to any Lien created under any ABL Facility Security Document, Ontario

Capex Facility Security Document or Federal Capex Facility Security Document, that Term Loan Document which creates (or purports to create) a Lien on the same Collateral, granted by the same Grantor.

"Contract Rights" shall mean all rights of any Grantor under each Contract, including (i) any and all rights to receive and demand payments under any or all Contracts, (ii) any and all rights to receive and compel performance under any or all Contracts and (iii) any and all other rights, interests and claims now existing or in the future arising in connection with any or all Contracts.

"Contracts" shall mean all contracts between any Grantor and one or more additional parties (including, without limitation, Hedge Agreements), licensing agreements and any partnership agreements, joint venture agreements and limited liability company agreements).

"Control" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ownership of voting securities, by contract or otherwise, and the terms "Controlling" and "Controlled" shall have meaning correlative thereto.

"Copyrights" shall mean, with respect to any Grantor, all of such Grantor's right, title, and interest in and to the following: (a) all copyrights, rights and interests in copyrights, works protectable by copyright whether published or unpublished, copyright registrations, and copyright applications; (b) all renewals of any of the foregoing; (c) all income, royalties, damages, and payments now or hereafter due and/or payable under any of the foregoing, including damages or payments for past or future infringements for any of the foregoing; (d) the right to sue for past, present, and future infringements of any of the foregoing; and (e) all rights corresponding to any of the foregoing throughout the world.

"Cortland" shall have the meaning set forth in the introductory paragraph hereof.

"Debt Agreements" shall have the meaning set forth in the recitals hereto.

"Debt Fund Affiliate" means any Affiliate (other than a natural person) of an Investor that is a bona fide debt fund or investment vehicle that is engaged in, or advises funds or other investment vehicles that are engaged in, making, purchasing, holding or otherwise investing in commercial loans, bonds and similar extensions of credit in the ordinary course of business that holds debt in Holdings, the Company or their subsidiaries and makes all relevant decisions in respect of Holdings and the Company behind an ethical wall from any Affiliate that is an Investor.

"Debtor Relief Laws" shall mean the Bankruptcy Code and all other liquidation, conservatorship, bankruptcy, general assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect, including Canadian Debtor Relief Laws and (except to the extent specifically identified in the definition of Canadian Debtor Relief Laws) affecting the rights of creditors generally.

"Deposit Account" shall have the meaning set forth in Article 9 of the UCC.

"Directing ABL Facility Collateral Agent" shall mean (a) the ABL Facility Collateral Agent under the ABL Facility Credit Agreement unless (and until) the Discharge of ABL Facility Obligations has occurred solely with respect to the ABL Facility Obligations (excluding ABL Facility Cash Management Obligations and ABL Facility Hedging Obligations) under the ABL Facility Credit Agreement and the ABL Facility Documents with respect thereto and (b) thereafter, the ABL Facility Collateral Agent described in preceding clause (a) or any other Person designated in writing by the holders of a majority of the ABL Facility Obligations from time to time to act as Directing ABL Facility Collateral Agent hereunder.

"Directing Collateral Agent" shall mean any of the Directing ABL Facility Collateral Agent, the Directing Term Loan Collateral Agent, or the Directing Junior Priority Collateral Agent, as the case may be.

"Directing Junior Priority Collateral Agent" shall mean the "Controlling Collateral Agent" (as defined in the *Pari Passu* Intercreditor Agreement); provided, that (i) prior to the execution and delivery of the *Pari Passu* Intercreditor Agreement, the Ontario Capex Facility Lender shall be the Directing Junior Priority Collateral Agent and (ii) upon any change in "Controlling Collateral Agent" (as defined in the *Pari Passu* Intercreditor Agreement), such new "Controlling Collateral Agent" (as defined in the *Pari Passu* Intercreditor Agreement) shall promptly notify each party hereto in writing.

"Directing Term Loan Collateral Agent" shall mean (a) the Term Loan Collateral Agent under the Term Loan Credit Agreement unless (and until) the Discharge of Term Loan Obligations has occurred solely with respect to the Term Loan Obligations under the Term Loan Credit Agreement and the Term Loan Documents with respect thereto and (b) thereafter, the Term Loan Collateral Agent described in preceding clause (a) or any other Person designated in writing by the holders of a majority of the Term Loan Obligations from time to time to act as Directing Term Loan Collateral Agent hereunder.

"Discharge of ABL Facility Obligations" shall mean, except to the extent otherwise provided in Section 3.4(m), the occurrence of all of the following:

(i) termination or expiration of all commitments to extend credit that would constitute ABL Facility Obligations;

(ii) payment in full in cash of the principal of and interest (including any Post- Petition Interest), premium (if any) and fees on all ABL Facility Obligations (subject to clause (iii) below in the case of any undrawn letters of credit) and all amounts then due and payable in respect of any ABL Facility Cash Management Obligations and any ABL Facility Hedging Obligations;

(iii) discharge, cash collateralization or back-stopping (in an amount equal to 103% of the aggregate undrawn amount) of all outstanding letters of credit constituting ABL Facility Obligations;

(iv) payment in full in cash of all other ABL Facility Obligations that are outstanding and unpaid at the time the termination, expiration, discharge, cash collateralization and/or back-stopping set forth in clauses (i) through (iii) above have

occurred (other than any obligations for taxes, costs, indemnifications and other contingent liabilities in respect of which no claim or demand for payment has been made at such time); and

(v) adequate provision has been made for any contingent or unliquidated ABL Facility Obligations related to claims, causes of action or liabilities that have been asserted against the ABL Facility Secured Parties for which indemnification is required under the ABL Facility Documents;

provided that the Discharge of ABL Facility Obligations shall not be deemed to have occurred if such payments are made with the proceeds of other ABL Facility Obligations that constitute an exchange or replacement for or a Refinancing of such ABL Facility Obligations. Upon the satisfaction of the conditions set forth in clauses (i) through (v) with respect to all ABL Facility Obligations, the applicable ABL Facility Collateral Agent shall promptly deliver to the Term Loan Collateral Agent and each Junior Priority Collateral Agent written notice of the same.

"Discharge of Junior Priority Obligations" shall mean, except to the extent otherwise provided in Section 3.4(l), the occurrence of all of the following:

(i) termination or expiration of all commitments to extend credit that would constitute Junior Priority Obligations;

(ii) payment in full in cash of the principal of and interest (including any Post- Petition Interest), premium (if any) and fees on all Junior Priority Obligations;

(iii) payment in full in cash of all other Junior Priority Obligations that are outstanding and unpaid at the time the termination, expiration and/or discharge set forth in clauses (i) and (ii) above have occurred (other than any obligations for taxes, costs, indemnifications and other contingent liabilities in respect of which no claim or demand for payment has been made at such time); and

(iv) adequate provision has been made for any contingent or unliquidated Junior Priority Obligations related to claims, causes of action or liabilities that have been asserted against the Junior Priority Secured Parties or for which indemnification is required under the Junior Priority Documents;

provided that the Discharge of Junior Priority Obligations shall not be deemed to have occurred if such payments are made with the proceeds of other Junior Priority Obligations that constitute an exchange or replacement for or a Refinancing of such Junior Priority Obligations. Upon the satisfaction of the conditions set forth in clauses (i) through (iv) with respect to all Junior Priority Obligations, the Directing Junior Priority Collateral Agent shall promptly deliver to the ABL Facility Collateral Agent and the Term Loan Collateral Agent written notice of the same.

"Discharge of Term Loan Obligations" shall mean, except to the extent otherwise provided in Section 3.4(j), the occurrence of all of the following:

(i) termination or expiration of all commitments to extend credit that would constitute Term Loan Obligations;

(ii) payment in full in cash of the principal of and interest (including any Post- Petition Interest), premium (if any) and fees on all Term Loan Obligations and all amounts then due and payable under any applicable Term Loan Secured Hedging Agreements;

(iii) payment in full in cash of all other Term Loan Obligations that are outstanding and unpaid at the time the termination, expiration and/or discharge set forth in clauses (i) and (ii) above have occurred (other than any obligations for taxes, costs, indemnifications and other contingent liabilities in respect of which no claim or demand for payment has been made at such time); and

(iv) adequate provision has been made for any contingent or unliquidated Term Loan Obligations related to claims, causes of action or liabilities that have been asserted against the Term Loan Secured Parties for which indemnification is required under the Term Loan Documents;

provided that the Discharge of Term Loan Obligations shall not be deemed to have occurred if such payments are made with the proceeds of other Term Loan Obligations that constitute an exchange or replacement for or a Refinancing of such Term Loan Obligations. Upon the satisfaction of the conditions set forth in clauses (i) through (iv) with respect to all Term Loan Obligations, the Term Loan Collateral Agent shall promptly deliver to the ABL Facility Collateral Agent and each Junior Priority Collateral Agent written notice of the same.

"Document" shall have the meaning set forth in Article 9 of the UCC.

"Electronic Chattel Paper" shall have the meaning set forth in Article 9 of the UCC.

"Equipment" shall have the meaning set forth in Article 9 of the UCC.

"Equity Interests" of any Person shall mean any and all shares, interests, rights to purchase, warrants, options, participation or other equivalents of or interest in (however designated) equity of such Person, including any common stock, preferred equity, any limited or general partnership interest and any limited liability company membership interest.

"Federal Capex Facility" shall have the meaning set forth in the introductory paragraph hereof.

"Federal Capex Facility Documents" shall mean, at any time after such documents have been entered into and the Initial Federal Capex Facility Provider has entered into an Intercreditor Agreement Joinder pursuant to Section 8.22 hereof, (x) the Federal Capex Facility and the other "Security Documents" (or any comparable term as defined in the Federal Capex Facility) and (y) each of the other agreements, documents and instruments providing for or evidencing any Federal Capex Facility Obligation, as each may be amended, restated, amended and restated, amended and extended, supplemented, increased or modified from time to time (but excluding, for the avoidance of doubt, any documents entered into in connection with an ABL Facility DIP Financing, a Term Loan Collateral DIP Financing or a Term Loan ABL Facility Priority Collateral DIP Financing).

"Federal Capex Facility Provider" shall mean, as applicable, the Initial Federal Capex Facility Provider or any New Federal Capex Facility Provider to the extent set forth in Section 8.19(f).

"Federal Capex Facility Obligations" shall mean, at any time after such documents have been entered into and the Initial Federal Capex Facility Provider has entered into an Intercreditor Agreement Joinder pursuant to Section 8.22 hereof, all obligations (including guaranty obligations) of every nature of each Grantor, from time to time owed to the Federal Capex Facility Secured Parties or any of them, under any Federal Capex Facility Document, including all "Secured Obligations" or similar term as defined in any Federal Capex Facility Security Document, whether for principal, premium, interest (including all Post-Petition Interest), fees, expenses, indemnification or otherwise.

"Federal Capex Facility Secured Parties" shall mean, at any time after such documents have been entered into and the Initial Federal Capex Facility Provider has entered into an Intercreditor Agreement Joinder pursuant to Section 8.22 hereof, (a) the contributors, holders, agents and arrangers from time to time under the Federal Capex Facility and any other indemnitee under, or as defined in, the Federal Capex Facility (or any comparable term as defined in any other Federal Capex Facility Document) and shall include all former contributors, holders, agents and arrangers under the Federal Capex Facility to the extent that any Federal Capex Facility Obligations owing to such Persons were incurred while such Persons were contributors, holders, agents or arrangers under the Federal Capex Facility and such Federal Capex Facility Obligations have not been paid or satisfied in full.

"Federal Capex Facility Security Documents" shall mean, at any time after such documents have been entered into and the Initial Federal Capex Facility Provider has entered into an Intercreditor Agreement Joinder pursuant to Section 8.22 hereof, the U.S. Federal Capex Facility Security Agreement, U.S. Federal Capex Facility Pledge Agreement, Canadian Federal Capex Facility Security Agreement, Canadian Federal Capex Facility Pledge Agreement, the other Security Documents (or any comparable term as defined in the Federal Capex Facility) and any other agreement, document or instrument pursuant to which a Lien is granted (or purported to be granted) securing any Federal Capex Facility Obligations or under which rights or remedies with respect to such Liens are governed, together with any amendments, replacements, modifications, extensions, renewals or supplements to, or restatements of, any of the foregoing.

"First Priority" shall mean, (i) with respect to any Lien purported to be created on any ABL Facility Priority Collateral pursuant to any ABL Facility Security Document, that such Lien is prior in right to any other Lien thereon, other than any ABL Facility Permitted Liens (excluding ABL Facility Permitted Liens securing Term Loan Obligations or Junior Priority Obligations) applicable to such ABL Facility Priority Collateral which are permitted under the ABL Facility Documents to have priority over the respective Liens on such ABL Facility Priority Collateral created pursuant to the relevant ABL Facility Security Document and (ii) with respect to any Lien purported to be created on any Term Loan Priority Collateral pursuant to any Term Loan Security Document, that such Lien is prior in right to any other Lien thereon, other than any Term Loan Permitted Liens (excluding Term Loan Permitted Liens securing ABL Facility Obligations or Junior Priority Obligations) applicable to such Term Loan Priority Collateral which are permitted under the Term Loan Documents to have priority over or to be pari passu

with the respective Liens on such Term Loan Priority Collateral created pursuant to the relevant Term Loan Security Document.

"Fixtures" shall have the meaning set forth in Article 9 of the UCC.

"General Intangible" shall have the meaning set forth in Article 9 of the UCC.

"Grantors" shall mean Algoma Steel Intermediate Holdings Inc., the Company and each other Subsidiary of the Company that has executed and delivered, or may from time to time hereafter execute and deliver, an ABL Facility Security Document, a Term Loan Security Document, an Ontario Capex Facility Security Document or a Federal Capex Facility Security Document.

"Governmental Body" shall have the meaning set forth in Section 8.23 hereof.

"Hedge Agreement" shall mean any Interest Rate Protection Agreement or Other Hedging Agreements between the Company or any Grantor and any other Person.

"Holdings" shall have the meaning set forth in the introductory paragraph hereof.

"IFRS" hall mean International Financial Reporting Standards as in effect from time to time.

"Indebtedness" shall mean and include all Term Loan Obligations, Ontario Capex Facility Obligations, Federal Capex Facility Obligations and ABL Facility Obligations, as applicable, that constitute "Indebtedness" within the meaning of the Term Loan Credit Agreement, ABL Facility Credit Agreement, Ontario Capex Facility or Federal Capex Facility, respectively. For the avoidance of doubt, "Indebtedness" shall not include any Term Loan Hedging Obligations or any ABL Facility Cash Management Obligations or ABL Facility Hedging Obligations.

"Initial ABL Facility Collateral Agent" shall have the meaning set forth in the recitals hereto.

"Initial Federal Capex Facility Provider" shall have the meaning set forth in the recitals hereto.

"Initial Ontario Capex Facility Lender" shall have the meaning set forth in the recitals hereto.

"Initial Term Loan Collateral Agent" shall have the meaning set forth in the recitals hereto.

"Insolvency or Liquidation Proceeding" shall mean any of the following: (i) the filing by any Grantor of a voluntary petition in bankruptcy under any provision of any Debtor Relief Law or a petition to take advantage of any receivership or insolvency laws, including any petition seeking the dissolution, winding up, total or partial liquidation, reorganization, composition, arrangement, adjustment or readjustment or other relief of such Grantor, such

Grantor's debts or such Grantor's assets or the appointment of a trustee, receiver, liquidator, custodian or similar official for such Grantor or a material part of such Grantor's property; (ii) the appointment of a receiver, liquidator, trustee, custodian or other similar official for such Grantor or all or a material part of such Grantor's assets; (iii) the filing of any petition against such Grantor under any Debtor Relief Law (including the Bankruptcy Code) or other receivership or insolvency law, including any petition seeking the dissolution, winding up, total or partial liquidation, reorganization, composition, arrangement, adjustment or readjustment or other relief of such Grantor, such Grantor's debts or such Grantor's assets or the appointment of a trustee, receiver, liquidator, custodian or similar official for such Grantor or a material part of such Grantor's property; or (iv) the general assignment by such Grantor for the benefit of creditors or any other marshalling of the assets and liabilities of such Grantor.

"Insurance" shall mean (i) all insurance policies covering any or all of the Collateral (regardless of whether the ABL Facility Collateral Agent, the Term Loan Collateral Agent or any Junior Priority Collateral Agent is the loss payee or additional insured thereof) and (ii) any key man life insurance policies.

"Intellectual Property" shall mean any and all Licenses, Patents, Copyrights, Trademarks, the goodwill associated with such Trademarks, Trade Secrets and all rights to sue at law or in equity for any past, present or future infringement, misappropriation, violation, misuse or other impairment thereof, including the right to receive injunctive relief and all Proceeds and damages therefrom.

"Intercreditor Agreement Joinder" shall mean an agreement substantially in the form of Exhibit A hereto.

"Interest Rate Protection Agreement" shall mean any interest rate swap agreement, interest rate cap agreement, interest collar agreement, interest rate hedging agreement or other similar agreement or arrangement.

"Instrument" shall have the meaning set forth in Article 9 of the UCC.

"Inventory" shall have the meaning set forth in Article 9 of the UCC.

"Investment Property" shall have the meaning set forth in Article 9 of the UCC.

"Investment Related Property" shall mean (i) any and all Investment Property and (ii) any and all Pledged Collateral (regardless of whether classified as investment property under the UCC).

"Investors" means (a) each of Bain Capital, LP, Barclays Bank PLC, Marathon Asset Management, LP, GoldenTree Asset Management, LP (in each case, collectively with the funds, partnerships or other co-investment vehicles managed, advised or controlled thereby), (b) the Management Investors and (c) any Person holding, directly or indirectly, more than five (5%) percent of the issued and outstanding equity securities of Holdings or the Company.

"Junior Priority ABL Collateral Standstill Period" shall have the meaning set forth in Section 4.1(a)(i).

"Junior Priority ABL Term Collateral Standstill Period" shall have the meaning set forth in Section 4.2(a)(i).

"Junior Priority Collateral Agent" shall mean, as applicable, (i) the Federal Capex Facility Provider, (ii) the Ontario Capex Facility Lender and/or (iii) any Additional Junior Priority Obligations Agent.

"Junior Priority Documents" means (i) the Federal Capex Facility Documents, (ii) the Ontario Capex Facility Documents and (iii) any Additional Junior Priority Obligations Agreement.

"Junior Priority Lien" shall mean any Lien created by (i) the Federal Capex Facility Security Documents, (ii) the Ontario Capex Facility Security Documents or (iii) any Additional Junior Priority Obligations Agreement that is a Junior Priority Security Document.

"Junior Priority Obligations" means (i) the Federal Capex Facility Obligations, (ii) the Ontario Capex Facility Obligations and (iii) the Additional Junior Priority Obligations.

"Junior Priority Permitted Liens" shall mean the Liens permitted (i) under Section 8.4 (or any comparable provision) of the Federal Capex Facility, (ii) under Section 7.2(b) (or any comparable provision) of the Ontario Capex Facility, and/or (iii) as to any Additional Junior Priority Obligations Agreement, the Liens permitted to be incurred by the Grantors in accordance therewith.

"Junior Priority Secured Parties" shall mean, (i) the Federal Capex Facility Secured Parties, (ii) the Ontario Capex Facility Secured Parties and (iii) any Additional Junior Priority Obligations Secured Party.

"Junior Priority Security Documents" shall mean (i) the Federal Capex Facility Security Documents, (ii) the Ontario Capex Facility Security Documents, and (iii) any other agreement, document or instrument pursuant to which a Lien is granted (or purported to be granted) securing any Junior Priority Obligations or under which rights or remedies with respect to such Liens are governed, together with any amendments, replacements, modifications, extensions, renewals or supplements to, or restatements of, any of the foregoing.

"Junior Priority Term Collateral Standstill Period" shall have the meaning set forth in Section 3.1(a)(i).

"Junior Priority Term ABL Collateral Standstill Period" shall have the meaning set forth in Section 3.2(a)(i).

"Letter-of-Credit Rights" shall have the meaning set forth in Article 9 of the UCC.

"Licenses" shall mean, with respect to any Grantor, all of such Grantor's right, title, and interest in and to (a) any and all licensing agreements or similar arrangements in and to its owned (1) Patents, (2) Copyrights, (3) Trademarks, (4) Trade Secrets or (5) software, (b) all income, royalties, damages, claims, and payments now or hereafter due or payable under and

with respect thereto, including damages and payments for past and future breaches thereof, and (c) all rights to sue for past, present, and future breaches thereof.

"Lien" shall mean any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge or preference, priority or other security interest or preferential arrangement of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any leases evidencing Capitalized Lease Obligations having substantially the same economic effect as any of the foregoing) in each case, in the nature of security; provided that in no event shall an operating lease in and of itself be deemed a Lien.

"Management Investors" means the officers, directors, managers, employees and members of management of the Company, Holdings any Parent Entity (as defined in the Term Loan Credit Agreement as of the date hereof) and/or any subsidiary of the Company and their Immediate Family Members (as defined in the Term Loan Credit Agreement as of the date hereof).

"New ABL Facility Collateral Agent" shall have the meaning set forth in Section 8.19(c)(ii).

"New Federal Capex Facility Provider" shall have the meaning set forth in Section 8.19(c)(ii).

"New Ontario Capex Facility Lender" shall have the meaning set forth in Section 8.19(c)(ii).

"New Term Loan Collateral Agent" shall have the meaning set forth in Section 8.19(c)(ii).

"Non-Debt Fund Affiliate" means the Investors and any Affiliate of an Investor, other than any Debt Fund Affiliate.

"Ontario Capex Facility" shall have the meaning set forth in the introductory paragraph hereof.

"Ontario Capex Facility Documents" shall mean (x) the Ontario Capex Facility and the other "Loan Documents" (as defined in the Ontario Capex Facility) and (y) each of the other agreements, documents and instruments providing for or evidencing any Ontario Capex Facility Obligation, as each may be amended, restated, amended and restated, amended and extended, supplemented, increased or modified from time to time (but excluding, for the avoidance of doubt, any documents entered into in connection with an ABL Facility DIP Financing, a Term Loan Collateral DIP Financing or a Term Loan ABL Facility Priority Collateral DIP Financing).

"Ontario Capex Facility Lender" shall mean, as applicable, the Initial Ontario Capex Facility Lender or any New Ontario Capex Facility Lender to the extent set forth in Section 8.19(f).

"Ontario Capex Facility Obligations" shall mean all obligations (including guaranty obligations) of every nature of each Grantor, from time to time owed to the Ontario Capex Facility Secured Parties or any of them, under any Ontario Capex Facility Document, including all "Secured Obligations" or comparable term as defined in any Ontario Capex Facility Security Document, whether for principal, premium, interest (including all Post-Petition Interest), fees, expenses, indemnification or otherwise.

"Ontario Capex Facility Secured Parties" shall mean (a) the lenders, holders, agents and arrangers from time to time under the Ontario Capex Facility and any other "Indemnitee" under, and as defined in, the Ontario Capex Facility (or any comparable term as defined in any other Ontario Capex Facility Document) and shall include all former lenders, holders, agents and arrangers under the Ontario Capex Facility to the extent that any Ontario Capex Facility Obligations owing to such Persons were incurred while such Persons were lenders, holders, agents or arrangers under the Ontario Capex Facility and such Ontario Capex Facility Obligations have not been paid or satisfied in full.

"Ontario Capex Facility Security Documents" shall mean the U.S. Ontario Capex Facility Security Agreement, U.S. Ontario Capex Facility Pledge Agreement, Canadian Ontario Capex Facility Security Agreement, Canadian Ontario Capex Facility Pledge Agreement, the other Security Documents (as defined in the Ontario Capex Facility) and any other agreement, document or instrument pursuant to which a Lien is granted (or purported to be granted) securing any Ontario Capex Facility Obligations or under which rights or remedies with respect to such Liens are governed, together with any amendments, replacements, modifications, extensions, renewals or supplements to, or restatements of, any of the foregoing.

"Other Hedging Agreements" shall mean any foreign exchange contracts, currency swap agreements, commodity agreements or other similar agreements (including commodity futures or forward purchase contracts), or arrangements designed to protect against fluctuations in currency values or commodity prices.

"*Pari Passu* Intercreditor Agreement" shall mean that certain *Pari Passu* Agreement, to be entered into on the closing date of the Federal Capex Facility, between the Federal Capex Facility Provider, the Ontario Capex Facility Lender and any Person that may from time to time become an additional party thereto, and acknowledged by the Company.

"Patents" shall mean, with respect to any Grantor, all of such Grantor's right, title, and interest in and to: (a) any and all patents and patent applications; (b) all inventions and improvements described and claimed therein; (c) all reissues, divisions, continuations, renewals, extensions, and continuations-in-part thereof; (d) all income, royalties, damages, claims, and payments now or hereafter due or payable under and with respect thereto, including damages and payments for past and future infringements thereof; (e) all rights to sue for past, present, and future infringements thereof; and (f) all rights corresponding to any of the foregoing throughout the world.

"Payment Intangibles" shall have the meaning assigned in Article 9 of the UCC.

"Permitted Refinancing" shall mean, with respect to any Indebtedness under the Term Loan Documents, the ABL Facility Documents or the Junior Priority Documents, the Refinancing of such Indebtedness ("Refinancing Indebtedness") in accordance with the requirements of this Agreement, the Term Loan Credit Agreement, the ABL Facility Credit Agreement, the Federal Capex Facility, the Ontario Capex Facility and each then extant Additional Lien Obligations Agreement.

"Person" shall mean any individual, partnership, joint venture, firm, corporation, limited liability company, association, trust or other enterprise or any government or political subdivision or any agency, department or instrumentality thereof.

"Pledged ABL Facility Priority Collateral" shall have the meaning set forth in Section 4.5(i)(i).

"Pledged Collateral" shall mean Pledged Shares, Pledged Notes or other Instruments, Securities and other Investment Property owned by any Grantor, whether or not physically delivered to a Collateral Agent pursuant to an ABL Facility Security Document, a Term Loan Security Document or a Junior Priority Security Document, excluding any items specifically excluded from the definition of Collateral.

"Pledged Notes" shall mean, with respect to any Grantor, all promissory notes (including intercompany notes) at any time held or owned by such Grantor that constitute Collateral.

"Pledged Shares" shall mean all of each Grantor's right, title and interest in and to all of the Equity Interests now or hereafter owned by such Grantor that constitute Collateral, regardless of class or designation, and all substitutions therefor and replacements thereof, all Proceeds thereof and all rights relating thereto, also including any certificates representing the Equity Interest, the right to receive any certificates representing any of the Equity Interests, all warrants, options, share appreciation rights and other rights, contractual or otherwise, in respect thereof and the right to receive all dividends, distributions of income, profits, surplus, or other compensation by way of income or liquidating distributions, in cash or in kind, and all cash, instruments, and other property from time to time received, receivable, or otherwise distributed in respect of or in addition to, in substitution of, on account of, or in exchange for any or all of the foregoing.

"Pledged Term Loan Priority Collateral" shall have the meaning set forth in Section 3.4(h)(i).

"Post-Petition Interest" shall mean all interest, fees, expenses and other charges that, pursuant to the ABL Facility Documents, the Term Loan Documents or any Junior Priority Document, as the case may be, accrue after the commencement of any Insolvency or Liquidation Proceeding with respect to any Grantor or any Subsidiary at the rate provided in the respective documentation, whether or not such interest, fees, expenses and other charges are allowed or allowable under any Debtor Relief Law or in any such Insolvency or Liquidation Proceeding.

"Proceeds" shall have the meaning assigned in Article 9 of the UCC and, in any event, shall also include, but not be limited to, (i) any and all proceeds of any Insurance,

indemnity, warranty or guaranty payable to any Administrative Agent, any Collateral Agent or any Grantor from time to time with respect to any of the Collateral, (ii) any and all payments (in any form whatsoever) made or due and payable to any Grantor from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Collateral by any governmental authority (or any person acting under color of governmental authority), (iii) any and all proceeds of Pledged Collateral including dividends or other income from, and proceeds of, Pledged Collateral, collection thereon or distributions or payments with respect thereto and (iv) any and all other amounts from time to time paid or payable under or in connection with any of the Collateral.

"Recovery" shall have the meaning set forth in Section 8.17.

"Refinance" shall mean, in respect of any Indebtedness, to refinance, extend, renew, retire, defease, amend, modify, supplement, amend and restate, restructure, replace, refund or repay, or to issue other Indebtedness, in exchange or replacement for, such Indebtedness in whole or in part. "Refinanced" and "Refinancing" shall have correlative meanings.

"Refinancing Indebtedness" shall have the meaning set forth in the definition of "Permitted Refinancing."

"Restricted Subsidiary" shall have the meaning set forth in the Term Loan Credit Agreement as of the date hereof.

"Second Priority" shall mean,

(i) with respect to any Lien purported to be created on any Term Loan Priority Collateral pursuant to any ABL Facility Security Document, that such Lien is prior in right to any other Lien thereon, other than any ABL Facility Permitted Liens (excluding ABL Permitted Liens securing Junior Priority Obligations) applicable to such Term Loan Priority Collateral which are permitted under the ABL Facility Documents to have priority over or be *pari passu* with the respective Liens on such Term Loan Priority Collateral created pursuant to the ABL Facility Security Document (including the Liens created by the Term Loan Documents); and

(ii) with respect to any Lien purported to be created on any ABL Facility Priority Collateral pursuant to any Term Loan Security Documents, that such Lien is prior in right to any other Lien thereon, other than any Term Loan Permitted Liens (excluding Term Loan Permitted Liens securing Junior Priority Obligations) applicable to such ABL Facility Priority Collateral which are permitted under the Term Loan Documents to have priority over or be *pari passu* with the respective Liens on such ABL Facility Priority Collateral created pursuant to the relevant Term Loan Security Document (including the Liens created by the ABL Facility Documents).

"Secured Parties" shall mean, collectively, the ABL Facility Secured Parties, the Term Loan Secured Parties and the Junior Priority Secured Parties.

"Securities" shall have the meaning set forth in Article 8 of the UCC.

"Securities Accounts" shall have the meaning set forth in Article 8 of the UCC.

"Securities Entitlements" shall have the meaning set forth in Article 8 of the UCC.

"Security Document" shall mean any ABL Facility Security Document, Term Loan Security Document, Federal Capex Facility Security Document or Ontario Capex Facility Security Document and any other agreement, document or instrument pursuant to which a Lien is granted (or purported to be granted) securing any Additional Lien Obligations or under which rights or remedies with respect to such Liens are governed, together with any amendments, replacements, modifications, extensions, renewals or supplements to, or restatements of, any of the foregoing.

"Subsidiary" shall mean, as to any Person, (a) any corporation more than 50% of whose stock having by the terms thereof ordinary voting power to elect a majority of the directors of such corporation is owned by such Person and/or one or more Subsidiaries of such Person or (b) any partnership, limited liability company, association, joint venture or other entity in which such Person and/or one or more Subsidiaries of such Person has more than 50% of the voting power of the Equity Interests at the time.

"Supporting Obligations" shall have the meaning set forth in Article 9 of the UCC.

"Tangible Chattel Paper" shall mean "tangible chattel paper" as such term is defined in Article 9 of the UCC.

"Term Loan ABL Facility Priority Collateral DIP Financing" shall have the meaning set forth in Section 4.6(b).

"Term Loan/ABL Facility Priority Collateral Lien" shall have the meaning set forth in Section 4.5(b)(iv).

"Term Loan Administrative Agent" shall have the meaning set forth in the recitals hereto.

"Term Loan Collateral Agent" shall mean, as applicable, the Initial Term Loan Collateral Agent, any New Term Loan Collateral Agent to the extent set forth in Section 8.19(e) and any Additional Term Loan Collateral Agent.

"Term Loan Collateral DIP Financing" shall have the meaning set forth in Section 3.5(a)(i).

"Term Loan Collateral Priority Lien" shall have the meaning set forth in Section 3.4(a)(iv).

"Term Loan Credit Agreement" shall have the meaning set forth in the recitals hereto.

"Term Loan Documents" shall mean (i) the Term Loan Credit Agreement and the other Credit Documents (or comparable term, as defined in the Term Loan Credit Agreement, as in effect from time to time), (ii) each Term Loan Secured Hedging Agreement and (iii) each of the other agreements, documents and instruments (including any Additional Term Loan Obligations Agreement) providing for or evidencing any Term Loan Obligation, as each may be amended, restated, amended and restated, amended and extended, Refinanced, replaced, supplemented, increased or modified from time to time in accordance with the provisions of this Agreement (but excluding, for the avoidance of doubt, any documents entered into in connection with an ABL Facility DIP Financing, a Term Loan Collateral DIP Financing or a Term Loan ABL Facility Priority Collateral DIP Financing).

"Term Loan Hedging Creditor" shall mean each counterparty to any Term Loan Secured Hedging Agreement (other than a Grantor).

"Term Loan Hedging Obligations" shall mean the "Hedging Obligations" (or comparable term, as defined in the Term Loan Credit Agreement (as in effect from time to time)) in respect of the Term Loan Secured Hedging Agreements.

"Term Loan Lien" shall mean any Lien created by the Term Loan Security Documents.

"Term Loan Obligations" shall mean (i) all obligations (including guaranty obligations) of every nature of each Grantor, from time to time owed to the Term Loan Secured Parties or any of them, under any Term Loan Document, including all "Incremental Loans", "Obligations" or similar term as defined in the Term Loan Credit Agreement and including all Additional Term Loan Obligations, in each case whether for principal, premium, interest (including all Post-Petition Interest), fees, expenses, indemnification or otherwise and (ii) Term Loan Hedging Obligations (excluding all Excluded Swap Obligations (as defined in the Term Loan Credit Agreement)).

"Term Loan Permitted Liens" shall mean (i) the Liens permitted under Section 9.01 (or any comparable section) of the Term Loan Credit Agreement and/or (ii), as to any Additional Term Loan Obligations Agreement, the Liens permitted to be incurred by the Grantors in accordance therewith.

"Term Loan Priority Collateral" shall mean all interests of each Grantor in the following Collateral, in each case whether now owned or existing or hereafter acquired or arising and wherever located, including (1) all rights of each Grantor to receive moneys due and to become due under or pursuant to the following, (2) all rights of each Grantor to receive return of any premiums for or Proceeds of any Insurance, indemnity, warranty or guaranty with respect to the following or to receive condemnation Proceeds with respect to the following, (3) all claims of each Grantor for damages arising out of or for breach of or default under any of the following, and (4) all rights of each Grantor to terminate, amend, supplement, modify or waive performance under any of the following, to perform thereunder and to compel performance and otherwise exercise all remedies thereunder:

(i) any Term Proceeds Account, and all cash, money, securities and other investments deposited therein;

(ii) all Equipment;

(iii) all Fixtures;

(iv) all General Intangibles, including Contracts, together with all Contract Rights arising thereunder (in each case other than General Intangibles evidencing or governing ABL Facility Priority Collateral and any customer Contracts, Contract Rights and Payment Intangibles constituting ABL Facility Priority Collateral);

(v) all letters of credit (whether or not the respective letter of credit is evidenced by a writing), Letter-of-Credit Rights, Instruments and Documents (except to the extent evidencing or governing or attached or related to (to the extent so attached or related) ABL Facility Priority Collateral);

(vi) without duplication, all Investment Related Property (in each case, other than any Investment Related Property specifically constituting ABL Facility Priority Collateral);

(vii) all Intellectual Property;

(viii) except to the extent constituting, or relating to, ABL Facility Priority Collateral, all Commercial Tort Claims;

(ix) all real property (including, if any, leasehold interests) on which the Grantors are required to provide a Lien to the Term Loan Secured Parties pursuant to the Term Loan Documents and any title insurance with respect to such real property (other than title insurance actually obtained by the ABL Facility Collateral Agent in respect of such real property) and the Proceeds thereof (excluding any As-Extracted Collateral);

(x) except to the extent constituting the ABL Facility Priority Collateral, all other personal property (whether tangible or intangible) of such Grantor;

(xi) to the extent constituting, or relating to, any of the items referred to in the preceding clauses (i) through (x), all Insurance; provided that to the extent any of the foregoing also relates to ABL Facility Priority Collateral only that portion related to the items referred to in the preceding clauses (i) through (x) as being included in the Term Loan Priority Collateral shall be included in the Term Loan Priority Collateral;

(xii) to the extent relating to any of the items referred to in the preceding clauses (i) through (xi), all Supporting Obligations; provided that to the extent any of the foregoing also relates to ABL Facility Priority Collateral only that portion related to the items referred to in the preceding clauses (i) through (xi) as being included in the Term Loan Priority Collateral shall be included in the Term Loan Priority Collateral;

(xiii) all books and records, customer lists, credit files, computer files, programs, printouts and other computer materials and records related thereto and any General Intangibles at any time evidencing or relating to any of the foregoing; provided that to the extent any of the foregoing also relates to ABL Facility Priority Collateral only that portion related to the items referred to in the preceding clauses (i) through (xii) as being included in the Term Loan Priority Collateral shall be included in the Term Loan Priority Collateral; and

(xiv) all Cash Proceeds and solely to the extent not constituting ABL Facility Priority Collateral non-Cash Proceeds, products, accessions, rents and profits of or in respect of any of the foregoing and all collateral security, guarantees and other Collateral Support given by any Person with respect to any of the foregoing;

"Term Loan Priority Collateral Enforcement Action Notice" shall have the meaning set forth in Section 6.3(a)(i).

"Term Loan Priority Collateral Enforcement Actions" shall have the meaning set forth in Section 6.3(a)(i).

"Term Loan Secured Hedging Agreement" shall mean each "Term Hedge Letter Agreement" (as that term is defined in the Term Loan Credit Agreement as in effect on the date hereof).

"Term Loan Secured Parties" shall mean (a) the lenders, holders, agents and arrangers from time to time under the Term Loan Credit Agreement and any other "Indemnified Person" under, and as defined in, the Term Loan Credit Agreement (or any comparable term as defined in any other Term Loan Document) and shall include all former lenders, holders, agents and arrangers under the Term Loan Credit Agreement to the extent that any Term Loan Obligations owing to such Persons were incurred while such Persons were lenders, holders, agents or arrangers under the Term Loan Credit Agreement and such Term Loan Obligations have not been paid or satisfied in full, (b) as applicable, the Term Loan Hedging Creditors, and (c) any applicable Additional Term Loan Obligations Secured Parties.

"Term Loan Security Documents" shall mean the U.S. Term Loan Security Agreement, U.S. Term Loan Pledge Agreement, Canadian Term Loan Security Agreement, Canadian Term Loan Pledge Agreement, the other Security Documents (as defined in the Term Loan Credit Agreement) and any other agreement, document or instrument pursuant to which a Lien is granted (or purported to be granted) securing any Term Loan Obligations or under which rights or remedies with respect to such Liens are governed, together with any amendments, replacements, modifications, extensions, renewals or supplements to, or restatements of, any of the foregoing.

"Term Loan Standstill Period" shall have the meaning set forth in Section 4.1(a)(i).

"Term Proceeds Account" shall mean one or more Deposit Accounts or Securities Accounts established by any Term Loan Collateral Agent into which there may be deposited

Proceeds of sales or dispositions of Term Loan Priority Collateral (to the extent such Proceeds constitute Term Loan Priority Collateral).

"Third Priority" shall mean, (i) with respect to any Lien purported to be created on any Term Loan Priority Collateral pursuant to the Junior Priority Security Documents, that such Lien is prior in right to any other Lien thereon, other than any Junior Priority Permitted Liens applicable to such Term Loan Priority Collateral which are permitted under the Junior Priority Documents to have priority over or be *pari passu* with the respective Liens on such Term Loan Priority Collateral created pursuant to the relevant Junior Priority Security Document (including the Liens created by the Term Loan Documents and the ABL Facility Documents); and (ii) with respect to any Lien purported to be created on any ABL Facility Priority Collateral pursuant to the Junior Priority Security Documents, that such Lien is prior in right to any other Lien thereon, other than any Junior Priority Permitted Liens applicable to such ABL Facility Priority Collateral which are permitted under the Junior Priority Documents to have priority over or be *pari passu* with the respective Liens on such ABL Facility Priority Collateral created pursuant to the relevant Junior Priority Security Document (including the Liens created by the Term Loan Documents and the ABL Facility Documents).

"Trade Secrets" shall mean any (a) trade secrets or other confidential and proprietary information, including unpatented inventions, invention disclosures, engineering or other data, production procedures, know-how, processes, schematics, algorithms, techniques, proposals, source code, and data collections; (b) all income, royalties, damages, and payments now or hereafter due or payable with respect thereto, including damages, claims and payments for past and future infringements thereof; (c) all rights to sue for past, present and future infringements of the foregoing, including the right to settle suits involving claims and demands for royalties owing; and (d) all rights corresponding to any of the foregoing throughout the world.

"Trademarks" shall mean, with respect to any Grantor, all of such Grantor's right, title, and interest in and to the following: (a) all trademarks (including service marks), trade names, trade dress, and logos, slogans and other indicia of origin and the registrations and applications for registration thereof and the goodwill of the business symbolized by the foregoing; (b) all licenses of the foregoing, whether as licensee or licensor; (c) all renewals of the foregoing; (d) all income, royalties, damages, and payments now or hereafter due or payable with respect thereto, including damages, claims, and payments for past and future infringements thereof; (e) all rights to sue for past, present, and future infringements of the foregoing, including the right to settle suits involving claims and demands for royalties owing; and (f) all rights corresponding to any of the foregoing throughout the world.

"UCC" shall mean the Uniform Commercial Code as in effect from time to time in the State of New York; provided, that, if the validity, the perfection, the effect of perfection or non-perfection and the priority of a security interest in any Collateral is governed by the laws of any province or territory of Canada, then UCC shall mean such laws of such province or territory.

"U.S. ABL Facility Pledge Agreement" shall mean that certain U.S. ABL Facility Pledge Agreement, dated as of the date hereof, among the Company, the other Grantors from

time to time party thereto and the ABL Facility Collateral Agent, as amended, modified or supplemented from time to time.

"U.S. ABL Facility Security Agreement" shall mean that certain U.S. ABL Facility Security Agreement, dated as of the date hereof, among the Company, the other Grantors from time to time party thereto and the ABL Facility Collateral Agent, as amended, modified or supplemented from time to time.

"U.S. Federal Capex Facility Pledge Agreement" shall mean, at any time after such document has been entered into and the Initial Federal Capex Facility Provider has entered into an Intercreditor Agreement Joinder pursuant to Section 8.22 hereof, that certain U.S. Federal Capex Facility Pledge Agreement, to be entered into on the closing date of the Federal Capex Facility, among the Company, the other Grantors from time to time party thereto and the Federal Capex Facility Provider, as amended, modified or supplemented from time to time.

"U.S. Federal Capex Facility Security Agreement" shall mean, at any time after such document has been entered into and the Initial Federal Capex Facility Provider has entered into an Intercreditor Agreement Joinder pursuant to Section 8.22 hereof, that certain U.S. Federal Capex Facility Security Agreement, to be entered into on the closing date of the Federal Capex Facility, among the Company, the other Grantors from time to time party thereto and the Federal Capex Facility Provider, as same may be amended, modified or supplemented from time to time.

"U.S. Ontario Capex Facility Pledge Agreement" shall mean that certain U.S. Ontario Capex Facility Pledge Agreement, dated as of the date hereof, among the Company, the other Grantors from time to time party thereto and the Ontario Capex Facility Lender, as amended, modified or supplemented from time to time.

"U.S. Ontario Capex Facility Security Agreement" shall mean that certain U.S. Ontario Capex Facility Security Agreement dated as of the date hereof, among the Company, the other Grantors from time to time party thereto and the Ontario Capex Facility Lender, as same may be amended, modified or supplemented from time to time.

"U.S. Term Loan Pledge Agreement" shall mean that certain U.S. Term Loan Pledge Agreement, dated as of the date hereof, among the Company, the other Grantors from time to time party thereto and the Term Loan Collateral Agent, as amended, modified or supplemented from time to time.

"U.S. Term Loan Security Agreement" shall mean that certain U.S. Term Loan Security Agreement, dated as of the date hereof, among the Company, the other Grantors from time to time party thereto and the Term Loan Collateral Agent under Term Loan Credit Agreement, as same may be amended, modified or supplemented from time to time.

"Wells Fargo" shall have the meaning set forth in the introductory paragraph hereof.

1.2 Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include,"

"includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise, (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated, amended and restated, supplemented, increased, renewed, extended, refunded, replaced or Refinanced or otherwise modified to the extent not prohibited hereby, (b) any reference herein to any Person shall be construed to include such Person's successors and assigns, (c) the words "herein," "hereof" and "hereunder," and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision of this Agreement, (d) all references herein to Exhibits or Sections shall be construed to refer to Exhibits or Sections of this Agreement, (e) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights, (f) terms defined in the UCC but not otherwise defined herein shall have the same meanings herein as are assigned thereto in the UCC, (g) reference to any law means such law as amended, modified, codified, replaced or re-enacted, in whole or in part, and in effect on the date hereof, including rules, regulations, enforcement procedures and any interpretations promulgated thereunder, and (h) references to Sections or clauses shall refer to those portions of this Agreement, and any references to a clause shall, unless otherwise identified, refer to the appropriate clause within the same Section in which such reference occurs. When performance of any obligation is stated to be due or performance is required on a day which is not a Business Day, the date of such performance shall extend to the immediately succeeding Business Day.

Section 2. Lien Priorities.

(a) Lien Priorities.

(i) Relative Priorities. Notwithstanding (i) the time, manner, order or method of grant, creation, attachment or perfection of any Liens securing the ABL Facility Obligations, the Term Loan Obligations or Junior Priority Obligations, in each case, granted on the Collateral, (ii) the validity or enforceability of the security interests and Liens granted in favor of any Collateral Agent or any Secured Party on the Collateral, (iii) the date on which any ABL Facility Obligations, Term Loan Obligations or Junior Priority Obligations are extended, (iv) any provision of the UCC or any other applicable law, including any rule for determining priority thereunder or under any other law or rule governing the relative priorities of secured creditors, including with respect to real property or fixtures, (v) any provision set forth in any ABL Facility Document, any Term Loan Documents or any Junior Priority Document (other than this Agreement), (vi) the possession or control by any Collateral Agent or any Secured Party or any bailee of all or any part of any Collateral as of the date hereof or otherwise, (vii) any failure by any Collateral Agent or Secured Party to perfect its security interests in the Collateral or (viii) any other circumstance whatsoever, each Collateral Agent, on behalf of itself and its respective Secured Parties, hereby agrees that:

(A) any Lien on the Term Loan Priority Collateral securing any Term Loan Obligations, now or hereafter held by or on behalf of any Term Loan Collateral Agent or the other Term Loan Secured Parties or any agent or trustee therefor, in each case, regardless of how acquired, whether by grant, possession, statute, operation of law,

subrogation or otherwise, shall be senior in all respects and prior to any Lien on the Term Loan Priority Collateral securing any ABL Facility Obligations and any Junior Priority Obligations;

(B) any Lien on the Term Loan Priority Collateral securing any ABL Facility Obligations or Junior Priority Obligations, as the case may be, now or hereafter held by or on behalf of any Junior Priority Collateral Agent or any other Junior Priority Secured Parties or any agent or trustee therefor, or by or on behalf of the ABL Facility Collateral Agent or any other ABL Facility Secured Parties or any agent or trustee therefor, in each case, regardless of how acquired, whether by grant, possession, statute, operation of law or court order, subrogation or otherwise, shall be junior and subordinate in all respects to all Liens on the Term Loan Priority Collateral securing any Term Loan Obligations;

(C) any Lien on the Term Loan Priority Collateral securing any ABL Facility Obligations, now or hereafter held by or on behalf of the ABL Facility Collateral Agent or the other ABL Facility Secured Parties or any agent or trustee therefor, in each case, regardless of how acquired, whether by grant, possession, statute, operation of law, subrogation or otherwise, shall be senior in all respects and prior to any Lien on the Term Loan Priority Collateral securing any Junior Priority Obligations;

(D) any Lien on the Term Loan Priority Collateral securing any Junior Priority Obligations now or hereafter held by or on behalf of any Junior Priority Collateral Agent or any other Junior Priority Secured Parties or any agent or trustee therefor, in each case, regardless of how acquired, whether by grant, possession, statute, operation of law or court order, subrogation or otherwise, shall be junior and subordinate in all respects to all Liens on the Term Loan Priority Collateral securing any ABL Facility Obligations;

(E) any Lien on the ABL Facility Priority Collateral securing any ABL Facility Obligations now or hereafter held by or on behalf of the ABL Facility Collateral Agent or any other ABL Facility Secured Parties or any agent or trustee therefor, in each case, regardless of how acquired, whether by grant, possession, statute, operation of law, subrogation or otherwise, in each case, shall be senior in all respects and prior to any Lien on the ABL Facility Priority Collateral securing any Term Loan Obligations or any Junior Priority Obligations;

(F) any Lien on the ABL Facility Priority Collateral securing any Term Loan Obligations or any Junior Priority Obligations, as the case may be, now or hereafter held by or on behalf of any Term Loan Collateral Agent or any other Term Loan Secured Parties or any agent or trustee therefor, or by or on behalf of any Junior Priority Collateral Agent or any Junior Priority Secured Parties or any agent or trustee therefor, in each case, regardless of how acquired, whether by grant, possession, statute, operation of law or court order, subrogation or otherwise, in each case, shall be junior and subordinate in all respects to all Liens on the ABL Facility Priority Collateral securing any ABL Facility Obligations;

(G) any Lien on the ABL Facility Priority Collateral securing any Term Loan Obligations now or hereafter held by or on behalf of the Term Loan Collateral Agent or

any other Term Loan Secured Parties or any agent or trustee therefor, in each case, regardless of how acquired, whether by grant, possession, statute, operation of law, subrogation or otherwise, in each case, shall be senior in all respects and prior to any Lien on the ABL Facility Priority Collateral securing any Junior Priority Obligations; and

(H) any Lien on the ABL Facility Priority Collateral securing any Junior Priority Obligations now or hereafter held by or on behalf of any Junior Priority Collateral Agent or any Junior Priority Secured Parties or any agent or trustee therefor, in each case, regardless of how acquired, whether by grant, possession, statute, operation of law or court order, subrogation or otherwise, in each case, shall be junior and subordinate in all respects to all Liens on the ABL Facility Priority Collateral securing any Term Loan Obligations.

(ii) Subordination. The priority and subordination provisions set forth in clauses (A) through (H) above with respect to Liens on Collateral securing all or any portion of the ABL Facility Obligations, the Term Loan Obligations or the Junior Priority Obligations, are intended to be effective whether or not such Liens are subordinated to any Lien securing any other obligation of the Company, any other Grantor or any other Person. The parties hereto acknowledge and agree that it is their intent that each of the ABL Facility Obligations (and the security therefor), the Term Loan Obligations (and the security therefor) and the Junior Priority Obligations (and the security therefor) constitute a separate and distinct class of obligations (and separate and distinct claims) from each other.

(b) Prohibition on Contesting Liens. Each of the ABL Facility Collateral Agent, for itself and on behalf of each other ABL Facility Secured Party, the Term Loan Collateral Agent, for itself and on behalf of each other Term Loan Secured Party and each Junior Priority Collateral Agent, for itself and on behalf of each other Junior Priority Secured Party agrees that it shall not (and hereby waives any right to) contest or support any other Person in contesting, in any proceeding (including any Insolvency or Liquidation Proceeding), (i) the priority, validity, extent, perfection or enforceability of a Lien held by or on behalf of any of the Term Loan Secured Parties, the Junior Priority Secured Parties or the ABL Facility Secured Parties in either the Term Loan Priority Collateral or the ABL Facility Priority Collateral, as the case may be, (ii) the validity or enforceability of any ABL Facility Security Document (or any ABL Facility Obligations thereunder), any Term Loan Security Document (or any Term Loan Obligations thereunder) or any Junior Priority Security Document (or any Junior Priority Obligations thereunder), or (iii) the relative rights and duties of the holders of the ABL Facility Obligations, the Term Loan Obligations and the Junior Priority Obligations granted and/or established in this Agreement; provided that nothing in this Agreement shall be construed to prevent or impair the rights of any of the Collateral Agents or any Secured Party to enforce this Agreement, including the priority of the Liens on the Term Loan Priority Collateral or the ABL Facility Priority Collateral, as the case may be, securing the Term Loan Obligations, the Junior Priority Obligations and the ABL Facility Obligations as provided in Section 2(a).

(c) No New Liens.

(i) Term Loan Obligations. So long as the Discharge of Term Loan Obligations has not occurred, except as contemplated by Section 3.5(c) and Section 4.6(e), the parties hereto

agree that neither the Company nor any other Grantor shall grant or permit any additional Liens on any asset or property of any Grantor to secure any Junior Priority Obligations or ABL Facility Obligation unless it has granted or contemporaneously grants a similarly perfected Lien on such asset or property to secure the Term Loan Obligations, which Lien shall be subject to the provisions of this Agreement. To the extent that the provisions of the immediately preceding sentence are not complied with for any reason, without limiting any other rights and remedies available to the Term Loan Collateral Agent and/or the Term Loan Secured Parties, each Junior Priority Collateral Agent, on behalf of the Junior Priority Secured Parties, and the ABL Facility Collateral Agent, on behalf of the ABL Facility Secured Parties, agrees that any amounts received by or distributed to any of them pursuant to or as a result of Liens on the Collateral granted in contravention of this Section 2(c)(i) shall be subject to Section 3.3 and Section 4.4, shall be held by the applicable Collateral Agent for the benefit of all the Secured Parties and shall be applied in accordance with Section 7.

(ii) [Reserved].

(iii) Junior Priority Obligations. So long as the Discharge of Junior Priority Obligations has not occurred, except as contemplated by Section 3.5(c) and Section 4.6(e), the parties hereto agree that neither the Company nor any other Grantor shall grant or permit any additional Liens on any asset or property of any Grantor to secure any Term Loan Obligations or any ABL Facility Obligations unless it has granted or contemporaneously grants a similarly perfected Lien on such asset or property to secure the Junior Priority Obligations, which Lien shall be subject to the provisions of this Agreement. To the extent that the provisions of the immediately preceding sentence are not complied with for any reason, without limiting any other rights and remedies available to each Junior Priority Collateral Agent and/or the Junior Priority Secured Parties, each of the Term Loan Collateral Agent, on behalf of the Term Loan Secured Parties and the ABL Facility Collateral Agent, on behalf of the ABL Facility Secured Parties, agrees that any amounts received by or distributed to any of them pursuant to or as a result of Liens on the Collateral granted in contravention of this Section 2(c)(iii) shall be subject to Section 3.3 and Section 4.4, shall be held by the applicable Collateral Agent for the benefit of all the Secured Parties and shall be applied in accordance with Section 7.

(iv) ABL Facility Obligations. So long as the Discharge of ABL Facility Obligations has not occurred, except as contemplated by Section 3.5(c) and Section 4.6(e), the parties hereto agree that neither the Company nor any other Grantor shall grant or permit any additional Liens on any asset or property of any Grantor to secure any Term Loan Obligations or any Junior Priority Obligations unless it has granted or contemporaneously grants a similarly perfected Lien on such asset or property to secure the ABL Facility Obligations, which Lien shall be subject to the provisions of this Agreement. To the extent that the provisions of the immediately preceding sentence are not complied with for any reason, without limiting any other rights and remedies available to the ABL Facility Collateral Agent and/or the ABL Facility Secured Parties, each of the Term Loan Collateral Agent, on behalf of the Term Loan Secured Parties and each Junior Priority Collateral Agent, on behalf of Junior Priority Secured Parties, agree that any amounts received by or distributed to any of them pursuant to or as a result of Liens on the Collateral granted in contravention of this Section 2(c)(iv) shall be subject to Section 3.3 and Section 4.4, shall be held by the applicable Collateral Agent for the benefit of all the Secured Parties and shall be applied in accordance with Section 7.

(d) Effectiveness of Lien Priorities. Each of the parties hereto acknowledges that the Lien priorities provided for in this Agreement shall not be affected or impaired in any manner whatsoever, including on account of: (i) the invalidity, irregularity or unenforceability of all or any part of the ABL Facility Documents, the Term Loan Documents or the Junior Priority Documents; (ii) any amendment, change or modification of any ABL Facility Documents, the Term Loan Documents or the Junior Priority Documents not in contravention of the terms of this Agreement; or (iii) any impairment, modification, change, exchange, release or subordination of or limitation on, any liability of, or stay of actions or lien enforcement proceedings against any Grantor under any of the ABL Facility Documents, the Term Loan Documents or the Junior Priority Documents, any property of any Grantor, or any Grantor's estate in bankruptcy resulting from any bankruptcy, arrangement, readjustment, composition, liquidation, rehabilitation, similar proceeding or otherwise involving or affecting any Secured Party.

(e) Similar Liens and Agreements. The parties hereto agree that it is their intention that the Collateral securing each of the ABL Facility Obligations, the Term Loan Obligations and the Junior Priority Obligations be the same (and perfected to the same extent); provided that any Collateral Agent can decide on behalf of its respective Secured Parties to not take Collateral (or perfect such Collateral) on behalf of itself and such Secured Parties, but that will not affect the Collateral (or perfection thereof) of any other Secured Party. In furtherance of the foregoing and of Section 8.7, each Collateral Agent and each Secured Party agrees, subject to the other provisions of this Agreement, that:

(i) upon request by any Directing Collateral Agent, to cooperate in good faith from time to time in order to determine the specific items included in the Collateral securing the ABL Facility Obligations, the Term Loan Obligations or the Junior Priority Obligations, as the case may be, and the steps taken to perfect the Liens thereon and the identity of the respective parties obligated under the ABL Facility Documents, the Term Loan Documents or the Junior Priority Documents, as the case may be; and

(ii) that the Term Loan Security Documents, the Junior Priority Security Documents and the ABL Facility Security Documents creating Liens on the Collateral shall be in all material respects the same forms of documents other than with respect to the priority of the Liens created thereunder in such Collateral and the ABL Facility Obligations constituting an asset based facility (it being understood that the Term Loan Security Documents, Junior Priority Security Documents and ABL Facility Security Documents (in each case, as in effect on the date hereof) satisfy this provision as of the date hereof).

Section 3. Term Loan Priority Collateral.

3.1 Exercise of Remedies – Prior to Discharge of Term Loan Obligations.

(a) So long as the Discharge of Term Loan Obligations has not occurred, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against the Company or any other Grantor:

(i) None of the ABL Facility Collateral Agent, any of the ABL Facility Secured Parties or any Junior Priority Collateral Agent or any of the Junior Priority Secured Parties (x) will exercise or seek to exercise any rights or remedies (including set-off) with respect to any Term Loan Priority Collateral (including the exercise of any right under any lockbox agreement, account control agreement, landlord waiver or bailee's letter or similar agreement or arrangement in respect of Term Loan Priority Collateral to which the ABL Facility Collateral Agent, any ABL Facility Secured Party, any Junior Priority Collateral Agent or any Junior Priority Secured Party is a party) or institute or commence, or join with or support any Person (other than the Term Loan Collateral Agents and the Term Loan Secured Parties) in commencing any action or proceeding with respect to such rights or remedies (including any action of foreclosure, enforcement, collection or execution); provided, however, that (1) the Directing ABL Facility Collateral Agent may exercise any or all such rights in accordance with the ABL Facility Documents after a period of 180 days has elapsed since the date of delivery of a notice in writing to the Directing Term Loan Collateral Agent with respect to any of the following (and requesting that enforcement action be taken with respect to the Term Loan Priority Collateral) and so long as the respective payment default shall not have been cured or waived (or the respective acceleration rescinded): (I) a payment default exists with respect to the ABL Facility Obligations following the final maturity of the ABL Facility Obligations or (II) after the acceleration by the relevant ABL Facility Secured Parties of the maturity of all then outstanding ABL Facility Obligations (the "ABL Facility Standstill Period") and (2) the Directing Junior Priority Collateral Agent may exercise any or all such rights in accordance with the Junior Priority Documents after a period of 365 days has elapsed since the date of delivery of a notice in writing to the Directing Term Loan Collateral Agent (which notice may be combined with the notice to the Directing ABL Facility Collateral Agent given pursuant to Section 3.2(a)(i)) with respect to any of the following (and requesting that enforcement action be taken with respect to the Term Loan Priority Collateral) and so long as the respective payment default shall not have been cured or waived (or the respective acceleration rescinded): (I) a payment default exists with respect to any of the Junior Priority Obligations following the final maturity of such Junior Priority Obligations or (II) after the acceleration by the applicable Junior Priority Secured Parties of the maturity of the then outstanding Junior Priority Obligations under any of the Federal Capex Facility Documents, the Ontario Capex Facility Documents or any class of Additional Junior Priority Obligations Agreement (the "Junior Priority Term Collateral Standstill Period"); provided, further, however, notwithstanding anything herein to the contrary, none of the ABL Facility Collateral Agent or any ABL Facility Secured Party or the Directing Junior Priority Collateral Agent or any Junior Priority Secured Party will exercise any rights or remedies with respect to any Term Loan Priority Collateral if, notwithstanding the expiration of the ABL Facility Standstill Period or the Junior Priority Term Collateral Standstill Period, as the case may be, the Directing Term Loan Collateral Agent or Term Loan Secured Parties shall have commenced and be diligently pursuing in good faith the exercise of any of their rights or remedies with respect to all or a material portion of the Term Loan Priority Collateral (prompt notice of such exercise to be given by the respective enforcing Directing Collateral Agent to the other Directing Collateral Agents), (y) subject to Section 6, will contest, protest or object to (or join any party objecting to) any foreclosure

proceeding or action brought by the Directing Term Loan Collateral Agent or any Term Loan Secured Party with respect to, or any other exercise by the Directing Term Loan Collateral Agent or any Term Loan Secured Party of any rights and remedies relating to, the Term Loan Priority Collateral under the Term Loan Documents or otherwise, and (z) subject to its rights under clause (i)(x) above, will object to (or join any other party objecting to) the forbearance by the Directing Term Loan Collateral Agent or the Term Loan Secured Parties from bringing or pursuing any foreclosure proceeding or action or any other exercise of any rights or remedies relating to the Term Loan Priority Collateral, in each case so long as the respective interests of the ABL Facility Secured Parties and the Junior Priority Secured Parties attach to the Proceeds thereof subject to the relative priorities described in Section 2; provided, however, that nothing in this Section 3.1(a) shall be construed to authorize the ABL Facility Collateral Agent, any ABL Facility Secured Party, any Junior Priority Collateral Agent or any Junior Priority Secured Party to sell any Term Loan Priority Collateral free of the Lien of any Term Loan Collateral Agent or any Term Loan Secured Party; and provided further, that each of the ABL Facility Standstill Period and the Junior Priority Term Collateral Standstill Period shall be tolled for any period that the Term Loan Collateral Agent or any of the Term Loan Secured Parties are stayed from exercising remedies with respect to the Term Loan Priority Collateral; and

(ii) subject to Section 6 and clause (i)(x) above, the Directing Term Loan Collateral Agent and the Term Loan Secured Parties shall have the exclusive right to enforce rights, exercise remedies (including set-off and the applicable credit bid rights) and make determinations regarding the disposition of, or restrictions with respect to, the Term Loan Priority Collateral without any consultation with or the consent of the ABL Facility Collateral Agent or any ABL Facility Secured Party, any Junior Priority Collateral Agent or any Junior Priority Secured Party; provided that:

(A) in any Insolvency or Liquidation Proceeding commenced by or against Holdings, the Company or any other Grantor, the ABL Facility Collateral Agent, any ABL Facility Secured Party, any Junior Priority Collateral Agent or any Junior Priority Secured Party may file a claim or statement of interest with respect to the ABL Facility Obligations or Junior Priority Obligations, as applicable;

(B) any of the ABL Facility Collateral Agent, any ABL Facility Secured Party, any Junior Priority Collateral Agent and any Junior Priority Secured Party may take any action (not adverse to the priority status of the Liens on the Term Loan Priority Collateral securing the Term Loan Obligations, or the rights of any Term Loan Collateral Agent or the Term Loan Secured Parties to exercise remedies in respect thereof) in accordance with the ABL Facility Documents or the Junior Priority Documents, as applicable, and the terms of this Agreement in order to create, prove, perfect, preserve or protect (but not enforce) its Lien on the Term Loan Priority Collateral;

(C) each of the ABL Facility Secured Parties and the Junior Priority Secured Parties shall be entitled to file any necessary or appropriate responsive or

defensive pleadings in opposition to any motion, claim, adversary proceeding or other pleading made by any Person objecting to or otherwise seeking the disallowance of the claims or Liens of the ABL Facility Secured Parties or the Junior Priority Secured Parties, as the case may be, including any claims secured by or Liens on the Term Loan Priority Collateral, if any, in each case in accordance with the terms of this Agreement;

(D) each of the ABL Facility Secured Parties and the Junior Priority Secured Parties shall be entitled to file any pleadings, objections, motions or agreements which assert rights or interests available to unsecured creditors of the Grantors arising under either the Debtor Relief Laws or applicable non-bankruptcy law, in each case in accordance with the terms of this Agreement and to the extent not prohibited by any other provision of this Agreement;

(E) each of the ABL Facility Secured Parties and the Junior Priority Secured Parties shall be entitled to vote on any plan of reorganization and file any proof of claim in an Insolvency or Liquidation Proceeding or otherwise and other filings and make any arguments and motions that are, in each case, in accordance with the terms of this Agreement, with respect to the Term Loan Priority Collateral;

(F) the ABL Facility Collateral Agent or any ABL Facility Secured Party may exercise any of its rights or remedies with respect to the Term Loan Priority Collateral in accordance with the ABL Facility Documents after the termination of the ABL Facility Standstill Period to the extent permitted by clause (i)(x) above; and

(G) the Directing Junior Priority Collateral Agent or any Junior Priority Secured Party may exercise any of its rights or remedies with respect to the Term Loan Priority Collateral in accordance with the Junior Priority Documents after the termination of the Junior Priority Term Collateral Standstill Period to the extent permitted by clause (i)(x) above.

Subject to Section 6 and clause (i)(x) above, in exercising rights and remedies with respect to the Term Loan Priority Collateral, the Directing Term Loan Collateral Agent and the Term Loan Secured Parties may enforce the provisions of the Term Loan Documents and exercise remedies thereunder, all in such order and in such manner as they may determine in the exercise of their sole discretion. Such exercise and enforcement shall include the rights of an agent appointed by them to sell or otherwise dispose of Term Loan Priority Collateral upon foreclosure, to incur expenses in connection with such sale or disposition, and to exercise all the rights and remedies of a secured creditor under the UCC of any applicable jurisdiction and of a secured creditor under any other applicable law.

(b) Each of the ABL Facility Collateral Agent, on behalf of itself and the other ABL Facility Secured Parties, and each Junior Priority Collateral Agent, on behalf of itself and the other Junior Priority Secured Parties, agrees that it will not take or receive any Term Loan Priority Collateral or any Proceeds of Term Loan Priority Collateral in connection with the

exercise of any right or remedy (including set-off) with respect to any Term Loan Priority Collateral unless and until the Discharge of Term Loan Obligations has occurred, except as expressly provided in the first proviso in clause (i)(x) of Section 3.1(a) or in the proviso in clause (ii) of Section 3.1 (a) (but subject to the payment over requirement of Section 3.3). Without limiting the generality of the foregoing, unless and until the Discharge of Term Loan Obligations has occurred, except as expressly provided in the first proviso in clause (i)(x) of Section 3.1(a) or in the proviso in clause (ii) of Section 3.1(a) or in Section 6, the sole right of the ABL Facility Collateral Agent and the ABL Facility Secured Parties and each Junior Priority Collateral Agent and the Junior Priority Secured Parties, as the case may be, with respect to the Term Loan Priority Collateral is to hold a Lien on the Term Loan Priority Collateral pursuant to the ABL Facility Documents or the Junior Priority Documents, as the case may be, for the period and to the extent granted therein and to receive a share of the Proceeds thereof, if any, after the Discharge of Term Loan Obligations has occurred in accordance with the terms hereof, the ABL Facility Documents and applicable law.

(c) Subject to the first proviso in clause (i)(x) of Section 3.1(a), the proviso in clause (ii) of Section 3.1(a) and Section 6:

(i) each of the ABL Facility Collateral Agent, for itself and on behalf of the other ABL Facility Secured Parties, and each Junior Priority Collateral Agent, for itself and on behalf of the other Junior Priority Secured Parties, agrees that it will not take any action that would hinder, delay, limit or prohibit any exercise of remedies under the Term Loan Documents with respect to the Term Loan Priority Collateral, including any collection, sale, lease, exchange, transfer or other disposition of the Term Loan Priority Collateral, whether by foreclosure or otherwise, or that would limit, invalidate, avoid or set aside any Lien or Term Loan Security Document with respect to the Term Loan Priority Collateral or subordinate the priority of the Term Loan Obligations to the ABL Facility Obligations or the Junior Priority Obligations, as the case may be, with respect to the Term Loan Priority Collateral or grant the Liens with respect to the Term Loan Priority Collateral securing the ABL Facility Obligations or the Junior Priority Obligations equal ranking to the Liens with respect to the Term Loan Priority Collateral securing the Term Loan Obligations, and

(ii) each of the ABL Facility Collateral Agent, for itself and on behalf of the other ABL Facility Secured Parties, and each Junior Priority Collateral Agent for itself and on behalf of the other Junior Priority Secured Parties, hereby waives any and all rights it or the ABL Facility Secured Parties or the Junior Priority Secured Parties, as the case may be, may have as a junior Lien creditor with respect to the Term Loan Priority Collateral or otherwise to object to the manner in which any Term Loan Collateral Agent or the Term Loan Secured Parties seek to enforce or collect the Term Loan Obligations or the Liens granted in any of the Term Loan Priority Collateral, in any such case except to the extent such enforcement or collection is in violation of the terms of this Agreement, regardless of whether any action or failure to act by or on behalf of the Term Loan Collateral Agents or Term Loan Secured Parties is adverse to the interest of the ABL Facility Secured Parties or the Junior Priority Secured Parties, as the case may be.

(d) Each of the ABL Facility Collateral Agent for itself and on behalf of the other ABL Facility Secured Parties, and each Junior Priority Collateral Agent for itself and on behalf of the other Junior Priority Secured Parties, hereby acknowledges and agrees that no covenant, agreement or restriction contained in any ABL Facility Document or Junior Priority Document, as applicable, (other than this Agreement) shall be deemed to restrict in any way the rights and remedies of the Term Loan Collateral Agents or the Term Loan Secured Parties with respect to the Term Loan Priority Collateral as set forth in this Agreement and the Term Loan Documents.

3.2 Exercise of Remedies – After Discharge of Term Loan Obligations.

(a) After the Discharge of Term Loan Obligations has occurred and so long as the Discharge of ABL Facility Obligations has not occurred, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against the Company or any other Grantor:

(i) neither any Junior Priority Collateral Agent nor any of the Junior Priority Secured Parties (x) will exercise or seek to exercise any rights or remedies (including set-off) with respect to any Term Loan Priority Collateral (including the exercise of any right under any lockbox agreement, account control agreement, landlord waiver or bailee's letter or similar agreement or arrangement in respect of Term Loan Priority Collateral to which any Junior Priority Collateral Agent or any Junior Priority Secured Party is a party) or institute or commence, or join with any Person (other than the ABL Facility Collateral Agent and the ABL Facility Secured Parties) in commencing any action or proceeding with respect to such rights or remedies (including any action of foreclosure, enforcement, collection or execution); provided that the Directing Junior Priority Collateral Agent may exercise any or all such rights in accordance with the Junior Priority Documents after a period of 365 days has elapsed since the date of delivery of a notice in writing to the Directing ABL Facility Collateral Agent (which notice may be combined with the notice to the Directing Term Loan Collateral Agent given pursuant to Section 3.1(a)(i)) with respect to any of the following (and requesting that enforcement action be taken with respect to the Term Loan Priority Collateral) and so long as the respective payment default shall not have been cured or waived (or the respective acceleration rescinded): (I) a payment default exists with respect to any of the Junior Priority Obligations following the final maturity of such Junior Priority Obligations or (II) after the acceleration by the applicable Junior Priority Secured Parties of the maturity of the then outstanding Junior Priority Obligations under any of the Federal Capex Facility Documents, the Ontario Capex Facility Documents or any class of Additional Junior Priority Obligations Agreement (the "Junior Priority Term ABL Collateral Standstill Period"); provided, further, however, notwithstanding anything herein to the contrary, none of the Directing Junior Priority Collateral Agent or any Junior Priority Secured Party will exercise any rights or remedies with respect to any Term Loan Priority Collateral if, notwithstanding the expiration of the Junior Priority Term ABL Collateral Standstill Period, the ABL Facility Collateral Agent or ABL Facility Secured Parties shall have commenced and be diligently pursuing in good faith the exercise of any of their rights or remedies with respect to all or a material portion of the Term Loan Priority Collateral (prompt notice of such exercise to be given by the respective enforcing Directing Collateral Agent to the other Directing Collateral Agents), (y) will contest, protest or object to (or join any party objecting to) any foreclosure proceeding or action brought by the Directing ABL Facility

Collateral Agent or any ABL Facility Secured Party with respect to, or any other exercise by the Directing ABL Facility Collateral Agent or any ABL Facility Secured Party of any rights and remedies relating to, the Term Loan Priority Collateral under the ABL Facility Documents or otherwise, and (z) will object to (or join any party objecting to) the forbearance by the Directing ABL Facility Collateral Agent or the ABL Facility Secured Parties from bringing or pursuing any foreclosure proceeding or action or any other exercise of any rights or remedies relating to the Term Loan Priority Collateral, in each case so long as the respective interests of the Junior Priority Secured Parties attach to the Proceeds thereof subject to the relative priorities described in Section 2(a); provided, however, that nothing in this Section 3.2 shall be construed to authorize any Junior Priority Collateral Agent or any Junior Priority Secured Party to sell any Term Loan Priority Collateral free of the Lien of the ABL Facility Collateral Agent or any ABL Facility Secured Party; and provided further, that the Junior Priority Term ABL Collateral Standstill Period shall be tolled for any period that the ABL Facility Collateral Agent or any of the ABL Facility Secured Parties are stayed from exercising remedies with respect to the Term Loan Priority Collateral; and

(ii) the Directing ABL Facility Collateral Agent and the ABL Facility Secured Parties shall have the exclusive right to enforce rights, exercise remedies (including set-off and credit bid rights) and make determinations regarding the disposition of, or restrictions with respect to, the Term Loan Priority Collateral without any consultation with or the consent of any Junior Priority Collateral Agent or any Junior Priority Secured Party; provided that:

(A) in any Insolvency or Liquidation Proceeding commenced by or against the Company or any other Grantor, any Junior Priority Collateral Agent and any Junior Priority Secured Party may file a claim or statement of interest with respect to the Junior Priority Obligations;

(B) any Junior Priority Collateral Agent and any Junior Priority Secured Party may take any action (not adverse to the priority status of the Liens on the Term Loan Priority Collateral securing the ABL Facility Obligations, or the rights of the ABL Facility Collateral Agent or the ABL Facility Secured Parties to exercise remedies in respect thereof) in accordance with the Junior Priority Documents and the terms of this Agreement in order to create, prove, perfect, preserve or protect (but not enforce) its Liens on the Term Loan Priority Collateral;

(C) the Junior Priority Secured Parties shall be entitled to file any necessary or appropriate responsive or defensive pleadings in opposition to any motion, claim, adversary proceeding or other pleading made by any Person objecting to or otherwise seeking the disallowance of the claims or Liens of the Junior Priority Secured Parties, including any claims secured by or Liens on the Term Loan Priority Collateral, if any, in each case in accordance with the terms of this Agreement;

(D) the Junior Priority Secured Parties shall be entitled to file any pleadings, objections, motions or agreements which assert rights or interests available to unsecured creditors of the Grantors arising under either the Debtor Relief Laws or applicable non-bankruptcy law, in each case in accordance with the terms of this Agreement (to the extent not prohibited by any other provision of this Agreement);

(E) the Junior Priority Secured Parties shall be entitled to vote on any plan of reorganization and file any proof of claim in an Insolvency or Liquidation Proceeding or otherwise and other filings and make any arguments and motions that are, in each case, in accordance with the terms of this Agreement (with respect to the Term Loan Priority Collateral); and

(F) the Directing Junior Priority Collateral Agent or any Junior Priority Secured Party may exercise any of its rights or remedies with respect to the Term Loan Priority Collateral in accordance with the Junior Priority Documents after the termination of the Junior Priority Term ABL Collateral Standstill Period to the extent permitted by clause (i)(x) above.

In exercising rights and remedies with respect to the Term Loan Priority Collateral following the Discharge of Term Loan Obligations, the Directing ABL Facility Collateral Agent and the ABL Facility Secured Parties may enforce the provisions of the ABL Facility Documents and exercise remedies thereunder, all in such order and in such manner as they may determine in the exercise of their sole discretion, including the rights of an agent appointed by them to sell or otherwise dispose of Term Loan Priority Collateral upon foreclosure, to incur expenses in connection with such sale or disposition, and to exercise all the rights and remedies of a secured creditor under the UCC of any applicable jurisdiction and of a secured creditor under any other applicable law.

(b) After the Discharge of Term Loan Obligations has occurred and so long as the Discharge of ABL Facility Obligations has not occurred, each Junior Priority Collateral Agent, on behalf of itself and the other Junior Priority Secured Parties, agrees that it will not take or receive any Term Loan Priority Collateral or any Proceeds of Term Loan Priority Collateral in connection with the exercise of any right or remedy (including set-off) with respect to any Term Loan Priority Collateral, except as expressly provided in the proviso in clause (ii) of Section 3.2(a) (subject to the payment over requirement of Section 3.3). Without limiting the generality of the foregoing, unless and until the Discharge of ABL Facility Obligations has occurred, except as expressly provided in the proviso in clause (ii) of Section 3.2(a)(but subject to the payment over requirements in Section 3.3), the sole right of any Junior Priority Collateral Agent and the Junior Priority Secured Parties with respect to the Term Loan Priority Collateral is to hold a Lien on the Term Loan Priority Collateral pursuant to the Junior Priority Documents for the period and to the extent granted therein and to receive a share of the Proceeds thereof, if any, after the Discharge of ABL Facility Obligations has occurred in accordance with the terms hereof, the ABL Facility Documents and applicable law.

(c) Subject to the proviso in clause (ii) of Section 3.2(a):

(i) each Junior Priority Collateral Agent, for itself and on behalf of the other Junior Priority Secured Parties, agrees that each Junior Priority Collateral Agent and the Junior Priority Secured Parties will not take any action that would hinder, delay, limit or prohibit any exercise of remedies under the ABL Facility Documents with respect to the Term Loan Priority Collateral, including any collection, sale, lease, exchange, transfer or other disposition of the Term Loan Priority Collateral, whether by foreclosure or otherwise, or that would limit, invalidate, avoid or set aside any Lien or ABL Facility Security Document with respect to the Term Loan Priority Collateral or subordinate the priority of the ABL Facility Obligations to the Junior Priority Obligations with respect to the Term Loan Priority Collateral or grant the Liens with respect to the Term Loan Priority Collateral securing the Junior Priority Obligations equal ranking to the Liens with respect to the Term Loan Priority Collateral securing the ABL Facility Obligations, and

(ii) each Junior Priority Collateral Agent, for itself and on behalf of the other Junior Priority Secured Parties, hereby waives any and all rights it or the Junior Priority Secured Parties may have as a junior Lien creditor with respect to the Term Loan Priority Collateral or otherwise to object to the manner in which the ABL Facility Collateral Agent or the ABL Facility Secured Parties seek to enforce or collect the ABL Facility Obligations or the Liens granted in any of the Term Loan Priority Collateral, in any such case except to the extent such enforcement or collection is in violation of the terms of this Agreement, regardless of whether any action or failure to act by or on behalf of the other ABL Facility Collateral Agent or ABL Facility Secured Parties is adverse to the interest of the Junior Priority Secured Parties.

(d) Each Junior Priority Collateral Agent hereby acknowledges and agrees that no covenant, agreement or restriction contained in any Junior Priority Document (other than this Agreement) shall be deemed to restrict in any way the rights and remedies of the ABL Facility Collateral Agent or the ABL Facility Secured Parties with respect to the Term Loan Priority Collateral as set forth in this Agreement and the ABL Facility Documents.

3.3 Payments Over.

(a) Prior to Discharge of Term Loan Obligations. So long as the Discharge of Term Loan Obligations has not occurred, any Term Loan Priority Collateral, Cash Proceeds thereof or non-Cash Proceeds constituting Term Loan Priority Collateral (or any distribution in respect of the Term Loan Priority Collateral, whether or not expressly characterized as such) received by (i) any Junior Priority Collateral Agent or any Junior Priority Secured Parties, (ii) the ABL Facility Collateral Agent or any ABL Facility Secured Parties or (iii) a Term Loan Collateral Agent or other Term Loan Secured Party (other than the Directing Term Loan Collateral Agent), in each case, in connection with the exercise of any right or remedy (including set-off) relating to the Term Loan Priority Collateral (including following the expiration of the ABL Facility Standstill Period or the Junior Priority Term Collateral Standstill Period) shall be segregated and held in trust and forthwith paid over to the Directing Term Loan Collateral Agent, for the benefit of the Term Loan Secured Parties, for application in accordance with Section 7, in the same form as received, with any necessary endorsements or as a court of competent jurisdiction may otherwise direct. The Directing Term Loan Collateral Agent is hereby authorized to make any such

endorsements as agent for the Directing ABL Facility Collateral Agent, any such ABL Facility Secured Parties, the Directing Junior Priority Collateral Agent, any such Junior Priority Secured Parties and any Term Loan Collateral Agent or any such Term Loan Secured Parties. This authorization is coupled with an interest and is irrevocable until the Discharge of Term Loan Obligations. To the extent that Secured Parties are placed in the same class of secured creditors in any plan pursuant to applicable Debtor Relief Laws, any recovery by any of them as part of the class of unsecured creditors on account of unsecured deficiency claims traceable to the Term Loan Priority Collateral is subject to payment over under the payment over and turnover provisions in favor of the Directing Term Loan Collateral Agent until the discharge of the Term Loan Obligations has occurred.

(b) After Discharge of Term Loan Obligations. After the Discharge of Term Loan Obligations has occurred and so long as the Discharge of ABL Facility Obligations has not occurred, any Term Loan Priority Collateral, Cash Proceeds thereof or non-Cash Proceeds constituting Term Loan Priority Collateral (or any distribution in respect of the Term Loan Priority Collateral, whether or not expressly characterized as such) received by (i) any Junior Priority Collateral Agent or any Junior Priority Secured Parties or (ii) the ABL Facility Collateral Agent or other ABL Facility Secured Party (other than the Directing ABL Facility Collateral Agent), in each case, in connection with the exercise of any right or remedy (including set-off) relating to the Term Loan Priority Collateral (including following the expiration of the Junior Priority Term ABL Facility Collateral Standstill Period) shall be segregated and held in trust and forthwith paid over to the Directing ABL Facility Collateral Agent, for the benefit of the ABL Facility Secured Parties, for application in accordance with Section 7, in the same form as received, with any necessary endorsements or as a court of competent jurisdiction may otherwise direct. The Directing ABL Facility Collateral Agent is hereby authorized to make any such endorsements as agent for the Directing Junior Priority Collateral Agent, any such Junior Priority Secured Parties, the ABL Facility Collateral Agent and the other ABL Facility Secured Parties. This authorization is coupled with an interest and is irrevocable until the Discharge of ABL Facility Obligations. To the extent that the ABL Secured Parties and the Junior Secured Parties are placed in the same class of secured creditors in any plan pursuant to applicable Debtor Relief Laws, any recovery by any of them as part of the class as unsecured creditors on account of unsecured deficiency claims traceable to the Term Loan Priority Collateral is subject to payment over under the payment over and turnover provisions until the Discharge of the ABL Facility Obligations has occurred.

3.4 Other Agreements.

(a) Releases – Term Loan Obligations.

(i) If, in connection with:

(A) the exercise of any Directing Term Loan Collateral Agent's remedies in respect of the Term Loan Priority Collateral provided for in Section 3.1(a) (with the Proceeds thereof being applied to the Term Loan Obligations), including any sale, lease, exchange, transfer or other disposition of any such Term Loan Priority Collateral; or

(B) any sale, lease, exchange, transfer or other disposition (to a Person other than Holdings, the Company or any other Grantor) of any Term Loan Priority Collateral permitted under the terms of the Term Loan Documents, the Junior Priority Documents and the ABL Facility Documents (provided that any such sale, lease, exchange, transfer or other disposition that is not made in connection with an Insolvency or Liquidation Proceeding and which constitutes a transfer of all or substantially all assets of the Company and its Subsidiaries shall have been consented to by each of the Directing ABL Facility Collateral Agent, the Directing Term Loan Collateral Agent and the Directing Junior Priority Collateral Agent),

the Directing Term Loan Collateral Agent, for itself or on behalf of any of the other Term Loan Secured Parties, releases any of its Liens on any part of the Term Loan Priority Collateral, then the Liens, if any, of (x) the ABL Facility Collateral Agent, for itself and on behalf of the ABL Facility Secured Parties, and (y) each Junior Priority Collateral Agent for itself and on behalf of the Junior Priority Secured Parties, on such Term Loan Priority Collateral (but not in each case the Proceeds thereof (unless applied to the Term Loan Obligations), which shall be subject to the priorities set forth in this Agreement) shall be automatically, unconditionally and simultaneously released and the Directing Term Loan Collateral Agent is irrevocably authorized to execute and deliver or enter into any release of such Liens or claims that may, in the discretion of the Directing Term Loan Collateral Agent, be considered necessary or reasonably desirable in connection with such releases; and (x) the Directing Junior Priority Collateral Agent, for itself and on behalf of the other Junior Priority Secured Parties, and (y) the Directing ABL Facility Collateral Agent, for itself or on behalf of the other ABL Facility Secured Parties, promptly shall execute and deliver to the Directing Term Loan Collateral Agent or such Grantor (at the expense of such Grantor) such termination statements, releases and other documents as the Directing Term Loan Collateral Agent or such Grantor may request to effectively confirm such release. Similarly, if the Equity Interests of any Person are foreclosed upon or otherwise disposed of (to a Person other than Holdings, the Company or any other Grantor) in connection with the exercise of remedies in respect of the Term Loan Priority Collateral by the Directing Term Loan Collateral Agent and in connection therewith the Directing Term Loan Collateral Agent releases the Term Loan Liens on the property or assets of such Person or releases such Person from its guarantee of Term Loan Obligations, then the Junior Priority Liens and the ABL Facility Liens on such property or assets of such Person (but not such Person's guarantee of Junior Priority Obligations and the ABL Facility Obligations) shall be automatically released to the same extent; provided, however, that, any proceeds shall be allocated pursuant to Section 7.6.

(ii) Until the Discharge of Term Loan Obligations occurs, each of (x) the ABL Facility Collateral Agent, for itself and on behalf of the other ABL Facility Secured Parties and (y) each Junior Priority Collateral Agent, for itself and on behalf of the other Junior Priority Secured Parties, hereby irrevocably constitutes and appoints the Directing Term Loan Collateral Agent and any officer or agent of the Directing Term Loan Collateral Agent, with full power of substitution, as its true and lawful attorney in fact with full irrevocable power and authority in the place and stead of the ABL Facility Collateral Agent, each Junior Priority Collateral Agent or such Secured Party, as the case may be, or in the Directing Term Loan Collateral Agent's own name, from time to time in the Directing Term Loan Collateral Agent's discretion, for the purpose of carrying out the terms of this Section 3.4(a) with respect to Term Loan Priority Collateral, to take any and all appropriate action and to execute any and all documents and

instruments which may be necessary to accomplish the purposes of this Section 3.4(a) with respect to Term Loan Priority Collateral, including any endorsements or other instruments of transfer or release.

(iii) Until the Discharge of Term Loan Obligations occurs, to the extent that the Term Loan Secured Parties (A) have released any Lien on Term Loan Priority Collateral and any such Lien is later reinstated or (B) obtain any new Lien on assets constituting Term Loan Priority Collateral from Grantors, then the Junior Priority Secured Parties and the ABL Facility Secured Parties shall be granted similarly perfected Liens on any such Term Loan Priority Collateral, which Liens shall be subject to this Agreement.

(iv) If, prior to the Discharge of Term Loan Obligations, a subordination of each Term Loan Collateral Agent's Lien on any Term Loan Priority Collateral is permitted (or in good faith believed by the Directing Term Loan Collateral Agent to be permitted) under the then existing Debt Agreements to another Lien permitted under the then existing Debt Agreements (a "Term Loan Collateral Priority Lien"), then (x) the Directing Term Loan Collateral Agent is authorized to execute and deliver a subordination agreement with respect thereto in form and substance satisfactory to it, and (y) each of each Junior Priority Collateral Agent, for itself and on behalf of the other Junior Priority Secured Parties, and the ABL Facility Collateral Agent, for itself and on behalf of the other ABL Facility Secured Parties, shall promptly execute and deliver to the Directing Term Loan Collateral Agent a substantially identical subordination agreement subordinating the Liens of each Junior Priority Collateral Agent, for the benefit of (and on behalf of) the Junior Priority Secured Parties and the ABL Facility Collateral Agent for the benefit of (and on behalf of) the ABL Facility Secured Parties, respectively, to such Term Loan Collateral Priority Lien.

(b) Releases – ABL Facility Obligations.

(i) After the Discharge of Term Loan Obligations has occurred and so long as the Discharge of ABL Facility Obligations has not occurred, if, in connection with:

(A) the exercise of any Directing ABL Facility Collateral Agent's remedies in respect of the Term Loan Priority Collateral provided for in Section 3.2(a) (with the Proceeds thereof being applied to the ABL Facility Obligations), including any sale, lease, exchange, transfer or other disposition of any such Term Loan Priority Collateral; or

(B) any sale, lease, exchange, transfer or other disposition (to a Person other than Holdings, the Company or any other Grantor) of any Term Loan Priority Collateral permitted under the terms of the Junior Priority Documents and the ABL Facility Documents (provided that any such sale, lease, exchange, transfer or other disposition that is not made in connection with an Insolvency or Liquidation Proceeding and which constitutes a transfer of all or substantially all assets of the Company and its Subsidiaries shall have been consented to by each of the Directing ABL Facility Collateral Agent and the Directing Junior Priority Collateral Agent),

the Directing ABL Facility Collateral Agent, for itself or on behalf of any of the other ABL Facility Secured Parties, releases any of its Liens on any part of the Term Loan Priority Collateral then (x) the Liens, if any, of any Junior Priority Collateral Agent, for itself and for the benefit of the Junior Priority Secured Parties, on such Term Loan Priority Collateral (but not in each case the Proceeds thereof (unless applied to the ABL Facility Obligations), which shall be subject to the priorities set forth in this Agreement), shall be automatically, unconditionally and simultaneously released and (y) the Directing ABL Facility Collateral Agent is irrevocably authorized to execute and deliver or enter into any release of such Liens or claims that may, be necessary in connection with such releases; and each Junior Priority Collateral Agent, for itself and on behalf of the other Junior Priority Secured Parties, promptly shall prepare, execute and deliver (at the expense of such Grantor) to the Directing ABL Facility Collateral Agent such termination statements, releases and other documents as the Directing ABL Facility Collateral Agent or such Grantor may request to effectively confirm such release. Similarly, if the Equity Interests of any Person are foreclosed upon or otherwise disposed of (to a Person other than Holdings, the Company or any other Grantor) and in connection therewith the Directing ABL Facility Collateral Agent releases the ABL Facility Liens on the property or assets of such Person or releases such Person from its guarantee of ABL Facility Obligations, then the Junior Priority Liens on such property or assets of such Person (but not such Person's guarantee of Junior Priority Obligations) shall be automatically released to the same extent.

(ii) Until the Discharge of ABL Facility Obligations occurs, each Junior Priority Collateral Agent, for itself and on behalf of the other Junior Priority Secured Parties, hereby irrevocably constitutes and appoints the Directing ABL Facility Collateral Agent and any officer or agent of the Directing ABL Facility Collateral Agent, with full power of substitution, as its true and lawful attorney in fact with full irrevocable power and authority in the place and stead of each Junior Priority Collateral Agent or such Junior Priority Secured Party or in the Directing ABL Facility Collateral Agent's own name, from time to time in the Directing ABL Facility Collateral Agent's discretion, for the purpose of carrying out the terms of this Section 3.4(b) with respect to Term Loan Priority Collateral, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary to accomplish the purposes of this Section 3.4(b) with respect to Term Loan Priority Collateral, including any endorsements or other instruments of transfer or release.

(iii) Until the Discharge of ABL Facility Obligations occurs, to the extent that the ABL Facility Secured Parties (A) have released any Lien on Term Loan Priority Collateral and any such Lien is later reinstated or (B) obtain any new Liens on assets constituting Term Loan Priority Collateral from Grantors, then the Junior Priority Secured Parties shall be granted a similarly perfected Lien on any such Term Loan Priority Collateral, which Liens shall be subject to this Agreement.

(iv) If, prior to the Discharge of ABL Facility Obligations, a subordination of the ABL Facility Collateral Agent's Lien on any Term Loan Priority Collateral is permitted (or in good faith believed by the Directing ABL Facility Collateral Agent to be permitted) under the then existing Debt Agreements to another Lien permitted under the then existing Debt Agreements (a "ABL Facility Collateral Priority Lien"), then (x) the Directing ABL Facility Collateral Agent is authorized to execute and deliver a subordination agreement with respect thereto in form and substance satisfactory to it, and (y) each Junior Priority Collateral Agent, on behalf of itself and

the other Junior Priority Secured Parties, shall promptly execute and deliver to the Directing ABL Facility Collateral Agent a substantially identical subordination agreement subordinating the Liens of such Junior Priority Collateral Agent for the benefit of (and on behalf of) the Junior Priority Secured Parties to such ABL Facility Collateral Priority Lien.

(c) Insurance – Prior to Discharge of Term Loan Obligations. Unless and until the Discharge of Term Loan Obligations has occurred, the Directing Term Loan Collateral Agent shall have the sole and exclusive right, subject to the rights of the Grantors under the Term Loan Documents, to adjust settlement for any Insurance policy covering the Term Loan Priority Collateral in the event of any loss thereunder and to approve any award granted in any condemnation or similar proceeding (or any deed in lieu of condemnation) in respect of the Term Loan Priority Collateral; provided that, if any Insurance claim includes both ABL Facility Priority Collateral and Term Loan Priority Collateral, the insurer will not settle such claim separately with respect to ABL Facility Priority Collateral and Term Loan Priority Collateral, and if the Directing ABL Facility Collateral Agent and Directing Term Loan Collateral Agent are unable after negotiating in good faith to agree on the settlement for such claim, either Directing Collateral Agent may apply to a court of competent jurisdiction to make a determination as to the settlement of such claim, and the court's determination shall be binding upon the parties. If (i) any Junior Priority Collateral Agent or any Junior Priority Secured Party or (ii) the ABL Facility Collateral Agent or any ABL Facility Secured Party shall, at any time, receive any Proceeds of any such Insurance policy or any such award or payment in contravention of this Section 3.4(c), it shall pay such Proceeds over to the Directing Term Loan Collateral Agent in accordance with the terms of Section 3.3(a).

(d) Insurance – After Discharge of Term Loan Obligations. After the Discharge of Term Loan Obligations has occurred, and unless and until the Discharge of ABL Facility Obligations has occurred, the Directing ABL Facility Collateral Agent shall have the sole and exclusive right, subject to the rights of the Grantors under the ABL Facility Documents, to adjust settlement for any Insurance policy covering the Term Loan Priority Collateral in the event of any loss thereunder and to approve any award granted in any condemnation or similar proceeding (or any deed in lieu of condemnation) in respect of the Term Loan Priority Collateral. If any Junior Priority Collateral Agent or any Junior Priority Secured Party shall, at any time, receive any Proceeds of any such Insurance policy or any such award or payment in contravention of this Section 3.4(d), it shall pay such Proceeds over to the Directing ABL Facility Collateral Agent in accordance with the terms of Section 4.4(a).

(e) Amendments to, and Refinancing of, Term Loan Documents.

(i) The Term Loan Documents may be amended, restated, amended and restated, supplemented, increased or otherwise modified in accordance with their terms and the Term Loan Obligations may (subject to compliance with Section 8.19) be Refinanced with replacement Term Loan Obligations, in each case, without notice to, or the consent of, the ABL Facility Collateral Agent, the other ABL Facility Secured Parties, each Junior Priority Collateral Agent or the other Junior Priority Secured Parties, all without affecting the Lien subordination or other provisions of this Agreement; provided, however, that any such amendment, restatement, amendment and restatement, supplement, modification or Refinancing of the Term Loan

Documents shall not, without the consent of the Directing ABL Facility Collateral Agent and the Directing Junior Priority Collateral Agent, as applicable:

(A) contravene the provisions of this Agreement; or

(B) (x) change to an earlier date, any date upon which regularly scheduled amortization or redemption payments of principal or interest (including the scheduled final maturity date) on the Term Loan Obligations are due under the Term Loan Credit Agreement or a Refinancing thereof or any other Term Loan Document or a Refinancing thereof or increase the amount of any such scheduled amortization or redemption in excess of that applicable to the loans under the Term Loan Documents (as in effect on the date hereof) (provided that nothing herein shall prohibit any optional prepayments under the Term Loan Credit Agreement or other Term Loan Documents to the extent otherwise permitted by the terms of the other Debt Agreements) or (y) shorten the scheduled final maturity date of any principal amount of Term Loan Obligations under the Term Loan Credit Agreement or a Refinancing thereof or any other Term Loan Document or a Refinancing thereof, in each case under clauses (x) or (y);

provided that, subject to the provisions of this Section 3.4(e) (including, for the avoidance of doubt, clauses (A) - (B) above), (x) the Term Loan Documents may be amended, restated, amended and restated, supplemented, increased or otherwise modified and/or Refinanced from time to time in accordance with their terms in order to effect the making or provision of any "Credit Agreement Refinancing Indebtedness" (as defined in the Term Loan Credit Agreement) in each case without notice to, or the consent of, the ABL Facility Collateral Agent, any ABL Facility Secured Party, any Junior Priority Collateral Agent or any Junior Priority Secured Party, (y) Term Loan Hedging Obligations may be incurred from time to time and (z) Additional Term Loan Obligations may be incurred from time to time as permitted by Section 8.19.

Subject to the provisions of the ABL Facility Documents and the Junior Priority Documents, the Term Loan Documents may be Refinanced with Term Loan Obligations to the extent the terms and conditions of such Refinancing Indebtedness meet the requirements of this Section 3.4(e) and the holders of such Refinancing Indebtedness comply with Section 8.19.

(ii) The Term Loan Collateral Agent shall endeavor to give prompt notice of any amendment, waiver or consent of a Term Loan Document the ABL Facility Collateral Agent and each Junior Priority Collateral Agent after the effective date of such amendment, waiver or consent; provided that the failure of the Term Loan Collateral Agent to give any such notice shall not affect the priority of Term Loan Collateral Agent's Liens as provided herein or the validity or effectiveness of any such notice as against the Grantors or any of their Subsidiaries.

(iii) [Reserved].

(iv) [Reserved.

(v) In the event the Term Loan Collateral Agents or the Term Loan Secured Parties and the relevant Grantor enter into any amendment, waiver or consent in respect of any of the Term Loan Security Documents for the purpose of adding to, or deleting from, or waiving or consenting to any departures from any provisions of, any Term Loan Security Document or

changing in any manner the rights of such Term Loan Collateral Agents, such Term Loan Secured Parties, the Company or any other Grantor thereunder, in each case with respect to or relating to the Term Loan Priority Collateral, then such amendment, waiver or consent shall apply automatically to any comparable provision of the Comparable ABL Facility Security Document and the Comparable Junior Priority Security Document without the consent of the ABL Facility Collateral Agent, the ABL Facility Secured Parties, each Junior Priority Collateral Agent or the Junior Priority Secured Parties and without any action by the ABL Facility Collateral Agent, each Junior Priority Collateral Agent, the Company or any other Grantor, provided, that (A) no such amendment, waiver or consent shall have the effect of (x) removing assets that constitute Term Loan Priority Collateral subject to the Lien of the ABL Facility Security Documents or the Junior Priority Security Documents, except to the extent that a release of such Lien is permitted or required by Section 3.4(a) (and provided that there is a corresponding release of such Lien securing the Term Loan Obligations), (y) imposing duties on the ABL Facility Collateral Agent or any Junior Priority Collateral Agent without their respective consent or (z) permitting other liens on the Term Loan Priority Collateral not permitted under the terms of the ABL Facility Documents, the Junior Priority Documents or Section 3.5 and (B) notice by the Term Loan Collateral Agent of such amendment, waiver or consent shall have been given to the ABL Facility Collateral Agent and each Junior Priority Collateral Agent within ten (10) Business Days after the effective date of such amendment, waiver or consent.

(vi) Following the Discharge of ABL Facility Obligations, in the event the Term Loan Collateral Agent or the Term Loan Secured Parties and the relevant Grantor enter into any amendment, waiver or consent in respect of any of the Term Loan Security Documents for the purpose of adding to, or deleting from, or waiving or consenting to any departures from any provisions of, any Term Loan Security Document or changing in any manner the rights of the Term Loan Collateral Agent, such Term Loan Secured Parties, the Company or any other Grantor thereunder, in each case with respect to or relating to the ABL Facility Priority Collateral, then such amendment, waiver or consent shall apply automatically to any comparable provision of the Comparable Junior Priority Security Documents without the consent of the Junior Priority Collateral Agents or the Junior Priority Secured Parties and without any action by the Junior Priority Collateral Agents, the Company or any other Grantor, provided, that (A) no such amendment, waiver or consent shall have the effect of (x) removing assets that constitute ABL Facility Priority Collateral subject to the Lien of the Junior Priority Security Documents, except to the extent that a release of such Lien is permitted or required by Section 3.4(a) (and provided that there is a corresponding release of such Lien securing the Term Loan Obligations), (y) imposing duties on any Junior Priority Collateral Agent without their respective consent or (z) permitting other liens on the Term Loan Priority Collateral not permitted under the terms of the Junior Priority Documents or Section 3.5 and (B) notice by the Term Loan Collateral Agent of such amendment, waiver or consent shall have been given to each Junior Priority Collateral Agent within ten (10) Business Days after the effective date of such amendment, waiver or consent.

(f) Amendments to, and Refinancing of, Junior Priority Documents.

(i) The Junior Priority Documents may be amended, restated, amended and restated, supplemented, increased or otherwise modified in accordance with their terms and the Junior

Priority Obligations may (subject to compliance with Section 8.19) be Refinanced with replacement Junior Priority Obligations, in each case, without notice to, or the consent of, the Term Loan Collateral Agent, the other Term Loan Secured Parties, the ABL Facility Collateral Agent or the other ABL Facility Secured Parties, all without affecting the Lien subordination or other provisions of this Agreement; provided, however, that any such amendment, restatement, amendment and restatement, supplement, modification or Refinancing of the Junior Priority Documents shall not, without the consent of the Directing Term Loan Collateral Agent and the Directing ABL Facility Collateral Agent, as applicable:

(A) contravene the provisions of this Agreement; or

(B) (x) change to an earlier date, any date upon which regularly scheduled amortization or redemption payments of principal or interest (including the scheduled final maturity date) on the Junior Priority Obligations are due under the Junior Priority Documents or a Refinancing thereof or any other Junior Priority Document or a Refinancing thereof or increase the amount of any such scheduled amortization or redemption in excess of that applicable to the loans or notes under the Junior Priority Documents (as in effect on the date hereof) (provided that nothing herein shall prohibit any optional prepayments under the Junior Priority Documents to the extent otherwise permitted by the terms of the other Debt Agreements) or (y) shorten the scheduled final maturity date of any principal amount of Junior Priority Obligations or a Refinancing thereof or any other Junior Priority Document or a Refinancing thereof, in each case under clauses (x) or (y);

provided that, subject to the provisions of this Section 3.4(f), Additional Junior Priority Obligations may be incurred from time to time as permitted by Section 8.19.

Subject to the provisions of the Term Loan Document and the ABL Facility Documents, the Junior Priority Documents may be Refinanced with Junior Priority Obligations to the extent the terms and conditions of such Refinancing Indebtedness meet the requirements of this Section 3.4(f) and the holders of such Refinancing Indebtedness comply with Section 8.19.

(ii) Each Junior Priority Collateral Agent shall endeavor to give prompt notice of any amendment, waiver or consent of a Junior Priority Document to the Term Loan Collateral Agent, and the ABL Facility Collateral Agent after the effective date of such amendment, waiver or consent; provided that the failure of any Junior Priority Collateral Agent to give any such notice shall not affect the priority of any Junior Priority Collateral Agent's Liens as provided herein or the validity or effectiveness of any such notice as against the Grantors or any of their Subsidiaries.

(g) Rights As Unsecured Creditors.

(i) Except as otherwise set forth in this Agreement and without limiting the benefits afforded to the other Secured Parties hereunder, the ABL Facility Collateral Agent and the ABL Facility Secured Parties may exercise rights and remedies as unsecured creditors against the Company or any other Grantor in accordance with the terms of the ABL Facility Documents to which it is a party and applicable law. Except as otherwise set forth in this Agreement, nothing

in this Agreement shall prohibit the receipt by the ABL Facility Collateral Agent or any ABL Facility Secured Parties of the required payments of interest, principal, premiums, fees and other amounts in respect of the ABL Facility Obligations so long as such receipt is not the direct or indirect result of the exercise by the ABL Facility Collateral Agent or any ABL Facility Secured Parties of rights or remedies as a secured creditor (including set-off) in respect of the Term Loan Priority Collateral in contravention of this Agreement or enforcement in contravention of this Agreement of any Lien on Term Loan Priority Collateral held by any of them. In the event the ABL Facility Collateral Agent or any other ABL Facility Secured Party becomes a judgment Lien creditor in respect of Term Loan Priority Collateral as a result of its enforcement of its rights as an unsecured creditor, such judgment Lien shall be subordinated to the Liens securing Term Loan Obligations on the same basis as the other Liens on the Term Loan Priority Collateral securing the ABL Facility Obligations are so subordinated to Liens securing such Term Loan Obligations under this Agreement.

(ii) Except as otherwise set forth in this Agreement and without limiting the benefits afforded to the other Secured Parties hereunder, each Junior Priority Collateral Agent and the Junior Priority Secured Parties may exercise rights and remedies as unsecured creditors against the Company or any other Grantor in accordance with the terms of the Junior Priority Documents to which it is a party and applicable law. Except as otherwise set forth in this Agreement, nothing in this Agreement shall prohibit the receipt by any Junior Priority Collateral Agent or any Junior Priority Secured Parties of the required payments of interest, principal, premiums, fees and other amounts in respect of the Junior Priority Obligations so long as such receipt is not the direct or indirect result of the exercise by such Junior Priority Collateral Agent or any Junior Priority Secured Parties of rights or remedies as a secured creditor (including set-off) in respect of the Term Loan Priority Collateral in contravention of this Agreement or enforcement in contravention of this Agreement of any Lien held by any of them. In the event any Junior Priority Collateral Agent or any other Junior Priority Secured Party becomes a judgment Lien creditor in respect of Term Loan Priority Collateral as a result of its enforcement of its rights as an unsecured creditor, such judgment Lien shall be subordinated to (x) the Liens securing Term Loan Obligations and (y) the Liens securing the ABL Facility Obligations, in each case, on the same basis as the other Liens on the Term Loan Priority Collateral securing the Junior Priority Obligations are so subordinated to Liens securing such Term Loan Obligations and ABL Facility Obligations, respectively, under this Agreement.

(iii) Except as otherwise set forth in this Agreement (including under Sections 3.1(a) and 3.2(a)), nothing in this Agreement (x) impairs or otherwise adversely affects any rights or remedies the Term Loan Collateral Agents or the other Term Loan Secured Parties may have with respect to the Term Loan Priority Collateral, (y) from and after the Discharge of Term Loan Obligations, impairs or otherwise adversely affects any rights or remedies the ABL Facility Collateral Agent or the other ABL Facility Secured Parties may have with respect to the Term Loan Priority Collateral or (z) from and after the Discharge of Term Loan Obligations and Discharge of ABL Facility Obligations, impairs or otherwise adversely affects any rights or remedies any Junior Priority Collateral Agent or the other Junior Priority Secured Parties may have with respect to the Term Loan Priority Collateral.

(h) Bailee for Perfection – Term Loan Collateral Agent.

(i) The Directing Term Loan Collateral Agent agrees to hold or control that part of the Term Loan Priority Collateral that is in its possession or control (or in the possession or control of its agents or bailees) to the extent that possession or control thereof is taken to perfect a Lien thereon under the UCC or other applicable law (such Term Loan Priority Collateral being the "Pledged Term Loan Priority Collateral") as collateral agent for the Term Loan Secured Parties which it represents as Collateral Agent and as bailee for and, with respect to any Term Loan Priority Collateral that cannot be perfected in such manner, as agent for, the Term Loan Collateral Agent that is not the Directing Term Loan Collateral Agent (on behalf of itself and the other Term Loan Secured Parties which it represents), any Junior Priority Collateral Agent (on behalf of itself and the other Junior Priority Secured Parties) and ABL Facility Collateral Agent (on behalf of itself and the other ABL Facility Secured Parties) and any assignee thereof solely for the purpose of perfecting the security interest granted under the Term Loan Documents, the Junior Priority Documents and the ABL Facility Documents, respectively, subject to the terms and conditions of this Section 3.4(h).

(ii) Subject to the terms of this Agreement, until the Discharge of Term Loan Obligations has occurred, the Directing Term Loan Collateral Agent shall be entitled to deal with the Pledged Term Loan Priority Collateral in accordance with the terms of the Term Loan Documents as if the Liens of (x) each Junior Priority Collateral Agent under the Junior Priority Security Documents and (y) the ABL Facility Collateral Agent under the ABL Facility Security Documents did not exist. The rights of each Junior Priority Collateral Agent and the ABL Facility Collateral Agent in the Term Loan Priority Collateral shall at all times be subject to the terms of this Agreement and to each Term Loan Collateral Agent's rights under the Term Loan Documents.

(iii) The Directing Term Loan Collateral Agent shall have no obligation whatsoever to any Term Loan Secured Party, any Junior Priority Collateral Agent, any Junior Priority Secured Party, the ABL Facility Collateral Agent or any ABL Facility Secured Party to ensure that the Pledged Term Loan Priority Collateral is genuine or owned by any of the Grantors or to preserve rights or benefits of any Person except as expressly set forth in this Section 3.4(h). The duties or responsibilities of each Term Loan Collateral Agent under this Section 3.4(h) shall be limited solely to holding the Pledged Term Loan Priority Collateral as bailee or agent in accordance with this Section 3.4(h).

(iv) The Directing Term Loan Collateral Agent acting pursuant to this Section 3.4(h) shall not have by reason of the Term Loan Security Documents, the Junior Priority Security Documents, the ABL Facility Security Documents, this Agreement or any other document a fiduciary relationship in respect of any Term Loan Secured Party, any Junior Priority Collateral Agent, any Junior Priority Secured Party, the ABL Facility Collateral Agent or any ABL Facility Secured Party.

(v) Upon the Discharge of Term Loan Obligations, the Directing Term Loan Collateral Agent shall deliver or cause to be delivered the remaining Pledged Term Loan Priority Collateral (if any) in its possession or in the possession of its agents or bailees, together with any necessary endorsements, (A) first, to the Directing ABL Facility Collateral Agent to the extent a

Discharge of ABL Facility Obligations has not occurred, (B) second, if a Discharge of ABL Facility Obligations has occurred, to the Directing Junior Priority Collateral Agent to the extent a Discharge of Junior Priority Obligations has not occurred and (C) third, to the applicable Grantor to the extent no Term Loan Obligations, Junior Priority Obligations or ABL Facility Obligations remain outstanding (in each case, so as to allow such Person to obtain control of such Pledged Term Loan Priority Collateral) and will cooperate with the Directing Junior Priority Collateral Agent, the Directing ABL Facility Collateral Agent or such Grantor, as the case may be, in assigning (without recourse to or warranty by the Directing Term Loan Collateral Agent or any other Term Loan Secured Party or agent or bailee thereof) control over any other Pledged Term Loan Priority Collateral under its control. The Directing Term Loan Collateral Agent further agrees to take all other action reasonably requested by such Person (at the sole cost and expense of the Grantors or such Person) in connection with such Person obtaining a perfected security interest in the Pledged Term Loan Priority Collateral or as a court of competent jurisdiction may otherwise direct.

(vi) Notwithstanding anything to the contrary herein:

(A) if, for any reason, the Discharge of ABL Facility Obligations has not occurred upon the Discharge of Term Loan Obligations, all rights of each Term Loan Collateral Agent hereunder (1) with respect to the delivery and control of any part of the Term Loan Priority Collateral, and (2) to direct, instruct, vote upon or otherwise influence the maintenance or disposition of such Term Loan Priority Collateral, shall immediately, and (to the extent permitted by law) without further action on the part of the ABL Facility Collateral Agent or any Term Loan Collateral Agent, pass to the Directing ABL Facility Collateral Agent, who shall thereafter hold such rights for the benefit of the ABL Facility Secured Parties. Each of the Directing Term Loan Collateral Agent and the Grantors agrees that it will, if a Discharge of ABL Facility Obligations has not occurred upon the Discharge of Term Loan Obligations, take any other action required by any law or reasonably requested by the Directing ABL Facility Collateral Agent (subject to any limitations set forth in the ABL Facility Documents), in connection with the Directing ABL Facility Collateral Agent's establishment and perfection of a security interest in the Term Loan Priority Collateral; and

(B) if, for any reason, the Discharge of Junior Priority Obligations has not occurred upon the Discharge of Term Loan Obligations and the Discharge of ABL Facility Obligations, all rights of each Term Loan Collateral Agent hereunder, and all rights of the ABL Facility Collateral Agent hereunder (1) with respect to the delivery and control of any part of the Term Loan Priority Collateral, and (2) to direct, instruct, vote upon or otherwise influence the maintenance or disposition of such Term Loan Priority Collateral, shall immediately, and (to the extent permitted by law) without further action on the part of the ABL Facility Collateral Agent, any Term Loan Collateral Agent or any Junior Priority Collateral Agent, pass to the Directing Junior Priority Collateral Agent, who shall thereafter hold such rights for the benefit of the Junior Priority Secured Parties. Each of the Directing Term Loan Collateral Agent, the Directing ABL Facility Collateral Agent and the Grantors agrees that it will (at the sole expense of the Grantors), if a Discharge of Junior Priority Obligations has not occurred upon the Discharge of Term Loan Obligations and the Discharge of ABL Facility Obligations, take any other action

required by any law or reasonably requested by the Directing Junior Priority Collateral Agent (subject to any limitations set forth in the Junior Priority Documents), in connection with the Directing Junior Priority Collateral Agent's establishment and perfection of a security interest in the Term Loan Priority Collateral.

(vii) Notwithstanding anything to the contrary contained herein, if for any reason, prior to the Discharge of Term Loan Obligations, any Secured Party (other than the Directing Term Loan Collateral Agent), acquires possession of any Pledged Term Loan Priority Collateral, such Secured Party shall hold same as bailee and/or agent to the same extent as is provided in preceding clause (i) of this Section 3.4(h) with respect to Pledged Term Loan Priority Collateral, provided that as soon as is practicable such Secured Party shall deliver or cause to be delivered such Pledged Term Loan Priority Collateral to the Directing Term Loan Collateral Agent in a manner otherwise consistent with the requirements of preceding clause (v).

(i) Bailee for Perfection – ABL Facility Collateral Agent.

(i) After the Discharge of Term Loan Obligations has occurred, and to the extent that the Directing ABL Facility Collateral Agent is (or its agents or bailees are) in possession or control of any Pledged Term Loan Priority Collateral, the Directing ABL Facility Collateral Agent agrees to hold or control that part of the Term Loan Priority Collateral as collateral agent for the ABL Facility Secured Parties and as bailee for and, with respect to any Term Loan Priority Collateral that cannot be perfected in such manner, as agent for, each Junior Priority Collateral Agent (on behalf of itself and the other Junior Priority Secured Parties) and any assignee thereof solely for the purpose of perfecting the security interest granted under the Junior Priority Documents and the ABL Facility Documents, respectively, subject to the terms and conditions of this Section 3.4(i).

(ii) Subject to the terms of this Agreement, after the Discharge of Term Loan Obligations has occurred and until the Discharge of ABL Facility Obligations has occurred, the Directing ABL Facility Collateral Agent shall be entitled to deal with the Pledged Term Loan Priority Collateral in accordance with the terms of the ABL Facility Documents as if the Liens of each Junior Priority Collateral Agent under the Junior Priority Security Documents did not exist. The rights of each Junior Priority Collateral Agent in the Term Loan Priority Collateral shall at all times be subject to the terms of this Agreement and to the ABL Facility Collateral Agent's rights under the ABL Facility Documents.

(iii) The Directing ABL Facility Collateral Agent shall have no obligation whatsoever to any Junior Priority Collateral Agent, any Junior Priority Secured Party or any ABL Facility Secured Party to ensure that the Pledged Term Loan Priority Collateral is genuine or owned by any of the Grantors or to preserve rights or benefits of any Person except as expressly set forth in this Section 3.4(i). The duties or responsibilities of the Directing ABL Facility Collateral Agent under this Section 3.4(i) shall be limited solely to holding the Pledged Term Loan Priority Collateral as bailee or agent in accordance with this Section 3.4(i).

(iv) The Directing ABL Facility Collateral Agent acting pursuant to this Section 3.4(i) shall not have by reason of the Term Loan Security Documents, the Junior Priority Security Documents, the ABL Facility Documents, this Agreement or any other document a fiduciary

relationship in respect of any ABL Facility Secured Party, any Term Loan Collateral Agent, any Term Loan Secured Party, any Junior Priority Collateral Agent or any Junior Priority Secured Party.

(v) Following the Discharge of Term Loan Obligations and upon the Discharge of ABL Facility Obligations, the Directing ABL Facility Collateral Agent shall deliver or cause to be delivered the remaining Pledged Term Loan Priority Collateral (if any) in its possession or in the possession of its agents or bailees, together with any necessary endorsements, (A) first, to the Directing Junior Priority Collateral Agent to the extent a Discharge of Junior Priority Obligations has not occurred and (B) second, to the applicable Grantor to the extent no Term Loan Obligations, Junior Priority Obligations or ABL Facility Obligations remain outstanding (in each case, so as to allow such Person to obtain control of such Pledged Term Loan Priority Collateral) and will cooperate with the Directing Junior Priority Collateral Agent or such Grantor, as the case may be, in assigning (without recourse to or warranty by the Directing ABL Facility Collateral Agent or any other ABL Facility Secured Party or agent or bailee thereof) control over any other Pledged Term Loan Priority Collateral under its control. The ABL Facility Collateral Agent further agrees to take all other action reasonably requested by such Person (at the sole cost and expense of the Grantors or such Person) in connection with such Person obtaining a perfected security interest in the Pledged Term Loan Priority Collateral or as a court of competent jurisdiction may otherwise direct.

(vi) Notwithstanding anything to the contrary herein, if, for any reason, the Discharge of Junior Priority Obligations has not occurred upon the Discharge of Term Loan Obligations and the Discharge of ABL Facility Obligations, all rights of the ABL Facility Collateral Agent hereunder (1) with respect to the delivery and control of any part of the Term Loan Priority Collateral, and (2) to direct, instruct, vote upon or otherwise influence the maintenance or disposition of such Term Loan Priority Collateral, shall immediately, and (to the extent permitted by law) without further action on the part of the ABL Facility Collateral Agent or any Junior Priority Collateral Agent, pass to the Directing Junior Priority Collateral Agent, who shall thereafter hold such rights for the benefit of the Junior Priority Secured Parties. Each of the Directing ABL Facility Collateral Agent, the Directing Term Loan Collateral Agent and the Grantors agrees that it will (at the sole expense of the Grantors), if any Junior Priority Obligations remain outstanding upon the Discharge of Term Loan Obligations and the Discharge of ABL Facility Obligations, take any other action required by any law or reasonably requested by the Directing Junior Priority Collateral Agent (subject to any limitations set forth in the Junior Priority Documents), in connection with the Directing Junior Priority Collateral Agent's establishment and perfection of a security interest in the Term Loan Priority Collateral.

(vii) Notwithstanding anything to the contrary contained herein, if for any reason, after the Discharge of Term Loan Obligations has occurred and until the Discharge of ABL Facility Obligations has occurred, any Secured Party (other than the Directing ABL Facility Collateral Agent), acquires possession of any Pledged Term Loan Priority Collateral, such Secured Party shall hold same as bailee and/or agent to the same extent as is provided in preceding clause (i) with respect to Pledged Term Loan Priority Collateral, provided that as soon as is practicable such Secured Party shall deliver or cause to be delivered such Pledged Term Loan Priority Collateral to the Directing ABL Facility Collateral Agent in a manner otherwise consistent with the requirements of preceding clause (v).

(j) When Discharge of the Term Loan Obligations Deemed to Not Have Occurred. Notwithstanding anything to the contrary herein, if substantially concurrently with or immediately after the Discharge of Term Loan Obligations, the Company enters into any Permitted Refinancing of any Term Loan Obligations pursuant to a new Term Loan Credit Agreement or Additional Term Loan Obligations Agreement in accordance with Section 8.19, then such Discharge of Term Loan Obligations shall automatically be deemed not to have occurred for all purposes of this Agreement, and the obligations under such Permitted Refinancing shall automatically be treated as Term Loan Obligations (together with the Term Loan Secured Hedging Agreements on the basis provided in the definition of "Term Loan Documents" contained herein) for all purposes of this Agreement, including for purposes of the Lien priorities and rights in respect of Collateral set forth herein, the term "Term Loan Credit Agreement" or "Additional Term Loan Obligations Agreement," as appropriate, shall be deemed appropriately modified to refer to such Permitted Refinancing and the Term Loan Collateral Agent under such Term Loan Documents and the new secured parties under such Term Loan Documents shall automatically be treated as Term Loan Secured Parties for all purposes of this Agreement.

(k) [Reserved].

(l) When Discharge of Junior Priority Obligations Deemed to Not Have Occurred. Notwithstanding anything to the contrary herein, if substantially concurrently with or immediately after the Discharge of Junior Priority Obligations, the Company enters into any Permitted Refinancing of any Junior Priority Obligations pursuant to a new Junior Priority Document or Additional Junior Priority Obligations Agreement in accordance with Section 8.19, then such Discharge of Junior Priority Obligations shall automatically be deemed not to have occurred for all purposes of this Agreement, and the obligations under such Permitted Refinancing shall automatically be treated as Junior Priority Obligations for all purposes of this Agreement, including for purposes of the Lien priorities and rights in respect of Collateral set forth herein, the term "Junior Priority Document" or "Additional Junior Priority Obligations Agreement," as appropriate, shall be deemed appropriately modified to refer to such Permitted Refinancing and each Junior Priority Collateral Agent under such Junior Priority Documents (who shall be the Directing Junior Priority Collateral Agent for all purposes hereof if the Permitted Refinancing is pursuant to a replacement Junior Priority Document) and the new secured parties under such Junior Priority Documents shall automatically be treated as Junior Priority Secured Parties for all purposes of this Agreement.

3.5 Insolvency or Liquidation Proceedings.

(a) Finance and Sale Issues.

(i) Until the Discharge of Term Loan Obligations has occurred, if the Company or any other Grantor shall be subject to any Insolvency or Liquidation Proceeding and the Directing Term Loan Collateral Agent shall desire to permit the use of cash collateral (as such term (or any equivalent term) is defined in Section 363(a) of the Bankruptcy Code or, to the extent applicable, any other Debtor Relief Law) constituting Term Loan Priority Collateral or to permit the Company or any other Grantor to obtain financing, whether from any Term Loan Secured Parties or any other entity under Section 364 of the Bankruptcy Code or any similar Debtor Relief Law

that is secured by a Lien that is (I) senior or *pari passu* with the Liens on the Term Loan Priority Collateral securing the Term Loan Obligations, and (II) junior to the Liens on the ABL Facility Priority Collateral securing the ABL Facility Obligations (each, a "Term Loan Collateral DIP Financing"), then each of each Junior Priority Collateral Agent, on behalf of itself and the other Junior Priority Secured Parties, and the ABL Facility Collateral Agent, on behalf of itself and the other ABL Facility Secured Parties, agrees that it will not oppose or raise any objection to or contest (or join with or support any third party opposing, objecting or contesting) such use of cash collateral constituting Term Loan Priority Collateral or to the fact that the providers of such Term Loan Collateral DIP Financing may be granted Liens on the Collateral and will not request adequate protection or any other relief in connection therewith (except as expressly agreed by the Directing Term Loan Collateral Agent or to the extent permitted by Section 3.5(c)) and each Junior Priority Collateral Agent and the ABL Facility Collateral Agent will each subordinate its Liens in the Term Loan Priority Collateral to the Liens securing such Term Loan Collateral DIP Financing (and all interest and other obligations relating thereto), all adequate protection Liens thereon granted to the Term Loan Secured Parties, and any "carve-out" for professional or trustee fees therefrom or court ordered charges over the Priority Term Loan Collateral that have been agreed to by the Directing Term Loan Collateral Agent; provided that (A) the aggregate principal amount of the Term Loan Collateral DIP Financing plus the aggregate outstanding principal amount of Term Loan Obligations constituting loans or notes under the Term Loan Documents plus the amount secured by any court ordered charges that have been agreed to by the Directing Term Loan Collateral Agent shall not exceed in the case of the Term Loan Obligations the maximum amount of Term Loan Obligations permitted to be incurred (including pursuant to Section 2.16 thereof, and assuming that all conditions and requirements to the incurrence of Term Loan Obligations thereunder are satisfied at all times) or outstanding under the Term Loan Credit Agreement (as in effect on the date hereof) on the date of commencement of such Insolvency or Liquidation Proceeding and (B)(w) each of each Junior Priority Collateral Agent, the other Junior Priority Secured Parties, the ABL Facility Collateral Agent and the other ABL Facility Secured Parties retain a Lien on the Collateral to secure the Junior Priority Obligations and the ABL Facility Obligations, as the case may be, and, with respect to the Liens of the ABL Facility Secured Parties on ABL Facility Priority Collateral only, with the same priority as existed prior to the commencement of the Insolvency or Liquidation Proceeding, (x) to the extent that each Term Loan Collateral Agent is granted adequate protection in the form of a Lien, each Junior Priority Collateral Agent and the ABL Facility Collateral Agent are permitted to seek a Lien (and each Term Loan Collateral Agent or any other Term Loan Secured Party will not object to seeking any such Lien) on Collateral arising after the commencement of the Insolvency or Liquidation Proceeding (so long as, with respect to Term Loan Priority Collateral, such Lien is junior to the Liens securing or providing adequate protection (as applicable) for such Term Loan Collateral DIP Financing and the Term Loan Obligations), (y) the foregoing provisions of this Section 3.5(a) shall not prevent any Junior Priority Collateral Agent, the other Junior Priority Secured Parties, the ABL Facility Collateral Agent and the ABL Facility Secured Parties from objecting to any provision in any Term Loan Collateral DIP Financing relating to any provision or content of a plan of reorganization or other plan of similar effect under any Debtor Relief Laws and (z) the terms of such Term Loan Collateral DIP Financing or use of cash collateral do not require any Grantor to seek any approval for any plan of reorganization or other plan of similar effect under any Debtor Relief Laws. Each of each Junior Priority Collateral Agent, on behalf of the Junior Priority Secured Parties, and the ABL Facility Collateral Agent,

on behalf of the ABL Facility Secured Parties, agrees that it will not raise any objection or oppose (or join with or support any third party objecting or opposing) a sale or other disposition of any Term Loan Priority Collateral free and clear of its Liens (subject to attachment of Proceeds with respect to the Second Priority Lien (on the Term Loan Priority Collateral in favor of the ABL Facility Collateral Agent and the Third Priority Lien on the Term Loan Priority Collateral in favor of each Junior Priority Collateral Agent, respectively, in the same order and manner as otherwise set forth herein), or other claims under Section 363 of the Bankruptcy Code except for any objection or opposition that could be asserted by any Junior Priority Secured Party or ABL Facility Secured Party, as the case may be, as an unsecured creditor in any such Insolvency or Liquidation Proceeding, if the Term Loan Secured Parties have consented to such sale or disposition of such assets; provided that the each Junior Priority Collateral Agent, the other Junior Priority Secured Parties, the ABL Facility Collateral Agent and the other ABL Facility Secured Parties shall be entitled to seek and exercise credit bid rights in respect of any such sale or disposition; provided further, that such credit bid may only be made to the extent it includes a cash purchase price component payable at the closing of the sale in an amount that would be sufficient on the date of the closing of the sale to pay or satisfy in full all Term Loan Obligations (and, in the case of a credit bid by any Junior Priority Secured Party, to also pay or satisfy in full all ABL Facility Obligations).

(ii) Following the Discharge of Term Loan Obligations and until the Discharge of ABL Facility Obligations has occurred, if the Company or any other Grantor shall be subject to any Insolvency or Liquidation Proceeding and the Directing ABL Facility Collateral Agent shall desire to permit the use of cash collateral (as such term (or any equivalent term) is defined in Section 363(a) of the Bankruptcy Code or, to the extent applicable, any other Debtor Relief Law) constituting Term Loan Priority Collateral or to permit the Company or any other Grantor to obtain financing, whether from any ABL Facility Secured Parties or any other entity under Section 364 of the Bankruptcy Code or any similar Debtor Relief Law that is secured by a Lien that is (I) senior or pari passu with the Liens on the Term Loan Priority Collateral securing the ABL Facility Obligations, and (II) senior or pari passu with the Liens on the ABL Facility Priority Collateral securing the ABL Facility Obligations (each, a "ABL Facility Term Loan Priority Collateral DIP Financing"), then each Junior Priority Collateral Agent, on behalf of itself and the other Junior Priority Secured Parties, agrees that it will not oppose or raise any objection to or contest (or join with or support any third party opposing, objecting or contesting) such use of cash collateral constituting Term Loan Priority Collateral or to the fact that the providers of such ABL Facility Term Loan Priority Collateral DIP Financing may be granted Liens on the Collateral and will not request adequate protection or any other relief in connection therewith (except as expressly agreed by the Directing ABL Facility Collateral Agent or to the extent permitted by Section 3.5(c)) and each Junior Priority Collateral Agent will subordinate its Liens in the Term Loan Priority Collateral to the Liens securing such ABL Facility Term Loan Priority Collateral DIP Financing (and all interest and other obligations relating thereto), all adequate protection Liens thereon granted to the First Secured Parties, and any "carve-out" Liens and court ordered charges that have been agreed to by the Directing ABL Facility Collateral Agent; provided that (A) the aggregate principal amount of the ABL Facility Term Loan Priority Collateral DIP Financing plus the aggregate outstanding principal amount of ABL Facility Obligations constituting loans under the ABL Facility Documents shall not exceed the maximum amount of ABL Facility Obligations permitted to be incurred (including pursuant to Section 2.14 thereof, and assuming that all conditions and requirements to the incurrence of ABL Facility

Obligations thereunder are satisfied at all times) or outstanding under the ABL Facility Credit Agreement (as in effect on the date hereof) on the date of commencement of such Insolvency or Liquidation Proceeding plus the amount secured by court ordered charges that have been agreed to by the Directing ABL Facility Collateral Agent and (B)(w) each of each Junior Priority Collateral Agent and the other Junior Priority Secured Parties retain a Lien on the Collateral to secure the Junior Priority Obligations and, with respect to the Liens of the ABL Facility Secured Parties on ABL Facility Priority Collateral only, with the same priority as existed prior to the commencement of the Insolvency or Liquidation Proceeding, (x) to the extent that the ABL Facility Collateral Agent is granted adequate protection in the form of a Lien, each Junior Priority Collateral Agent is permitted to seek a Lien (and the ABL Facility Collateral Agent or any other ABL Facility Secured Party will not object to seeking any such Lien) on Collateral arising after the commencement of the Insolvency or Liquidation Proceeding (so long as, with respect to Term Loan Priority Collateral, such Lien is junior to the Liens securing or providing adequate protection (as applicable) for such ABL Facility Term Loan Priority Collateral DIP Financing and the ABL Facility Obligations), (y) the foregoing provisions of this Section 3.5(a) shall not prevent any Junior Priority Collateral Agent and the other Junior Priority Secured Parties from objecting to any provision in any DIP Financing relating to any provision or content of a plan of reorganization or other plan of similar effect under any Debtor Relief Laws and (z) the terms of such ABL Facility Term Loan Priority Collateral DIP Financing or use of cash collateral do not require any Grantor to seek any approval for any plan of reorganization or other plan of similar effect under any Debtor Relief Laws. Each of each Junior Priority Collateral Agent, on behalf of the Junior Priority Secured Parties, agrees that it will not raise any objection or oppose (or join with or support any third party objecting or opposing) a sale or other disposition of any Term Loan Priority Collateral free and clear of its Liens (subject to attachment of Proceeds with respect to the Third Priority Lien on the Term Loan Priority Collateral in favor of any Junior Priority Collateral Agent, respectively, in the same order and manner as otherwise set forth herein), or other claims under Section 363 of the Bankruptcy Code, except for any objection or opposition that could be asserted by any Junior Priority Secured Party as an unsecured creditor in any such Insolvency or Liquidation Proceeding, if the ABL Facility Secured Parties have consented to such sale or disposition of such assets; provided that any Junior Priority Collateral Agent and the other Junior Priority Secured Parties shall be entitled to seek and exercise credit bid rights in respect of any such sale or disposition; provided further, that such credit bid may only be made to the extent it includes a cash purchase price component payable at the closing of the sale in an amount that would be sufficient on the date of the closing of the sale to pay or satisfy in full all ABL Facility Obligations.

(b) Relief from the Automatic Stay.

(i) Until the Discharge of Term Loan Obligations has occurred, each of each Junior Priority Collateral Agent, on behalf of itself and the other Junior Priority Secured Parties, and the ABL Facility Collateral Agent, on behalf of itself and the other ABL Facility Secured Parties, agrees that none of them shall seek (or support any other person seeking) relief from the automatic stay or any other stay in any Insolvency or Liquidation Proceeding in respect of the Term Loan Priority Collateral without the prior written consent of the Directing Term Loan Collateral Agent.

(ii) Until the Discharge of ABL Facility Obligations has occurred, each Junior Priority Collateral Agent, on behalf of itself and the other Junior Priority Secured Parties, agrees that none of them shall seek (or support any other person seeking) relief from the automatic stay or any other stay in any Insolvency or Liquidation Proceeding in respect of the Term Loan Priority Collateral without the prior written consent of the Directing ABL Facility Collateral Agent.

(c) Adequate Protection.

(i) Each of each Junior Priority Collateral Agent, on behalf of itself and the other Junior Priority Secured Parties and the ABL Facility Collateral Agent, on behalf of itself and the other ABL Facility Secured Parties, agrees that none of them shall contest (or support any other Person contesting) (A) any request by any Term Loan Collateral Agent or the other Term Loan Secured Parties for adequate protection (or, to the extent applicable, equivalent protection under Debtor Relief Laws) with respect to any Term Loan Priority Collateral, (B) so long as the request for adequate protection is in the form of an additional or replacement Lien on the ABL Facility Priority Collateral that is junior to the Liens on the ABL Facility Priority Collateral securing or providing adequate protection for the ABL Facility Obligations, any request by any Term Loan Collateral Agent or the other Term Loan Secured Parties for adequate protection (or, to the extent applicable, equivalent protection under Debtor Relief Laws) with respect to any ABL Facility Priority Collateral, or (C) any objection by any Term Loan Collateral Agent or the other Term Loan Secured Parties to any motion, relief, action or proceeding based on any Term Loan Collateral Agent or the other Term Loan Secured Parties claiming a lack of adequate protection (or similar protection under any Debtor Relief Law) with respect to the Term Loan Priority Collateral. Notwithstanding the foregoing provisions in this Section 3.5(c)(i), in any Insolvency or Liquidation Proceeding, (A) if the Term Loan Secured Parties (or any subset thereof) are granted adequate protection in the form of additional or replacement collateral in the nature of assets constituting Term Loan Priority Collateral in connection with any Term Loan Collateral DIP Financing or use of cash collateral constituting Term Loan Priority Collateral, then each of each Junior Priority Collateral Agent, on behalf of itself or any of the other Junior Priority Secured Parties, and the ABL Facility Collateral Agent, on behalf of itself or any of the other ABL Facility Secured Parties, as the case may be, may seek or request adequate protection in the form of a Lien on such additional or replacement collateral, which Lien will be subordinated to the Liens securing and providing adequate protection for the Term Loan Obligations and such Term Loan Collateral DIP Financing (and all obligations relating thereto) on the same basis as the other Liens on Term Loan Priority Collateral securing the Junior Priority Obligations or ABL Facility Obligations, as the case may be, are so subordinated to the Term Loan Obligations under this Agreement, and (B) in the event any Junior Priority Collateral Agent, on behalf of itself and the other Junior Priority Secured Parties and the ABL Facility Collateral Agent, on behalf of itself and the other ABL Facility Secured Parties, as the case may be, seeks or requests adequate protection in respect of Term Loan Priority Collateral securing Junior Priority Obligations or ABL Facility Obligations, as the case may be, and such adequate protection is granted in the form of additional or replacement collateral in the nature of assets constituting Term Loan Priority Collateral, then each of each Junior Priority Collateral Agent, on behalf of itself or any of the other Junior Priority Secured Parties and the ABL Facility Collateral Agent, on behalf of itself or any of the other ABL Facility Secured Parties, agrees that each Term Loan Collateral Agent shall also be granted a senior Lien on such additional or replacement collateral as security

and adequate protection for the Term Loan Obligations and for any such Term Loan Collateral DIP Financing and that any Lien on such additional or replacement collateral securing and providing adequate protection for the Junior Priority Obligations or the ABL Facility Obligations, as the case may be, shall be subordinated to the Liens on such collateral securing the Term Loan Obligations and any such Term Loan Collateral DIP Financing (and all obligations relating thereto) and to any other Liens on such collateral granted to the Term Loan Secured Parties as adequate protection on the same basis as the other Liens on Term Loan Priority Collateral securing the Junior Priority Obligations or ABL Facility Obligations, as the case may be, are so subordinated to such Term Loan Obligations under this Agreement.

(ii) Each Junior Priority Collateral Agent, on behalf of itself and the other Junior Priority Secured Parties, agrees that none of them shall contest (or support any other Person contesting) (A) any request by the ABL Facility Collateral Agent or the ABL Facility Secured Parties for adequate protection or similar protection under any Debtor Relief Law with respect to any Term Loan Priority Collateral, (B) any request by the ABL Facility Collateral Agent or the ABL Facility Secured Parties for adequate protection (or similar protection under any Debtor Relief Law) with respect to any ABL Facility Priority Collateral, or (C) any objection by the ABL Facility Collateral Agent or the ABL Facility Secured Parties to any motion, relief, action or proceeding based on the ABL Facility Collateral Agent or the ABL Facility Secured Parties claiming a lack of adequate protection (or similar protection under any Debtor Relief Law) with respect to the Term Loan Priority Collateral. Notwithstanding the foregoing provisions in this Section 3.5 (c)(ii), following the Discharge of Term Loan Obligations, in any Insolvency or Liquidation Proceeding, (A) if the ABL Facility Secured Parties (or any subset thereof) are granted adequate protection in the form of additional or replacement collateral in the nature of assets constituting Term Loan Priority Collateral in connection with any ABL Facility Term Loan Priority Collateral DIP Financing or use of cash collateral constituting Term Loan Priority Collateral, then each Junior Priority Collateral Agent, on behalf of itself or any of the other Junior Priority Secured Parties, may seek or request adequate protection in the form of a Lien on such additional or replacement collateral, which Lien will be subordinated to the Liens securing and providing adequate protection for the ABL Facility Obligations and such ABL Facility Term Loan Priority Collateral DIP Financing (and all obligations relating thereto) on the same basis as the other Liens on Term Loan Priority Collateral securing the Junior Priority Obligations are so subordinated to the ABL Facility Obligations under this Agreement, and (B) in the event any Junior Priority Collateral Agent, on behalf of itself and the other Junior Priority Secured Parties seeks or requests adequate protection in respect of Term Loan Priority Collateral securing Junior Priority Obligations and such adequate protection is granted in the form of additional or replacement collateral in the nature of assets constituting Term Loan Priority Collateral, then each Junior Priority Collateral Agent, on behalf of itself or any of the other Junior Priority Secured Parties, agrees that each ABL Facility Collateral Agent shall also be granted a senior Lien on such additional or replacement collateral as security and adequate protection for the ABL Facility Obligations and for any such ABL Facility Term Loan Priority Collateral DIP Financing and that any Lien on such additional or replacement collateral securing and providing adequate protection for the Junior Priority Obligations shall be subordinated to the Liens on such collateral securing the ABL Facility Obligations and any such ABL Facility Term Loan Priority Collateral DIP Financing (and all obligations relating thereto) and to any other Liens on such collateral granted to the ABL Facility Secured Parties as adequate protection on the same basis

as the other Liens on Term Loan Priority Collateral securing the Junior Priority Obligations are so subordinated to such ABL Facility Obligations under this Agreement.

(d) No Waiver.

(i) Subject to the proviso in clause (ii) of Section 3.1(a) and Section 6, nothing contained herein shall prohibit or in any way limit the Term Loan Collateral Agents or any other Term Loan Secured Party from objecting in any Insolvency or Liquidation Proceeding or otherwise to any action taken by the ABL Facility Collateral Agent, any of the ABL Facility Secured Parties, any Junior Priority Collateral Agent or any of the Junior Priority Secured Parties in respect of the Term Loan Priority Collateral, including the seeking by the ABL Facility Collateral Agent, any ABL Facility Secured Parties, any Junior Priority Collateral Agent or any Junior Priority Secured Party of adequate protection in respect thereof or the asserting by the ABL Facility Collateral Agent, any ABL Facility Secured Parties, any Junior Priority Collateral Agent or any Junior Priority Secured Party of any of its rights and remedies under the ABL Facility Documents or the Junior Priority Security Documents or otherwise in respect thereof.

(ii) Subject to the proviso in clause (ii) of Section 3.2(a), nothing contained herein shall prohibit or in any way limit the ABL Facility Collateral Agent or any ABL Facility Secured Party from objecting in any Insolvency or Liquidation Proceeding or otherwise to any action taken by any Junior Priority Collateral Agent, or any of the Junior Priority Secured Parties in respect of the Term Loan Priority Collateral, including the seeking by any Junior Priority Collateral Agent or any Junior Priority Secured Parties of adequate protection in respect thereof or the asserting by any Junior Priority Collateral Agent or any Junior Priority Secured Parties of any of its rights and remedies under the Junior Priority Documents or otherwise in respect thereof.

(e) Waiver.

(i) Each of the ABL Facility Collateral Agent, for itself and on behalf of the other ABL Facility Secured Parties, and each Junior Priority Collateral Agent, for itself and on behalf of the other Junior Priority Secured Parties, waives, to the extent applicable, any claim it may hereafter have against any Term Loan Secured Party arising out of the election of any Term Loan Secured Party of the application of Section 1111(b)(2) of the Bankruptcy Code, and/or out of any cash collateral or financing arrangement or out of any grant of a security interest, in each case, in connection with the Term Loan Priority Collateral in any Insolvency or Liquidation Proceeding.

(ii) Each Junior Priority Collateral Agent, for itself and on behalf of the other Junior Priority Secured Parties, waives, to the extent applicable, any claim it may hereafter have against any ABL Facility Secured Party arising out of the election of any ABL Facility Secured Party of the application of Section 1111(b)(2) of the Bankruptcy Code, and/or out of any cash collateral or financing arrangement or out of any grant of a security interest, in each case, in connection with the Term Loan Priority Collateral in any Insolvency or Liquidation Proceeding.

(f) Affiliated Lender Plan Voting. So long as the Discharge of the ABL Facility Obligations has not occurred, no Term Loan Secured Party that is an Affiliated Lender shall support or vote (directly or indirectly) its claims in relation to the Term Loan Obligations or the

Term Loan Documents in favor of the approval of any plan of arrangement or reorganization in respect of Holdings or the Company (and shall be deemed to have voted to reject any plan of reorganization) unless (x) such plan provides for the Discharge of the ABL Facility Obligations on the first date of implementation of such plan or (y) the Term Loan Facility Agent and the Term Loan Collateral Agent are provided with written notice from the ABL Facility Administrative Agent or the ABL Facility Secured Parties that the plan is or will be accepted by ABL Facility Secured Parties holding at least 66 2/3% of the ABL Facility Obligations;

3.6 Reliance; Waivers; Etc.

(a) Reliance. Other than any reliance on the terms of this Agreement, each of the ABL Facility Collateral Agent, on behalf of itself and the other ABL Facility Secured Parties, and the Junior Priority Secured Parties acknowledges that it and such ABL Facility Secured Parties or such Junior Priority Secured Parties, as the case may be, have, independently and without reliance on the Term Loan Collateral Agents or any Term Loan Secured Parties, and based on documents and information deemed by them appropriate, made their own credit analysis and decision to enter into the ABL Facility Documents and Junior Priority Documents, as the case may be, and be bound by the terms of this Agreement and they will continue to make their own credit decision in taking or not taking any action under the ABL Facility Credit Agreement or the Junior Priority Document, as the case may be, or this Agreement.

(b) No Warranties or Liability.

(i) Each of the ABL Facility Collateral Agent, on behalf of itself and the other ABL Facility Secured Parties, and each Junior Priority Collateral Agent, on behalf of itself and the other Junior Priority Secured Parties, acknowledges and agrees that the Term Loan Collateral Agents and the Term Loan Secured Parties have made no express or implied representation or warranty, including with respect to the execution, validity, legality, completeness, collectability or enforceability of any of the Term Loan Documents, the ownership of any Collateral or the perfection or priority of any Liens thereon. The Term Loan Secured Parties will be entitled to manage and supervise their respective loans and extensions of credit under their respective Term Loan Documents in accordance with law and as they may otherwise, in their sole discretion, deem appropriate. The Term Loan Collateral Agent and the other Term Loan Secured Parties shall have no duty to the ABL Facility Collateral Agent, any of the ABL Facility Secured Parties, any Junior Priority Collateral Agent or any of the Junior Priority Secured Parties to act or refrain from acting in a manner which allows, or results in, the occurrence or continuance of an event of default or default under any agreements with the Company or any Grantor (including the Term Loan Documents, the Junior Priority Documents and the ABL Facility Documents), regardless of any knowledge thereof which they may have or be charged with.

(ii) Each of each Junior Priority Collateral Agent, on behalf of itself and the other Junior Priority Secured Parties, and each Term Loan Collateral Agent, on behalf of itself and the other Term Loan Secured Parties, acknowledges and agrees that the ABL Facility Collateral Agent and the ABL Facility Secured Parties have made no express or implied representation or warranty, including with respect to the execution, validity, legality, completeness, collectability or enforceability of any of the ABL Facility Documents, the ownership of any Collateral or the perfection or priority of any Liens thereon. The ABL Facility Secured Parties will be entitled to

manage and supervise their respective loans and extensions of credit under their respective ABL Facility Documents in accordance with law and as they may otherwise, in their sole discretion, deem appropriate. The ABL Facility Collateral Agent and the ABL Facility Secured Parties shall have no duty (including no fiduciary duty) to any Junior Priority Collateral Agent, any of the Junior Priority Secured Parties, each Term Loan Collateral Agent or any of the Term Loan Secured Parties to act or refrain from acting in a manner which allows, or results in, the occurrence or continuance of an event of default or default under any agreements with the Company or any Grantor (including the Term Loan Documents, the Junior Priority Documents and the ABL Facility Documents), regardless of any knowledge thereof which they may have or be charged with.

Section 4. ABL Facility Priority Collateral.

4.1 Exerciseof Remedies – Prior to Discharge of ABL Facility Obligations.

(a) So long as the Discharge of ABL Facility Obligations has not occurred, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against the Company or any other Grantor:

(i) none of any Term Loan Collateral Agent, any of the Term Loan Secured Parties, any Junior Priority Collateral Agent or any of the Junior Priority Secured Parties (x) will exercise or seek to exercise any rights or remedies (including set-off) with respect to any ABL Facility Priority Collateral (including the exercise of any right under any lockbox agreement, account control agreement, landlord waiver or bailee's letter or similar agreement or arrangement in respect of ABL Facility Priority Collateral to which any Term Loan Collateral Agent, any Term Loan Secured Party, any Junior Priority Collateral Agent or any Junior Priority Secured Party, as the case may be, is a party) or institute or commence or join with or support any Person (other than the ABL Facility Collateral Agent and the ABL Facility Secured Parties) in commencing any action or proceeding with respect to such rights or remedies (including any action of foreclosure, enforcement, collection or execution); provided, however, that (1) the Directing Term Loan Collateral Agent may exercise any or all such rights in accordance with the Term Loan Documents after a period of 180 days has elapsed since the date of delivery of a notice in writing to the Directing ABL Facility Collateral Agent with respect to any of the following (and requesting that enforcement actions be taken with respect to the ABL Facility Priority Collateral) and so long as the respective payment default shall not have been cured or waived (or the respective acceleration rescinded): (I) a payment default exists with respect to the Term Loan Obligations following the final maturity of the Term Loan Obligations or (II) after the acceleration by the relevant Term Loan Secured Parties of the maturity of all then outstanding Term Loan Obligations (the "Term Loan Standstill Period") and (2) the Directing Junior Priority Collateral Agent may exercise any or all such rights in accordance with the Junior Priority Documents after a period of 365 days has elapsed since the date of delivery of a notice in writing to the Directing ABL Facility Collateral Agent (which notice may be combined with the notice to the Directing Term Loan Collateral Agent given pursuant to Section 4.2(a)(i)) with respect to any of the following (and requesting that enforcement actions be taken with respect to the ABL Facility Priority Collateral) and so long as the respective payment default shall not have

been cured or waived (or the respective acceleration rescinded): (I) a payment default exists with respect to any of the Junior Priority Obligations following the final maturity of such Junior Priority Obligations or (II) after the acceleration by the applicable Junior Priority Secured Parties of the maturity of the then outstanding Junior Priority Obligations under any of the Federal Capex Facility Documents, the Ontario Capex Facility Documents or any class of Additional Junior Priority Obligations Agreement (the "Junior Priority ABL Facility Collateral Standstill Period"); provided, further, however, notwithstanding anything herein to the contrary, none of any Term Loan Collateral Agent, or any Term Loan Secured Party or the Directing Junior Priority Collateral Agent or any Junior Priority Secured Party will exercise any rights or remedies with respect to any ABL Facility Priority Collateral if, notwithstanding the expiration of the Term Loan Standstill Period or the Junior Priority ABL Facility Collateral Standstill Period, as the case may be, the Directing ABL Facility Collateral Agent or ABL Facility Secured Parties shall have commenced and be diligently pursuing in good faith the exercise of any of their rights or remedies with respect to all or a material portion of the ABL Facility Priority Collateral (prompt notice of such exercise to be given by the respective enforcing Directing Collateral Agent to the other Directing Collateral Agents), (y) will contest, protest or object to (or join any party objecting to) any foreclosure proceeding or action brought by the Directing ABL Facility Collateral Agent or any ABL Facility Secured Party with respect to, or any other exercise by the ABL Facility Collateral Agent or any ABL Facility Secured Party of any rights and remedies relating to, the ABL Facility Priority Collateral under the ABL Facility Documents or otherwise, and (z) subject to its rights under clause (i)(x) above, will object to (or join any party objecting to) the forbearance by the Directing ABL Facility Collateral Agent or the ABL Facility Secured Parties from bringing or pursuing any foreclosure proceeding or action or any other exercise of any rights or remedies relating to the ABL Facility Priority Collateral, in each case so long as the respective interests of the Term Loan Secured Parties and Junior Priority Secured Parties attach to the Proceeds thereof subject to the relative priorities described in Section 2; provided, however, that nothing in this Section 4.1(a) shall be construed to authorize any Term Loan Collateral Agent, any Term Loan Secured Party, any Junior Priority Collateral Agent or any Junior Priority Secured Party, as the case may be, to sell any ABL Facility Priority Collateral free of the Lien of the ABL Facility Collateral Agent or any ABL Facility Secured Party and provided further, that each of the Term Loan Standstill Period and the Junior Priority ABL Facility Collateral Standstill Period shall be tolled for any period that the ABL Facility Collateral Agent or any of the ABL Facility Secured Parties are stayed from exercising remedies with respect to the ABL Facility Priority Collateral; and

(ii) subject to clause (i)(x) above, the Directing ABL Facility Collateral Agent and the ABL Facility Secured Parties shall have the exclusive right to enforce rights, exercise remedies (including set-off and applicable credit bid rights) and make determinations regarding the disposition of, or restrictions with respect to, the ABL Facility Priority Collateral without any consultation with or the consent of any Term Loan Collateral Agent, any Term Loan Secured Party, any Junior Priority Collateral Agent or any Junior Priority Secured Party; provided that:

(A) in any Insolvency or Liquidation Proceeding commenced by or against Holdings, the Company or any other Grantor, the Term Loan Collateral Agent, any Term Loan Secured Party, any Junior Priority Collateral Agent or any Junior Priority Secured Party may file a claim or statement of interest with respect to the Term Loan Obligations or the Junior Priority Obligations, as applicable;

(B) any of the Term Loan Collateral Agent, any Term Loan Secured Party, any Junior Priority Collateral Agent and any Junior Priority Secured Party may take any action (not adverse to the priority status of the Liens on the ABL Facility Priority Collateral securing the ABL Facility Obligations, or the rights of the ABL Facility Collateral Agent or the ABL Facility Secured Parties to exercise remedies in respect thereof) in accordance with the Term Loan Documents or the Junior Priority Documents, as applicable, and the terms of this Agreement in order to create, prove, perfect, preserve or protect (but not enforce) its Lien on the ABL Facility Priority Collateral;

(C) each of the Term Loan Secured Parties and the Junior Priority Secured Parties shall be entitled to file any necessary or appropriate responsive or defensive pleadings in opposition to any motion, claim, adversary proceeding or other pleading made by any Person objecting to or otherwise seeking the disallowance of the claims or Liens of the Term Loan Secured Parties or the Junior Priority Secured Parties, as the case may be, including any claims secured by or Liens on the ABL Facility Priority Collateral, if any, in each case in accordance with the terms of this Agreement;

(D) each of the Term Loan Secured Parties and the Junior Priority Secured Parties shall be entitled to file any pleadings, objections, motions or agreements which assert rights or interests available to unsecured creditors of the Grantors arising under either the Debtor Relief Laws or applicable non-bankruptcy law, in each case in accordance with the terms of this Agreement and to the extent not prohibited by any other provision of this Agreement;

(E) each of the Term Loan Secured Parties and Junior Priority Secured Parties shall be entitled to vote on any plan of reorganization and file any proof of claim in an Insolvency or Liquidation Proceeding or otherwise and other filings and make any arguments and motions that are, in each case, in accordance with the terms of this Agreement, with respect to the ABL Facility Priority Collateral;

(F) the Term Loan Collateral Agent or any Term Loan Secured Party may exercise any of its rights or remedies with respect to the ABL Facility Priority Collateral in accordance with the Term Loan Documents after the termination of the Term Loan Standstill Period to the extent permitted by clause (i)(x) above; and

(G) the Directing Junior Priority Collateral Agent or any Junior Priority Secured Party may exercise any of its rights or remedies with respect to the ABL Facility Priority Collateral in accordance with the Junior Priority

Documents after the termination of the Junior Priority ABL Facility Collateral Standstill Period to the extent permitted by clause (i)(x) above.

Subject to clause (i)(x) above, in exercising rights and remedies with respect to the ABL Facility Priority Collateral, the Directing ABL Facility Collateral Agent and the ABL Facility Secured Parties may enforce the provisions of the ABL Facility Documents and exercise remedies thereunder, all in such order and in such manner as they may determine in the exercise of their sole discretion. Such exercise and enforcement shall include the rights of an agent appointed by them to sell or otherwise dispose of ABL Facility Priority Collateral upon foreclosure, to incur expenses in connection with such sale or disposition, and to exercise all the rights and remedies of a secured creditor under the UCC of any applicable jurisdiction and of a secured creditor under any other applicable law.

(b) Each of the Term Loan Collateral Agent, on behalf of itself and the other Term Loan Secured Parties and each Junior Priority Collateral Agent, on behalf of itself and the other Junior Priority Secured Parties, agrees that it will not take or receive any ABL Facility Priority Collateral or any Proceeds of ABL Facility Priority Collateral in connection with the exercise of any right or remedy (including set-off) with respect to any ABL Facility Priority Collateral unless and until the Discharge of ABL Facility Obligations has occurred, except as expressly provided in the first proviso in clause (i)(x) of Section 4.1(a) or in the proviso in clause (ii) of Section 4.1(a) (but subject to the payment over requirements of Section 4.4). Without limiting the generality of the foregoing, unless and until the Discharge of ABL Facility Obligations has occurred, except as expressly provided in the first proviso in clause (i)(x) of Section 4.1(a) or in the proviso in clause (ii) of Section 4.1(a), the sole right of the Term Loan Collateral Agent and the Term Loan Secured Parties and each Junior Priority Collateral Agent and the Junior Priority Secured Parties with respect to the ABL Facility Priority Collateral is to hold a Lien on the ABL Facility Priority Collateral pursuant to the Term Loan Documents or Junior Priority Documents, as the case may be, for the period and to the extent granted therein and to receive a share of the Proceeds thereof, if any, after the Discharge of ABL Facility Obligations has occurred in accordance with the terms hereof, the Term Loan Documents or Junior Priority Documents, as applicable, and applicable law.

(c) Subject to the first proviso in clause (i)(x) of Section 4.1(a) and the proviso in clause (ii) of Section 4.1(a):

(i) each of the Term Loan Collateral Agent, for itself and on behalf of the other Term Loan Secured Parties and each Junior Priority Collateral Agent, for itself and on behalf of the other Junior Priority Secured Parties, agrees that it will not take any action that would hinder, delay, limit or prohibit any exercise of remedies under the ABL Facility Documents with respect to the ABL Facility Priority Collateral, including any collection, sale, lease, exchange, transfer or other disposition of the ABL Facility Priority Collateral, whether by foreclosure or otherwise, or that would limit, invalidate, avoid or set aside any Lien or ABL Facility Security Document, in each case, with respect to the ABL Facility Priority Collateral or subordinate the priority of the ABL Facility Obligations to the Term Loan Obligations or the Junior Priority Obligations, as the case may be, with respect to the ABL Facility Priority Collateral or grant the Liens with respect to the ABL Facility Priority Collateral securing the Term Loan Obligations or the

Junior Priority Obligations, as the case may be, equal ranking to the Liens with respect to the ABL Facility Priority Collateral securing the ABL Facility Obligations, and

(ii) each of the Term Loan Collateral Agent, for itself and on behalf of the other Term Loan Secured Parties and each Junior Priority Collateral Agent, for itself and on behalf of the other Junior Priority Secured Parties, hereby waives any and all rights it or the Term Loan Secured Parties or the Junior Priority Secured Parties, as the case may be, may have as a junior Lien creditor with respect to the ABL Facility Priority Collateral or otherwise to object to the manner in which the ABL Facility Collateral Agent or the ABL Facility Secured Parties seek to enforce or collect the ABL Facility Obligations or the Liens granted in any of the ABL Facility Priority Collateral in any such case except to the extent such enforcement or collection is in violation of the terms of this Agreement, regardless of whether any action or failure to act by or on behalf of the ABL Facility Collateral Agent or ABL Facility Secured Parties is adverse to the interest of the Term Loan Secured Parties or the Junior Priority Secured Parties, as the case may be.

(d) Each of the Term Loan Collateral Agents for themselves and on behalf of their respective Term Loan Secured Parties and each Junior Priority Collateral Agent, for itself and on behalf of the other Junior Priority Secured Parties hereby acknowledges and agrees that no covenant, agreement or restriction contained in its respective Term Loan Document or Junior Priority Document, as applicable (other than this Agreement), shall be deemed to restrict in any way the rights and remedies of the ABL Facility Collateral Agent or the ABL Facility Secured Parties with respect to the ABL Facility Priority Collateral as set forth in this Agreement and the ABL Facility Documents.

4.2 Exercise of Remedies – After Discharge of ABL Facility Obligations and Prior to Discharge of Term Loan Obligations.

(a) After the Discharge of ABL Facility Obligations has occurred and so long as the Discharge of Term Loan Obligations has not occurred, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against the Company or any other Grantor:

(i) none of the Junior Priority Collateral Agents or any of the Junior Priority Secured Parties (x) will exercise or seek to exercise any rights or remedies (including set-off) with respect to any ABL Facility Priority Collateral (including the exercise of any right under any lockbox agreement, account control agreement, landlord waiver or bailee's letter or similar agreement or arrangement in respect of ABL Facility Priority Collateral to which any Junior Priority Collateral Agent or any Junior Priority Secured Party, as the case may be, is a party) or institute or commence or join with or support any Person (other than the Term Loan Collateral Agent and the Term Loan Secured Parties) in commencing any action or proceeding with respect to such rights or remedies (including any action of foreclosure, enforcement, collection or execution); provided, that the Directing Junior Priority Collateral Agent may exercise any or all such rights in accordance with the Junior Priority Documents after a period of 365 days has elapsed since the date of delivery of a notice in writing to the Directing Term Loan Collateral Agent (which notice may be combined with the notice to the Directing ABL Facility Collateral Agent given pursuant to Section 4.1(a)(i)) with respect to any of the following

(and requesting that enforcement actions be taken with respect to the ABL Facility Priority Collateral) and so long as the respective payment default shall not have been cured or waived (or the respective acceleration rescinded): (I) a payment default exists with respect to any of the Junior Priority Obligations following the final maturity of such Junior Priority Obligations or (II) after the acceleration by the applicable Junior Priority Secured Parties of the maturity of the then outstanding Junior Priority Obligations under any of the Federal Capex Facility Documents, the Ontario Capex Facility Documents or any class of Additional Junior Priority Obligations Agreement (the "Junior Priority ABL Term Facility Collateral Standstill Period"); provided, further, however, notwithstanding anything herein to the contrary, none of the Directing Junior Priority Collateral Agent or any Junior Priority Secured Party will exercise any rights or remedies with respect to any ABL Facility Priority Collateral if, notwithstanding the expiration of the Junior Priority ABL Term Facility Collateral Standstill Period, the Term Loan Collateral Agent or Term Loan Secured Parties shall have commenced and be diligently pursuing in good faith the exercise of any of their rights or remedies with respect to all or a material portion of the ABL Facility Priority Collateral (prompt notice of such exercise to be given by the respective enforcing Directing Collateral Agent to the other Directing Collateral Agents), (y) will contest, protest or object to (or join any party objecting to) any foreclosure proceeding or action brought by the Directing Term Loan Collateral Agent or any Term Loan Secured Party with respect to, or any other exercise by the Directing Term Loan Collateral Agent or any Term Loan Secured Party of any rights and remedies relating to, the ABL Facility Priority Collateral under the Term Loan Documents or otherwise, and (z) will object to (or join any party objecting to) the forbearance by the Directing Term Loan Collateral Agent or the Term Loan Secured Parties from bringing or pursuing any foreclosure proceeding or action or any other exercise of any rights or remedies relating to the ABL Facility Priority Collateral, in each case so long as the respective interests of the Junior Priority Secured Parties attach to the Proceeds thereof subject to the relative priorities described in Section 2; provided, that the Junior Priority ABL Term Facility Collateral Standstill Period shall be tolled for any period that the Term Loan Collateral Agent or any of the Term Loan Secured Parties are stayed from exercising remedies with respect to the ABL Facility Priority Collateral; and

(ii) the Directing Term Loan Collateral Agent and the Term Loan Secured Parties shall have the exclusive right to enforce rights, exercise remedies (including set-off and applicable credit bid rights) and make determinations regarding the disposition of, or restrictions with respect to, the ABL Facility Priority Collateral without any consultation with or the consent of any Junior Priority Collateral Agent or any Junior Priority Secured Party; provided that:

(A) in any Insolvency or Liquidation Proceeding commenced by or against Holdings, the Company or any other Grantor, any Junior Priority Collateral Agent or any Junior Priority Secured Party may file a claim or statement of interest with respect to the Junior Priority Obligations, as applicable;

(B) any Junior Priority Collateral Agent and any Junior Priority Secured Party may take any action (not adverse to the priority status of the Liens on the ABL Facility Priority Collateral securing the Term Loan Obligations, or

the rights of the Term Loan Collateral Agent or the Term Loan Secured Parties to exercise remedies in respect thereof) in accordance with the Junior Priority Documents and the terms of this Agreement in order to create, prove, perfect, preserve or protect (but not enforce) its Lien on the ABL Facility Priority Collateral;

(C) each of the Junior Priority Secured Parties shall be entitled to file any necessary or appropriate responsive or defensive pleadings in opposition to any motion, claim, adversary proceeding or other pleading made by any Person objecting to or otherwise seeking the disallowance of the claims or Liens of the Junior Priority Secured Parties, including any claims secured by or Liens on the ABL Facility Priority Collateral, if any, in each case in accordance with the terms of this Agreement;

(D) the Junior Priority Secured Parties shall be entitled to file any pleadings, objections, motions or agreements which assert rights or interests available to unsecured creditors of the Grantors arising under either the Debtor Relief Laws or applicable non-bankruptcy law, in each case in accordance with the terms of this Agreement and to the extent not prohibited by any other provision of this Agreement;

(E) the Junior Priority Secured Parties shall be entitled to vote on any plan of reorganization and file any proof of claim in an Insolvency or Liquidation Proceeding or otherwise and other filings and make any arguments and motions that are, in each case, in accordance with the terms of this Agreement, with respect to the ABL Facility Priority Collateral; and

(F) the Directing Junior Priority Collateral Agent or any Junior Priority Secured Party may exercise any of its rights or remedies with respect to the ABL Facility Priority Collateral in accordance with the Junior Priority Documents after the termination of the Junior Priority ABL Term Facility Collateral Standstill Period to the extent permitted by clause (i)(x) above.

Subject to clause (i)(x) above, in exercising rights and remedies with respect to the ABL Facility Priority Collateral, the Directing Term Loan Collateral Agent and the Term Loan Secured Parties may enforce the provisions of the Term Loan Documents and exercise remedies thereunder, all in such order and in such manner as they may determine in the exercise of their sole discretion. Such exercise and enforcement shall include the rights of an agent appointed by them to sell or otherwise dispose of ABL Facility Priority Collateral upon foreclosure, to incur expenses in connection with such sale or disposition, and to exercise all the rights and remedies of a secured creditor under the UCC of any applicable jurisdiction and of a secured creditor under any other applicable law.

(b) After the Discharge of ABL Facility Obligations has occurred and so long as the Discharge of Term Loan Obligations has not occurred, each Junior Priority Collateral Agent, on behalf of itself and the other Junior Priority Secured Parties, agrees that it will not take or receive any ABL Facility Priority Collateral or any Proceeds of ABL Facility Priority Collateral in

connection with the exercise of any right or remedy (including set-off) with respect to any ABL Facility Priority Collateral unless and until the Discharge of Term Loan Obligations has occurred, except as expressly provided in the first proviso in clause (i)(x) of Section 4.2(a) or in the proviso in clause (ii) of Section 4.2(a) (but subject to the payment over requirements in Section 4.4). Without limiting the generality of the foregoing, unless and until the Discharge of Term Loan Obligations has occurred, except as expressly provided in the first proviso in clause (i)(x) of Section 4.2(a) or in the proviso in clause (ii) of Section 4.2(a) (but subject to the payment over requirements in Section 4.4), the sole right of each Junior Priority Collateral Agent and the Junior Priority Secured Parties with respect to the ABL Facility Priority Collateral is to hold a Lien on the ABL Facility Priority Collateral pursuant to the Junior Priority Documents for the period and to the extent granted therein and to receive a share of the Proceeds thereof, if any, after the Discharge of Term Loan Obligations has occurred in accordance with the terms hereof, the Junior Priority Documents and applicable law.

(c) Subject to the first proviso in clause (i)(x) of Section 4.2(a), and the proviso in clause (ii) of Section 4.2 (a):

(i) each Junior Priority Collateral Agent, for itself and on behalf of the other Junior Priority Secured Parties, agrees that it will not take any action that would hinder, delay, limit or prohibit any exercise of remedies under the Term Loan Documents with respect to the ABL Facility Priority Collateral, including any collection, sale, lease, exchange, transfer or other disposition of the ABL Facility Priority Collateral, whether by foreclosure or otherwise, or that would limit, invalidate, avoid or set aside any Lien or Term Loan Security Document, in each case, with respect to the ABL Facility Priority Collateral or subordinate the priority of the Term Loan Obligations to any Junior Priority Obligations with respect to the ABL Facility Priority Collateral or grant the Liens with respect to the ABL Facility Priority Collateral securing any Junior Priority Obligations, equal ranking to the Liens with respect to the ABL Facility Priority Collateral securing the Term Loan Obligations, and

(ii) each Junior Priority Collateral Agent, for itself and on behalf of the other Junior Priority Secured Parties, hereby waives any and all rights it or the Junior Priority Secured Parties may have as a junior Lien creditor with respect to the ABL Facility Priority Collateral or otherwise to object to the manner in which the Term Loan Collateral Agent or the Term Loan Secured Parties seek to enforce or collect the Term Loan Obligations or the Liens granted in any of the ABL Facility Priority Collateral in any such case except to the extent such enforcement or collection is in violation of the terms of this Agreement, regardless of whether any action or failure to act by or on behalf of the Term Loan Collateral Agent or Term Loan Secured Parties is adverse to the interest of the Junior Priority Secured Parties.

(d) Each Junior Priority Collateral Agent, for itself and on behalf of the other Junior Priority Secured Parties hereby acknowledges and agrees that no covenant, agreement or restriction contained in any Junior Priority Document (other than this Agreement), shall be deemed to restrict in any way the rights and remedies of the Term Loan Collateral Agent or the Term Loan Secured Parties with respect to the ABL Facility Priority Collateral as set forth in this Agreement and the Term Loan Documents.

4.3 [Reserved].

4.4 PaymentsOver.

(a) Prior to Discharge of ABL Facility Obligations. So long as the Discharge of ABL Facility Obligations has not occurred, any ABL Facility Priority Collateral, Cash Proceeds thereof or non-Cash Proceeds constituting ABL Facility Priority Collateral (or any distribution in respect of the ABL Facility Priority Collateral, whether or not expressly characterized as such) received by (i) any Term Loan Collateral Agent or any Term Loan Secured Parties, (ii) any Junior Priority Collateral Agent or any Junior Priority Secured Parties or (iii) any ABL Facility Secured Party (other than the Directing ABL Facility Collateral Agent), in each case, in connection with the exercise of any right or remedy (including set-off) relating to the ABL Facility Priority Collateral (including following the expiration of the Term Loan Standstill Period or the Junior Priority ABL Facility Collateral Standstill Period) shall be segregated and held in trust and forthwith paid over to the Directing ABL Facility Collateral Agent, for the benefit of the ABL Facility Secured Parties, for application in accordance with Section 7 below, in the same form as received, with any necessary endorsements or as a court of competent jurisdiction may otherwise direct. The Directing ABL Facility Collateral Agent is hereby authorized to make any such endorsements as agent for the Directing Term Loan Collateral Agent, any such Term Loan Secured Parties, the Directing Junior Priority Collateral Agent, any such Junior Priority Secured Parties and any such ABL Facility Secured Parties. This authorization is coupled with an interest and is irrevocable until the Discharge of ABL Facility Obligations. To the extent that Secured Parties are placed in the same class of secured creditors in any plan pursuant to Debtor Relief Laws, any recovery by any of them on account of unsecured deficiency claims traceable to the ABL Facility Priority Collateral is subject to payment over under the payment over and turnover provisions in favor of the Directing ABL Facility Collateral Agent until the Discharge of the ABL Facility Obligations.

(b) After Discharge of ABL Facility Obligations and Prior to Discharge of Term Loan Obligations. After the Discharge of ABL Facility Obligations has occurred and so long as the Discharge of Term Loan Obligations has not occurred, any ABL Facility Priority Collateral, Cash Proceeds thereof or non-Cash Proceeds constituting ABL Facility Priority Collateral (or any distribution in respect of the ABL Facility Priority Collateral, whether or not expressly characterized as such) received by (i) any Junior Priority Collateral Agent or any Junior Priority Secured Parties, or (ii) the Term Loan Collateral Agent or any other Term Loan Secured Party (other than the Directing Term Loan Collateral Agent), in each case, in connection with the exercise of any right or remedy (including set-off) relating to the ABL Facility Priority Collateral (including following the expiration of the Junior Priority ABL Term Facility Collateral Standstill Period) shall be segregated and held in trust and forthwith paid over to the Directing Term Loan Collateral Agent, for the benefit of the Term Loan Secured Parties, for application in accordance with Section 7 below, in the same form as received, with any necessary endorsements or as a court of competent jurisdiction may otherwise direct. The Directing Term Loan Collateral Agent is hereby authorized to make any such endorsements as agent for the Directing Junior Priority Collateral Agent, any such Junior Priority Secured Parties and the other Term Loan Secured Parties. This authorization is coupled with an interest and is irrevocable until the Discharge of Term Loan Obligations. To the extent that Term Loan Secured Parties and the Junior Priority Secured Parties are placed in the same class of secured creditors, any recovery by any of them on

account of unsecured deficiency claims traceable to the ABL Facility Priority Collateral is subject to payment over under the payment over and turnover provisions in favor of the Directing Term Loan Collateral Agent until the Discharge of the Term Loan Obligations.

4.5 OtherAgreements.

(a) Releases– ABL Facility Obligations.

(i) If, in connection with:

(A) the exercise of any Directing ABL Facility Collateral Agent's remedies in respect of the ABL Facility Priority Collateral provided for in Section 4.1(a) (with the Proceeds thereof being applied to the ABL Facility Obligations), including any sale, lease, exchange, transfer or other disposition of any such ABL Facility Priority Collateral; or

(B) any sale, lease, exchange, transfer or other disposition (to a Person other than Holdings, the Company or any other Grantor) of any ABL Facility Priority Collateral permitted under the terms of the ABL Facility Documents, Term Loan Documents and Junior Priority Documents (provided that any such sale, lease, exchange, transfer or other disposition that is not made in connection with an Insolvency or Liquidation Proceeding and which constitutes a transfer of all or substantially all assets of the Company and its Subsidiaries shall have been consented to by each of the Directing ABL Facility Collateral Agent, the Directing Term Loan Collateral Agent and the Directing Junior Priority Collateral Agent),

the Directing ABL Facility Collateral Agent, for itself or on behalf of any of the other ABL Facility Secured Parties, releases any of its Liens on any part of the ABL Facility Priority Collateral, then the Liens, if any, of (x) the Term Loan Collateral Agent, for itself and on behalf of the other Term Loan Secured Parties and (y) each Junior Priority Collateral Agent, for itself and on behalf of the Junior Priority Secured Parties, on such ABL Facility Priority Collateral (but not in each case the Proceeds thereof (unless applied to the ABL Facility Obligations), which shall be subject to the priorities set forth in this Agreement) shall be automatically, unconditionally and simultaneously released and the Directing ABL Facility Collateral Agent is irrevocably authorized to execute and deliver or enter into any release of such Liens or claims that may, in the discretion of the Directing ABL Facility Collateral Agent, be considered necessary or reasonably desirable in connection with such releases; and the Term Loan Collateral Agent, for itself and on behalf of any such Term Loan Secured Parties and the Directing Junior Priority Collateral Agent, for itself and on behalf of any such Junior Priority Secured Parties, promptly shall execute and deliver to the Directing ABL Facility Collateral Agent or such Grantor such termination statements, releases and other documents as the Directing ABL Facility Collateral Agent or such Grantor (at the expense of such Grantor) may request to effectively confirm such release.

(ii) Until the Discharge of ABL Facility Obligations occurs, each of (x) the Term Loan Collateral Agent, for itself and on behalf of the other Term Loan Secured Parties and (y) each Junior Priority Collateral Agent, for itself and on behalf of the Junior Priority Secured

Parties, hereby irrevocably constitutes and appoints the Directing ABL Facility Collateral Agent and any officer or agent of the Directing ABL Facility Collateral Agent, with full power of substitution, as its true and lawful attorney in fact with full irrevocable power and authority in the place and stead of the Term Loan Collateral Agent, each Junior Priority Collateral Agent or such Secured Party, as the case may be, or in the Directing ABL Facility Collateral Agent's own name, from time to time in the Directing ABL Facility Collateral Agent's discretion, for the purpose of carrying out the terms of this Section 4.5(a) with respect to ABL Facility Priority Collateral, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary to accomplish the purposes of this Section 4.5(a) with respect to ABL Facility Priority Collateral, including any endorsements or other instruments of transfer or release.

(iii) Until the Discharge of ABL Facility Obligations occurs, to the extent that the ABL Facility Secured Parties (A) have released any Lien on ABL Facility Priority Collateral and any such Lien is later reinstated or (B) obtain any new Liens on assets constituting ABL Facility Priority Collateral from Grantors, then the Term Loan Secured Parties and the Junior Priority Secured Parties shall be granted a similarly perfected Lien on any such ABL Facility Priority Collateral, which Liens shall be subject to this Agreement.

(iv) If, prior to the Discharge of ABL Facility Obligations, a subordination of the ABL Facility Collateral Agent's Lien on any ABL Facility Priority Collateral is permitted (or in good faith believed by the Directing ABL Facility Collateral Agent to be permitted) under the then existing Debt Agreements to another Lien permitted under the then existing Debt Agreements (for purposes of this clause (iv), a "ABL Facility Priority Collateral Lien"), then (x) the Directing ABL Facility Collateral Agent is authorized to execute and deliver a subordination agreement with respect thereto in form and substance satisfactory to it, and (y) each of the Term Loan Collateral Agent, for itself and on behalf of the other Term Loan Secured Parties and each Junior Priority Collateral Agent, for itself and on behalf of the other Junior Priority Secured Parties, shall each promptly execute and deliver to the Directing ABL Facility Collateral Agent a substantially identical subordination agreement subordinating the Liens of such Term Loan Collateral Agent for the benefit of (and on behalf of) the Term Loan Secured Parties, and each Junior Priority Collateral Agent for the benefit of (and on behalf of) the Junior Priority Secured Parties, respectively, to such ABL Facility Priority Collateral Lien.

(b) Releases – Term Loan Obligations.

(i) After the Discharge of ABL Facility Obligations has occurred and so long as the Discharge of Term Loan Obligations has not occurred, if, in connection with:

(A) the exercise of any Directing Term Loan Collateral Agent's remedies in respect of the ABL Facility Priority Collateral provided for in Section 4.2(a) (with the Proceeds thereof being applied to the Term Loan Obligations), including any sale, lease, exchange, transfer or other disposition of any such ABL Facility Priority Collateral; or

(B) any sale, lease, exchange, transfer or other disposition (to a Person other than Holdings, the Company or any other Grantor) of any ABL Facility Priority Collateral permitted under the terms of the Term Loan Documents and Junior Priority

Documents (provided that any such sale, lease, exchange, transfer or other disposition that is not made in connection with an Insolvency or Liquidation Proceeding and which constitutes a transfer of all or substantially all assets of the Company and its Subsidiaries shall have been consented to by each of the Directing Term Loan Collateral Agent and the Directing Junior Priority Collateral Agent),

the Directing Term Loan Collateral Agent, for itself or on behalf of any of the other Term Loan Secured Parties, releases any of its Liens on any part of the ABL Facility Priority Collateral, then the Liens, if any, of each Junior Priority Collateral Agent, for itself and on behalf of the Junior Priority Secured Parties, on such ABL Facility Priority Collateral (but not in each case the Proceeds thereof (unless applied to the Term Loan Obligations), which shall be subject to the priorities set forth in this Agreement) shall be automatically, unconditionally and simultaneously released and the Directing Term Loan Collateral Agent is irrevocably authorized to execute and deliver or enter into any release of such Liens or claims that may, in the discretion of the Directing Term Loan Collateral Agent, be considered necessary or reasonably desirable in connection with such releases; and the Directing Junior Priority Collateral Agent, for itself and on behalf of any such Junior Priority Secured Parties, promptly shall execute and deliver to the Directing Term Loan Collateral Agent or such Grantor such termination statements, releases and other documents as the Directing Term Loan Collateral Agent or such Grantor (at the expense of such Grantor) may request to effectively confirm such release.

(ii) Following the Discharge of the ABL Facility Obligations and until the Discharge of Term Loan Obligations occurs, each Junior Priority Collateral Agent, for itself and on behalf of the other Junior Priority Secured Parties, hereby irrevocably constitutes and appoints the Directing Term Loan Collateral Agent and any officer or agent of the Directing Term Loan Collateral Agent, with full power of substitution, as its true and lawful attorney in fact with full irrevocable power and authority in the place and stead of such Junior Priority Collateral Agent or such Secured Party, as the case may be, or in the Directing Term Loan Collateral Agent's own name, from time to time in the Directing Term Loan Collateral Agent's discretion, for the purpose of carrying out the terms of this Section 4.5(b) with respect to ABL Facility Priority Collateral, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary to accomplish the purposes of this Section 4.5(b) with respect to ABL Facility Priority Collateral, including any endorsements or other instruments of transfer or release.

(iii) Following the Discharge of the ABL Facility Obligations and until the Discharge of Term Loan Obligations occurs, to the extent that the Term Loan Secured Parties (A) have released any Lien on ABL Facility Priority Collateral and any such Lien is later reinstated or (B) obtain any new Liens on assets constituting ABL Facility Priority Collateral from Grantors, then the Junior Priority Secured Parties shall be granted a similarly perfected Lien on any such ABL Facility Priority Collateral, which Liens shall be subject to this Agreement.

(iv) If, following the Discharge of the ABL Facility Obligations and prior to the Discharge of Term Loan Obligations, a subordination of the Term Loan Collateral Agent's Lien on any ABL Facility Priority Collateral is permitted (or in good faith believed by the Directing Term Loan Collateral Agent to be permitted) under the then existing Debt Agreements to another Lien permitted under the then existing Debt Agreements (for purposes of this clause (iv), a

"Term Loan/ABL Facility Priority Collateral Lien"), then (x) the Directing Term Loan Collateral Agent is authorized to execute and deliver a subordination agreement with respect thereto in form and substance satisfactory to it, and (y) each Junior Priority Collateral Agent, for itself and on behalf of the other Junior Priority Secured Parties, shall each promptly execute and deliver to the Directing Term Loan Collateral Agent a substantially identical subordination agreement subordinating the Liens of each Junior Priority Collateral Agent for the benefit of (and on behalf of) the Junior Priority Secured Parties, respectively, to such Term Loan/ABL Facility Priority Collateral Lien.

(c) [Reserved].

(d) Insurance – Prior to Discharge of ABL Facility Obligations. Unless and until the Discharge of ABL Facility Obligations has occurred, the Directing ABL Facility Collateral Agent shall have the sole and exclusive right, subject to the rights of the Grantors under the ABL Facility Documents, to adjust settlement for any Insurance policy covering the ABL Facility Priority Collateral in the event of any loss thereunder and to approve any award granted in any condemnation or similar proceeding (or any deed in lieu of condemnation) in respect of the ABL Facility Priority Collateral; provided that, if any Insurance claim includes both ABL Facility Priority Collateral and Term Loan Priority Collateral, the insurer will not settle such claim separately with respect to ABL Facility Priority Collateral and Term Loan Priority Collateral, and if the Directing ABL Facility Collateral Agent and Directing Term Loan Collateral Agent are unable after negotiating in good faith to agree on the settlement for such claim, either Directing Collateral Agent may apply to a court of competent jurisdiction to make a determination as to the settlement of such claim, and the court's determination shall be binding upon the parties. If any Term Loan Collateral Agent, any Term Loan Secured Party, any Junior Priority Collateral Agent or any Junior Priority Secured Party shall, at any time, receive any Proceeds of any such Insurance policy or any such award or payment in contravention of this Section 4.5 (d), it shall pay such Proceeds over to the Directing ABL Facility Collateral Agent in accordance with the terms of Section 4.4(a).

(e) Insurance – After Discharge of ABL Facility Obligations and Prior to Discharge of Term Loan Obligations. After the Discharge of ABL Facility Obligations and unless and until the Discharge of Term Loan Obligations has occurred, the Directing Term Loan Collateral Agent shall have the sole and exclusive right, subject to the rights of the Grantors under the Term Loan Documents, to adjust settlement for any Insurance policy covering the ABL Facility Priority Collateral in the event of any loss thereunder and to approve any award granted in any condemnation or similar proceeding (or any deed in lieu of condemnation) in respect of the ABL Facility Priority Collateral; provided that, if any Insurance claim includes both ABL Facility Priority Collateral and Term Loan Priority Collateral, the insurer will not settle such claim separately with respect to ABL Facility Priority Collateral and Term Loan Priority Collateral, and if the Directing Term Loan Collateral Agent and Directing Term Loan Collateral Agent are unable after negotiating in good faith to agree on the settlement for such claim, either Directing Collateral Agent may apply to a court of competent jurisdiction to make a determination as to the settlement of such claim, and the court's determination shall be binding upon the parties. If any Junior Priority Collateral Agent or any Junior Priority Secured Party shall, at any time, receive any Proceeds of any such Insurance policy or any such award or payment in contravention of this

Section 4.5(e), it shall pay such Proceeds over to the Term Loan Collateral Agent in accordance with the terms of Section 4.4(b).

(f) [Reserved].

(g) Amendments to, and Refinancing of, ABL Facility Documents.

(i) The ABL Facility Documents may be amended, restated, amended and restated, supplemented, increased or otherwise modified in accordance with their terms and the ABL Facility Obligations may (subject to compliance with Section 8.19) be Refinanced with replacement ABL Facility Obligations, in each case, without notice to, or the consent of, the Term Loan Collateral Agents, the other Term Loan Secured Parties, any Junior Priority Collateral Agent or other Junior Priority Secured Parties, all without affecting the Lien subordination or other provisions of this Agreement; provided, however, that any such amendment, restatement, amendment and restatement, replacement, supplement, modification or Refinancing of the ABL Facility Documents shall not, without the consent of the Directing Term Loan Collateral Agent and the Directing Junior Priority Collateral Agent contravene the provisions of this Agreement;

provided that, notwithstanding the provisions of this Section 4.5(g), the ABL Facility Documents may be amended, restated, amended and restated, supplemented, increased or otherwise modified and/or Refinanced from time to time in accordance with their terms in order to effect the making or provision of any incremental or increased revolving commitments under the ABL Facility Credit Agreement, in each case without notice to, or the consent of, any Term Loan Collateral Agent, any Term Loan Secured Party, any Junior Priority Collateral Agent or any Junior Priority Secured Party.

Subject to the provisions of the Term Loan Documents and the Junior Priority Documents, the ABL Facility Documents may be Refinanced with ABL Facility Obligations to the extent the terms and conditions of such Refinancing Indebtedness meet the requirements of this Section 4.5(g) and the holders of such Refinancing Indebtedness comply with Section 8.19.

(ii) In the event the ABL Facility Collateral Agent or the ABL Facility Secured Parties and the relevant Grantor enter into any amendment, waiver or consent in respect of any of the ABL Facility Security Documents for the purpose of adding to, or deleting from, or waiving or consenting to any departures from any provisions of, any ABL Facility Security Document or changing in any manner the rights of the ABL Facility Collateral Agent, such ABL Facility Secured Parties, the Company or any other Grantor thereunder, in each case with respect to or relating to the ABL Facility Priority Collateral, then such amendment, waiver or consent shall apply automatically to any comparable provision of the Comparable Term Loan Security Document and the Comparable Junior Priority Security Document without the consent of any Term Loan Collateral Agent, the Term Loan Secured Parties, the Junior Priority Collateral Agents or the Junior Priority Secured Parties and without any action by any Term Loan Collateral Agent, the Junior Priority Collateral Agents, the Company or any other Grantor, provided, that (A) no such amendment, waiver or consent shall have the effect of (I) removing assets that constitute ABL Facility Priority Collateral subject to the Lien of the Term Loan Security Documents or the Junior Priority Security Documents, except to the extent that a release

of such Lien is permitted or required by Section 4.5(a) and provided that there is a corresponding release of such Lien securing the ABL Facility Obligations, (II) imposing duties on any Term Loan Collateral Agent or any Junior Priority Collateral Agent without their respective consent or (III) permitting other liens on the ABL Facility Priority Collateral not permitted under the terms of the Term Loan Documents, the Junior Priority Documents or Section 4.6 and (B) notice by the ABL Facility Collateral Agent of such amendment, waiver or consent shall have been given to each Term Loan Collateral Agent and each Junior Priority Collateral Agent within ten (10) Business Days after the effective date of such amendment, waiver or consent.

(iii) Following the Discharge of Term Loan Obligations, in the event the ABL Facility Collateral Agent or the ABL Facility Secured Parties and the relevant Grantor enter into any amendment, waiver or consent in respect of any of the ABL Facility Security Documents for the purpose of adding to, or deleting from, or waiving or consenting to any departures from any provisions of, any ABL Facility Security Document or changing in any manner the rights of the ABL Facility Collateral Agent, such ABL Facility Secured Parties, the Company or any other Grantor thereunder, in each case with respect to or relating to the Term Loan Priority Collateral, then such amendment, waiver or consent shall apply automatically to any comparable provision of the Junior Priority Security Document without the consent of any Junior Priority Collateral Agent or the Junior Priority Secured Parties and without any action by any Junior Priority Collateral Agent, the Company or any other Grantor, provided, that (A) no such amendment, waiver or consent shall have the effect of (I) removing assets that constitute Term Loan Priority Collateral subject to the Lien of the Junior Priority Security Documents, except to the extent that a release of such Lien is permitted or required by Section 4.5(a) and provided that there is a corresponding release of such Lien securing the ABL Facility Obligations, (II) imposing duties on any Junior Priority Collateral Agent without its consent or (III) permitting other liens on the Term Loan Priority Collateral not permitted under the terms of the Junior Priority Documents or Section 4.6 and (B) notice by the ABL Facility Collateral Agent of such amendment, waiver or consent shall have been given to each Junior Priority Collateral Agent within ten (10) Business Days after the effective date of such amendment, waiver or consent.

(iv) The ABL Facility Collateral Agent shall endeavor to give prompt notice of any amendment, waiver or consent of an ABL Facility Document to each Term Loan Collateral Agent and each Junior Priority Collateral Agent after the effective date of such amendment, waiver or consent; provided that the failure of the ABL Facility Collateral Agent to give any such notice shall not affect the priority of the ABL Facility Collateral Agent's Liens as provided herein or the validity or effectiveness of any such amendment as against the Grantors or any of their Subsidiaries.

(h) Rights As Unsecured Creditors.

(i) Except as otherwise set forth in this Agreement and without limiting the benefits afforded to the other Secured Parties hereunder, the Term Loan Collateral Agent and the Term Loan Secured Parties may exercise rights and remedies as unsecured creditors against the Company or any other Grantor in accordance with the terms of the Term Loan Documents to which it is a party and applicable law. Except as otherwise set forth in this Agreement, nothing in this Agreement shall prohibit the receipt by the Term Loan Collateral Agent or any Term Loan Secured Parties of the required payments of interest, principal, premiums, fees and other amounts

in respect of the Term Loan Obligations so long as such receipt is not the direct or indirect result of the exercise by the Term Loan Collateral Agent or any Term Loan Secured Parties of rights or remedies as a secured creditor (including set-off) in respect of the ABL Facility Priority Collateral in contravention of this Agreement or enforcement in contravention of this Agreement of any Lien on ABL Facility Priority Collateral held by any of them. In the event the Term Loan Collateral Agent or any other Term Loan Secured Party becomes a judgment Lien creditor in respect of ABL Facility Priority Collateral as a result of its enforcement of its rights as an unsecured creditor, such judgment Lien shall be subordinated to the Liens securing ABL Facility Obligations on the same basis as the other Liens on the ABL Facility Priority Collateral securing the Term Loan Obligations are so subordinated to such Liens securing ABL Facility Obligations under this Agreement.

(ii) [Reserved].

(iii) Except as otherwise set forth in this Agreement, each Junior Priority Collateral Agent and the Junior Priority Secured Parties may exercise rights and remedies as unsecured creditors against the Company or any other Grantor in accordance with the terms of the Junior Priority Documents to which it is a party and applicable law. Except as otherwise set forth in this Agreement, nothing in this Agreement shall prohibit the receipt by any Junior Priority Collateral Agent or any Junior Priority Secured Parties of the required payments of interest, principal, premiums, fees and other amounts in respect of the Junior Priority Obligations so long as such receipt is not the direct or indirect result of the exercise by any Junior Priority Collateral Agent or any Junior Priority Secured Parties of rights or remedies as a secured creditor (including set-off) in respect of the ABL Facility Priority Collateral in contravention of this Agreement or enforcement in contravention of this Agreement of any Lien on the ABL Facility Priority Collateral held by any of them. In the event any Junior Priority Collateral Agent or any other Junior Priority Secured Party becomes a judgment Lien creditor in respect of ABL Facility Priority Collateral as a result of its enforcement of its rights as an unsecured creditor, such judgment Lien shall be subordinated to (x) the Liens securing ABL Facility Obligations and (y) the Liens securing the Term Loan Obligations, in each case, on the same basis as the other Liens on the ABL Facility Priority Collateral securing the Junior Priority Obligations are so subordinated to such ABL Facility Obligations and such Term Loan Obligations, respectively, under this Agreement.

(iv) Except as otherwise set forth in this Agreement, nothing in this Agreement (w) impairs or otherwise adversely affects any rights or remedies the ABL Facility Collateral Agent or the other ABL Facility Secured Parties may have with respect to the ABL Facility Priority Collateral (x) from and after the Discharge of ABL Facility Obligations, impairs or otherwise adversely affects Term Loan Secured Parties may have with respect to the ABL Facility Priority Collateral or (y) from and after the Discharge of ABL Facility Obligations and the Discharge of Term Loan Obligations, impairs or otherwise adversely affects any rights or remedies any Junior Priority Collateral Agent or the other Junior Priority Secured Parties may have with respect to the ABL Facility Priority Collateral.

(i) Baileefor Perfection – ABL Facility Collateral Agent.

(i) The Directing ABL Facility Collateral Agent agrees to hold or control that part of the ABL Facility Priority Collateral that is in its possession or control (or in the possession or control of its agents or bailees) to the extent that possession or control thereof is taken to perfect a Lien thereon under the UCC or other applicable law (such ABL Facility Priority Collateral being the "Pledged ABL Facility Priority Collateral") as collateral agent for the ABL Facility Secured Parties which it represents as Collateral Agent and as bailee for and, with respect to any ABL Facility Priority Collateral that cannot be perfected in such manner, as agent for, each Term Loan Collateral Agent (on behalf of the Term Loan Secured Parties) and any Junior Priority Collateral Agent (on behalf of the Junior Priority Secured Parties) and any assignee thereof solely for the purpose of perfecting the security interest granted under the ABL Facility Documents, the Term Loan Documents and the Junior Priority Documents, respectively, subject to the terms and conditions of this Section 4.5(i).

(ii) Subject to the terms of this Agreement, until the Discharge of ABL Facility Obligations has occurred, the Directing ABL Facility Collateral Agent shall be entitled to deal with the Pledged ABL Facility Priority Collateral in accordance with the terms of the ABL Facility Documents as if the Liens of each Term Loan Collateral Agent under the Term Loan Security Documents and any Junior Priority Collateral Agent under the Junior Priority Security Documents did not exist. The rights of each Term Loan Collateral Agent and any Junior Priority Collateral Agent shall at all times be subject to the terms of this Agreement and to the ABL Facility Collateral Agent's rights under the ABL Facility Documents.

(iii) The Directing ABL Facility Collateral Agent shall have no obligation whatsoever to any ABL Facility Secured Party, any Term Loan Collateral Agent, any Term Loan Secured Party, any Junior Priority Collateral Agent or any Junior Priority Secured Party to ensure that the Pledged ABL Facility Priority Collateral is genuine or owned by any of the Grantors or to preserve rights or benefits of any Person except as expressly set forth in this Section 4.5(i). The duties or responsibilities of the Directing ABL Facility Collateral Agent under this Section 4.5(i) shall be limited solely to holding the Pledged ABL Facility Priority Collateral as bailee or agent in accordance with this Section 4.5(i).

(iv) The Directing ABL Facility Collateral Agent acting pursuant to this Section 4.5(i) shall not have by reason of the ABL Facility Security Documents, the Term Loan Security Documents, the Junior Priority Security Documents, this Agreement or any other document a fiduciary relationship in respect of any ABL Facility Secured Party, any Term Loan Collateral Agent, any Term Loan Secured Party, any Junior Priority Collateral Agent or any Junior Priority Secured Party.

(v) Upon the Discharge of ABL Facility Obligations, the Directing ABL Facility Collateral Agent shall deliver or cause to be delivered the remaining Pledged ABL Facility Priority Collateral (if any) in its possession or in possession of its agents or bailees, together with any necessary endorsements, (A) first, to the Directing Term Loan Collateral Agent to the extent the Discharge of Term Loan Obligations has not occurred, (B) second, to the Directing Junior Priority Collateral Agent to the extent the Discharge of Junior Priority Obligations has not occurred and (C) third, to the applicable Grantor to the extent no ABL Facility Obligations, Term

Loan Obligations or Junior Priority Obligations remain outstanding (in each case, so as to allow such Person to obtain control of such Pledged ABL Facility Priority Collateral) and will cooperate with the Directing Term Loan Collateral Agent, the Directing Junior Priority Collateral Agent and such Grantor, as the case may be, in assigning (without recourse to or warranty by the Directing ABL Facility Collateral Agent or any other ABL Facility Secured Party or agent or bailee thereof) control over any other Pledged ABL Facility Priority Collateral under its control. The Directing ABL Facility Collateral Agent further agrees to take all other action reasonably requested by such Person (at the sole cost and expense of the Grantors or such Person) in connection with such Person obtaining a perfected security interest in the Pledged ABL Facility Priority Collateral or as a court of competent jurisdiction may otherwise direct. Notwithstanding the foregoing, with respect to any Deposit Accounts, Commodity Accounts or Securities Accounts, the ABL Facility Collateral Agent shall only be required to give notice of resignation to the counterparty thereunder.

(vi) Notwithstandinganything to the contrary herein:

(A) if, for any reason, the Discharge of Term Loan Obligations has not occurred upon the Discharge of ABL Facility Obligations, all rights of the ABL Facility Collateral Agent hereunder (1) with respect to the delivery and control of any part of the ABL Facility Priority Collateral, and (2) to direct, instruct, vote upon or otherwise influence the maintenance or disposition of such ABL Facility Priority Collateral, shall immediately, and (to the extent permitted by law) without further action on the part of any Term Loan Collateral Agent or any Junior Priority Collateral Agent, pass to the Directing Term Loan Collateral Agent, who shall thereafter hold such rights for the benefit of the Term Loan Secured Parties. Each of the Directing ABL Facility Agent and the Grantors agrees that it will (at the sole expense of the Grantors), if the Discharge of Term Loan Obligations has not occurred upon the Discharge of ABL Facility Obligations, take any other action required by any law or reasonably requested by the Directing Term Loan Collateral Agent (subject to any limitations set forth in the Term Loan Documents), in connection with the Directing Term Loan Collateral Agent's establishment and perfection of a security interest in the ABL Facility Priority Collateral; or

(B) [Reserved]; and

(C) if, for any reason, the Discharge of Junior Priority Obligations has not occurred upon the Discharge of ABL Facility Obligations and the Discharge of Term Loan Obligations, all rights of the ABL Facility Collateral Agent and all rights of the Term Loan Collateral Agents hereunder (1) with respect to the delivery and control of any part of the ABL Facility Priority Collateral, and (2) to direct, instruct, vote upon or otherwise influence the maintenance or disposition of such ABL Facility Priority Collateral, shall immediately, and (to the extent permitted by law) without further action on the part of any of any Term Loan Collateral Agent, any Junior Priority Collateral Agent or the ABL Facility Collateral Agent, pass to the Directing Junior Priority Collateral Agent, who shall thereafter hold such rights for the benefit of the Junior Priority Secured Parties. Each of the Directing Term Loan Collateral Agent and Directing ABL Facility Collateral Agent and the Grantors agrees that it will (at the sole

expense of the Grantors), if the Discharge of Junior Priority Obligations has not occurred upon the Discharge of ABL Facility Obligations and the Discharge of Term Loan Obligations, take any other action required by any law or reasonably requested by the Directing Junior Priority Collateral Agent (subject to any limitations set forth in the Junior Priority Documents), in connection with the Directing Junior Priority Collateral Agent's establishment and perfection of a security interest in the ABL Facility Priority Collateral.

(vii) Notwithstanding anything to the contrary contained herein, if for any reason, prior to the Discharge of ABL Facility Obligations, any Secured Party (other than the ABL Facility Collateral Agent) acquires possession of any Pledged ABL Facility Priority Collateral, such Secured Party shall hold same as bailee and/or agent to the same extent as is provided in preceding clause (i) with respect to Pledged ABL Facility Priority Collateral, provided that as soon as is practicable such Secured Party shall deliver or cause to be delivered such Pledged ABL Facility Priority Collateral to the ABL Facility Collateral Agent in a manner otherwise consistent with the requirements of preceding clause (v).

(j) Bailee for Perfection – Term Loan Collateral Agent.

(i) After the Discharge of ABL Facility Obligations has occurred, and to the extent that the Directing Term Loan Collateral Agent holds or controls any Pledged ABL Facility Priority Collateral, the Directing Term Loan Collateral Agent agrees to hold or control that part of the Pledged ABL Facility Priority Collateral that is in its possession or control (or in the possession or control of its agents or bailees) to the extent that possession or control thereof is taken to perfect a Lien thereon under the UCC or other applicable law as collateral agent for the Term Loan Secured Parties and as bailee for and, with respect to any ABL Facility Priority Collateral that cannot be perfected in such manner, as agent for, the Directing Junior Priority Collateral Agent (on behalf of the Junior Priority Secured Parties) and any assignee thereof solely for the purpose of perfecting the security interest granted under the Junior Priority Documents, subject to the terms and conditions of this Section 4.5(j).

(ii) Subject to the terms of this Agreement, after the Discharge of ABL Facility Obligations has occurred and until the Discharge of Term Loan Obligations has occurred, the Directing Term Loan Collateral Agent shall be entitled to deal with the Pledged ABL Facility Priority Collateral in accordance with the terms of the Term Loan Documents as if the Liens of any Junior Priority Collateral Agent under the Junior Priority Security Documents did not exist. The rights of each Junior Priority Collateral Agent shall at all times be subject to the terms of this Agreement and to the Term Loan Collateral Agent's rights under the Term Loan Documents.

(iii) The Directing Term Loan Collateral Agent shall have no obligation whatsoever to any Term Loan Secured Party, any Junior Priority Collateral Agent or any Junior Priority Secured Party to ensure that the Pledged ABL Facility Priority Collateral is genuine or owned by any of the Grantors or to preserve rights or benefits of any Person except as expressly set forth in this Section 4.5(j). The duties or responsibilities of the Directing Term Loan Collateral Agent under this Section 4.5(j) shall be limited solely to holding the Pledged ABL Facility Priority Collateral as bailee or agent in accordance with this Section 4.5(j).

(iv) The Directing Term Loan Collateral Agent acting pursuant to this Section 4.5(j) shall not have by reason of the Term Loan Security Documents, the Junior Priority Security Documents, this Agreement or any other document a fiduciary relationship in respect of any Term Loan Secured Party, any Junior Priority Collateral Agent or any Junior Priority Secured Party.

(v) Following the Discharge of ABL Facility Obligations and upon the Discharge of Term Loan Obligations, the Directing Term Loan Collateral Agent shall deliver or cause to be delivered the remaining Pledged ABL Facility Priority Collateral (if any) in its possession or in possession of its agents or bailees, together with any necessary endorsements, (A) first, to the Directing Junior Priority Collateral Agent to the extent a Discharge of Junior Priority Obligations has not occurred and (B) second, to the applicable Grantor to the extent no ABL Facility Obligations, Term Loan Obligations or Junior Priority Obligations remain outstanding (in each case, so as to allow such Person to obtain control of such Pledged ABL Facility Priority Collateral) and will cooperate with the Directing Junior Priority Collateral Agent and such Grantor, as the case may be, in assigning (without recourse to or warranty by the Directing Term Loan Collateral Agent or any other Term Loan Secured Party or agent or bailee thereof) control over any other Pledged ABL Facility Priority Collateral under its control. The Directing Term Loan Collateral Agent further agrees to take all other action reasonably requested by such Person (at the sole cost and expense of the Grantors or such Person) in connection with such Person obtaining a perfected security interest in the Pledged ABL Facility Priority Collateral or as a court of competent jurisdiction may otherwise direct. Notwithstanding the foregoing, with respect to any Deposit Accounts, Commodity Accounts or Securities Accounts, the Term Loan Collateral Agent shall only be required to give notice of resignation to the counterparty thereunder.

(k) [Reserved].

(l) When Discharge of ABL Facility Obligations Deemed to Not Have Occurred. Notwithstanding anything to the contrary herein, if substantially concurrently with or immediately after the Discharge of ABL Facility Obligations, the Company enters into any Permitted Refinancing of any ABL Facility Obligations pursuant to a new ABL Facility Credit Agreement in accordance with Section 8.19, then such Discharge of ABL Facility Obligations shall automatically be deemed not to have occurred for all purposes of this Agreement, and the obligations under the new ABL Facility Credit Agreement shall automatically be treated as ABL Facility Obligations (together with the ABL Facility Cash Management Obligations and ABL Facility Hedging Obligations thereunder each on the basis provided in the definition of "ABL Facility Obligations" contained herein) for all purposes of this Agreement, including for purposes of the Lien priorities and rights in respect of Collateral set forth herein, the term "ABL Facility Credit Agreement" shall be deemed appropriately modified to refer to such new ABL Facility Credit Agreement and the ABL Facility Collateral Agent under such new ABL Facility Credit Agreement shall be the Directing ABL Facility Collateral Agent for all purposes hereof (who shall be the Directing ABL Facility Collateral Agent for all purposes hereof if the Permitted Refinancing is pursuant to a replacement of the ABL Facility Credit Agreement) and the new secured parties under such ABL Facility Documents (together with the ABL Facility Cash Management Creditors and ABL Facility Hedging Creditors thereunder) shall automatically be treated as ABL Facility Secured Parties for all purposes of this Agreement.

4.6 Insolvency or Liquidation Proceedings.

(a) Finance and Sale Issues – ABL Facility Obligations. Until the Discharge of ABL Facility Obligations has occurred, if the Company or any other Grantor shall be subject to any Insolvency or Liquidation Proceeding and the Directing ABL Facility Collateral Agent shall desire to permit the use of cash collateral (as such term (or any equivalent term) is defined in Section 363(a) of the Bankruptcy Code or, to the extent applicable, any other Debtor Relief Law) constituting ABL Facility Priority Collateral or to permit the Company or any other Grantor to obtain a financing, whether from any ABL Facility Secured Parties or any other entity under Section 364 of the Bankruptcy Code or any similar Debtor Relief Law, that is secured by a Lien that is (I) senior or *pari passu* with the Liens on the ABL Facility Priority Collateral securing the ABL Facility Obligations and (II) junior to the Liens on the Term Loan Priority Collateral securing the Term Loan Obligations (each, a "ABL Facility DIP Financing"), then each Term Loan Collateral Agent, on behalf of itself and the other Term Loan Secured Parties, and each Junior Priority Collateral Agent, on behalf of itself and the other Junior Priority Secured Parties, agrees that it will not oppose or raise any objection to or contest (or join with or support any third party opposing, objecting or contesting) such use of cash collateral constituting ABL Facility Priority Collateral or such ABL Facility DIP Financing and will not request adequate protection or any other relief in connection therewith (except, as expressly agreed by the Directing ABL Facility Collateral Agent or to the extent permitted by Section 4.6(e)) and the Term Loan Collateral Agent and each Junior Priority Collateral Agent will each subordinate its Liens in the ABL Facility Priority Collateral to the Liens securing such ABL Facility DIP Financing (and all interest and other obligations relating thereto), all adequate protection Liens thereon granted to the ABL Facility Secured Parties, and any "carve out" for professional or trustees fees therefrom and court ordered charges that have been agreed to by the Directing ABL Facility Collateral Agent; provided that (A) the aggregate principal amount of the ABL Facility DIP Financing plus the aggregate outstanding principal amount of ABL Facility Obligations constituting loans under the ABL Facility Documents plus the aggregate face amount of any letters of credit plus the amount secured by such court ordered charges issued and not reimbursed under the ABL Facility Documents shall not exceed the maximum amount of ABL Facility Obligations permitted to be incurred (including pursuant to Section 2.14 thereof, and assuming that all conditions and requirements to the incurrence of ABL Facility Obligations thereunder are satisfied at all times) or outstanding under the ABL Facility Credit Agreement (as in effect on the date hereof) on the date of commencement of such Insolvency or Liquidation Proceeding as estimated by the ABL Facility Administrative Agent and (B)(w) each of the Term Loan Collateral Agents, the other Term Loan Secured Parties, each Junior Priority Collateral Agent and the other Junior Priority Secured Parties retain a Lien on the Collateral to secure the Term Loan Obligations and Junior Priority Obligations, respectively, and, with respect to the Term Loan Priority Collateral only, with the same priority as existed prior to the commencement of the Insolvency or Liquidation Proceeding, (x) to the extent that the ABL Facility Collateral Agent is granted adequate protection in the form of a Lien, the Term Loan Collateral Agents and each Junior Priority Collateral Agent are each permitted to seek a Lien (and the ABL Facility Collateral Agent or any ABL Facility Secured Party will not object to the seeking of any such Lien) on Collateral arising after the commencement of the Insolvency or Liquidation Proceeding (so long as, with respect to ABL Facility Priority Collateral, such Lien is junior to the Liens securing or providing adequate protection (as applicable) for such ABL Facility DIP Financing and the ABL Facility Obligations), (y) the foregoing provisions of this Section 4.6(a) shall not

prevent the Term Loan Collateral Agents, the Term Loan Secured Parties, each Junior Priority Collateral Agent and the Junior Priority Secured Parties from objecting to any provision in any ABL Facility DIP Financing relating to any provision or content of a plan of reorganization or other plan of similar effect under any Debtor Relief Laws that are inconsistent with this Agreement and (z) the terms of such ABL Facility DIP Financing do not require any Grantor to seek approval for any plan of reorganization that is inconsistent with this Agreement. The Term Loan Collateral Agents, on behalf of the Term Loan Secured Parties, and each Junior Priority Collateral Agent, on behalf of the Junior Priority Secured Parties, each agrees that it will not raise any objection or oppose a sale or other disposition of any ABL Facility Priority Collateral free and clear of its Liens (subject to attachment of Proceeds with respect to the Second Priority Lien on the ABL Facility Priority Collateral in favor of the Term Loan Collateral Agent and the Third Priority Lien on the ABL Facility Priority Collateral in favor of each Junior Priority Collateral Agent in the same order and manner as otherwise set forth herein) or other claims under Section 363 of the Bankruptcy Code, except for any objection or opposition that could be asserted by any Term Loan Secured Party or any Junior Priority Secured Party as an unsecured creditor in any such Insolvency or Liquidation Proceeding or other proceeding for approval by a court if the ABL Secured Parties have consented to such sale or disposition of such assets; provided that any of the Term Loan Collateral Agents, the other Term Loan Secured Parties, each Junior Priority Collateral Agent and the other Junior Priority Secured Parties shall be entitled to seek and exercise credit bid rights in respect of any such sale or disposition; provided further, that such credit bid may only be made to the extent it includes a cash purchase price component payable at the closing of the sale in an amount that would be sufficient on the date of the closing of the sale to pay or satisfy in full all ABL Facility Obligations (and, in the case of a credit bid by any Junior Priority Secured Party, to also pay or satisfy in full all Term Loan Obligations). Each of the Directing Term Loan Collateral Agent, on behalf of itself and each other Term Loan Secured Party and the Directing Junior Priority Collateral Agent, on behalf of itself and each other Junior Priority Secured Party, agrees that it will not provide or seek (or support any other Person that is not an ABL Facility Secured Party seeking) to provide ABL Facility DIP Financing to the Company or any other Grantor so long as the Directing ABL Facility Collateral Agent or any other ABL Facility Secured Party shall desire to provide such ABL Facility DIP Financing; provided, however, in the event that no ABL Facility Secured Party desires to provide an ABL Facility DIP Financing, the Directing ABL Facility Collateral Agent, on behalf of itself and each other ABL Facility Secured Party, reserves the right to object to the provision of any ABL Facility DIP Financing by any Term Loan Secured Party or any Junior Priority Secured Party.

(b) Finance and Sale Issues – Term Loan Obligations. After the Discharge of ABL Facility Obligations has occurred and until the Discharge of Term Loan Obligations has occurred, if the Company or any other Grantor shall be subject to any Insolvency or Liquidation Proceeding and the Directing Term Loan Collateral Agent shall desire to permit the use of cash collateral (as such term (or any equivalent term) is defined in Section 363(a) of the Bankruptcy Code or, to the extent applicable, any other Debtor Relief Law) constituting ABL Facility Priority Collateral or to permit the Company or any other Grantor to obtain a financing, whether from any Term Loan Secured Parties or any other entity under Section 364 of the Bankruptcy Code or any similar Debtor Relief Law, that is secured by a Lien that is senior or *pari passu* with the Liens on the ABL Facility Priority Collateral securing the Term Loan Obligations (a "Term Loan ABL Facility Priority Collateral DIP Financing"), then each Junior Priority Collateral

Agent, on behalf of itself and the other Junior Priority Secured Parties, agrees that it will not oppose or raise any objection to or contest (or join with or support any third party opposing, objecting or contesting) such use of cash collateral constituting ABL Facility Priority Collateral or such Term Loan ABL Facility Priority Collateral DIP Financing and will not request adequate protection or any other relief in connection therewith (except, as expressly agreed by the Directing Term Loan Collateral Agent or to the extent permitted by Section 4.6(e)) and each Junior Priority Collateral Agent will each subordinate its Liens in the ABL Facility Priority Collateral to the Liens securing such Term Loan ABL Facility Priority Collateral DIP Financing (and all interest and other obligations relating thereto), all adequate protection Liens thereon granted to the Term Loan Secured Parties, and any "carve out" therefrom for professional or trustee fees agreed to by the Directing Term Loan Collateral Agent; provided that (A) the aggregate principal amount of the Term Loan ABL Facility Priority DIP Financing plus the aggregate outstanding principal amount of Term Loan Obligations constituting loans under the Term Loan Documents shall not exceed the maximum amount of Term Loan Obligations permitted to be outstanding under the Term Loan Credit Agreement (as in effect on the date hereof) on the date of commencement of such Insolvency or Liquidation Proceeding and (B)(w) each Junior Priority Collateral Agent and the other Junior Priority Secured Parties retain a Lien on the Collateral to secure the Junior Priority Obligations, respectively, and, with respect to the Term Loan Priority Collateral only, with the same priority as existed prior to the commencement of the Insolvency or Liquidation Proceeding, (x) to the extent that the Term Loan Collateral Agent is granted adequate protection in the form of a Lien and each Junior Priority Collateral Agent are each permitted to seek a Lien (and the Term Loan Collateral Agent or any Term Loan Secured Party will not object to the seeking of any such Lien) on Collateral arising after the commencement of the Insolvency or Liquidation Proceeding (so long as, with respect to ABL Facility Priority Collateral, such Lien is junior to the Liens securing or providing adequate protection (as applicable) for such Term Loan ABL Facility Priority Collateral DIP Financing and the Term Loan Obligations), (y) the foregoing provisions of this Section 4.6(b) shall not prevent any Junior Priority Collateral Agent and the Junior Priority Secured Parties from objecting to any provision in any Term Loan ABL Facility Priority Collateral DIP Financing relating to any provision or content of a plan of reorganization or other plan of similar effect under any Debtor Relief Laws that are inconsistent with this Agreement and (z) the terms of such Term Loan ABL Facility Priority Collateral DIP Financing do not require any Grantor to seek approval for any plan of reorganization that is inconsistent with this Agreement. Each Junior Priority Collateral Agent, on behalf of the Junior Priority Secured Parties, agrees that it will not raise any objection or oppose a sale or other disposition of any ABL Facility Priority Collateral free and clear of its Liens (subject to attachment of Proceeds with respect to the Third Priority Lien on the ABL Facility Priority Collateral in favor of any Junior Priority Collateral Agent in the same order and manner as otherwise set forth herein) or other claims under Section 363 of the Bankruptcy Code, except for any objection or opposition that could be asserted by any Junior Priority Secured Party as an unsecured creditor in any such Insolvency or Liquidation Proceeding or other proceeding for approval by a court, if the Term Loan Secured Parties have consented to such sale or disposition of such assets; provided that any of each Junior Priority Collateral Agent and the other Junior Priority Secured Parties shall be entitled to seek and exercise credit bid rights in respect of any such sale or disposition; provided further, that such credit bid may only be made to the extent it includes a cash purchase price component payable at the closing of the sale in an amount that would be sufficient on the date of the closing of the sale

to pay or satisfy in full all Term Loan Obligations. The Directing Junior Priority Collateral Agent, on behalf of itself and each other Junior Priority Secured Party, agrees that it will not provide or seek (or support any other Person that is not a Term Loan Secured Party seeking) to provide Term Loan ABL Facility Priority Collateral DIP Financing to the Company or any other Grantor so long as the Directing Term Loan Collateral Agent or any other Term Loan Secured Party shall desire to provide such Term Loan ABL Facility Priority Collateral DIP Financing; provided, however, in the event that no Term Loan Secured Party desires to provide a Term Loan ABL Facility Priority Collateral DIP Financing, the Directing Term Loan Collateral Agent, on behalf of itself and each other Term Loan Secured Party, reserves the right to object to the provision of any Term Loan ABL Facility Priority Collateral DIP Financing by any Junior Priority Secured Party.

(c) [Reserved].

(d) Relief from the Automatic Stay.

(i) Until the Discharge of ABL Facility Obligations has occurred, the Term Loan Collateral Agent, on behalf of itself and the other Term Loan Secured Parties, and each Junior Priority Collateral Agent, on behalf of itself and the other Junior Priority Secured Parties, agrees that none of them shall seek (or support any other Person seeking) relief from the automatic stay or any other stay in any Insolvency or Liquidation Proceeding in respect of the ABL Facility Priority Collateral, without the prior written consent of the Directing ABL Facility Collateral Agent.

(ii) After the Discharge of ABL Facility Obligations has occurred and until the Discharge of Term Loan Obligations has occurred, each Junior Priority Collateral Agent, on behalf of itself and the other Junior Priority Secured Parties, agrees that none of them shall seek (or support any other Person seeking) relief from the automatic stay or any other stay in any Insolvency or Liquidation Proceeding in respect of the ABL Facility Priority Collateral, without the prior written consent of the Directing Term Loan Collateral Agent.

(e) Adequate Protection.

(i) Each of the Term Loan Collateral Agent, on behalf of itself and the other Term Loan Secured Parties and each Junior Priority Collateral Agent, on behalf of itself and the other Junior Priority Secured Parties, agrees that none of them shall contest (or support any other Person contesting) (A) any request by the ABL Facility Collateral Agent or the ABL Facility Secured Parties for adequate protection (or similar protection under any Debtor Relief Law) with respect to any ABL Facility Priority Collateral, (B) so long as the request for adequate protection (or similar protection under any Debtor Relief Law) is in the form of an additional or replacement Lien on the Term Loan Priority Collateral that is junior to the Liens on the Term Loan Priority Collateral securing or providing adequate protection (or similar protection under any Debtor Relief Law) for the Term Loan Obligations, any request by the ABL Facility Collateral Agent or the ABL Facility Secured Parties for adequate protection with respect to any Term Loan Priority Collateral or (C) any objection by the ABL Facility Collateral Agent or the ABL Facility Secured Parties to any motion, relief, action or proceeding based on the ABL Facility Collateral Agent or the ABL Facility Secured Parties claiming a lack of adequate

protection (or similar protection under any Debtor Relief Law) with respect to the ABL Facility Priority Collateral. Notwithstanding the foregoing provisions in this Section 4.6(e)(i), in any Insolvency or Liquidation Proceeding, (A) if the ABL Facility Secured Parties (or any subset thereof) are granted adequate protection in the form of additional or replacement collateral in the nature of assets constituting ABL Facility Priority Collateral in connection with any ABL Facility DIP Financing or use of cash collateral constituting ABL Facility Priority Collateral, then each of the Term Loan Collateral Agent, on behalf of itself and the other Term Loan Secured Parties and any Junior Priority Collateral Agent, on behalf of itself or any of the other Junior Priority Secured Parties, may seek or request adequate protection in the form of a Lien on such additional or replacement collateral, which Lien will be subordinated to the Liens securing or providing adequate protection (as applicable for the ABL Facility Obligations and such ABL Facility DIP Financing (and all obligations relating thereto) on the same basis as the other Liens on ABL Facility Priority Collateral securing the Term Loan Obligations or Junior Priority Obligations, as the case may be, are so subordinated to the Liens securing ABL Facility Obligations under this Agreement, and (B) in the event the Term Loan Collateral Agent, on behalf of itself and the other Term Loan Secured Parties or each Junior Priority Collateral Agent, on behalf of itself and the other Junior Priority Secured Parties, seeks or requests adequate protection in respect of ABL Facility Priority Collateral securing Term Loan Obligations or Junior Priority Obligations and such adequate protection is granted in the form of additional or replacement collateral in the nature of assets constituting ABL Facility Priority Collateral, then each of the Term Loan Collateral Agent, on behalf of itself and the other Term Loan Secured Parties and each Junior Priority Collateral Agent, on behalf of itself or any of the other Junior Priority Secured Parties, agrees that the ABL Facility Collateral Agent shall also be granted a senior Lien on such additional or replacement collateral as security and adequate protection for the ABL Facility Obligations and for any such ABL Facility DIP Financing and that any Lien on such additional or replacement collateral securing or providing adequate protection for the Term Loan Obligations or Junior Priority Obligations, as the case may be, shall be subordinated to the Liens on such collateral securing the ABL Facility Obligations and any such ABL Facility DIP Financing (and all obligations relating thereto) and to any other Liens on such collateral granted to the ABL Facility Secured Parties as adequate protection on the same basis as the other Liens on ABL Facility Priority Collateral securing the Term Loan Obligations and Junior Priority Obligations are so subordinated to such Liens securing ABL Facility Obligations under this Agreement.

(ii) Each Junior Priority Collateral Agent, on behalf of itself and the other Junior Priority Secured Parties, agrees that none of them shall contest (or support any other Person contesting) (A) any request by the Term Loan Collateral Agent or the Term Loan Secured Parties for adequate protection (or similar protection under any Debtor Relief Law) with respect to any ABL Facility Priority Collateral or (B) any objection by the Term Loan Collateral Agent or the Term Loan Secured Parties to any motion, relief, action or proceeding based on the Term Loan Collateral Agent or the Term Loan Secured Parties claiming a lack of adequate protection (or similar protection under any Debtor Relief Law) with respect to the ABL Facility Priority Collateral. Notwithstanding the foregoing provisions in this Section 4.6(e)(ii), in any Insolvency or Liquidation Proceeding, (A) if the Term Loan Secured Parties (or any subset thereof) are granted adequate protection in the form of additional or replacement collateral in the nature of assets constituting ABL Facility Priority Collateral in connection with any ABL Facility DIP Financing, Term Loan ABL Facility Priority Collateral DIP Financing or use of cash collateral

constituting ABL Facility Priority Collateral, then any Junior Priority Collateral Agent, on behalf of itself or any of the other Junior Priority Secured Parties, may seek or request adequate protection in the form of a Lien on such additional or replacement collateral, which Lien will be subordinated to the Liens securing and providing adequate protection for the Term Loan Obligations and such ABL Facility DIP Financing or Term Loan ABL Facility Priority Collateral DIP Financing (and all obligations relating thereto) on the same basis as the other Liens on ABL Facility Priority Collateral securing or providing adequate protection for the Junior Priority Obligations are so subordinated to the Liens securing Term Loan Obligations under this Agreement, and (B) in the event any Junior Priority Collateral Agent, on behalf of itself and the other Junior Priority Secured Parties, seeks or requests adequate protection in respect of ABL Facility Priority Collateral securing or Junior Priority Obligations and such adequate protection is granted in the form of additional or replacement collateral in the nature of assets constituting ABL Facility Priority Collateral, then each Junior Priority Collateral Agent, on behalf of itself or any of the other Junior Priority Secured Parties, agrees that the Term Loan Collateral Agent shall also be granted a senior Lien on such additional or replacement collateral as security or adequate protection for the Term Loan Obligations and for any such ABL Facility DIP Financing or Term Loan ABL Facility Priority Collateral DIP Financing and that any Lien on such additional or replacement collateral securing or replacement the Junior Priority Obligations shall be subordinated to the Liens on such collateral securing or providing adequate protection for the Term Loan Obligations and any such ABL Facility DIP Financing or Term Loan ABL Facility Priority Collateral DIP Financing (and all obligations relating thereto) and to any other Liens on such collateral granted to the Term Loan Secured Parties as adequate protection on the same basis as the other Liens on ABL Facility Priority Collateral securing the Junior Priority Obligations are so subordinated to such Liens securing Term Loan Obligations under this Agreement.

(f) No Waiver. Subject to the proviso in clause (ii) of Section 4.1(a), nothing contained herein shall prohibit or in any way limit the ABL Facility Collateral Agent or any ABL Facility Secured Party from objecting in any Insolvency or Liquidation Proceeding or otherwise to any action taken by any Term Loan Collateral Agent, any of the Term Loan Secured Parties, any Junior Priority Collateral Agent or any of the Junior Priority Secured Parties in respect of the ABL Facility Priority Collateral, including the seeking by any Term Loan Collateral Agent, any Term Loan Secured Parties, any Junior Priority Collateral Agent or any Junior Priority Secured Party of adequate protection in respect thereof or the asserting by any Term Loan Collateral Agent, any Term Loan Secured Parties, any Junior Priority Collateral Agent or any Junior Priority Secured Parties of any of its rights and remedies under the Term Loan Documents or Junior Priority Documents, as the case may be, or otherwise in respect thereof.

(g) Waiver. Each of the Term Loan Collateral Agents, for themselves and on behalf of the other Term Loan Secured Parties, and each Junior Priority Collateral Agent, for itself and on behalf of the other Junior Priority Secured Parties, waives, to the extent applicable, any claim it may hereafter have against any ABL Facility Secured Party arising out of the election of any ABL Facility Secured Party of the application of Section 1111(b)(2) of the Bankruptcy Code, and/or out of any cash collateral or financing arrangement or out of any grant of a security interest in each case in connection with the ABL Facility Priority Collateral in any Insolvency or Liquidation Proceeding.

4.7 Reliance; Waivers; Etc.

(a) Reliance. Other than any reliance on the terms of this Agreement, the Term Loan Collateral Agents, on behalf of themselves and the other Term Loan Secured Parties under their Term Loan Documents, and the Junior Priority Secured Parties under its Junior Priority Documents each acknowledges that it and the Secured Parties under the Term Loan Documents and Junior Priority Documents, respectively, have, independently and without reliance on the ABL Facility Collateral Agent or any ABL Facility Secured Parties, and based on documents and information deemed by them appropriate, made their own credit analysis and decision to enter into the Term Loan Documents and the Junior Priority Documents, respectively, and be bound by the terms of this Agreement and they will continue to make their own credit decision in taking or not taking any action under the Term Loan Credit Agreement, Junior Priority Document or this Agreement.

(b) No Warranties or Liability. Each of the Term Loan Collateral Agents, on behalf of themselves and the other Term Loan Secured Parties, and each Junior Priority Collateral Agent, on behalf of itself and the other Junior Priority Secured Parties, acknowledges and agrees that the ABL Facility Collateral Agent and the ABL Facility Secured Parties have made no express or implied representation or warranty, including with respect to the execution, validity, legality, completeness, collectability or enforceability of any of the ABL Facility Documents, the ownership of any Collateral or the perfection or priority of any Liens thereon. The ABL Facility Secured Parties will be entitled to manage and supervise their respective loans and extensions of credit under their respective ABL Facility Documents in accordance with law and as they may otherwise, in their sole discretion, deem appropriate. The ABL Facility Collateral Agent and the ABL Facility Secured Parties shall have no duty to the Term Loan Collateral Agents, any of the Term Loan Secured Parties, any Junior Priority Collateral Agent or the Junior Priority Secured Parties to act or refrain from acting in a manner which allows, or results in, the occurrence or continuance of an event of default or default under any agreements with the Company or any other Grantor (including the ABL Facility Documents, the Term Loan Documents and the Junior Priority Documents), regardless of any knowledge thereof which they may have or be charged with.

Section 5. General.

5.1 Legends. The Grantors agree that each Debt Agreement and each Security Document shall include the following language (with any necessary modifications to give effect to applicable definitions) (or language to similar effect approved by the Directing Collateral Agents):

"Notwithstanding anything herein to the contrary, the liens and security interests granted to the [ABL Facility Collateral Agent] [Term Loan Collateral Agent] [Ontario Capex Facility Lender] [Federal Capex Facility Provider] pursuant to this Agreement in any Collateral and the exercise of any right or remedy by the [ABL Facility Collateral Agent] [Term Loan Collateral Agent] [Ontario Capex Facility Lender] [Federal Capex Facility Provider] with respect to any Collateral hereunder are subject to the provisions of the Intercreditor Agreement, dated as of November 30, 2018 (as amended, restated, supplemented or otherwise modified

from time to time, the "Intercreditor Agreement"), by and among ALGOMA STEEL INTERMEDIATE HOLDINGS INC., a corporation incorporated under the laws of the Province of British Columbia, ALGOMA STEEL INC., a corporation incorporated under the laws of the Province of British Columbia, the other Grantors from time to time party thereto, WELLS FARGO CAPITAL FINANCE CORPORATION CANADA, as ABL Facility Administrative Agent and as ABL Facility Collateral Agent, CORTLAND CAPITAL MARKET SERVICES, LLC, as Term Loan Administrative Agent and as Term Loan Collateral Agent, HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO, AS REPRESENTED BY THE MINISTER OF ENERGY, NORTHERN DEVELOPMENT AND MINES as the Ontario Capex Facility Lender and, upon execution of an Intercreditor Agreement Joinder pursuant to Section 8.22 thereof, HER MAJESTY THE QUEEN IN RIGHT OF CANADA, AS REPRESENTED BY THE MINISTER RESPONSIBLE FOR THE FEDERAL ECONOMIC DEVELOPMENT AGENCY FOR SOUTHERN ONTARIO as the Federal Capex Facility Provider, and certain other Persons party or that may become party thereto from time to time. In the event of any conflict between the terms of the Intercreditor Agreement and this Agreement, the terms of the Intercreditor Agreement shall govern and control."

In addition, the Grantors agree that each mortgage or deed of trust in favor of any Secured Parties covering any Collateral shall also contain such other language as any Collateral Agent may reasonably request to reflect the subordination of such mortgage to the mortgage in favor of such Collateral Agent on behalf of the applicable Secured Parties covering such Collateral.

5.2 Reorganization Securities. If, in any Insolvency or Liquidation Proceeding, debt obligations of the reorganized debtor secured by Liens upon any property of the reorganized debtor are distributed, pursuant to a plan of reorganization or similar dispositive restructuring plan, on account of any two or more of the Term Loan Obligations, the Junior Priority Obligations and the ABL Facility Obligations, then, to the extent the debt obligations distributed on account of such Term Loan Obligations, such Junior Priority Obligations or such ABL Facility Obligations (as applicable) are secured by Liens upon the same property, the provisions of this Agreement will survive the distribution of such debt obligations pursuant to such plan and will apply with like effect to the Liens securing such debt obligations.

5.3 Post-Petition Interest.

(a) None of the ABL Facility Collateral Agent, any ABL Facility Secured Party, any Junior Priority Collateral Agent or any Junior Priority Secured Party shall oppose or seek to challenge any claim by the Term Loan Collateral Agent or any Term Loan Secured Party for allowance in any Insolvency or Liquidation Proceeding of Term Loan Obligations consisting of post-petition interest, fees or expenses to the extent of the value of the Term Loan Secured Party's Lien on the Term Loan Priority Collateral (without regard to the existence of the junior Liens of the ABL Facility Collateral Agent on behalf of the ABL Facility Secured Parties or each Junior Priority Collateral Agent, on behalf of the Junior Priority Secured Parties, as the case may be, on the Term Loan Priority Collateral) or the ABL Facility Priority Collateral (after taking into account the senior Lien of the ABL Facility Collateral Agent on behalf of the ABL Facility

Secured Parties on the ABL Facility Priority Collateral, but without regard to the existence of the junior Lien of the Junior Priority Collateral Agents, on behalf of the Junior Priority Secured Parties on the ABL Facility Priority Collateral).

(b) None of any Term Loan Collateral Agent, any Term Loan Secured Party, any Junior Priority Collateral Agent or any Junior Priority Secured Party shall oppose or seek to challenge any claim by the ABL Facility Collateral Agent or any ABL Facility Secured Party for allowance in any Insolvency or Liquidation Proceeding of ABL Facility Obligations consisting of post-petition interest, fees or expenses to the extent of the value of the Lien of the ABL Facility Collateral Agent on behalf of the ABL Facility Secured Parties on the Term Loan Priority Collateral (after taking into account the senior Liens of the Term Loan Collateral Agent, on behalf of the Term Loan Secured Parties, but without regard to the existence of the junior liens of any Junior Priority Collateral Agent, on behalf of the Junior Priority Security Parties, on the Term Loan Priority Collateral) or the ABL Facility Priority Collateral (without regard to the existence of the junior Liens of the Term Loan Collateral Agent, on behalf of the Term Loan Secured Parties, or any Junior Priority Collateral Agent, on behalf of the Junior Priority Secured Parties, on the ABL Facility Priority Collateral).

(c) None of the ABL Facility Collateral Agent, any ABL Facility Secured Party, the Term Loan Collateral Agents or any Term Loan Secured Party shall oppose or seek to challenge any claim by any Junior Priority Collateral Agent or any Junior Priority Secured Party for allowance in any Insolvency or Liquidation Proceeding of Junior Priority Obligations consisting of post-petition interest, fees, or expenses to the extent of the value of the Junior Priority Secured Party's Lien on the Term Loan Priority Collateral (after taking into account the senior Lien of the Term Loan Collateral Agents on behalf of the Term Loan Secured Parties and the ABL Facility Collateral Agent on behalf of the ABL Facility Secured Parties, as the case may be, on the Term Loan Priority Collateral) or the ABL Facility Priority Collateral (after taking into account the senior Liens of the ABL Facility Collateral Agent on behalf of the ABL Facility Secured Parties and the Term Loan Collateral Agents on behalf of the Term Loan Secured Parties, as the case may be, on the ABL Facility Priority Collateral).

5.4 Obligations Unconditional. All rights, interests, agreements and obligations of the Term Loan Collateral Agents and the Term Loan Secured Parties, any Junior Priority Collateral Agent and the Junior Priority Secured Parties and the ABL Facility Collateral Agent and the ABL Facility Secured Parties, respectively, hereunder shall remain in full force and effect irrespective of:

(i) any lack of validity or enforceability of any Term Loan Document, any Junior Priority Document or any ABL Facility Document;

(ii) except as otherwise set forth in the Agreement, any change permitted hereunder in the time, manner or place of payment of, or in any other terms of, all or any of the Term Loan Obligations, Junior Priority Obligations or ABL Facility Obligations, or any amendment, restatement, waiver or other modification or refinancing permitted hereunder, whether by course of conduct or otherwise of the terms of any Term Loan Document, Junior Priority Document or any ABL Facility Document;

(iii) except as otherwise set forth in the Agreement, any exchange, release, voiding, avoidance, preference or non-perfection of any security interest in any Term Loan Priority Collateral or any ABL Facility Priority Collateral or any amendment, waiver or other modification permitted hereunder, whether in writing or by course of conduct or otherwise, of all or any of the Term Loan Obligations, Junior Priority Obligations or ABL Facility Obligations or any guarantee thereof;

(iv) the commencement of any Insolvency or Liquidation Proceeding in respect of the Company or any other Grantor; or

(v) any other circumstances which otherwise might constitute a defense available to, or a discharge of, the Company or any other Grantor in respect of the Term Loan Obligations, Junior Priority Obligations or ABL Facility Obligations or of the ABL Facility Collateral Agent, any ABL Facility Secured Party, any Term Loan Collateral Agent, any Term Loan Secured Party, any Junior Priority Collateral Agent or any Junior Priority Secured Party in respect of this Agreement.

Section 6. Cooperation With Respect To ABL Facility Priority Collateral.

6.1 Consent to License to Use Intellectual Property. Each of the Term Loan Collateral Agents and each Junior Priority Collateral Agent (and any purchaser, assignee or transferee of assets as provided in Section 6.3) (a) consents (without any representation, warranty or obligation whatsoever) to the grant by any Grantor to the ABL Facility Collateral Agent of a non-exclusive royalty-free license to use, subject to any limitations and restrictions in any relevant Security Document for a period not to exceed 180 days (commencing with the earlier of the initiation of any enforcement of Liens by any of the Term Loan Collateral Agents (provided, in each case, that the ABL Facility Collateral Agent has received notice thereof) or the ABL Facility Collateral Agent) any Intellectual Property of such Grantor that is subject to a Lien held by a Term Loan Collateral Agent or any Junior Priority Collateral Agent, respectively (or any Intellectual Property acquired by such purchaser, assignee or transferee from any Grantor, as the case may be) and (b) grants, in its capacity as a secured party (or as a purchaser, assignee or transferee, as the case may be), to the ABL Facility Collateral Agent a non-exclusive royalty-free license to use for a period not to exceed 180 days (commencing with the initiation of any enforcement of Liens by any of any Term Loan Collateral Agents or any Junior Priority Collateral Agent (provided, that the ABL Facility Collateral Agent has received notice thereof)) any Intellectual Property that is subject to a Lien held by any Term Loan Collateral Agent or any Junior Priority Collateral Agent (or subject to such purchase, assignment or transfer, as the case may be), in each case in connection with the enforcement of any Lien held by the ABL Facility Collateral Agent upon any Inventory or other ABL Facility Priority Collateral of any Grantor and to the extent the use of such Intellectual Property is necessary or appropriate, in the good faith opinion of the ABL Facility Collateral Agent, to process, ship, collect, produce, store, complete, supply, lease, sell or otherwise dispose of any such Inventory or other ABL Facility Priority Collateral in any lawful manner; provided, however, that nothing contained in this Agreement shall restrict the rights of any Term Loan Collateral Agent from selling, assigning or otherwise transferring any Intellectual Property prior to the expiration of such 180-day period if the purchaser, assignee or transferee thereof agrees in writing (for the benefit of the ABL Facility Collateral Agent and the ABL Facility Secured Parties) to be bound by the provisions of this

Section 6.1. The 180 day license periods shall be tolled during the pendency of any Insolvency or Liquidation Proceeding of any Grantor pursuant to which the ABL Facility Collateral Agent is effectively stayed from enforcing its rights and remedies with respect to the ABL Facility Priority Collateral.

6.2 Access to Information. If a Term Loan Collateral Agent or any Junior Priority Collateral Agent takes actual possession of any documentation of a Grantor (whether such documentation is in the form of a writing or is stored in any computer, data equipment or data record in the physical possession of any Term Loan Collateral Agent or any Junior Priority Collateral Agent), then upon the reasonable request of the ABL Facility Collateral Agent and reasonable advance notice, such Term Loan Collateral Agent or Junior Priority Collateral Agent, as the case may be, will permit the ABL Facility Collateral Agent or its representative to inspect, use and copy such documentation.

6.3 Access to Property.

(a) (i) If the ABL Facility Collateral Agent commences any action or proceeding with respect to any of its rights or remedies (including, but not limited to, any action of foreclosure but excluding any exercise of rights solely in connection with the occurrence and continuation of a Compliance Period, as such term is defined in the ABL Facility Credit Agreement, as in effect from time to time), enforcement, collection or execution with respect to the ABL Facility Priority Collateral ("ABL Facility Priority Collateral Enforcement Actions") or if any Term Loan Collateral Agent or any Junior Priority Collateral Agent commences any action or proceeding with respect to any of its rights or remedies (including any action of foreclosure), enforcement, collection or execution with respect to the Term Loan Priority Collateral and such Term Loan Collateral Agent or Junior Priority Collateral Agent, as the case may be (or a purchaser at a foreclosure sale conducted in foreclosure of any Liens of any Term Loan Collateral Agent or any Junior Priority Collateral Agent or negotiated sale in lieu thereof) takes actual or constructive possession of Term Loan Priority Collateral of any Grantor ("Term Loan Priority Collateral Enforcement Actions"), then the Term Loan Secured Parties and the Term Loan Collateral Agents, or the Junior Priority Secured Parties and any Junior Priority Collateral Agent, as the case may be, shall (subject to, in the case of any Term Loan Priority Collateral Enforcement Action, a prior written request by the ABL Facility Collateral Agent to such Term Loan Collateral Agent or Junior Priority Collateral Agent, as the case may be (the "Term Loan Priority Collateral Enforcement Action Notice")) (x) cooperate with the ABL Facility Collateral Agent (and with its officers, employees, representatives and agents) in its efforts to conduct ABL Facility Priority Collateral Enforcement Actions in the ABL Facility Priority Collateral and to finish any work-in-process and collect, process, ship, produce, store, complete, supply, lease, sell or otherwise handle, deal with, assemble or dispose of, in any lawful manner, the ABL Facility Priority Collateral, (y) not hinder or restrict in any respect the ABL Facility Collateral Agent from conducting ABL Facility Priority Collateral Enforcement Actions in the ABL Facility Priority Collateral or from finishing any work-in-process or collecting, processing, shipping, producing, storing, completing, supplying, leasing, selling or otherwise handling, dealing with, assembling or disposing of, in any lawful manner, the ABL Facility Priority Collateral, and (z) permit the ABL Facility Collateral Agent, its employees, agents, advisers and representatives, at the cost and expense of the ABL Facility Secured Parties (but with the Grantors' reimbursement and indemnity obligation with respect thereto), to enter upon and use the Term Loan Priority

Collateral (including equipment, processors, computers and other machinery related to the storage or processing of records, documents or files and intellectual property), for a period (I) commencing on the date of the initial ABL Facility Priority Collateral Enforcement Action or the date of delivery of the Term Loan Priority Collateral Enforcement Action Notice, as the case may be, and (II) ending on the earlier of the date occurring 180 days thereafter and the date on which all ABL Facility Priority Collateral (other than ABL Facility Priority Collateral abandoned by the ABL Facility Collateral Agent in writing) has been removed from the Term Loan Priority Collateral (such period, the "ABL Facility Priority Collateral Processing and Sale Period"), for purposes of:

(A) assembling and storing the ABL Facility Priority Collateral and completing the processing of and turning into finished goods any ABL Facility Priority Collateral consisting of work-in-process or raw materials;

(B) selling any or all of the ABL Facility Priority Collateral located in or on such Term Loan Priority Collateral, whether in bulk, in lots or to customers in the ordinary course of business or otherwise;

(C) removing and transporting any or all of the ABL Facility Priority Collateral located in or on such Term Loan Priority Collateral;

(D) otherwise collecting, processing, shipping, producing, storing, completing, supplying, leasing, selling or otherwise handling, dealing with, assembling or disposing of, in any lawful manner, the ABL Facility Priority Collateral; and/or

(E) taking reasonable actions to protect, secure, and otherwise enforce the rights or remedies of the ABL Facility Secured Parties and/or the ABL Facility Collateral Agent (including with respect to any ABL Facility Priority Collateral Enforcement Actions) in and to the ABL Facility Priority Collateral;

provided, however, that nothing contained in this Agreement shall restrict the rights of any Term Loan Collateral Agent from selling, assigning or otherwise transferring any Term Loan Priority Collateral prior to the expiration of such ABL Facility Priority Collateral Processing and Sale Period if the purchaser, assignee or transferee thereof agrees in writing (for the benefit of the ABL Facility Collateral Agent and the ABL Facility Secured Parties) to be bound by the provisions of this Section 6.3. If any stay or other order prohibiting the exercise of remedies with respect to the ABL Facility Priority Collateral has been entered by a court of competent jurisdiction, such ABL Facility Priority Collateral Processing and Sale Period shall be tolled during the pendency of any such stay or other order.

(ii) During the period of actual occupation, use and/or control by the ABL Facility Secured Parties and/or the ABL Facility Collateral Agent (or their respective employees, agents, advisers and representatives) of any Term Loan Priority Collateral, the ABL Facility Secured Parties and the ABL Facility Collateral Agent shall be obligated to repair at their expense any physical damage to such Term Loan Priority Collateral resulting from such occupancy, use or control, and to leave such Term Loan Priority Collateral in substantially the same condition as it was at the commencement of such occupancy, use or control, ordinary wear and tear excepted.

Notwithstanding the foregoing, in no event shall the ABL Facility Secured Parties or the ABL Facility Collateral Agent have any liability to the Term Loan Secured Parties, the Term Loan Collateral Agents, the Junior Priority Secured Parties or any Junior Priority Collateral Agent pursuant to this Section 6.3(a) as a result of any condition (including any environmental condition, claim or liability) on or with respect to the Term Loan Priority Collateral existing prior to the date of the exercise by the ABL Facility Secured Parties (or the ABL Facility Collateral Agent, as the case may be) of their rights under this Section 6.3(a) and the ABL Facility Secured Parties shall have no duty or liability to maintain the Term Loan Priority Collateral in a condition or manner better than that in which it was maintained prior to the use thereof by the ABL Facility Secured Parties, or for any diminution in the value of the Term Loan Priority Collateral that results from ordinary wear and tear resulting from the use of the Term Loan Priority Collateral by the ABL Facility Secured Parties in the manner and for the time periods specified under this Section 6.3(a) or as a result of the removal of the ABL Facility Priority Collateral. Without limiting the rights granted in this Section 6.3(a), the ABL Facility Secured Parties and the ABL Facility Collateral Agent shall cooperate with the Term Loan Secured Parties and the Term Loan Collateral Agent in connection with any efforts made by the Term Loan Secured Parties or the Term Loan Collateral Agent to sell the Term Loan Priority Collateral.

(b) The ABL Facility Secured Parties shall (i) use the Term Loan Priority Collateral in accordance with applicable law and (ii) indemnify the Term Loan Secured Parties and the Junior Priority Secured Parties from any claim, loss, damage, cost or liability arising out of any claim asserted by any third party as a result of any acts or omissions by the ABL Facility Collateral Agent, or any of its agents or representatives, in connection with the exercise by the ABL Facility Secured Parties of their rights of access set forth in this Section 6.3. In no event shall any ABL Facility Secured Party have any liability to the Term Loan Secured Parties or the Junior Priority Secured Parties pursuant to this Section 6.3(b) or otherwise as a result of any condition on or with respect to the Term Loan Priority Collateral existing prior to the date of the exercise by the ABL Facility Secured Parties of their access rights under this Section 6.3(b), and the ABL Facility Secured Parties shall have no duty or liability to maintain the Term Loan Priority Collateral in a condition or manner better than that in which it was maintained prior to the access and/or use thereof by the ABL Facility Secured Parties.

(c) Each of the Term Loan Collateral Agents and each Junior Priority Collateral Agent (or purchaser or its transferee or successor) (x) shall, at the request of the ABL Facility Collateral Agent, provide reasonable cooperation to the ABL Facility Collateral Agent in connection with the manufacture, production, completion, handling, removal and sale of any ABL Facility Priority Collateral by the ABL Facility Collateral Agent as provided above and (y) shall be entitled to receive, from the ABL Facility Collateral Agent, for their reasonable out-of-pocket costs and expenses incurred in connection with such cooperation, support and assistance to the ABL Facility Collateral Agent. Each of the Term Loan Collateral Agents and each Junior Priority Collateral Agent and/or any such purchaser (or its transferee or successor) shall not otherwise be required to manufacture, produce, complete, remove, insure, protect, store, safeguard, sell or deliver any inventory subject to any First Priority Lien held by the ABL Facility Collateral Agent or to provide any support, assistance or cooperation to the ABL Facility Collateral Agent in respect thereof.

6.4 Grantor Consent. The Company and the other Grantors consent to the performance by each of the Term Loan Collateral Agents and each Junior Priority Collateral Agent of the obligations set forth in this Section 6 and acknowledge and agree that neither the Term Loan Collateral Agents (nor any Term Loan Secured Party) nor any Junior Priority Collateral Agent (nor any Junior Priority Secured Party) shall be liable for any action taken or omitted to be taken by the ABL Facility Collateral Agent or any ABL Facility Secured Party or its or any of their officers, employees, agents successors or assigns in connection therewith or incidental thereto or in consequence thereof, including any improper use or disclosure of any proprietary information or other intellectual property by the ABL Facility Collateral Agent or any ABL Facility Secured Party or its or any of their officers, employees, agents, successors or assigns or any other damage to or misuse or loss of any property of the Grantors as a result of any action taken or omitted to be taken by the ABL Facility Collateral Agent or its officers, employees, agents, successors or assigns, except in each case as a result of gross negligence, bad faith or willful misconduct.

6.5 Exercise of Cash Dominion; Funds Deposited in Controlled Securities Accounts and Deposit Accounts. Each of the Term Loan Collateral Agent, for itself and on behalf of the other Term Loan Secured Parties and each Junior Priority Collateral Agent, for itself and on behalf of the other Junior Priority Secured Parties, hereby acknowledges and agrees that (a) the exercise of cash dominion by the ABL Facility Collateral Agent over any Securities Account or Deposit Account of any Grantor and application of funds in connection therewith to the ABL Facility Obligations shall not constitute an exercise of rights or remedies by the ABL Facility Collateral Agent for purposes of this Agreement and (b) all funds deposited in controlled Securities Accounts or Deposit Accounts and then applied to the ABL Facility Obligations shall be treated as ABL Facility Priority Collateral, and any claims that such funds constitute Term Loan Priority Collateral are waived except (i) to the extent that the ABL Facility Collateral Agent has received written notice of an enforcement action under any Term Loan Document or Junior Priority Document, (ii) to the extent the ABL Facility Collateral Agent has knowledge that such funds constitute Proceeds of Term Loan Priority Collateral, (iii) to the extent that the ABL Facility Collateral Agent has received written notice from any Term Loan Collateral Agent or any Junior Priority Collateral Agent prior to or within thirty (30) days of the application of such funds to the ABL Facility Obligations that such funds constitute Proceeds of Term Loan Priority Collateral or (iv) during an Insolvency or Liquidation Proceeding. Notwithstanding anything in this Agreement to the contrary, after any such notice described in clauses (i) and (iii) above or commencement of an Insolvency or Liquidation Proceeding against any Grantor, all identifiable cash proceeds of Term Loan Priority Collateral (whether or not deposited in controlled Securities Accounts or Deposit Accounts) shall constitute Term Loan Priority Collateral.

Section 7. Application of Proceeds.

7.1 Application of Proceeds in Distributions by the Term Loan Collateral Agent.

(a) (i) Subject to Section 7.5, the Term Loan Collateral Agent will apply the Proceeds of any Term Loan Priority Collateral Enforcement Action and the Proceeds of any title insurance policy insuring any Term Loan Priority Collateral required under any Term Loan

Document, ABL Facility Document or Junior Priority Document permitted to be received by it, in the following order of application:

First, to the payment of all amounts payable under the Term Loan Documents on account of any Term Loan Collateral Agent's fees, costs and expenses (including any reasonable legal fees, costs and expenses) or other liabilities of any kind incurred by any Term Loan Collateral Agent or any co-trustee or agent of any Term Loan Collateral Agent in connection with any Term Loan Document;

Second, to any administrative agent or trustee for any Term Loan Obligations for application to the payment of all outstanding Term Loan Obligations that are then due and payable in such order as may be provided in the Term Loan Documents in an amount sufficient to pay in full in cash all outstanding Term Loan Obligations that are then due and payable (including Post-Petition Interest) and Term Loan Hedging Obligations, if any, constituting Term Loan Obligations;

Third, to the payment of all amounts payable under the ABL Facility Documents on account of the ABL Facility Collateral Agent's fees, costs and expenses (including any reasonable legal fees, costs and expenses) or other liabilities of any kind incurred by the ABL Facility Collateral Agent or any co-trustee or agent of the ABL Facility Collateral Agent in connection with any ABL Facility Document;

Fourth, to the ABL Facility Administrative Agent, for application to the payment of all outstanding ABL Facility Obligations that are then due and payable in such order as may be provided in the ABL Facility Documents in an amount sufficient to pay in full in cash all outstanding ABL Facility Obligations that are then due and payable (including Post-Petition Interest and including the discharge, cash collateralization or back-stopping (in an amount equal to 103% of the aggregate undrawn amount) of all outstanding letters of credit, ABL Facility Cash Management Obligations and ABL Facility Hedging Obligations, if any, constituting ABL Facility Obligations);

Fifth, to the payment of all amounts payable under the Junior Priority Documents on account of any Junior Priority Collateral Agent's fees, costs and expenses (including any reasonable legal fees, costs and expenses) or other liabilities of any kind incurred by any Junior Priority Collateral Agent or any co-trustee or agent of any Junior Priority Collateral Agent in connection with any Junior Priority Document;

Sixth, to any administrative agent or trustee for any Junior Priority Obligations for application to the payment of all outstanding Junior Priority Obligations that are then due and payable in such order as may be provided in the Junior Priority Documents in an amount sufficient to pay in full in cash all outstanding Junior Priority Obligations that are then due and payable (including Post-Petition Interest); and

Seventh, any surplus remaining after the payment in full in cash of the amounts described in the preceding clauses will be paid to the Company or the applicable Grantor, as the case may be, its successors or assigns, or as a court of competent jurisdiction may direct.

(ii) In connection with the application of Proceeds pursuant to Section 7.1(a)(i), the Term Loan Collateral Agent may sell any non-Cash Proceeds for cash prior to the application of the Proceeds thereof.

(b) (i) Subject to Section 7.5, after the Discharge of ABL Facility Obligations the Term Loan Collateral Agent will apply the Proceeds of any ABL Facility Priority Collateral Enforcement Action and the Proceeds of any title insurance policy insuring any ABL Facility Priority Collateral required under any Term Loan Document, ABL Facility Document or Junior Priority Document permitted to be received by it, in the following order of application:

First, to the payment of all amounts payable under the Term Loan Documents on account of any Term Loan Collateral Agent's fees, costs and expenses (including any reasonable legal fees, costs and expenses) or other liabilities of any kind incurred by the any Term Loan Collateral Agent or any co-trustee or agent of any Term Loan Collateral Agent in connection with any Term Loan Document;

Second, to any administrative agent or trustee for any Term Loan Obligations for application to the payment of all outstanding Term Loan Obligations that are then due and payable in such order as may be provided in the Term Loan Documents in an amount sufficient to pay in full in cash all outstanding Term Loan Obligations that are then due and payable (including Post-Petition Interest) and Term Loan Hedging Obligations, if any, constituting Term Loan Obligations;

Third, to the payment of all amounts payable under the Junior Priority Documents on account of any Junior Priority Collateral Agent's fees, costs and expenses (including any reasonable legal fees, costs and expenses) or other liabilities of any kind incurred by any Junior Priority Collateral Agent or any co-trustee or agent of any Junior Priority Collateral Agent in connection with any Junior Priority Document;

Fourth, to any administrative agent or trustee for any Junior Priority Obligations for application to the payment of all outstanding Junior Priority Obligations that are then due and payable in such order as may be provided in the Junior Priority Documents in an amount sufficient to pay in full in cash all outstanding Junior Priority Obligations that are then due and payable (including Post-Petition Interest); and

Sixth, any surplus remaining after the payment in full in cash of the amounts described in the preceding clauses will be paid to the Company or the applicable Grantor, as the case may be, its successors or assigns, or as a court of competent jurisdiction may direct.

(ii) In connection with the application of Proceeds pursuant to Section 7.1(b)(i), except as otherwise directed by the Required Lenders (or equivalent term) under (and as defined in) the Term Loan Documents, the Term Loan Collateral Agent may sell any non-Cash Proceeds for cash prior to the application of the Proceeds thereof.

7.2 Application of Proceeds in Distributions by the ABL Facility Collateral Agent.

(a) (i) Subject to Section 7.5, after the Discharge of Term Loan Obligations the ABL Facility Collateral Agent will apply the Proceeds any Term Loan Priority Collateral Enforcement Action and the Proceeds of any title insurance policy insuring any Term Loan Priority Collateral required under any Term Loan Document, Junior Priority Document or ABL Facility Document permitted to be received by it, in the following order of application:

First, to the payment of all amounts payable under the ABL Facility Documents on account of the ABL Facility Collateral Agent's fees, costs and expenses (including any reasonable legal fees, costs and expenses) or other liabilities of any kind incurred by the ABL Facility Collateral Agent or any co-trustee or agent of the ABL Facility Collateral Agent in connection with any ABL Facility Document;

Second, to the ABL Facility Administrative Agent, for application to the payment of all outstanding ABL Facility Obligations that are then due and payable in such order as may be provided in the ABL Facility Documents in an amount sufficient to pay in full in cash all outstanding ABL Facility Obligations that are then due and payable (including Post-Petition Interest and including the discharge, cash collateralization or back-stopping (in an amount equal to 103% % of the aggregate undrawn amount) of all outstanding letters of credit, ABL Facility Cash Management Obligations and ABL Facility Hedging Obligations, if any, constituting ABL Facility Obligations);

Third, to the payment of all amounts payable under the Junior Priority Documents on account of any Junior Priority Collateral Agent's fees, costs and expenses (including any reasonable legal fees, costs and expenses) or other liabilities of any kind incurred by any Junior Priority Collateral Agent or any co-trustee or agent of any Junior Priority Collateral Agent in connection with any Junior Priority Document;

Fourth, to any administrative agent or trustee for any Junior Priority Obligations for application to the payment of all outstanding Junior Priority Obligations that are then due and payable in such order as may be provided in the Junior Priority Documents in an amount sufficient to pay in full in cash all outstanding Junior Priority Obligations that are then due and payable (including Post-Petition Interest); and

Fifth, any surplus remaining after the payment in full in cash of the amounts described in the preceding clauses will be paid to the Company or the applicable Grantor, as the case may be, its successors or assigns, or as a court of competent jurisdiction may direct.

(ii) In connection with the application of Proceeds pursuant to Section 7.2(a)(i), except as otherwise directed by the Required Lenders (or equivalent term) under (and as defined in) the ABL Facility Documents, the ABL Facility Collateral Agent may sell any non-Cash Proceeds for cash prior to the application of the Proceeds thereof.

(b) (i) Subject to Section 7.5, the ABL Facility Collateral Agent will apply the Proceeds of any ABL Facility Priority Collateral Enforcement Action and the Proceeds of any title insurance policy insuring any ABL Facility Priority Collateral required under any Term

Loan Document, Junior Priority Document or ABL Facility Document permitted to be received by it, in the following order of application:

First, to the payment of all amounts payable under the ABL Facility Documents on account of the ABL Facility Collateral Agent's fees, costs and expenses (including any reasonable legal fees, costs and expenses) or other liabilities of any kind incurred by the ABL Facility Collateral Agent or any co-trustee or agent of the ABL Facility Collateral Agent in connection with any ABL Facility Document;

Second, to the ABL Facility Administrative Agent, for application to the payment of all outstanding ABL Facility Obligations that are then due and payable in such order as may be provided in the ABL Facility Documents in an amount sufficient to pay in full in cash all outstanding ABL Facility Obligations that are then due and payable (including Post-Petition Interest and including the discharge, cash collateralization or back-stopping (in an amount equal to 103% % of the aggregate undrawn amount) of all outstanding letters of credit, ABL Facility Cash Management Obligations and ABL Facility Hedging Obligations, if any, constituting ABL Facility Obligations);

Third, to the payment of all amounts payable under the Term Loan Documents on account of any Term Loan Collateral Agent's fees, costs and expenses (including any reasonable legal fees, costs and expenses) or other liabilities of any kind incurred by the any Term Loan Collateral Agent or any co-trustee or agent of any Term Loan Collateral Agent in connection with any Term Loan Document;

Fourth, to any administrative agent or trustee for any Term Loan Obligations for application to the payment of all outstanding Term Loan Obligations that are then due and payable in such order as may be provided in the Term Loan Documents in an amount sufficient to pay in full in cash all outstanding Term Loan Obligations that are then due and payable (including Post-Petition Interest) and Term Loan Hedging Obligations, if any, constituting Term Loan Obligations;

Fifth, to the payment of all amounts payable under the Junior Priority Documents on account of any Junior Priority Collateral Agent's fees, costs and expenses (including any reasonable legal fees, costs and expenses) or other liabilities of any kind incurred by any Junior Priority Collateral Agent or any co-trustee or agent of any Junior Priority Collateral Agent in connection with any Junior Priority Document;

Sixth, to any administrative agent or trustee for any Junior Priority Obligations for application to the payment of all outstanding Junior Priority Obligations that are then due and payable in such order as may be provided in the Junior Priority Documents in an amount sufficient to pay in full in cash all outstanding Junior Priority Obligations that are then due and payable (including Post-Petition Interest); and

Seventh, any surplus remaining after the payment in full in cash of the amounts described in the preceding clauses will be paid to the Company or the applicable Grantor, as the case may be, its successors or assigns, or as a court of competent jurisdiction may direct.

(ii) In connection with the application of Proceeds pursuant to Section 7.2(b)(i), except as otherwise directed by the Required Lenders (or equivalent term) under (and as defined in) the ABL Facility Documents, the ABL Facility Collateral Agent may sell any non-Cash Proceeds for cash prior to the application of the Proceeds thereof.

7.3 [Reserved].

7.4 Application of Proceeds in Distributions by any Junior Priority Collateral Agent.

(a) (i) Subject to Section 7.5, after the Discharge of ABL Facility Obligations and Discharge of Term Loan Obligations, any Junior Priority Collateral Agent will apply the Proceeds of any Term Loan Priority Collateral Enforcement Action and the Proceeds of any title insurance policy insuring any Term Loan Priority Collateral required under any Term Loan Document, ABL Facility Document or Junior Priority Document permitted to be received by it, in the following order of application:

First, to the payment of all amounts payable under the Junior Priority Documents on account of any Junior Priority Collateral Agent's fees, costs and expenses (including any reasonable legal fees, costs and expenses) or other liabilities of any kind incurred by any Junior Priority Collateral Agent or any co-trustee or agent of any Junior Priority Collateral Agent in connection with any Junior Priority Document;

Second, to any administrative agent or trustee for any Junior Priority Obligations for application to the payment of all outstanding Junior Priority Obligations that are then due and payable in such order as may be provided in the Junior Priority Documents in an amount sufficient to pay in full in cash all outstanding Junior Priority Obligations that are then due and payable (including Post-Petition Interest); and

Third, any surplus remaining after the payment in full in cash of the amounts described in the preceding clauses will be paid to the Company or the applicable Grantor, as the case may be, its successors or assigns, or as a court of competent jurisdiction may direct.

(ii) In connection with the application of Proceeds pursuant to Section 7.4(a)(i), except as otherwise directed by the Required Lenders (or equivalent term) under (and as defined in) the Junior Priority Documents, any Junior Priority Collateral Agent may sell any non-Cash Proceeds for cash prior to the application of the Proceeds thereof.

(b) (i) Subject to Section 7.5, after the Discharge of ABL Facility Obligations and Discharge of Term Loan Obligations, any Junior Priority Collateral Agent will apply the Proceeds of any ABL Facility Priority Collateral Enforcement Action and the Proceeds of any title insurance policy insuring any ABL Facility Priority Collateral required under any Term Loan Document, ABL Facility Document or Junior Priority Document permitted to be received by it, in the following order of application:

First, to the payment of all amounts payable under the Junior Priority Documents on account of any Junior Priority Collateral Agent's fees, costs and expenses (including any reasonable legal fees, costs and expenses) or other liabilities of any kind incurred by

any Junior Priority Collateral Agent or any co-trustee or agent of any Junior Priority Collateral Agent in connection with any Junior Priority Document;

Second, to any administrative agent or trustee for any Junior Priority Obligations for application to the payment of all outstanding Junior Priority Obligations that are then due and payable in such order as may be provided in the Junior Priority Documents in an amount sufficient to pay in full in cash all outstanding Junior Priority Obligations that are then due and payable (including Post-Petition Interest); and

Third, any surplus remaining after the payment in full in cash of the amounts described in the preceding clauses will be paid to the Company or the applicable Grantor, as the case may be, its successors or assigns, or as a court of competent jurisdiction may direct.

(ii) Any Junior Priority Collateral Agent that is the Directing Junior Priority Collateral Agent, in connection with the application of Proceeds pursuant to Section 7.4(b)(i), except as otherwise directed by the Controlling Collateral Agent (or equivalent term) under (and as defined in) the *Pari Passu* Intercreditor Agreement, any Junior Priority Collateral Agent may sell any non-Cash Proceeds for cash prior to the application of the Proceeds thereof.

7.5 Turnover of Proceeds in Term Loan Priority Collateral Enforcement Actions and ABL Facility Priority Collateral Enforcement Actions.

(a) If any Secured Party collects or receives any Proceeds in connection with any Term Loan Priority Collateral Enforcement Action, whether after the commencement of an Insolvency or Liquidation Proceeding or otherwise, such Secured Party will forthwith deliver the same to (i) prior to the Discharge of Term Loan Obligations, the Directing Term Loan Collateral Agent, (ii) after the Discharge of Term Loan Obligations but prior to the Discharge of ABL Facility Obligations, the Directing ABL Facility Collateral Agent and (iii) after the Discharge of Term Loan Obligations and the Discharge of ABL Facility Obligations but prior to the Discharge of Junior Priority Obligations, the Directing Junior Priority Collateral Agent, in each case, for the account of the holders of the Term Loan Obligations, ABL Facility Obligations or Junior Priority Obligations with respect to which such Directing Collateral Agent is a representative, as applicable, to be applied in accordance with Section 7. Until so delivered, such Proceeds will be held by that Secured Party for the benefit of the Directing Collateral Agent to which such Proceeds are to be delivered pursuant to the immediately preceding sentence for the account of the holders of the Term Loan Obligations, ABL Facility Obligations or Junior Priority Obligations with respect to which such Directing Collateral Agent is a representative, as applicable.

(b) If any Secured Party collects or receives any Proceeds in connection with any ABL Facility Priority Collateral Enforcement Action, whether after the commencement of an Insolvency or Liquidation Proceeding or otherwise, such Secured Party will forthwith deliver the same to (i) prior to the Discharge of ABL Facility Obligations, the Directing ABL Facility Collateral Agent, (ii) after the Discharge of ABL Facility Obligations but prior to the Discharge of Term Loan Obligations, the Directing Term Loan Collateral Agent, and (iii) after the Discharge of ABL Facility Obligations and the Discharge of Term Loan Obligations but prior to

the Discharge of Junior Priority Obligations, the Directing Junior Priority Collateral Agent, in each case, for the account of the holders of the Term Loan Obligations, ABL Facility Obligations or Junior Priority Obligations with respect to which such Directing Collateral Agent is a representative, as applicable, to be applied in accordance with Section 7. Until so delivered, such Proceeds will be held by that Secured Party for the benefit of the Directing Collateral Agent to which such Proceeds are to be delivered pursuant to the immediately preceding sentence for the account of the holders of the Term Loan Obligations, Senior Secure Notes Obligations, ABL Facility Obligations or Junior Priority Obligations with respect to which such Directing Collateral Agent is a representative, as applicable.

7.6 Mixed Collateral Proceeds. Notwithstanding anything to the contrary contained above or in the definition of the ABL Facility Priority Collateral or Term Loan Priority Collateral, in the event that Proceeds of Collateral are received from (or are otherwise attributable to the value of) a sale or other disposition (whether voluntary or involuntary) of Collateral that involves a combination of ABL Facility Priority Collateral and Term Loan Priority Collateral where the aggregate sales price is not allocated between the ABL Facility Priority Collateral and the Term Loan Priority Collateral (and unless otherwise agreed among the Collateral Agents), the portion of such Proceeds that shall be allocated as Proceeds of ABL Facility Priority Collateral for purposes of this Agreement shall be an amount equal to the net book value of such ABL Facility Priority Collateral (except in the case of Accounts which amount shall be equal to the face amount of such Accounts). In addition, notwithstanding anything to the contrary contained above or in the definition of the ABL Facility Priority Collateral or Term Loan Priority Collateral, to the extent Proceeds of Collateral are Proceeds received from (or are otherwise attributable to the value of) the sale or disposition of all or substantially all of the Equity Interests of any of the Subsidiaries of Holdings which is a Grantor or all or substantially all of the assets of any such Subsidiary, where the aggregate sales price is not allocated between the ABL Facility Priority Collateral and the Term Loan Priority Collateral (and unless otherwise agreed among the Collateral Agents), such Proceeds shall constitute (1) first, in an amount equal to the face amount of the Accounts (as described in clause (i) of the definition of ABL Facility Priority Collateral, and excluding any Accounts to the extent excluded pursuant to said clause (i)) and the net book value of the Inventory owned by such Subsidiary at the time of such sale, ABL Facility Priority Collateral and (2) second, to the extent in excess of the amounts described in preceding clause (1), Term Loan Priority Collateral or additional ABL Facility Priority Collateral in accordance with the respective fair market value of the other Collateral sold.

Section 8. Miscellaneous.

8.1 Conflicts. In the event of any conflict between the provisions of this Agreement and the provisions of the Term Loan Documents, the Junior Priority Documents or the ABL Facility Documents, the provisions of this Agreement shall govern and control. Each Secured Party acknowledges and agrees that the terms and provisions of this Agreement do not violate any term or provision of its respective Term Loan Document, Junior Priority Document or ABL Facility Document.

Notwithstanding anything herein to the contrary, nothing in this Agreement shall authorize the Grantors or any other Person to incur Indebtedness or Liens that are not permitted

by the provisions of the ABL Facility Documents, the Term Loan Documents and the Junior Priority Documents, in each case as in effect on the date hereof or, if amended to permit any additional Indebtedness or Liens, on the date of such amendment.

8.2 Effectiveness; Continuing Nature of this Agreement; Severability.

(a) This Agreement shall become effective when executed and delivered by the parties hereto. Each Collateral Agent, on behalf of itself and the applicable Secured Parties, hereby waives any right it may have under applicable law to revoke this Agreement or any of the provisions of this Agreement. The terms of this Agreement shall survive, and shall continue in full force and effect, in any Insolvency or Liquidation Proceeding. Without limiting the generality of the foregoing, this Agreement is intended to constitute and shall be deemed to constitute a "subordination agreement" within the meaning of Section 510(a) of the Bankruptcy Code and is intended to be and shall be interpreted to be enforceable to the maximum extent permitted pursuant to applicable non-bankruptcy law. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall not invalidate the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. All references to the Company or any other Grantor shall include the Company or such Grantor as debtor and debtor in possession and any receiver or trustee for the Company or any other Grantor (as the case may be) in any Insolvency or Liquidation Proceeding.

(b) This Agreement shall terminate and be of no further force and effect:

(i) with respect to the ABL Facility Collateral Agent, the ABL Facility Secured Parties and the ABL Facility Obligations, upon the Discharge of ABL Facility Obligations, subject to the rights of the ABL Facility Secured Parties under Section 8.17;

(ii) with respect to the Term Loan Collateral Agent, the Term Loan Secured Parties and the Term Loan Obligations, upon the Discharge of Term Loan Obligations, subject to the rights of the Term Loan Secured Parties under Section 8.17; and

(iii) with respect to the Junior Priority Collateral Agents, the Junior Priority Secured Parties and the Junior Priority Obligations, upon the Discharge of Junior Priority Obligations, subject to the rights of the Junior Priority Secured Parties under Section 8.17.

8.3 Amendments; Waivers.

(a) Subject to the last sentence of this Section 8.3(a), no amendment, modification or waiver of any of the provisions of this Agreement shall be effective unless the same shall be in writing signed on behalf of each party hereto or its authorized agent; provided that (i) additional Grantors may be added as parties hereto in accordance with the provisions of Section 8.16 and (ii) parties (or any Additional Lien Obligations Agent) providing any Refinancing or Additional Lien Obligations may be added as parties hereto in accordance with the provisions of Section 8.19. Notwithstanding the provisions of any other Term Loan Document, Junior Priority Document or ABL Facility Document, the Directing Term Loan Collateral Agent, the Directing Junior Priority Collateral Agent and the Directing ABL Facility Collateral Agent may make any

amendments, restatements, amendment and restatements, supplements or other modifications to this Agreement to correct any ambiguity, omission, mistake, defect or inconsistency contained herein without the consent of any other Person. Each waiver of the terms of this Agreement, if any, shall be a waiver only with respect to the specific instance involved and shall in no way impair the rights of the parties making such waiver or the obligations of the other parties to such party in any other respect or at any other time.

(b) It is understood that each Directing Collateral Agent, without the consent of any Secured Party other than the other Directing Collateral Agents, may in its discretion determine that a supplemental agreement (which may take the form of an amendment and restatement of this Agreement) is necessary or appropriate (i) to facilitate having any Additional Lien Obligations become Term Loan Obligations or Junior Priority Obligations, as the case may be, under this Agreement, (ii) to give effect to any amendments contemplated by Section 3.4(j), Section 3.4(k), Section 3.4(l) and Section 3.4 (m) in connection with a Permitted Refinancing of Term Loan Obligations, Junior Priority Obligations or ABL Facility Obligations, as applicable and (iii) to establish that the Liens on any Collateral securing such Additional Lien Obligations shall have the same priority (or junior priority) as the Liens on any Collateral securing the Term Loan Obligations and Junior Priority Obligations, as applicable, existing immediately prior to the incurrence of the Additional Lien Obligations, which supplemental agreement shall, in the case of preceding clauses (i) and (iii) specify whether such Additional Lien Obligations constitute Term Loan Obligations or Junior Priority Obligations. Each of the Directing ABL Facility Collateral Agent, the Directing Term Loan Collateral Agent and the Directing Junior Priority Collateral Agent shall execute and deliver a supplemental agreement described in this Section 8.3(b) at the other's request (or upon the request of the Company) and without the consent of any other Term Loan Secured Party, Junior Priority Secured Party or ABL Facility Secured Party, and such supplemental agreement may contain additional intercreditor terms applicable solely to the holders of such Additional Lien Obligations vis-à-vis the holders of the relevant obligations hereunder but otherwise without any material modification of this Agreement affecting the rights of the other Secured Parties.

8.4 Information Concerning Financial Condition of the Company and its Subsidiaries. The Term Loan Collateral Agents, the Term Loan Secured Parties, the Junior Priority Secured Parties, the ABL Facility Collateral Agent and the ABL Facility Secured Parties, shall each be responsible for keeping themselves informed of (a) the financial condition of Holdings, the Company and its Subsidiaries and all endorsers and/or Grantors of the Term Loan Obligations, the Junior Priority Obligations and the ABL Facility Obligations and (b) all other circumstances bearing upon the risk of nonpayment of the ABL Facility Obligations, the Term Loan Obligations or the Junior Priority Obligations. No Collateral Agent or its respective Secured Parties shall have any duty to advise the other Collateral Agents or their respective Secured Parties of information known to it or them regarding such condition or any such circumstances or otherwise. In the event that any Term Loan Collateral Agent or any of the Term Loan Secured Parties, or any of the Junior Priority Secured Parties or the ABL Facility Collateral Agent or any of the ABL Facility Secured Parties, in its or their sole discretion, undertakes at any time or from time to time to provide any such information to any other party hereto, it or they shall be under no obligation (w) to make, and such informing party shall not make, any express or implied representation or warranty, including with respect to the accuracy, completeness, truthfulness or validity of any such information so provided, (x) to provide any additional information or to

provide any such information on any subsequent occasion, (y) to undertake any investigation or (z) to disclose any information which, pursuant to accepted or reasonable commercial finance practices, such party wishes to maintain confidential or is otherwise required to maintain confidential.

8.5 Submission to Jurisdiction; Waivers.

(a) EACH PARTY HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NON-EXCLUSIVE JURISDICTION OF ANY UNITED STATES FEDERAL OR NEW YORK STATE COURT SITTING IN THE BOROUGH OF MANHATTAN, IN THE CITY OF NEW YORK (OR ANY APPELLATE COURT THEREFROM) OVER ANY SUIT, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT AND AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING SHALL (EXCEPT AS PERMITTED BELOW) BE HEARD AND DETERMINED IN SUCH NEW YORK STATE OR, TO THE EXTENT PERMITTED BY LAW, FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. EACH PARTY HERETO AGREES THAT THE AGENTS AND THE SECURED PARTIES RETAIN THE RIGHT TO BRING PROCEEDINGS AGAINST THE COMPANY AND ANY OTHER GRANTOR IN THE COURTS OF ANY OTHER JURISDICTION.

(b) EACH PARTY HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT IT MAY LEGALLY AND EFFECTIVELY DO SO, ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT IN ANY COURT REFERRED TO IN PARAGRAPH (a) OF THIS SECTION. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY CLAIM OR DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION, SUIT OR PROCEEDING IN ANY SUCH COURT.

(c) TO THE EXTENT PERMITTED BY LAW, EACH PARTY TO THIS AGREEMENT HEREBY IRREVOCABLY WAIVES PERSONAL SERVICE OF ANY AND ALL PROCESS UPON IT AND AGREES THAT ALL SUCH SERVICE OF PROCESS MAY BE MADE BY REGISTERED MAIL (OR ANY SUBSTANTIALLY SIMILAR FORM OF MAIL) DIRECTED TO IT AT ITS ADDRESS FOR NOTICES AS PROVIDED FOR IN SECTION 8.6. EACH PARTY TO THIS AGREEMENT HEREBY WAIVES ANY OBJECTION TO SUCH SERVICE OF PROCESS AND FURTHER IRREVOCABLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY ACTION OR PROCEEDING COMMENCED HEREUNDER OR UNDER ANY ABL FACILITY DOCUMENT, TERM LOAN DOCUMENT OR JUNIOR PRIORITY DOCUMENT THAT SERVICE OF PROCESS WAS INVALID AND INEFFECTIVE. NOTHING IN THIS AGREEMENT OR ANY ABL FACILITY DOCUMENT, TERM LOAN DOCUMENT OR JUNIOR PRIORITY DOCUMENT

WILL AFFECT THE RIGHT OF ANY PARTY TO THIS AGREEMENT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW.

8.6 Notices. All notices to the ABL Facility Secured Parties, the Term Loan Secured Parties and the Junior Priority Secured Parties under this Agreement shall also be sent to the Directing ABL Facility Collateral Agent, the Directing Term Loan Collateral Agent and the Directing Junior Priority Collateral Agent, respectively. Unless otherwise specifically provided herein, any notice hereunder shall be in writing and may be personally served, telexed or sent by facsimile, email or United States mail or courier service and shall be deemed to have been given when delivered in person or by courier service and signed for against receipt thereof, upon receipt of facsimile or telex or email, or three Business Days after depositing it in the United States mail with postage prepaid and properly addressed. For the purposes hereof, the addresses of the parties hereto shall be as set forth below each party's name on the signature pages hereto, or, as to each party, at such other address as may be designated by such party in a written notice to all of the other parties.

8.7 Further Assurances. Each of the Term Loan Collateral Agents, on behalf of themselves and the other Term Loan Secured Parties, each Junior Priority Collateral Agent, on behalf of itself and the other Junior Priority Secured Parties, and the ABL Facility Collateral Agent, on behalf of itself and the other ABL Facility Secured Parties, and each Grantor, agrees that each of them shall take such further action and shall execute (without recourse or warranty) and deliver such additional documents and instruments (in recordable form, if requested) as the Directing Term Loan Collateral Agent, the Directing Junior Priority Collateral Agent or the Directing ABL Facility Collateral Agent may prepare and reasonably request to effectuate the terms of and the Lien priorities contemplated by this Agreement.

8.8 APPLICABLE LAW. THIS AGREEMENT AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS AGREEMENT, WHETHER IN TORT, CONTRACT (AT LAW OR IN EQUITY) OR OTHERWISE, SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICT OF LAW PRINCIPLES THAT WOULD RESULT IN THE APPLICATION OF ANY LAW OTHER THAN THE LAW OF THE STATE OF NEW YORK.

8.9 Binding on Successors and Assigns. This Agreement shall be binding upon the parties hereto, the Term Loan Secured Parties, the Junior Priority Secured Parties, the ABL Facility Secured Parties and their respective successors and assigns.

8.10 Specific Performance. Each of the Term Loan Collateral Agent, each Junior Priority Collateral Agent and the ABL Facility Collateral Agent may demand specific performance of this Agreement. Each of the Term Loan Collateral Agent, on behalf of themselves and the other Term Loan Secured Parties, each Junior Priority Collateral Agent, on behalf of itself and the other Junior Priority Secured Parties, and the ABL Facility Collateral Agent, on behalf of itself and the other ABL Facility Secured Parties, hereby irrevocably waives any defense based on the adequacy of a remedy at law and any other defense which might be asserted to bar the remedy of specific performance in any action which may be brought by any

Term Loan Collateral Agent, any Junior Priority Collateral Agent or the ABL Facility Collateral Agent, as the case may be.

8.11 Headings. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose or be given any substantive effect.

8.12 Counterparts. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Agreement or any document or instrument delivered in connection herewith by telecopy or by email as a ".pdf" or ".tif" attachment shall be effective as delivery of a manually executed counterpart of this Agreement or such other document or instrument, as applicable.

8.13 Authorization; No Conflict. Each of the parties hereto represents and warrants to all other parties hereto that the execution, delivery and performance by or on behalf of such party to this Agreement has been duly authorized by all necessary action, corporate or otherwise, does not violate any provision of law, governmental regulation, or any agreement or instrument by which such party is bound, and requires no governmental or other consent that has not been obtained and is not in full force and effect.

8.14 No Third Party Beneficiaries. This Agreement and the rights and benefits hereof shall inure to the benefit of the Term Loan Secured Parties, the Junior Priority Secured Parties and the ABL Facility Secured Parties and each of their respective successors and assigns. No other Person shall have or be entitled to assert rights or benefits hereunder other than the Grantors under Section 3.4(a), Section 3.4(b), Section 4.5(a), Section 4.5(b), Section 4.5(c) (in each case, solely with respect to the releases referred to therein), Section 8.3, this Section 8.14 and any other provision hereof pursuant to which rights are explicitly provided to the Grantors.

8.15 Provisions Solely to Define Relative Rights.

(a) The provisions of this Agreement are and are intended solely for the purpose of defining the relative rights and remedies of the Term Loan Secured Parties, the Junior Priority Secured Parties and the ABL Facility Secured Parties. Except as expressly provided in Section 8.14, none of the Grantors or any creditor thereof shall have any rights hereunder. Nothing in this Agreement is intended to or shall impair the obligations of the Grantors, which are absolute and unconditional, to pay the Term Loan Obligations, the Junior Priority Obligations and the ABL Facility Obligations as and when the same shall become due and payable in accordance with their respective terms.

(b) Nothing in this Agreement shall relieve the Company or any other Grantor from the performance of any term, covenant, condition or agreement on the Company's or such Grantor's part to be performed or observed under or in respect of any of the Collateral pledged by it or from any liability to any Person under or in respect of any of such Collateral or impose any obligation on any Collateral Agent to perform or observe any such term, covenant, condition or agreement on the Company's or such other Grantor's part to be so performed or observed or

impose any liability on any Collateral Agent for any act or omission on the part of the Company or such other Grantor relative thereto or for any breach of any representation or warranty on the part of the Company or such other Grantor contained in this Agreement or any ABL Facility Document, Term Loan Document or Junior Priority Document, or in respect of the Collateral pledged by it. The obligations of the Company and each other Grantor contained in this paragraph shall survive the termination of this Agreement and the discharge of the Company's or such other Grantor's other obligations hereunder.

(c) Each of the Collateral Agents acknowledges and agrees that it has not made any representation or warranty with respect to the execution, validity, legality, completeness, collectability or enforceability of any other ABL Facility Document, Term Loan Document or Junior Priority Document. Except as otherwise provided in this Agreement, each of the ABL Facility Collateral Agent, the ABL Facility Administrative Agent, the Term Loan Collateral Agent, the Term Loan Administrative Agent, and each Junior Priority Collateral Agent will be entitled to manage and supervise their respective extensions of credit to the Company or any of its Subsidiaries in accordance with applicable law and their usual practices, modified from time to time as they deem appropriate.

8.16 Additional Grantors. The Company will cause each Person that becomes a Grantor to become a party to this Agreement, for all purposes of this Agreement, by causing such Person to execute and deliver to the parties hereto an Intercreditor Agreement Joinder, whereupon such Person will be bound by the terms hereof to the same extent as if it had executed and delivered this Agreement as of the date hereof. The Company shall promptly provide each Collateral Agent with a copy of each Intercreditor Agreement Joinder executed and delivered pursuant to this Section 8.16.

8.17 Avoidance Issues. If any ABL Facility Secured Party, Term Loan Secured Party or Junior Priority Secured Party is required in any Insolvency or Liquidation Proceeding or otherwise to turn over or otherwise pay to the estate of the Company or any other Grantor any amount (a "Recovery"), then such ABL Facility Secured Party, Term Loan Secured Party or Junior Priority Secured Party, as applicable, shall be entitled to a reinstatement of ABL Facility Obligations, Term Loan Obligations or Junior Priority Obligations, as applicable, with respect to all such recovered amounts. If this Agreement shall have been terminated prior to such Recovery, this Agreement shall be reinstated in full force and effect, and such prior termination shall not diminish, release, discharge, impair or otherwise affect the obligations of the parties hereto from such date of reinstatement.

8.18 Subrogation.

(a) With respect to the value of any payments or distributions in cash, property or other assets that (i) the ABL Facility Secured Parties or the ABL Facility Collateral Agent pay over to the Directing Term Loan Collateral Agent or any of the other Term Loan Secured Parties under the terms of this Agreement with respect to any Term Loan Priority Collateral, the ABL Facility Secured Parties and the ABL Facility Collateral Agent shall be subrogated to the rights of the Directing Term Loan Collateral Agent and such other Term Loan Secured Parties and (ii) the Junior Priority Secured Parties or any Junior Priority Collateral Agent pay over to the Directing Term Loan Collateral Agent or any of the other Term Loan Secured Parties under the

terms of this Agreement with respect to any Term Loan Priority Collateral, the Junior Priority Secured Parties and each Junior Priority Collateral Agent shall be subrogated to the rights of the Directing Term Loan Collateral Agent and such other Term Loan Secured Parties and the Directing ABL Facility Collateral Agent and the other ABL Facility Secured Parties; provided that, each of the ABL Facility Collateral Agent, on behalf of itself and the other ABL Facility Secured Parties, and each Junior Priority Collateral Agent, on behalf of itself and the other Junior Priority Secured Parties, hereby agrees not to assert or enforce all such rights of subrogation it may acquire as a result of any payment hereunder until the Discharge of Term Loan Obligations (and in the case of preceding clause (ii), the Discharge of ABL Facility Obligations) has occurred. The Company and each other Grantor acknowledges and agrees that, the value of any payments or distributions in cash, property or other assets received by the ABL Facility Collateral Agent, the other ABL Facility Secured Parties, each Junior Priority Collateral Agent or the other Junior Priority Secured Parties and paid over to the Directing Term Loan Collateral Agent or the other Term Loan Secured Parties pursuant to, and applied in accordance with, this Agreement, shall not relieve or reduce any of the ABL Facility Obligations or Term Loan Obligations owed by the Company or any other Grantor under the ABL Facility Documents or Term Loan Documents for purposes of such subrogation rights.

(b) With respect to the value of any payments or distributions in cash, property or other assets that (i) the Term Loan Secured Parties or the Term Loan Collateral Agent pay over to the ABL Facility Collateral Agent or any of the other ABL Facility Secured Parties under the terms of this Agreement with respect to the ABL Facility Priority Collateral, the Term Loan Secured Parties and the Term Loan Collateral Agent shall be subrogated to the rights of the ABL Facility Collateral Agent and the other ABL Facility Secured Parties and (ii) the Junior Priority Secured Parties or any Junior Priority Collateral Agent pay over to the ABL Facility Collateral Agent, any of the other ABL Facility Secured Parties, any of the Term Loan Collateral Agents or any of the other Term Loan Secured Parties under the terms of this Agreement with respect to the ABL Facility Priority Collateral, the Junior Priority Secured Parties and each Junior Priority Collateral Agent shall be subrogated to the rights of the ABL Facility Collateral Agent, any of the other ABL Facility Secured Parties, each Term Loan Collateral Agent and any of the other Term Loan Secured Parties; provided that, each Junior Priority Collateral Agent, on behalf of itself and the other Junior Priority Secured Parties, hereby agrees not to assert or enforce all such rights of subrogation it may acquire as a result of any payment hereunder until the Discharge of ABL Facility Obligations (and in the case of preceding clause (ii), the Discharge of Term Loan Obligations) has occurred. The Company and each other Grantor acknowledges and agrees that, the value of any payments or distributions in cash, property or other assets received by any Junior Priority Collateral Agent or any other Junior Priority Secured Parties and paid over to the ABL Facility Collateral Agent, the other ABL Facility Secured Parties, the applicable Term Loan Collateral Agent or the other applicable Term Loan Secured Parties pursuant to, and applied in accordance with, this Agreement, shall not relieve or reduce any of the ABL Facility Obligations or Term Loan Obligations owed by the Company or any other Grantor under the ABL Facility Documents or Term Loan Documents for purposes of such subrogation rights.

8.19 Refinancing and Additional Lien Obligations.

(a) Subject to compliance with following clause (c), upon any Refinancing in full of the ABL Facility Credit Agreement, the Term Loan Credit Agreement, the Ontario Capex

Facility or the Federal Capex Facility as then in effect, the Grantors will be permitted to designate the respective agreement which refinances the ABL Facility Credit Agreement, the Term Loan Credit Agreement, the Ontario Capex Facility or the Federal Capex Facility, as the case may be, as the replacement ABL Facility Credit Agreement, Term Loan Credit Agreement, the Ontario Capex Facility or the Federal Capex Facility, as the case may be, and the obligations thereunder as ABL Facility Obligations, Term Loan Obligations and Junior Priority Obligations, as the case may be, in which case such designated agreement shall thereafter constitute the ABL Facility Credit Agreement, the Term Loan Credit Agreement, the Ontario Capex Facility or the Federal Capex Facility, as the case may be, for purposes hereof; provided that the parties to each predecessor ABL Facility Credit Agreement, Term Loan Credit Agreement, the Ontario Capex Facility or the Federal Capex Facility, as the case may be, shall continue to be bound by (and entitled to the benefits of) the provisions hereof (including, without limitation, Section 8.17 hereof) as applied to such agreements, the related agreements and all obligations thereunder prior to the Refinancing thereof.

(b) Subject to compliance with following clause (c), the Grantors shall also be permitted from time to time to designate as an additional holder of Term Loan Obligations and/or Junior Priority Obligations hereunder each Person who is, or who becomes or who is to become, the holder of any Additional Term Loan Obligations or Additional Junior Priority Obligations as the case may be.

(c) Upon the issuance or incurrence of any such Refinancing of the ABL Facility Credit Agreement, Term Loan Credit Agreement, Ontario Capex Facility or Federal Capex Facility (as contemplated by preceding clause (a)) or any such Additional Lien Obligations (as contemplated by preceding clause (b)):

(i) the Company shall deliver to each Collateral Agent an officer's certificate stating that the applicable Grantors (x) in the case of preceding clause (a), intend to enter or have entered into a Refinancing in full of the ABL Facility Credit Agreement, the Term Loan Credit Agreement, the Ontario Capex Facility or the Federal Capex Facility, as the case may be, that the Refinancing of such agreement shall thereafter (upon such Refinancing in full) constitute the ABL Facility Credit Agreement, the Term Loan Credit Agreement, the Ontario Capex Facility or the Federal Capex Facility, as the case may be, and the obligations thereunder ABL Facility Obligations, Term Loan Obligations and Junior Priority Obligations, as the case may be, and certifying that the issuance or incurrence of such Refinancing is permitted by the ABL Facility Credit Agreement, the Term Loan Credit Agreement, the Ontario Capex Facility, the Federal Capex Facility and each then extant Additional Lien Obligations Agreement (exclusive of any such agreement which is then being Refinanced in full), or (y) in the case of preceding clause (b), intend to enter or have entered into an Additional Term Loan Obligations Agreement or Additional Junior Priority Obligations Agreement, as the case may be, and certifying that the issuance or incurrence of such Additional Lien Obligations and the Liens securing such Additional Lien Obligations are permitted by the ABL Facility Credit Agreement, the Term Loan Credit Agreement, the Ontario Capex Facility or the Federal Capex Facility and each then extant Additional Term Loan Obligations Agreement and Additional Junior Priority Obligations Agreement, as applicable. Any Additional Lien Obligations Agent, each Term Loan Collateral Agent, each Junior Priority Collateral

Agent and the ABL Facility Collateral Agent shall be entitled to rely conclusively on the determination of the Company that such issuance and/or incurrence does not violate the provisions of the Term Loan Documents, the Junior Priority Documents, the ABL Facility Documents or any Additional Lien Obligations Agreement that is set forth in such officer's certificate delivered to each Term Loan Collateral Agent, each Junior Priority Collateral Agent and the ABL Facility Collateral Agent; provided, however, that such determination will not affect whether or not each applicable Grantor has complied with its undertakings in the Term Loan Documents, the Junior Priority Documents, the ABL Facility Documents or the Additional Lien Obligations Agreements;

(ii) (x) in the case of preceding clause (a), the Company shall provide written notice to each then existing ABL Facility Collateral Agent, Term Loan Collateral Agent and Junior Priority Collateral Agent of the new ABL Facility Credit Agreement, Term Loan Credit Agreement, the Ontario Capex Facility or the Federal Capex Facility, as the case may be, together with copies thereof, and identifying the new Collateral Agent thereunder (such new collateral agent, the "New ABL Facility Collateral Agent," "New Term Loan Collateral Agent," "New Federal Capex Facility Provider" or "New Ontario Capex Facility Lender," as the case may be), and providing its notice information for purposes hereof, and such New ABL Facility Collateral Agent, New Term Loan Collateral Agent, New Federal Capex Facility Provider or New Ontario Capex Facility Lender, as the case may be, shall execute and deliver to each Directing Collateral Agent an Intercreditor Agreement Joinder, or (y) in the case of preceding clause (b), the Additional Lien Obligations Agent for such Additional Lien Obligations shall execute and deliver to the Collateral Agents an Intercreditor Agreement Joinder, in each case, acknowledging that such holders shall be bound by the terms hereof to the extent applicable to Term Loan Secured Parties, the Junior Priority Secured Parties or the ABL Facility Secured Parties, as applicable;

(d) In each case above, each Collateral Agent shall (at the sole expense of the Grantors) promptly enter into such documents and agreements (including amendments, restatements, amendments and restatements, supplements or other modifications to this Agreement) prepared by the requesting party as the Company, any Collateral Agent (but no other Secured Party) or any Additional Lien Obligations Agent may reasonably request in order to provide to it the rights, remedies and powers and authorities contemplated hereby, in each case consistent in all respects with the terms of this Agreement.

(e) In the case of a designation of a new Term Loan Credit Agreement pursuant to preceding clause (a), each of the Junior Priority Collateral Agent and the ABL Facility Collateral Agent shall (at the sole expenses of the Grantors) promptly (i) enter into such documents and agreements (including amendments or supplements to this Agreement) as the Company or such New Term Loan Collateral Agent shall reasonably request in order to provide to the New Term Loan Collateral Agent the rights contemplated hereby, in each case consistent in all material respects with the terms of this Agreement and (ii) deliver to the New Term Loan Collateral Agent any Pledged Term Loan Priority Collateral held by any Junior Priority Collateral Agent or the ABL Facility Collateral Agent, as the case may be, together with any necessary endorsements (or otherwise allow the New Term Loan Collateral Agent to the extent it is the Directing Term Loan Collateral Agent to obtain control of such Pledged Term Loan Priority Collateral). The

New Term Loan Collateral Agent shall agree to be bound by the terms of this Agreement by executing an Intercreditor Agreement Joinder. If the new Term Loan Obligations under the new Term Loan Documents are secured by assets of the Grantors that do not also secure the Junior Priority Obligations or the ABL Facility Obligations, as the case may be, then the Junior Priority Obligations or the ABL Facility Obligations, as the case may be, shall be secured at such time by a similarly perfected Lien on such assets, which Lien shall be subject to the provisions of this Agreement.

(f) In the case of a designation of a new Ontario Capex Facility or Federal Capex Facility pursuant to preceding clause (a), each of the Term Loan Collateral Agents and the ABL Facility Collateral Agent shall (at the sole expense of the Grantors) promptly (i) enter into such documents and agreements (including amendments or supplements to this Agreement) as the Company or such New Federal Capex Facility Provider or New Ontario Capex Facility Lender, as the case may be, shall reasonably request in order to provide to the New Federal Capex Facility Provider or New Ontario Capex Facility Lender, as the case may be, the rights contemplated hereby, in each case consistent in all material respects with the terms of this Agreement and (ii) following the Discharge of Term Loan Obligations and the Discharge of ABL Facility Obligations, deliver to the New Federal Capex Facility Provider or New Ontario Capex Facility Lender, as the case may be, any Pledged Term Loan Priority Collateral held by the Directing Term Loan Collateral Agent, together with any necessary endorsements (or otherwise allow the New Federal Capex Facility Provider or New Ontario Capex Facility Lender, as the case may be, to obtain control of such Pledged Term Loan Priority Collateral). The New Federal Capex Facility Provider or New Ontario Capex Facility Lender, as the case may be, shall agree to be bound by the terms of this Agreement by executing an Intercreditor Agreement Joinder. If the new Junior Priority Obligations under the new Junior Priority Documents are secured by assets of the Grantors that do not also secure the Term Loan Obligations or the ABL Facility Obligations, as the case may be, then the Term Loan Obligations or the ABL Facility Obligations, as the case may be, shall be secured at such time by a similarly perfected Lien on such assets, which Lien shall be subject to the provisions of this Agreement.

(g) [Reserved].

(h) In the case of a designation of a new ABL Facility Credit Agreement pursuant to preceding clause (a), each of the Term Loan Collateral Agent and each Junior Priority Collateral Agent shall (at the sole expense of the Grantors) promptly (i) enter into such documents and agreements (including amendments or supplements to this Agreement) as the Company and/or any Grantor or such New ABL Facility Collateral Agent shall reasonably request in order to provide to the New ABL Facility Collateral Agent the rights contemplated hereby, in each case consistent in all material respects with the terms of this Agreement and (ii) deliver to the New ABL Facility Collateral Agent any Pledged ABL Facility Priority Collateral held by the Directing Term Loan Collateral Agent or the Directing Junior Priority Collateral Agent, respectively, together with any necessary endorsements (or otherwise allow the New ABL Facility Collateral Agent to obtain control of such Pledged ABL Facility Priority Collateral). The New ABL Facility Collateral Agent shall agree to be bound by the terms of this Agreement by executing an Intercreditor Agreement Joinder. If the new ABL Facility Obligations under the new ABL Facility Documents are secured by assets of the Grantors that do not also secure the Term Loan Obligations and the Junior Priority Obligations, then each of the Term Loan

Obligations and the Junior Priority Obligations shall be secured at such time by a similarly perfected Lien on such assets, which Lien shall be subject to the provisions of this Agreement.

Notwithstanding the foregoing, nothing in this Agreement will be construed to permit or prohibit the incurrence of any additional Indebtedness by any Grantor, unless any such incurrence is otherwise permitted or prohibited, as the case may be, by the terms of each then applicable Term Loan Document, Junior Priority Document and ABL Facility Document.

8.20 Agreement Among Secured Parties to Coordinate Enforcement.

(a) Each Term Loan Secured Party, solely as among themselves in such capacity and solely for their mutual benefit, hereby agrees that the Term Loan Collateral Agent designated as the Directing Term Loan Collateral Agent shall have the sole right and power, as among the Term Loan Collateral Agent and the Term Loan Secured Parties, to take and direct any right or remedy with respect to Term Loan Priority Collateral in accordance with the terms of this Agreement and the relevant Term Loan Documents. The Term Loan Secured Parties shall be deemed to have irrevocably appointed the Directing Term Loan Collateral Agent as their exclusive agent hereunder with respect to Term Loan Priority Collateral. Consistent with such appointment, the Term Loan Secured Parties further shall be deemed to have agreed that only the Directing Term Loan Collateral Agent (and not any individual claimholder or group of claimholders) as agent for the Term Loan Secured Parties, or any of the Directing Term Loan Collateral Agent's agents shall have the right on their behalf to exercise any rights, powers, and/or remedies under or in connection with this Agreement (including bringing any action to interpret or otherwise enforce the provisions of this Agreement) with respect to Term Loan Priority Collateral; provided that Term Loan Secured Parties may exercise customary rights of set-off against depository or other accounts maintained with them in accordance with the terms of the relevant Term Loan Document or applicable law. Specifically, but without limiting the generality of the foregoing, no Term Loan Secured Party, other than the Directing Term Loan Collateral Agent, shall be entitled to take or file, but instead shall be precluded from taking or filing (whether in any Insolvency or Liquidation Proceeding or otherwise), any action, judicial or otherwise, to enforce any right or power or pursue any remedy under this Agreement (including any declaratory judgment or other action to interpret or otherwise enforce the provisions of this Agreement), except solely as provided in the proviso in the immediately preceding sentence.

(b) Each Term Loan Secured Party, solely as among themselves in such capacity and solely for their mutual benefit, hereby agrees that the Term Loan Collateral Agent designated as the Directing Term Loan Collateral Agent shall have the sole right and power, as among the Term Loan Collateral Agent and the Term Loan Secured Parties, to take and direct any right or remedy with respect to ABL Facility Priority Collateral in accordance with the terms of this Agreement and the relevant Term Loan Documents. The Term Loan Secured Parties shall be deemed to have irrevocably appointed the Directing Term Loan Collateral Agent as their exclusive agent hereunder with respect to ABL Facility Priority Collateral. Consistent with such appointment, the Term Loan Secured Parties further shall be deemed to have agreed that only the Directing Term Loan Collateral Agent (and not any individual claimholder or group of claimholders) as agent for the Term Loan Secured Parties, or any of the Directing Term Loan Collateral Agent's agents shall have the right on their behalf to exercise any rights, powers, and/or remedies under or in connection with this Agreement (including bringing any action to

interpret or otherwise enforce the provisions of this Agreement) with respect to ABL Facility Priority Collateral; provided that Term Loan Secured Parties may exercise customary rights of set-off against depository or other accounts maintained with them in accordance with the terms of the relevant Term Loan Document or applicable law. Specifically, but without limiting the generality of the foregoing, no Term Loan Secured Party, other than the Directing Term Loan Collateral Agent, shall be entitled to take or file, but instead shall be precluded from taking or filing (whether in any Insolvency or Liquidation Proceeding or otherwise), any action, judicial or otherwise, to enforce any right or power or pursue any remedy under this Agreement (including any declaratory judgment or other action to interpret or otherwise enforce the provisions of this Agreement), except solely as provided in the proviso in the immediately preceding sentence.

(c) [Reserved].

(d) Each Junior Priority Secured Party, solely as among themselves in such capacity and solely for their mutual benefit, hereby agrees that the Junior Priority Collateral Agent designated as the Directing Junior Priority Collateral Agent shall have the sole right and power, as among the Junior Priority Collateral Agents and the Junior Priority Secured Parties, to take and direct any right or remedy with respect to Collateral in accordance with the terms of this Agreement and the relevant Junior Priority Documents. The Junior Priority Secured Parties shall be deemed to have irrevocably appointed the Directing Junior Priority Collateral Agent as their exclusive agent hereunder. Consistent with such appointment, the Junior Priority Secured Parties further shall be deemed to have agreed that only the Directing Junior Priority Collateral Agent(and not any individual claimholder or group of claimholders) as agent for the Junior Priority Secured Parties, or any of the Directing Junior Priority Collateral Agent's agents shall have the right on their behalf to exercise any rights, powers, and/or remedies under or in connection with this Agreement (including bringing any action to interpret or otherwise enforce the provisions of this Agreement); provided that Junior Priority Secured Parties may exercise customary rights of set-off against depository or other accounts maintained with them in accordance with the terms of the relevant Junior Priority Document or applicable law. Specifically, but without limiting the generality of the foregoing, no Junior Priority Secured Party, other than the Directing Junior Priority Collateral Agent, shall be entitled to take or file, but instead shall be precluded from taking or filing (whether in any Insolvency or Liquidation Proceeding or otherwise), any action, judicial or otherwise, to enforce any right or power or pursue any remedy under this Agreement (including any declaratory judgment or other action to interpret or otherwise enforce the provisions of this Agreement), except solely as provided in the proviso in the immediately preceding sentence.

(e) Each ABL Facility Secured Party, solely as among themselves in such capacity and solely for their mutual benefit, hereby agrees that the Directing ABL Facility Collateral Agent shall have the sole right and power, as among the ABL Facility Collateral Agent and the ABL Facility Secured Parties, to take and direct any right or remedy with respect to Collateral in accordance with the terms of this Agreement and the relevant ABL Facility Documents. The ABL Facility Secured Parties shall be deemed to have irrevocably appointed the Directing ABL Facility Collateral Agent as their exclusive agent hereunder. Consistent with such appointment, the ABL Facility Secured Parties further shall be deemed to have agreed that only the Directing ABL Facility Collateral Agent (and not any individual claimholder or group of claimholders) as agent for the ABL Facility Secured Parties, or any of the Directing ABL Facility Collateral

Agent's agents shall have the right on their behalf to exercise any rights, powers, and/or remedies under or in connection with this Agreement (including bringing any action to interpret or otherwise enforce the provisions of this Agreement); provided that ABL Facility Secured Parties may exercise customary rights of set-off against depository or other accounts maintained with them in accordance with the terms of the relevant ABL Facility Document or applicable law. Specifically, but without limiting the generality of the foregoing, no ABL Facility Secured Party, other than the Directing ABL Facility Collateral Agent, shall be entitled to take or file, but instead shall be precluded from taking or filing (whether in any Insolvency or Liquidation Proceeding or otherwise), any action, judicial or otherwise, to enforce any right or power or pursue any remedy under this Agreement (including any declaratory judgment or other action to interpret or otherwise enforce the provisions of this Agreement), except solely as provided in the proviso in the immediately preceding sentence.

8.21 No Waiver of Lien Priorities.

(a) Term Loan Obligations.

(i) No right of the Term Loan Secured Parties, the Term Loan Collateral Agents or any of them to enforce any provision of this Agreement or any Term Loan Document shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of the Company or any other Grantor or by any act or failure to act by any Term Loan Secured Party or the Term Loan Collateral Agents, or by any noncompliance by any Person with the terms, provisions and covenants of this Agreement, any of the Term Loan Documents, any of the Junior Priority Documents or any of the ABL Facility Documents, regardless of any knowledge thereof which the Term Loan Collateral Agents or the Term Loan Secured Parties, or any of them, may have or be otherwise charged with.

(ii) Without in any way limiting the generality of the foregoing paragraph (but subject to the rights of the Company and the other Grantors under the Term Loan Documents and subject to the provisions of Section 3.4(e) and Section 3.5(a) and (c)), the Term Loan Secured Parties, the Term Loan Collateral Agents and any of them may, at any time and from time to time in accordance with the Term Loan Documents and/or applicable law, without the consent of, or notice to, the ABL Facility Collateral Agent, any ABL Facility Secured Party, any Junior Priority Collateral Agent or any Junior Priority Secured Party, without incurring any liabilities to the ABL Facility Collateral Agent, any ABL Facility Secured Party, any Junior Priority Collateral Agent or any Junior Priority Secured Party and without impairing or releasing the Lien priorities and other benefits provided in this Agreement (even if any right of subrogation or other right or remedy of the ABL Facility Collateral Agent, any ABL Facility Secured Party, any Junior Priority Collateral Agent or any Junior Priority Secured Party is affected, impaired or extinguished thereby) do any one or more of the following:

(A) make loans and advances to any Grantor or issue, guaranty or obtain letters of credit for account of any Grantor or otherwise extend credit to any Grantor, in any amount and on any terms, whether pursuant to a commitment or as a discretionary advance and whether or not any default or event of default or failure of condition is then continuing;

(B) change the manner, place or terms of payment or change or extend the time of payment of, or amend, renew, exchange, increase or alter, the terms of any of the Term Loan Obligations or any First Priority Lien on any Term Loan Priority Collateral or Second Priority Lien on any ABL Facility Priority Collateral, or guaranty thereof or any liability of any of the Company or any other Grantor, or any liability incurred directly or indirectly in respect thereof (including any increase in or extension of the Term Loan Obligations, without any restriction as to the amount, tenor or terms of any such increase or extension) or otherwise amend, renew, exchange, extend, modify or supplement in any manner any First Priority Lien on the Term Loan Priority Collateral or Second Priority Lien on the ABL Facility Priority Collateral, held by any Term Loan Collateral Agent, or any of the other Term Loan Secured Parties, the Term Loan Obligations or any of the Term Loan Documents;

(C) sell, exchange, realize upon, enforce or otherwise deal with in any manner (subject to the terms hereof) and in any order any part of the Term Loan Priority Collateral or, after the Discharge of ABL Facility Obligations, the ABL Facility Priority Collateral, or any liability of the Company or any other Grantor to the Term Loan Secured Parties or any Term Loan Collateral Agent, or any liability incurred directly or indirectly in respect thereof;

(D) settle or compromise any Term Loan Obligation or any other liability of the Company or any other Grantor or any Term Loan Priority Collateral or, after the Discharge of ABL Facility Obligations, any ABL Facility Priority Collateral; and

(E) exercise or delay in or refrain from exercising any right or remedy against the Company or any other Grantor or any other Person, elect any remedy and otherwise deal freely with the Company, any other Grantor or any Term Loan Priority Collateral or, after the Discharge of ABL Facility Obligations, any ABL Facility Priority Collateral, or any liability incurred directly or indirectly in respect thereof.

(iii) Each of the ABL Facility Collateral Agent, on behalf of itself and the other ABL Facility Secured Parties, and each Junior Priority Collateral Agent, on behalf of itself and the other Junior Priority Secured Parties, also agrees that the Term Loan Secured Parties and the Term Loan Collateral Agents shall have no liability to the ABL Facility Collateral Agent, any ABL Facility Secured Party, any Junior Priority Collateral Agent and any Junior Priority Secured Party, and the ABL Facility Collateral Agent, on behalf of itself and each of the other ABL Facility Secured Parties, and each Junior Priority Collateral Agent, on behalf of itself and each of the other Junior Priority Secured Parties, hereby waives any claim against any Term Loan Secured Party or the Term Loan Collateral Agents, arising out of any and all actions which the Term Loan Secured Parties or the Term Loan Collateral Agents may take or permit or omit to take with respect to:

(A) the Term Loan Documents (other than this Agreement), including any failure to perfect or obtain perfected security interests in the Term Loan Priority Collateral or, after Discharge of ABL Facility Obligations, the ABL Facility Priority Collateral;

(B) the collection of the Term Loan Obligations; or

(C) the foreclosure upon, or sale, liquidation or other disposition of, any Term Loan Priority Collateral or, after Discharge of ABL Facility Obligations, the ABL Facility Priority Collateral.

Except as otherwise required by this Agreement, each of the ABL Facility Collateral Agent, on behalf of itself and the other ABL Facility Secured Parties, and each Junior Priority Collateral Agent, on behalf of itself and the other Junior Priority Secured Parties, agrees that the Term Loan Secured Parties and the Term Loan Collateral Agents have no duty to the ABL Facility Collateral Agent, the ABL Facility Secured Parties, any Junior Priority Collateral Agent or the Junior Priority Secured Parties in respect of the maintenance or preservation of the Term Loan Priority Collateral, or, after the Discharge of ABL Facility Obligations, the ABL Facility Priority Collateral.

(iv) Each of each Junior Priority Collateral Agent, on behalf of itself and the other Junior Priority Secured Parties, and prior to the Discharge of Term Loan Obligations, the ABL Facility Collateral Agent, on behalf of itself and the other ABL Facility Secured Parties, agrees not to assert and hereby waives, to the fullest extent permitted by law, any right to demand, request, plead or otherwise assert or otherwise claim the benefit of, any marshalling, appraisal, valuation or other similar right that may otherwise be available under applicable law with respect to the Term Loan Priority Collateral or, in the case of any Junior Priority Collateral Agent following the Discharge of Term Loan Obligations and the Discharge of ABL Facility Obligations, the ABL Facility Priority Collateral, or any other similar rights a junior secured creditor may have under applicable law.

(b) ABL Facility Obligations.

(i) No right of the ABL Facility Secured Parties, the ABL Facility Collateral Agent or any of them to enforce any provision of this Agreement or any ABL Facility Document shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of the Company or any other Grantor or by any act or failure to act by any ABL Facility Secured Party or the ABL Facility Collateral Agent, or by any noncompliance by any Person with the terms, provisions and covenants of this Agreement, any of the Term Loan Documents, any of the Junior Priority Documents or any of the ABL Facility Documents, regardless of any knowledge thereof which the ABL Facility Collateral Agent or the ABL Facility Secured Parties, or any of them, may have or be otherwise charged with.

(ii) Without in any way limiting the generality of the foregoing paragraph (but subject to the rights of the Company and the other Grantors under the ABL Facility Documents and subject to the provisions of Section 4.5(g) and Section 3.5(c)), the ABL Facility Secured Parties, the ABL Facility Collateral Agent and any of them may, at any time and from time to time in accordance with the ABL Facility Documents and/or applicable law, without the consent of, or notice to, any Junior Priority Collateral Agent, any Junior Priority Secured Party, any Term Loan Collateral Agent or any Term Loan Secured Party, without incurring any liabilities to any Junior Priority Collateral Agent, any Junior Priority Secured Party, any Term Loan Collateral Agent or any Term Loan Secured Party and without impairing or releasing the Lien priorities and other

benefits provided in this Agreement (even if any right of subrogation or other right or remedy of any Junior Priority Collateral Agent, any Junior Priority Secured Party is affected, impaired or extinguished thereby) do any one or more of the following:

(A) make loans and advances to any Grantor or issue, guaranty or obtain letters of credit for account of any Grantor or otherwise extend credit to any Grantor, in any amount and on any terms, whether pursuant to a commitment or as a discretionary advance and whether or not any default or event of default or failure of condition is then continuing;

(B) change the manner, place or terms of payment or change or extend the time of payment of, or amend, renew, exchange, increase or alter, the terms of any of the ABL Facility Obligations, any First Priority Lien on any ABL Facility Priority Collateral or any Second Priority Lien on any Term Loan Priority Collateral or guaranty thereof or any liability of any of the Company or any other Grantor, or any liability incurred directly or indirectly in respect thereof (including any increase in or extension of the ABL Facility Obligations, without any restriction as to the amount, tenor or terms of any such increase or extension) or otherwise amend, renew, exchange, extend, modify or supplement in any manner any First Priority Lien on any ABL Facility Priority Collateral, any Second Priority Lien on the Term Loan Priority Collateral held by the ABL Facility Collateral Agent or any of the ABL Facility Secured Parties, the ABL Facility Obligations or any of the ABL Facility Documents;

(C) sell, exchange, realize upon, enforce or otherwise deal with in any manner (subject to the terms hereof) and in any order any part of the ABL Facility Priority Collateral or, after the Discharge of Term Loan Obligations, the Term Loan Priority Collateral or any liability of the Company or any other Grantor to the ABL Facility Secured Parties or the ABL Facility Collateral Agent, or any liability incurred directly or indirectly in respect thereof;

(D) settle or compromise any ABL Facility Obligations or any other liability of the Company or any other Grantor or any ABL Facility Priority Collateral or, after the Discharge of Term Loan Obligations, any Term Loan Priority Collateral; and

(E) exercise or delay in or refrain from exercising any right or remedy against the Company or any other Grantor or any other Person, elect any remedy and otherwise deal freely with the Company, any other Grantor or any ABL Facility Priority Collateral or, after the Discharge of Term Loan Obligations, any Term Loan Priority Collateral or any liability incurred directly or indirectly in respect thereof.

(iii) Each of the Term Loan Collateral Agents, on behalf of itself and the other applicable Term Loan Secured Parties, and each Junior Priority Collateral Agent, on behalf of itself and the other Junior Priority Secured Parties, also agrees that the ABL Facility Secured Parties and the ABL Facility Collateral Agent shall have no liability to any Term Loan Collateral Agent, any Term Loan Secured Party, any Junior Priority Collateral Agent and any Junior Priority Secured Party, and the Term Loan Collateral Agents, on behalf of itself and each of the other applicable Term Loan Secured Parties, and each Junior Priority Collateral Agent, on behalf

of itself and each of the other Junior Priority Secured Parties, hereby waives any claim against any ABL Facility Secured Party or the ABL Facility Collateral Agents, arising out of any and all actions which the ABL Facility Secured Parties or the ABL Facility Collateral Agent may take or permit or omit to take with respect to:

(A) the ABL Facility Documents (other than this Agreement), including any failure to perfect or obtain perfected security interests in the ABL Facility Priority Collateral or, after Discharge of Term Loan Obligations, the Term Loan Priority Collateral;

(B) the collection of the ABL Facility Obligations; or

(C) the foreclosure upon, or sale, liquidation or other disposition of, any ABL Facility Priority Collateral or, after Discharge of Term Loan Obligations, any Term Loan Priority Collateral.

Except as otherwise required by this Agreement, each of the Term Loan Collateral Agents, on behalf of itself and the other applicable Term Loan Secured Parties, and each Junior Priority Collateral Agent, on behalf of itself and the other Junior Priority Secured Parties, agrees that the ABL Facility Secured Parties and the ABL Facility Collateral Agent have no duty to the Term Loan Collateral Agents, the Term Loan Secured Parties, any Junior Priority Collateral Agent or the Junior Priority Secured Parties in respect of the maintenance or preservation of the ABL Facility Priority Collateral, or, after the Discharge of Term Loan Obligations, the Term Loan Priority Collateral.

(iv) Each Junior Priority Collateral Agent, on behalf of itself and the other Junior Priority Secured Parties agrees not to assert and hereby waives, to the fullest extent permitted by law, any right to demand, request, plead or otherwise assert or otherwise claim the benefit of, any marshalling, appraisal, valuation or other similar right that may otherwise be available under applicable law with respect to the Term Loan Priority Collateral or any other similar rights a junior secured creditor may have under applicable law.

(c) Junior Priority Obligations.

(i) No right of the Junior Priority Secured Parties, any Junior Priority Collateral Agent or any of them to enforce any provision of this Agreement or any Junior Priority Document shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of the Company or any other Grantor or by any act or failure to act by any Junior Priority Secured Party or any Junior Priority Collateral Agent, or by any noncompliance by any Person with the terms, provisions and covenants of this Agreement, any of the Junior Priority Documents, any of the Term Loan Documents or any of the ABL Facility Documents, regardless of any knowledge thereof which any Junior Priority Collateral Agent or the Junior Priority Secured Parties, or any of them, may have or be otherwise charged with.

(ii) Without in any way limiting the generality of the foregoing paragraph (but subject to the rights of the Company and the other Grantors under the Junior Priority Documents and subject to the provisions of Section 3.4(e) and Section 3.5(a) and (c)), the Junior Priority Secured Parties, any Junior Priority Collateral Agent and any of them may, at any time and from time to

time in accordance with the Junior Priority Documents and/or applicable law, without the consent of, or notice to, the ABL Facility Collateral Agent, any ABL Facility Secured Party, any Term Loan Collateral Agent or any Term Loan Secured Party, without incurring any liabilities to the ABL Facility Collateral Agent, any ABL Facility Secured Party, any Term Loan Collateral Agent or any Term Loan Secured Party and without impairing or releasing the Lien priorities and other benefits provided in this Agreement (even if any right of subrogation or other right or remedy of the ABL Facility Collateral Agent, any ABL Facility Secured Party, any Term Loan Collateral Agent or any Term Loan Secured Party is affected, impaired or extinguished thereby) do any one or more of the following:

(A) make loans and advances to any Grantor or issue, guaranty or obtain letters of credit for account of any Grantor or otherwise extend credit to any Grantor, in any amount and on any terms, whether pursuant to a commitment or as a discretionary advance and whether or not any default or event of default or failure of condition is then continuing;

(B) change the manner, place or terms of payment or change or extend the time of payment of, or amend, renew, exchange, increase or alter, the terms of any of the Junior Priority Obligations or any Third Priority Lien on any Term Loan Priority Collateral or Third Priority Lien on any ABL Facility Priority Collateral, or guaranty thereof or any liability of any of the Company or any other Grantor, or any liability incurred directly or indirectly in respect thereof (including any increase in or extension of the Junior Priority Obligations, without any restriction as to the amount, tenor or terms of any such increase or extension) or otherwise amend, renew, exchange, extend, modify or supplement in any manner any Third Priority Lien on the Term Loan Priority Collateral or Third Priority Lien on the ABL Facility Priority Collateral, held by any Junior Priority Collateral Agent, or any of the other Junior Priority Secured Parties, the Junior Priority Obligations or any of the Junior Priority Documents;

(C) after the Discharge of Term Loan Obligations and ABL Facility Obligations, sell, exchange, realize upon, enforce or otherwise deal with in any manner (subject to the terms hereof) and in any order any part of the Term Loan Priority Collateral or the ABL Facility Priority Collateral, or any liability of the Company or any other Grantor to the Junior Priority Secured Parties or any Junior Priority Collateral Agent, or any liability incurred directly or indirectly in respect thereof;

(D) settle or compromise any Junior Priority Obligation or any other liability of the Company or any other Grantor or, after the Discharge of Term Loan Obligations and Discharge of ABL Facility Obligations, any Term Loan Priority Collateral or any ABL Facility Priority Collateral; and

(E) exercise or delay in or refrain from exercising any right or remedy against the Company or any other Grantor or any other Person, elect any remedy and otherwise deal freely with the Company, any other Grantor or, after the Discharge of Term Loan Obligations and Discharge of ABL Facility Obligations, any Term Loan Priority Collateral or the ABL Facility Priority Collateral, or any liability incurred directly or indirectly in respect thereof.

(iii) Each of the ABL Facility Collateral Agent, on behalf of itself and the other ABL Facility Secured Parties, and the Term Loan Collateral Agents, on behalf of itself and the other applicable Term Loan Secured Parties, also agrees that the Junior Priority Secured Parties and any Junior Priority Collateral Agent shall have no liability to the ABL Facility Collateral Agent, any ABL Facility Secured Party, any Term Loan Collateral Agent and any Term Loan Secured Party, and the ABL Facility Collateral Agent, on behalf of itself and each of the other ABL Facility Secured Parties, and the Term Loan Collateral Agents, on behalf of itself and each of the other applicable Term Loan Secured Parties, hereby waives any claim against any Junior Priority Secured Party or any Junior Priority Collateral Agent, arising out of any and all actions which the Junior Priority Secured Parties or any Junior Priority Collateral Agent may take or permit or omit to take with respect to:

(A) the Junior Priority Documents (other than this Agreement); or

(B) the collection of the Junior Priority Obligations.

8.22 Intercreditor Agreement Joinder by Initial Fedex Capex Facility Provider.

The Company shall cause the Initial Federal Capex Facility Provider, on behalf of itself and the other Federal Capex Facility Secured Parties, to execute and deliver an Intercreditor Agreement Joinder substantially simultaneously with the effectiveness of the Federal Capex Facility. Prior to such execution and delivery by the Initial Federal Capex Facility Provider of such Intercreditor Agreement Joinder, the Initial Federal Capex Facility Provider and any other Federal Capex Facility Secured Parties shall have no rights or obligations hereunder, and shall not be a party hereto, and all references to the "Federal Capex Facility", the "Federal Capex Facility Documents", the "Federal Capex Facility Obligations", the "Federal Capex Facility Secured Parties" and the "Federal Capex Facility Security Documents" shall not be operative.

8.23 Provisions Specific to Governmental Bodies.

The covenants, commitments, and agreements made in this Agreement by the Federal Capex Facility Provider (upon execution of an Intercreditor Agreement Joinder pursuant to Section 8.22 hereof) and the Ontario Capex Facility Lender are made by such parties solely in their capacities as lenders, providers and holders of Junior Priority Liens under the Federal Capex Facility Documents and Ontario Capex Facility Document respectively and in no other capacity whatsoever. Accordingly, no provision of this Agreement shall be construed or applied so as to interfere with or fetter the right of Her Majesty the Queen in right of Canada, Her Majesty the Queen in right of the Province of Ontario or any of Her Ministers or any agency, ministry department, commission or tribunal of the Government of Canada or the Government of Ontario (singly, a "Governmental Body") to take or refrain from taking any action in the exercise of their legislative or regulatory powers and authority. Without limiting the generality of the foregoing, nothing herein shall:

(a) require any Governmental Body to share with or deliver or disclose to any party hereto or to any of its agents or representatives any documentation, information or data pertaining to Holdings, the Company or any other Person, matter or thing (other than documentation, information or data which has come into its possession

solely by reason of it being a lender or holder of Liens under the Federal Capex Facility Documents or Ontario Capex Facility Documents, as applicable, which documentation, information or data will, notwithstanding any other provision of this Agreement, be shared, delivered or disclosed with or to a party hereto only to the extent same is permitted pursuant to applicable laws, including the *Freedom of Information and Protection of Privacy Act (Ontario)*);

(b) preclude any Government Body from asserting or exercising any right of garnishment, deemed trust, setoff or statutory security interest as against the Company, Holdings or any other Person (other than a right of setoff that exists solely by reason of the Federal Capex Facility Documents or the Ontario Capex Facility Documents, as applicable);

(c) require any Governmental Body to render any cooperation or assistance to any party hereto in connection with such party's enforcement of its Liens or rights or its dealings with the Company, Holdings or any Collateral generally (other than such cooperation and assistance which can be provided or rendered solely by reason of the Liens or rights granted under the Federal Capex Facility Documents or the Ontario Capex Facility Documents as applicable); or

(d) preclude any Governmental Body (in its capacity as such) from participating or intervening in any Insolvency or Liquidation Proceeding in such manner as it deems fit.

* * *

IN WITNESS WHEREOF, the parties hereto have caused this Intercreditor Agreement to be executed by their respective officers, directors or representatives as of the day and year first above written.

ALGOMA STEEL INTERMEDIATE HOLDINGS INC., Holdings

By: /s/ Joanna Anderson
Name: Joanna Anderson
Title: Director

ALGOMA STEEL INC., as the Company

By: /s/ Joanna Anderson
Name: Joanna Anderson
Title: Director

ALGOMA STEEL USA INC., as Grantor

By: /s/ Joanna Anderson
Name: Joanna Anderson
Title: President

[Signature Page to ABL Intercreditor Agreement]

Address:

22 Adelaide Street West
22nd Floor
Toronto, ON
M5H 4E3

Attention: Kevin Freer
Fax: 855-241-2150

WELLS FARGO BANK CAPITAL FINANCE CORPORATION CANADA, as ABL Facility Administrative Agent and as ABL Facility Collateral Agent

By: /s/ Kevin Freer
Name: Kevin Freer
Title: Vice President, Relationship Manager
Wells Fargo Capital Finance Corporation Canada

By: _____
Name:
Title:

[Signature Page to ABL Intercreditor Agreement]

Address:

225 W Washington Street, 9th Floor,
Chicago, Illinois 60606

CORTLAND CAPITAL MARKET SERVICES LLC, as Term Loan Administrative Agent and as Term Loan Collateral Agent

By: /s/ Matthew Trybula
Name: Matthew Trybula
Title: Associate Counsel

[Signature Page to ABL Intercreditor Agreement]

Address:

[ ]
[ ]

WELLS FARGO BANK CAPITAL FINANCE CORPORATION CANADA, as ABL Facility Administrative Agent and as ABL Facility Collateral Agent

By: _____
Name:
Title:

Address:

[ ]
[ ]

CORTLAND CAPITAL MARKET SERVICES LLC, as Term Loan Administrative Agent and as Term Loan Collateral Agent

By: _____
Name:
Title:

Address:

Suite 200, 70 Foster Drive
Sault Ste. Marie, Ontario P6A 6V8

HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO,
AS REPRESENTED BY THE MINISTER OF ENERGY, NORTHERN DEVELOPMENT AND MINES,
as Ontario Capex Facility Lender

By: /s/ Bill Thornton
Name: Bill Thornton
Title: Deputy Minister

Exhibit 10.14

ALGOMA STEEL HOLDINGS INC.

LONG-TERM EQUITY INCENTIVE PLAN

May 13, 2020

Exhibit 10.14

ALGOMA STEEL HOLDINGS INC.

Long-Term Equity Incentive Plan

ARTICLE 1
PURPOSE

1.1 Purpose

The purposes of this Plan are (a) to advance the interests of the Corporation by enhancing the ability of the Corporation and its Affiliates to attract, motivate and retain Employees and Directors, (b) to reward such Persons for their sustained contributions, and (c) to encourage such Persons to take into account the long-term corporate performance of the Corporation and its Affiliates.

ARTICLE 2
INTERPRETATION

2.1 Definitions

When used herein, unless the context otherwise requires, the following terms have the indicated meanings, respectively:

"**Affiliate**" means, with respect to a specified Person, any other Person that directly or indirectly, through one or more intermediaries, Controls or is Controlled by, or is under common Control with, such specified Person;

"**Award**" means any Director Unit, Incentive RSU or Incentive PSU granted under this Plan, which may be denominated or settled in Shares, cash or in such other forms as provided for herein;

"**Award Agreement**" means a signed, written agreement between a Participant and the Corporation, in the form or any one of the forms approved by the Plan Administrator, granting an Award under this Plan to the Participant, which agreement may evidence additional terms and conditions on which such Award has been granted (including written or other applicable Engagement Agreements) and which need not be identical to any other such agreements;

"**Board**" means the board of directors of the Corporation as it may be constituted from time to time;

"**Business Day**" means a day, other than a Saturday or Sunday, on which the principal commercial banks in the City of Sault Ste. Marie, Ontario are open for commercial business during normal banking hours;

"**Cessation Date**" in respect of a Participant means the date on which such Participant's employment or engagement with the Corporation or a Related Entity, as applicable, ceases, regardless of the reason for such cessation and specifically including Voluntary Resignation, termination, death, Total Incapacity or retirement, and without regard to any notice of termination, pay in lieu of notice of termination, severance or other damages paid

or payable to the Participant except as may be required by any applicable mandatory minimum employment standards legislation that cannot be waived;

"**Code**" means the United States Internal Revenue Code of 1986, as amended from time to time, including any relevant regulations promulgated thereunder;

"**Commencement of a Liquidity Event**" the entering into of an agreement, arrangement or transaction, or the first moment of any event, at any time and by whatever means the outcome of which will or is reasonably expected to result, or results, in the occurrence of a Liquidity Event;

"**Competitive Business**" means any of the following:

(a) the business of the production, manufacturing, sale or distribution of steel products and related inputs (including hot and cold rolled steel sheet and plate products);

(b) the business carried on from time to time by any of Stelco, ArcelorMittal Dofasco, Evraz North America, or any of their respective Affiliates; or

(c) any material business carried on by Algoma Steel Inc. during the Participant's employment or engagement with it, the Corporation or any of its Affiliates, or any other prospective business set out in a written business plan in which the Participant was actively involved in the development or execution.

"**Completion of a Liquidity Event**" the closing of the transaction contemplated by an agreement, arrangement or transaction, or the final moment of an event, at any time and by whatever means the outcome of which resulted in the occurrence of a Liquidity Event;

"**Control**" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ownership of voting securities, by contract or otherwise, and the terms "**Controlling**" and "**Controlled**" shall have the meaning correlative thereto;

"**Corporation**" means Algoma Steel Holdings Inc.;

"**Customer**" means:

(a) any Person or Affiliate thereof for which Algoma Steel Inc. or any of its Affiliates has provided services or with which Algoma Steel Inc. or any of its Affiliates has conducted business or completed or renewed a contract at any time during the twelve (12) month period immediately preceding the applicable Participant's Cessation Date, Algoma Steel Inc. or another Related Entity, provided that, the foregoing shall not apply to any Person that the Participant did not know and had no reasonable basis to believe had conducted business with Algoma Steel Inc. or any of its Affiliates or completed or renewed a contract at any time during the twelve (12) month period immediately the applicable Participant's Cessation Date; or

(b) any Person or any Affiliate thereof for which or to which the applicable Participant has submitted or assisted in the preparation of a letter of intent, bid, proposal or quote of any kind during the twelve (12) month period immediately preceding the applicable Participant's Cessation Date with the objective of securing the business or patronage of such Person for the benefit of the Corporation, Algoma Steel Inc. or any of its Affiliates.

"**Date of Grant**" means, for any Award, the date specified by the Plan Administrator at the time it grants the Award or, if no such date is specified, the date upon which the Award was granted;

"**Director**" means a member of the Board or of the board of directors of a Related Entity;

"**Director Fees**" means retainer, committee chair, meeting and similar fees payable to a Director pursuant to his or her Engagement Agreement;

"**Director Unit**" means an Award granted under Article 4;

"**Employee**" means an individual who:

(c) is considered an employee of the Corporation or a Related Entity for purposes of source deductions under applicable tax or social welfare legislation; or

(d) works full-time or part-time on a regular weekly basis for the Corporation or a Related Entity providing services normally provided by an employee and who is subject to the same control and direction by the Corporation or such Related Entity over the details and methods of work as an employee of the Corporation or such Related Entity;

"**Engagement Agreement**" means an agreement of employment, agreement of engagement for services as a director, or similar written agreement, as may be amended or supplemented from time to time;

"**Equity Value Multiple**" achieved by the Corporation on a Liquidity Event in respect of an Incentive PSU shall be equal to the fair market value of the Shares immediately prior to the Completion of the Liquidity Event, as determined by the Board acting reasonably and having regard to the form of the Liquidity Event, calculated by including cash on the Corporation's consolidated balance sheet but excluding liabilities in respect of pension and other post-employment benefit obligations (in each case net of any deferred tax asset or liability in respect thereof), *divided by* the aggregate Share Value of the Shares at the time such Incentive PSU was granted;

"**Exchange**" any recognized North American stock exchange on which the Shares are or may be listed from time to time;

"**Exercise Date**" means the day that immediately precedes the Completion of a Liquidity Event;

"**Exercise Price**" means the price at which a Non-Voting Share may be purchased pursuant to the exercise of an Award;

"**Incentive PSU**" means an Award granted under Article 6;

"**Incentive RSU**" means an Award granted under Article 5;

"**Just Cause**" means, except as may otherwise be specified in the applicable Engagement Agreement, any conduct by the Participant which would constitute just cause for dismissal as recognized by law and which, for greater certainty, shall be deemed to include:

(a) any act of theft or misappropriation of the Corporation's or any of its Affiliates' property;

(b) any breach of trust or fiduciary duty, fraud, material dishonesty, or other wilful misconduct in connection with any aspect of the Participant's employment or engagement with the Corporation or any of its Affiliates, including in respect of any representation made by the Participant in his or her Engagement Agreement or in connection with his or her employment or engagement;

(c) any refusal or deliberate failure by the Participant to comply with a lawful directive, if applicable, from the Board;

(d) gross negligence by the Participant in the performance of his or her duties as an Employee or Director;

(e) the finding of fault or imposition of any disciplinary remedy against the Participant by any regulatory agency in any jurisdiction in connection with or as a result of any investigations, proceedings or actions against the Participant by such regulatory agency;

(f) the Participant's conviction or admission of a crime that results in a sentence of imprisonment or that involves moral turpitude; and

(g) any material or ongoing breach by the Participant of his or her Engagement Agreement, this Plan or his or her obligations thereunder or hereunder;

"**Liquidity Event**" means the occurrence of any one or more of the following events:

(a) any transaction at any time and by whatever means, whether or not the Corporation is a party thereto, pursuant to which any Person or any group of two or more Persons acting jointly or in concert (within the meaning of such phrase in the *Securities Act* (Ontario)) (other than the Corporation or a wholly-owned subsidiary of the Corporation) hereafter acquires the direct or indirect "beneficial ownership" (as defined in the *Securities Act* (Ontario)) of, or acquires the right to exercise Control or direction over, securities of the Corporation representing more than 50% of the then issued and outstanding voting securities of the Corporation, including, without limitation, as a result of a take-over bid, an exchange of securities, an amalgamation

of the Corporation with any other entity, an arrangement, a capital reorganization or any other business combination or reorganization;

(b) the sale, assignment or other transfer of all or substantially all of the consolidated assets of the Corporation to a Person other than a wholly-owned subsidiary of the Corporation or an Affiliate of the Corporation;

(c) any initial public offering of the shares of the Corporation or an Affiliate of the Corporation resulting in such shares becoming listed on an Exchange;

(d) the occurrence of a transaction requiring approval of the Corporation's shareholders whereby the Corporation is acquired through consolidation, merger, exchange of securities, purchase of assets, amalgamation, statutory arrangement or otherwise by any other Person (other than a short form amalgamation or exchange of securities with a wholly-owned subsidiary of the Corporation);

(e) a "Change of Control" (as such term is defined in the Term Loan Credit Agreement dated as of November 30, 2018 amongst, *inter alia*, Algoma Steel Inc., certain of its affiliates, various lenders, and Cortland Capital Market Services LLC as Administrative Agent and as Collateral Agent or, if applicable, the credit agreement dated after November 30, 2018 governing any refinancing of the loans under such Term Loan Credit Agreement) occurs; or

(f) any other event which the Board unanimously determines to constitute a liquidity event in respect of the Corporation for purposes of this Plan;

provided that, notwithstanding clauses (a) and (d) above, a Liquidity Event shall be deemed not to have occurred pursuant to clauses (a) and (d) above, except where the Board unanimously determines otherwise for purposes of this Plan, if immediately following the transaction set forth in clauses (a) and (d) above: (A) the holders of securities of the Corporation that immediately prior to the consummation of such transaction represented more than 66⅔% of the combined voting power of the then outstanding securities eligible to vote for the election of directors of the Corporation (the "**Controlling Shareholders**") hold (x) securities of the entity resulting from such transaction (the "**Surviving Entity**") that represent more than 66⅔% of the combined voting power of the then outstanding securities eligible to vote for the election of directors or trustees of the Surviving Entity, or (y) if applicable, securities of the entity that directly or indirectly has beneficial ownership of 100% of the securities eligible to elect directors or trustees of the Surviving Entity (the "**Parent Entity**") that represent more than 66⅔% of the combined voting power of the then outstanding securities eligible to vote for the election of directors or trustees of the Parent Entity, and (B) no Person or group of two or more Persons, acting jointly or in concert (within the meaning of such phrase in the *Securities Act* (Ontario)), other than Controlling Shareholders, is the beneficial owner, directly or indirectly, of more than 33⅓% of the voting power of the Parent Entity (or, if there is no Parent Entity, the Surviving Entity) (any such transaction which satisfies all of the criteria specified in clauses (A) and (B) above being referred to as a "**Non-Qualifying Transaction**" and, following the Non-Qualifying Transaction, references in this definition of "Liquidity Event" to the

"**Corporation**" shall mean and refer to the Parent Entity (or, if there is no Parent Entity, the Surviving Entity) and, if such entity is a company or a trust, references to the "**Board**" shall mean and refer to the board of directors or trustees, as applicable, of such entity);

"**Non-Voting Shares**" mean non-voting common shares in the capital of the Corporation;

"**Notice of Exercise**" means a notice in writing, signed by a Participant and stating the Participant's intention to exercise a particular Award, substantially in the form set out in Schedule A;

"**Notice of Vesting and Exercisability**" means written notice, in such form as determined by the Plan Administrator from time to time, informing a Participant that his or her Awards are expected to vest and become exercisable as a result of the Commencement of a Liquidity Event;

"**Participant**" means an Employee or Director that was or is to be granted an Award hereunder.

"**Performance Goals**" means performance goals expressed in terms of attaining a specified level of the particular criteria or the attainment of a percentage increase or decrease in the particular criteria, and may be applied to one or more of the Corporation, an Affiliate of the Corporation, a division of the Corporation or an Affiliate of the Corporation, or an individual, or may be applied to the performance of the Corporation or an Affiliate of the Corporation relative to a market index, a group of other companies or a combination thereof, or on any other basis, all as determined by the Plan Administrator in its discretion;

"**Person**" means an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, and a natural person in his or her capacity as trustee, executor, administrator or other legal representative;

"**Plan**" means this Long-Term Equity Incentive Plan, as may be amended from time to time;

"**Plan Administrator**" means the Board or, to the extent that the administration of this Plan has been delegated by the Board pursuant to Section 3.2, the delegate to whom authority has been so delegated;

"**Related Entity**" means a corporation that is an Affiliate of the Corporation that does not deal at arm's length (for purposes of the Tax Act) with the Corporation at all relevant times;

"**Share Value**" at a particular time means:

(a) where no Shares are listed on an Exchange, the fair market value of a Share as determined by the then most recent valuation of the Corporation, calculated by including cash on the Corporation's consolidated balance sheet but excluding liabilities in respect of pension and other post-employment benefit obligations (in

each case net of any deferred tax asset or liability in respect thereof), the calculation of which as of November 30, 2018 is set out in Schedule B; and

(b) where Shares are listed on an Exchange, the 5-day volume-weighted average of a Share immediately preceding the day in which that time occurs, as adjusted to include cash on the Corporation's consolidated balance sheet but to exclude liabilities in respect of pension and other post-employment benefit obligations (in each case net of any deferred tax asset or liability in respect thereof), the calculation of which as of November 30, 2018 is set out in Schedule B,

which as of November 30, 2018, was $857,400,000 (in the aggregate) or $8.574 per Share;

"**Shareholders' Agreement**" means the shareholders' agreement, if any, in respect of the Corporation that is in effect from time to time;

"**Shares**" means Voting Shares and/or Non-Voting Shares, as the context requires;

"**Supplier**" means any Person or Affiliate thereof who or which, to the knowledge of the applicable Participant:

(a) has provided goods, products or services to Algoma Steel Inc. or any of its Affiliates at any time during the twelve (12) months immediately prior to the applicable Participant's Cessation Date; or

(b) to whom the Corporation, Algoma Steel Inc. or any of its Affiliates is in negotiation with as at the applicable Participant's Cessation Date with a view to having such Person or Affiliate thereof provide goods, products or services to the Corporation, Algoma Steel Inc. or any of its Affiliates.

"**Tax Act**" means the *Income Tax Act* (Canada), as amended from time to time, including any relevant regulations promulgated thereunder;

"**Total Incapacity**" means, except as may otherwise be specified in the applicable Engagement Agreement, any incapacity of or inability, including by reason of physical or mental incapacity, disease or affliction (as determined by a legally qualified medical practitioner or by a court) which has prevented the applicable Participant from performing the essential duties of his or her position (taking into account reasonable accommodation by the Corporation or Related Entity, as applicable) for a continuous period of six (6) months or any cumulative period of 270 calendar days in any 24 consecutive month period;

"**U.S.**" means the United States of America;

"**U.S. Taxpayer**" means a Participant who, with respect to an Award, is subject to taxation under the applicable U.S. federal and state tax laws;

"**Voluntary Resignation**" means the voluntary resignation of a Participant (other than in the case of retirement or constructive dismissal); and

"**Voting Shares**" means voting common shares in the capital of the Corporation.

2.2 Interpretation

(a) Whenever the Plan Administrator exercises discretion in the administration of this Plan, the term "discretion" means the sole and absolute discretion of the Plan Administrator.

(b) As used herein, the terms "Article", "Section", "Subsection", "clause" and "Schedule" mean and refer to the specified Article, Section, Subsection, clause and Schedule of this Plan, respectively.

(c) Words importing the singular include the plural and vice versa and words importing any gender include any other gender.

(d) Except as may otherwise be specified herein, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period begins, including the day on which the period ends, and abridging the period to the immediately preceding Business Day in the event that the last day of the period is not a Business Day. In the event an action is required to be taken or a payment is required to be made on a day which is not a Business Day such action shall be taken or such payment shall be made by the immediately preceding Business Day.

(e) Except as may otherwise be specified herein, all references to money amounts are to Canadian currency.

(f) The headings used herein are for convenience only and are not to affect the interpretation of this Plan.

(g) In the event of any inconsistency between this Plan or an Award Agreement and the Participant's Engagement Agreement, the Engagement Agreement shall prevail to the extent of such inconsistency.

ARTICLE 3
ADMINISTRATION

3.1 Administration

This Plan will be administered by the Plan Administrator and the Plan Administrator has sole and complete authority, in its discretion, to:

(a) determine the eligibility for Awards to be granted and the individuals to whom grants of Awards under the Plan may be made;

(b) make grants of Awards under the Plan, whether relating to the issuance of Shares or otherwise (including any combination of Director Units, Incentive RSUs or Incentive PSUs), in such amounts, to such Persons and, except as may otherwise be specified herein, on such terms and conditions as it determines including without limitation:

(i) the time or times at which Awards may be granted;

(ii) the conditions under which:

(A) Awards may be granted to Participants; or

(B) Awards may be forfeited,

including any conditions relating to the attainment of specified Performance Goals (where applicable);

(iii) the number and type of Shares to be covered by any Award;

(iv) the price, if any, to be paid by a Participant in connection with the purchase of Shares covered by any Awards;

(v) whether restrictions or limitations are to be imposed on the Shares issuable pursuant to grants of any Awards, and the nature of such restrictions or limitations, if any; and

(vi) any acceleration of exercisability or vesting, or waiver of termination regarding any Award, based on such factors as the Plan Administrator may determine;

(c) establish the form or forms of Award Agreements;

(d) cancel, amend, adjust or otherwise change the type of or the terms and conditions of any Award under such circumstances as the Plan Administrator may consider appropriate in accordance with the provisions of this Plan;

(e) construe and interpret this Plan and all Award Agreements;

(f) adopt, amend, prescribe and rescind administrative guidelines and other rules and regulations relating to this Plan, including rules and regulations relating to sub-plans established for the purpose of satisfying applicable foreign laws or for qualifying for favourable tax treatment under applicable laws; and

(g) make all other determinations and take all other actions necessary or advisable for the implementation and administration of this Plan.

3.2 Delegation

(a) The initial Plan Administrator shall be the Board.

(b) To the extent permitted by applicable law, the Board may, from time to time, delegate to one or more other Persons all or any of the powers conferred on the Plan Administrator pursuant to this Plan.

3.3 Determinations Binding

Except as may otherwise be specified in any applicable Engagement Agreement, Award Agreement or other written agreement between the Corporation or an Affiliate of the Corporation and the Participant, any decision made or action taken by the Board or any delegate to whom authority has been delegated pursuant to Section 3.2 arising out of or in connection with the administration or interpretation of this Plan is final, conclusive and binding on the Corporation and all Affiliates of the Corporation, the affected Participant(s), their respective legal and personal representatives and all other Persons.

3.4 Eligibility

Participation in the Plan is voluntary and eligibility to participate does not confer upon any Participant any right to receive any grant of an Award pursuant to the Plan. The extent to which any Participant is entitled to receive a grant of an Award pursuant to the Plan will be determined in the discretion of the Plan Administrator.

3.5 Total Shares Subject to Awards

(a) The maximum number of Shares issuable under the Plan on the exercise of Awards shall be equal to 10,000,000 Shares, being 10% of the issued and outstanding Shares as of the date of this Plan. The maximum number of Shares issuable on the exercise of Incentive RSUs and Incentive PSUs shall be allocated 20% to Incentive RSUs and 80% to Incentive PSUs. The foregoing limitations shall not apply to Shares issuable on the exercise of Awards granted pursuant to Section 7.1.

(b) Effective as of the date hereof, Awards representing one-half of the maximum number of Shares issuable under the Plan on the exercise of Awards (such one-half being equal to 5,000,000 Shares), as described in Section 3.5(a), shall be granted to Participants. Such Awards shall be granted, first, in the form of Director Units in respect of Director Fees owing to Directors as of the date hereof, and the remainder shall be granted to Participants in the form of Incentive RSUs (as to 20% of such remainder) and Incentive PSUs (as to 80% of such remainder). Awards

representing the remaining one-half of the maximum number of Shares issuable under the Plan on the exercise of Awards (such one-half being equal to 5,000,000 Shares), as described in Section 3.5(a), may be granted by Plan Administrator from time to time in its discretion.

(c) If any Award granted under this Plan is terminated, expires or is cancelled, new Awards may thereafter be granted covering such Shares. At all times, the Corporation will reserve and keep available a sufficient number of Shares to satisfy the requirements of all outstanding Awards granted under this Plan.

(d) Any Shares issued by the Corporation through the assumption or substitution of outstanding options or other equity-based awards from an acquired Person shall not reduce the number of Shares available for issuance pursuant to the exercise of Awards granted under this Plan.

3.6 Award Agreements

An Award under this Plan shall be evidenced by an Award Agreement. Each Award Agreement will be subject to the applicable provisions of this Plan and will contain such provisions as are required by this Plan and any other provisions that the Plan Administrator may direct. Any one officer of the Corporation is authorized and empowered to execute and deliver, for and on behalf of the Corporation, any Award Agreement to a Participant granted an Award pursuant to this Plan.

3.7 Non-transferability of Awards

Except as permitted by the Plan Administrator, and to the extent that certain rights may pass to a beneficiary or legal representative upon death of a Participant by will or as required by law, no assignment or transfer of Awards, whether voluntary, involuntary, by operation of law or otherwise, vests any interest or right in such Awards or under this Plan whatsoever in any assignee or transferee and, immediately upon any assignment or transfer, or any attempt to make the same, such Awards will terminate and be of no further force or effect.

ARTICLE 4
DIRECTOR UNITS

4.1 Granting of Director Units

The Plan Administrator may grant Director Units to Directors from time to time in satisfaction of all or a portion of Director Fees. The number of Director Units to be issued in satisfaction of a payment of Director Fees shall be equal to the amount of such Director Fees *divided by* the Share

Value at such time. Each grant of Director Units shall be evidenced by an Award Agreement, which may also include any additional terms and conditions applicable to such Director Unit grants, as determined by the Plan Administrator. Upon grant, each Director Unit will represent the right to purchase one Non-Voting Share from treasury for the applicable Exercise Price, except as may otherwise be specified in the applicable Award Agreement.

4.2 Exercise Price for Director Units

Except as may otherwise be specified herein or in the applicable Award Agreement, the Exercise Price for each Director Unit granted to a Director at a particular time shall be $0.01 per Non-Voting Share.

4.3 Director Unit Account

All Director Units granted to a Director shall be credited to an account maintained for such Director on the books of the Corporation, as of the Date of Grant.

4.4 Vesting and Exercisability of Director Units

(a) Except as may otherwise be specified in the applicable Award Agreement, Director Units shall vest and become exercisable as of the Exercise Date. Where Director Units held by a Director are reasonably expected to become exercisable, the Plan Administrator shall provide to the Director a Notice of Vesting and Exercisability in advance of the Exercise Date (to the extent possible) in order to permit the Director to exercise such Director Units prior to their expiration hereunder.

(b) Once a Director Unit becomes vested, it shall remain vested unless or until it is surrendered, expires or is terminated hereunder.

(c) Except as may otherwise be specified herein or in the applicable Award Agreement, Director Units shall be exercised by means of a fully completed Notice of Exercise delivered to the Corporation.

(d) Upon exercising Director Units, newly issued Non-Voting Shares will be issued from treasury in consideration for past services provided by the Director to the Corporation or Related Entity, as applicable. Upon such issuance of Shares, such Director shall (if not already a party to the Shareholders' Agreement at that time) be deemed at that time to have agreed to be bound by the terms of the Shareholders' Agreement and, upon request by the Plan Administrator, shall forthwith execute a joinder, or execute any other documentation reasonably requested by the Plan

Administrator, to evidence such Director's agreement to become a party to the Shareholders' Agreement.

4.5 Payment of Exercise Price for Director Units

(a) Upon exercising one or more Director Units, the applicable Notice of Exercise must be accompanied by payment, in full, of the Exercise Price for each Director Unit being exercised at that time. The aggregate Exercise Price for such Director Units must be fully paid by certified cheque, bank draft or money order payable to the Corporation in an amount equal to the aggregate Exercise Price for such Director Units, by such other means as might be specified from time to time by the Plan Administrator, or by such other means as the Plan Administrator may permit at that time.

(b) Except as may otherwise be specified herein, no Shares will be issued or transferred upon exercise of Director Units until full payment therefor has been received by the Corporation.

4.6 Expiry of Director Units

Subject to any accelerated termination of Director Units specified herein or in the applicable Award Agreement, each Director Unit shall, except as may otherwise be determined by the Board, expire upon the Completion of a Liquidity Event.

ARTICLE 5
INCENTIVE RESTRICTED SHARE UNITS

5.1 Granting of Incentive RSUs

The Plan Administrator may grant Incentive RSUs to Participants from time to time. Upon grant, each Incentive RSU will represent the right to purchase one Non-Voting Share from treasury for the applicable Exercise Price, except as may otherwise be specified in the applicable Award Agreement.

5.2 Exercise Price for Incentive RSUs

Except as may otherwise be specified herein or in the applicable Award Agreement, the Exercise Price for each Incentive RSU granted to a Participant at a particular time shall be $0.01 per Non-Voting Share.

5.3 Incentive RSU Account

All Incentive RSUs granted to a Participant shall be credited to an account maintained for such Participant on the books of the Corporation, as of the Date of Grant.

5.4 Vesting and Exercisability of Incentive RSUs

(a) Except as may otherwise be specified herein or in the applicable Award Agreement, Incentive RSUs shall vest as follows:

(i) on the first anniversary of the Date of Grant, one-third of the total number of Incentive RSUs granted on such date shall vest;

(ii) on the second anniversary of the Date of Grant, one-third of the total number of Incentive RSUs granted on such date shall vest; and

(iii) on the third anniversary of the Date of Grant of Incentive RSUs, one-third of the total number of Incentive RSUs granted on such date shall vest;

Notwithstanding the foregoing, all unvested Incentive RSUs shall immediately vest as of the Exercise Date.

(b) Subject to Section 10.2, Incentive RSUs held by a U.S. Taxpayer that would, but for this Section 5.4(b), vest pursuant to Section 5.4(a) shall not vest until the Exercise Date.

(c) Subject to Section 10.2, each vested Incentive RSU shall become exercisable as of the Exercise Date. Where Incentive RSUs held by a Participant are reasonably expected to become exercisable, the Plan Administrator shall provide to the Participant a Notice of Vesting and Exercisability in advance of the Exercise Date (to the extent possible) in order to permit the Participant to exercise such Incentive RSUs prior to their expiration hereunder.

(d) Once an Incentive RSU becomes vested, it shall remain vested unless or until it is surrendered, expires or is terminated hereunder.

(e) Except as may otherwise be specified herein or in the applicable Award Agreement, Incentive RSUs shall be exercised by means of a fully completed Notice of Exercise delivered to the Corporation.

(f) Upon exercising vested Incentive RSUs, newly issued Non-Voting Shares will be issued from treasury in consideration for past services provided by the Participant to the Corporation or Related Entity, as applicable. Upon such issuance of Shares, such Participant shall (if not already a party to the Shareholders' Agreement at that time) be deemed at that time to have agreed to be bound by the terms of the

Shareholders' Agreement and, upon request by the Plan Administrator, shall forthwith execute a joinder, or execute any other documentation reasonably requested by the Plan Administrator, to evidence such Participant's agreement to become a party to the Shareholders' Agreement.

5.5 Payment of Exercise Price for Incentive RSUs

(a) Upon exercising one or more vested Incentive RSUs, the applicable Notice of Exercise must be accompanied by payment, in full, of the Exercise Price for each Incentive RSU being exercised at that time. The aggregate Exercise Price for such Incentive RSUs must be fully paid by certified cheque, bank draft or money order payable to the Corporation in an amount equal to the aggregate Exercise Price for such Incentive RSUs, by such other means as might be specified from time to time by the Plan Administrator, or by such other means as the Plan Administrator may permit at that time.

(b) Except as may otherwise be specified herein, no Shares will be issued or transferred upon exercise of Incentive RSUs until full payment therefor has been received by the Corporation.

5.6 Expiry of Incentive RSUs

Subject to any accelerated termination of Incentive RSUs specified herein or in the applicable Award Agreement, each Incentive RSU shall, except as may otherwise be specified in the applicable Award Agreement, expire upon the Completion of a Liquidity Event.

ARTICLE 6
INCENTIVE PERFORMANCE SHARE UNITS

6.1 Granting of Incentive PSUs

The Plan Administrator may grant Incentive PSUs to Participants from time to time. Upon grant, each Incentive PSU will represent the right to purchase one Non-Voting Share from treasury for the applicable Exercise Price, except as may otherwise be specified in the applicable Award Agreement.

6.2 Exercise Price for Incentive PSUs

Except as may otherwise be specified herein or in the applicable Award Agreement, the Exercise Price for each Incentive PSU granted to a Participant at a particular time shall be $0.01 per Non-Voting Share.

6.3 Incentive PSU Account

All Incentive PSUs granted to a Participant shall be credited to an account maintained for such Participant on the books of the Corporation, as of the Date of Grant.

6.4 Vesting and Exercisability of Incentive PSUs

(a) Except as may otherwise be specified herein or in the applicable Award Agreement, no Incentive PSUs shall vest and become exercisable until the Exercise Date. Subject to Section 10.2, upon and following the Exercise Date, the portion of Incentive PSUs that will vest and become exercisable will be based on the applicable Equity Value Multiple achieved by the Corporation on the Liquidity Event, as set out in Schedule C. In the event that the Equity Value Multiple achieved by the Corporation on the Liquidity Event is between any of the Equity Value Multiples set out in Schedule C, then the portion of Incentive PSUs that will vest and become exercisable will be subject to straight-line interpolation between the applicable Equity Value Multiples. For example, if the Equity Value Multiple is 1.33, the portion of Incentive PSUs that vest and become exercisable will be equal to 14.80%.

(b) In addition to the foregoing, the Plan Administrator may specify any other Performance Goals that must be satisfied in order for Incentive PSUs to vest. Any such other Performance Goals shall be specified in the applicable Award Agreement.

(c) Where Incentive PSUs held by a Participant are reasonably expected to become exercisable, the Plan Administrator shall provide to the Participant a Notice of Vesting and Exercisability in advance of the Exercise Date (to the extent possible) in order to permit the Participant to exercise such Incentive PSUs prior to their expiration hereunder.

(d) Once an Incentive PSU becomes vested, it shall remain vested and shall be exercisable unless or until it is surrendered, expires or is terminated.

(e) Except as may otherwise be specified herein or in the applicable Award Agreement, Incentive PSUs shall be exercised by means of a fully completed Notice of Exercise delivered to the Corporation.

(f) Upon exercising Incentive PSUs, newly issued Non-Voting Shares will be issued from treasury in consideration for past services provided by the Participant to the Corporation or Related Entity, as applicable. Upon such issuance of Shares, such Participant shall (if not already a party to the Shareholders' Agreement at that time) be deemed at that time to have agreed to be bound by the terms of the Shareholders' Agreement and, upon request by the Plan Administrator, shall forthwith execute a joinder, or execute any other documentation reasonably requested by the Plan Administrator, to evidence such Participant's agreement to become a party to the Shareholders' Agreement.

6.5 Payment of Exercise Price for Incentive PSUs

(a) Upon exercising one or more vested Incentive PSUs, the applicable Notice of Exercise must be accompanied by payment, in full, of the Exercise Price for each Incentive PSU being exercised at that time. The aggregate Exercise Price for such Incentive PSUs must be fully paid by certified cheque, bank draft or money order payable to the Corporation in an amount equal to the aggregate Exercise Price for such Incentive PSUs, by such other means as might be specified from time to time by the Plan Administrator, or by such other means as the Plan Administrator may permit at that time.

(b) Except as may otherwise be specified herein, no Shares will be issued or transferred upon exercise of Incentive PSUs until full payment therefor has been received by the Corporation.

6.6 Expiry of Incentive PSUs

Subject to any accelerated termination specified herein or in the applicable Award Agreement, each Incentive PSU shall, except as may otherwise be specified in the applicable Award Agreement, expire upon the Completion of a Liquidity Event.

ARTICLE 7
ADDITIONAL AWARD TERMS

7.1 Dividend Equivalents

(a) Except as may otherwise be specified herein in the applicable Award Agreement, Director Units, Incentive RSUs and Incentive PSUs shall be credited with dividend equivalents in the form of additional Director Units, Incentive RSUs and Incentive PSUs, respectively, as of each dividend payment date in respect of which cash dividends are paid on Shares. Such dividend equivalents shall be computed by dividing: (i) the amount obtained by multiplying the amount of the dividend paid per Share by the number of Director Units, Incentive RSUs and Incentive PSUs (in each case, vested and unvested), as applicable, held by the Participant on the record date for the payment of such dividend, by (ii) the Share Value at such time, with fractions computed to three decimal places. Dividend equivalents credited to a Participant's accounts shall vest, become exercisable, expire and terminate, as applicable, at the same times and on the same conditions as the Director Units, Incentive RSUs and Incentive PSUs to which they relate.

(b) The foregoing does not obligate the Corporation to declare or pay dividends on Shares and nothing in this Plan shall be interpreted as creating such an obligation.

7.2 Withholding Taxes

Notwithstanding any other terms of this Plan, the granting, vesting and settlement of each Award under this Plan is subject to the condition that if at any time the Plan Administrator determines, in its discretion, that the satisfaction of withholding tax or other withholding liabilities is necessary

or desirable in respect of such grant, vesting or settlement, such action is not effective unless such withholding has been effected to the satisfaction of the Plan Administrator. In such circumstances, the Plan Administrator may require that a Participant pay to the Corporation the minimum amount as the Corporation or Affiliate of the Corporation, as applicable, is obliged to withhold or remit to the relevant taxing authority in respect of the granting, vesting or settlement of the Award. Any such additional payment is due no later than the date on which such amount with respect to the Award is required to be remitted to the relevant tax authority by the Corporation or any of its Affiliates, as applicable. Alternatively, and subject to any requirements or limitations under applicable law, the Corporation may (a) withhold such amount from any remuneration or other amount payable by the Corporation or any of its Affiliates to the Participant, or (b) enter into any other suitable arrangements for the receipt of such amount.

7.3 Recoupment

Notwithstanding any other terms of this Plan, Incentive RSUs and Incentive PSUs may be subject to potential cancellation, recoupment, rescission, payback or other action in accordance with the terms of any clawback, recoupment or similar policy adopted by the Corporation or the applicable Affiliate of the Corporation and in effect at the Date of Grant of the Award, or as may be specified in the Participant's Engagement Agreement or Award Agreement, or in any other written agreement. The Plan Administrator may at any time waive the application of this Section 7.3 to any Participant or category of Participants.

ARTICLE 8
TERMINATION OF EMPLOYMENT OR ENGAGEMENT

8.1 Voluntary Resignation and Retirement

Except as may otherwise be determined by the Board or specified in the applicable Engagement Agreement, if a Participant's employment or engagement with the Corporation or a Related Entity ceases due to the Voluntary Resignation or retirement of the Participant, the following provisions shall apply to such Participant's Incentive RSUs and Incentive PSUs:

(a) in the case of a Participant who is not a U.S. Taxpayer, all unvested Incentive RSUs and all Incentive PSUs shall be immediately cancelled and forfeited for no consideration with effect as of the applicable Cessation Date; and

(b) in the case of a Participant who is a U.S. Taxpayer, all Incentive RSUs, other than Incentive RSUs that would have then vested, pursuant to Section 5.4(a), if such Participant were not a U.S. Taxpayer, and all Incentive PSUs shall be immediately cancelled and forfeited for no consideration with effect as of the applicable Cessation Date.

Except as set out in this Section 8.1, no other Incentive RSUs and no Director Units held by such Participant shall be affected as a result of such cessation of employment or engagement.

8.2 Death or Total Incapacity

Except as may otherwise be determined by the Board or specified in the applicable Engagement Agreement, if a Participant's employment or engagement with the Corporation or a Related Entity ceases due to death or Total Incapacity, the following provisions shall apply to such Participant's Director Units, Incentive RSUs and Incentive PSUs:

(a) in the case of a Participant who is not a U.S. Taxpayer, (A) all Director Units shall immediately vest and become exercisable for twelve (12) months from the applicable Participant's Cessation Date (unless such Director Units first expire pursuant to Section 4.6) and thereafter shall be immediately cancelled and forfeited for no consideration with effect as of the applicable Cessation Date, (B) all Incentive RSUs shall immediately vest (to the extent then unvested) and become exercisable for twelve (12) months from the applicable Participant's Cessation Date (unless such Incentive RSUs first expire pursuant to Section 5.6) and thereafter shall be immediately cancelled and forfeited for no consideration, (C) the portion of the Incentive PSUs granted on a particular Date of Grant that is equal to (x) the number of Incentive PSUs granted on such Date of Grant *multiplied by* (y) the number of days elapsing between such Date of Grant and the applicable Participant's Cessation Date *divided by* (z) the number of days elapsing between such Date of Grant and the date upon which the Completion of a Liquidity Event, if any, occurs, shall remain in force and continue to be eligible to vest and to become exercisable, pursuant to Section 6.4(a), by the Participant or his or her estate, as applicable, for twelve (12) months from the applicable Participant's Cessation Date (unless such Incentive PSUs first expire pursuant to Section 6.6) and thereafter shall be immediately cancelled and forfeited for no consideration, and (D) all other Incentive PSUs shall be immediately cancelled and forfeited for no consideration with effect as of the applicable Cessation Date; and

(b) in the case of a Participant who is a U.S. Taxpayer, (A) all Director Units shall immediately vest and become exercisable for twelve (12) months from the applicable Participant's Cessation Date (unless such Director Units first expire pursuant to Section 4.6) and thereafter shall be immediately cancelled and forfeited for no consideration with effect as of the applicable Cessation Date, (B) all Incentive RSUs shall immediately vest and become exercisable for twelve (12) months from the applicable Participant's Cessation Date (unless such Incentive RSUs first expire pursuant to Section 5.6) and thereafter shall be immediately cancelled and forfeited for no consideration, (C) the portion of the Incentive PSUs granted on a particular Date of Grant that is equal to (x) the number of Incentive PSUs granted on such Date of Grant *multiplied by* (y) the number of days elapsing between such Date of Grant and the applicable Participant's Cessation Date *divided by* (z) the number of days elapsing between such Date of Grant and the date upon which the Completion of a Liquidity Event, if any, occurs, shall remain in force and continue to be eligible to vest and to become exercisable, pursuant to Section 6.4 (a), by the Participant or his or her estate, as applicable, for twelve (12) months from the applicable Participant's Cessation Date (unless such Incentive PSUs first expire pursuant to Section 6.6) and thereafter shall be immediately cancelled and forfeited

for no consideration, and (D) all other Incentive PSUs shall be immediately cancelled and forfeited for no consideration.

8.3 Involuntary Termination without Just Cause

Except as may otherwise be determined by the Board or specified in the applicable Engagement Agreement, if a Participant's employment or engagement with the Corporation or a Related Entity is terminated without Just Cause or due to constructive dismissal, the following provisions shall apply to such Participant's Incentive RSUs and Incentive PSUs:

(a) if the applicable Cessation Date occurs within the first six (6) months following a particular Date of Grant, then all unvested Incentive RSUs and all unvested Incentive PSUs, in each case granted on such Date of Grant shall be immediately cancelled and forfeited for no consideration with effect as of the applicable Cessation Date;

(b) if the applicable Cessation Date occurs on or following the first six (6) months, but within the first twelve (12) months, following a particular Date of Grant, then (A) one-third of all Incentive RSUs granted on such Date of Grant shall immediately vest and (B) all other Incentive RSUs and all Incentive PSUs, in each case, granted on such Date of Grant, shall be immediately cancelled and forfeited for no consideration with effect as of the applicable Cessation Date; and

(c) if the applicable Cessation Date occurs on or following the first twelve (12) months following a particular Date of Grant, then

(i) in the case of a Participant who is not a U.S. Taxpayer, (A) all Incentive RSUs that would have vested, pursuant to Section 5.4(a), upon the next anniversary of such Date of Grant, shall immediately vest, (B) the portion of the Incentive PSUs granted on such Date of Grant that is equal to (x) the total number of Incentive PSUs granted on such Date of Grant *multiplied by* (y) the number of days elapsing between the Date of Grant and the applicable Participant's Cessation Date *divided by* (z) the number of days elapsing between the Date of Grant and the date upon which the Completion of a Liquidity Event, if any, occurs, shall remain in force and continue to be eligible to vest and become exercisable, pursuant to Section 6.4(a), for six (6) months from the applicable Participant's Cessation Date (unless such Incentive PSUs expire pursuant to Section 6.6) and thereafter shall be immediately cancelled and forfeited for no consideration; and (C) all other unvested Incentive RSUs and all other Incentive PSUs, in each case, granted on or after such Date of Grant shall be immediately cancelled and forfeited for no consideration with effect as of the applicable Cessation Date; and

(ii) in the case of a Participant who is a U.S. Taxpayer, (A) all Incentive RSUs that would have vested, pursuant to Section 5.4(a), upon the next anniversary of such Date of Grant if such Participant were not a U.S. Taxpayer, shall remain in force and continue to be eligible to vest pursuant to Section 5.4(a), as modified by Section 5.4(b), (B) the portion of the

Incentive PSUs granted on such Date of Grant that is equal to (x) the total number of Incentive PSUs granted on such Date of Grant *multiplied by* (y) the number of days elapsing between the Date of Grant and the applicable Participant's Cessation Date *divided by* (z) the number of days elapsing between the Date of Grant and the date upon which the Completion of a Liquidity Event, if any, occurs, shall remain in force and continue to be eligible to vest and become exercisable, pursuant to Section 6.4(a), for six (6) months from the applicable Participant's Cessation Date (unless such Incentive PSUs expire pursuant to Section 6.6) and thereafter shall be immediately cancelled and forfeited for no consideration; and (C) all other unvested Incentive RSUs and all other Incentive PSUs, in each case, granted on or after such Date of Grant shall (except as otherwise provided for in this Plan) be immediately cancelled and forfeited for no consideration with effect as of the applicable Cessation Date.

Except as set out in this Section 8.3, no Director Units held by such Participant shall be affected as a result of such termination or cessation of employment or engagement.

8.4 Termination with Just Cause

Except as may otherwise be determined by the Board or specified in the applicable Engagement Agreement, if a Participant's employment or engagement with the Corporation or a Related Entity is terminated with Just Cause, then all Incentive RSUs and all Incentive PSUs held by such Participant shall be immediately cancelled and forfeited for no consideration with effect as of the applicable Cessation Date. No Director Units held by such Participant shall be affected as a result of such cessation of employment or engagement.

8.5 Employment or Engagement with Related Entity

Notwithstanding any other terms of this Plan, unless otherwise determined by the Plan Administrator, a Participant's employment or engagement with the Corporation or a Related Entity shall be deemed not have ceased if such employment or engagement ceases in connection with such Participant becoming similarly employed or engaged with a Related Entity or the Corporation, as applicable.

8.6 Specified Employees

Notwithstanding any other terms of this Plan, if a Participant is (or, immediately prior to the applicable Cessation Date, was) a "specified employee" (as determined for purposes of Section 409A of the Internal Revenue Code) and would be entitled to any payment pursuant to this Article 8, the Plan Administrator shall take such steps as it determines, acting reasonably, are appropriate to cause such payment to be made as soon as practically possible after the end of the six-month period following the applicable Cessation Date.

ARTICLE 9
RESTRICTIVE COVENANTS

9.1 Non-Competition

Except on behalf of and for the benefit of the Corporation or a Related Entity, by accepting an Award the applicable Participant covenants that he or she will not, at any time during his or her employment or engagement with the Corporation or a Related Entity or within the twelve (12) month period immediately following the Participant's Cessation Date, in any capacity, directly or indirectly, anywhere in Canada or the United States, either individually or jointly with any other Person:

(a) become engaged as an employee, consultant, independent contractor, partner, principal, agent or advisor, or act as an officer or director of any Person which carries on a Competitive Business; or

(b) carry on or provide services in any capacity to or have any ownership or financial interest in any Person which carries on a Competitive Business.

For greater certainty, the restrictions contained in this Section 9.1 shall apply in the event of any termination of the Participant's employment or engagement with the Corporation or Related Entity, as applicable, regardless of who initiated the termination and regardless of the reasons for such termination.

9.2 Non-Solicitation and Non-Negotiation

Except on behalf of and for the benefit of the Corporation or a Related Entity, by accepting an Award the applicable Participant covenants that he or she will not, at any time during his or her employment or engagement with the Corporation or a Related Entity or within the twelve (12) month period immediately following the Participant's Cessation Date, in any capacity, directly or indirectly, either individually or jointly with any other Person:

(a) solicit or divert away from the Corporation or any of its Affiliates or employ or engage (as an employee, independent contractor or otherwise) any Person who is or was employed or engaged in any capacity by the Corporation or any of its Affiliates at any time within the twelve (12) month period immediately preceding the end of such employment or engagement;

(b) solicit, interfere with, induce or divert away from the Corporation or any of its Affiliates the business or patronage of any Customer;

(c) solicit, interfere with, induce or divert away from the Corporation or any of its Affiliates the business or patronage of any Supplier;

(d) for the purpose or benefit of any Competitive Business, accept any business or patronage from, render any service to, or contract with anyone who was a Customer of the Corporation or any of its Affiliates;

(e) participate in or advise any person or entity in any negotiation between any Business Relationship and the Corporation or any of its Affiliates; or

(f) attempt to do any of the foregoing.

For greater certainty, the restrictions contained in this Section 9.2 shall apply in the event of any termination of the Participant's employment or engagement with the Corporation or Related Entity, as applicable, regardless of who initiated the termination and regardless of the reasons for such termination.

9.3 Passive Investments

Subject to compliance with applicable law and to the policies of the Corporation or Related Entity, as applicable, (including those with respect to trading and conflict of interest), Sections 9.1 and 9.2 shall not prohibit or restrict the applicable Participant from holding or becoming beneficially interested in up to two percent (2%) of any class of securities in any corporation, provided that, such class of securities are listed on a recognized stock exchange in Canada or the United States.

ARTICLE 10
EVENTS AFFECTING THE CORPORATION

10.1 General

The existence of any Awards does not affect in any way the right or power of the Corporation or its shareholders to make, authorize or determine any adjustment, recapitalization, reorganization or any other change in the Corporation's capital structure or its business, or any amalgamation, combination, arrangement, merger or consolidation involving the Corporation, to create or issue any bonds, debentures, Shares or other securities of the Corporation or to determine the rights and conditions attaching thereto, to effect the dissolution or liquidation of the Corporation or any sale or transfer of all or any part of its assets or business, or to effect any other corporate act or proceeding, whether of a similar character or otherwise, whether or not any such action referred to in this Article 10 would have an adverse effect on this Plan or on any Award granted hereunder.

10.2 Non-Cash Liquidity Event

Where the consideration to be received by the Corporation's shareholders on a Liquidity Event includes, or consists solely of, non-cash consideration, and the Participants would, by exercising their Awards and participating in the Liquidity Event, be entitled to receive such non-cash consideration, then notwithstanding any other terms of the Plan, the Board shall, where and to the extent reasonably practicable, take steps to permit (but not obligate) the Participants to participate in the Liquidity Event, to the extent of such non-cash consideration as a percentage of the total consideration, in a tax-efficient manner, including but not limited to exchanging (in accordance with subsection 7(1.4) of the Tax Act or the corresponding provision, if any, of any provincial or foreign income tax legislation) the applicable portion of their Awards for rights to receive such non-cash consideration. If any Awards held by a U.S. Taxpayer are exchanged, pursuant to this

Section 10.2, for rights to receive such non-cash consideration, then notwithstanding Sections 5.4(b) and 6.4(a), the Awards held by such U.S. Taxpayer that are so exchanged shall be deemed not to vest pursuant to Sections 5.4(b) and 6.4(a) and shall instead vest and become exercisable at the time(s) prescribed by the applicable agreement(s) or other document(s) governing such rights to receive such non-cash consideration.

10.3 Cash-Out Right

If:

(a) a Participant's employment or engagement with the Corporation or a Related Entity ceases due to Voluntary Resignation, death, Total Incapacity or retirement;

(b) a Participant's employment or engagement with the Corporation or a Related Entity is terminated without Just Cause or due to constructive dismissal;

(c) the Plan Administrator determines, acting reasonably, that the nature of a Liquidity Event would not permit a Participant to dispose of Shares acquired upon the exercise of Director Units, Incentive RSUs or Incentive PSUs that would vest and become exercisable in connection with such Liquidity Event (as set out herein), within a reasonable period of time following such Liquidity Event, for consideration that is substantially equal to the Share Value at the time of such disposition; or

(d) a Participant receives non-cash consideration (or rights to receive non-cash consideration in accordance with Section 10.2) on a Liquidity Event, and such Participant's employment or engagement with the Corporation or a Related Entity (or the acquirer or successor thereto or a similar entity) ceases for any reason, other than termination with Just Cause, within twelve (12) months following the Liquidity Event,

then (i) in the case of Sections 10.3(a) and (c), such Participant shall have the right (but not the obligation), on the applicable Participant's Cessation Date, to surrender to the Corporation his or her vested Awards, in lieu of exercising his or her Awards, for cash consideration equal to the Share Value of the Shares issuable on the exercise of such surrendered Awards at the time of such surrender; (ii) in case of Section 10.3(b), such Participant shall have the right (but not the obligation), within five (5) Business Days following the applicable Participant's Cessation Date,

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For Canadian tax purposes, when a Participant exercises his/her Awards and acquires Shares, he/she is taxable at that time. However, if the structure of the Liquidity Event is that the Participant would sell those Shares of ASHI for shares of the acquirer, the Participant would have triggered tax but not have cash to pay the tax (because he/she received shares of the acquirer on the Liquidity Event). If, however, the Participant is permitted to NOT exercise his/her Awards, and instead to exchange those Awards for **rights to receive** shares of the acquirer, this should not result in Canadian tax to the Participant until he/she exercises the rights to receive shares of the acquirer for shares of the acquirer or surrenders the rights for cash. This provision therefore causes the board to pursue this possibility where practicable, thereby ensuring that Participants who participate in the Liquidity Event will **effectively** receive the same mix of consideration as the ASHI shareholders, but hopefully without triggering upfront tax.

to surrender to the Corporation his or her vested Awards, in lieu of exercising his or her Awards, for cash consideration equal to the Share Value of the Shares issuable on the exercise of such surrendered Awards at the time of such surrender, following which such Awards shall be immediately cancelled and forfeited for no consideration; (iii) in the case of Section 10.3(d), such Participant shall have the right (but not the obligation), on the applicable Participant's Cessation Date, to surrender to the Corporation or a Related Entity (or the acquirer or successor thereto or a similar entity) the non-share consideration (or rights to receive non-share consideration) received by such Participant upon on the Liquidity Event and then held by the Participant for cash consideration equal to the fair market value of such consideration (or rights to such consideration) at the time of such surrender and (iv) the Plan Administrator shall take such other steps it determines, acting reasonably, are appropriate in such circumstances. For greater certainty, in the case of Sections 10.3(a), (c) or (d), any Awards that may be surrendered by the applicable Participant in accordance with this Section 10.3 that are not so surrendered shall continue to become exercisable in accordance with the terms of the Plan.

10.4 U.S. Taxpayers

Notwithstanding any other terms of the Plan, in the event that an Award held by a U.S. Taxpayer vests but is not exercised, surrendered or otherwise disposed of by February 15 of the calendar year immediately following the calendar year in which such Award vests, such Participant agrees to surrender such Award no later than March 15 of the calendar year immediately following the calendar year in which such Award vests for cash consideration equal to the fair market value of such Award at the time of such surrender, following which such Award shall be cancelled and forfeited for no consideration.

10.5 Reorganization of Corporation's Capital

Should the Corporation effect a subdivision or consolidation of Shares or any similar capital reorganization or a payment of a stock dividend, or should any other change be made in the capitalization of the Corporation that does not constitute a Liquidity Event and that would warrant the amendment or replacement of any existing Awards in order to adjust the number of Shares that may be acquired on the exercise of outstanding Awards and/or the terms of any Award in order to preserve proportionately the rights and obligations of the Participants holding such Awards, the Plan Administrator will, subject to any prior approval of the Exchange (if applicable) that is required, authorize such steps to be taken, and shall adjust the number of Awards outstanding and Shares issuable under this Plan, as it may in its discretion deem appropriate to reflect the event. In doing so, the Plan Administrator shall, to the extent in its discretion it determines appropriate, take into account tax consequences that would apply to Participants as a result of any such steps or adjustments.

10.6 Other Events Affecting the Corporation

In the event of an amalgamation, combination, arrangement, merger, liquidation, dissolution or other transaction or reorganization involving the Corporation and occurring by exchange of Shares, by sale or lease of assets or otherwise, that does not constitute a Liquidity Event and that would warrant the amendment or replacement of any existing Awards in order to adjust the number of Shares that may be acquired on the vesting of outstanding Awards and/or the terms of any Award

in order to preserve proportionately the rights and obligations of the Participants holding such Awards, the Plan Administrator will, subject to any prior approval of the Exchange (if applicable) that is required, authorize such steps to be taken and shall adjust the number of Awards outstanding and Shares issuable under this Plan, as it may in its discretion deem appropriate to reflect the event.

10.7 Unequal Treatment

In taking any of the steps provided in Sections 10.5 and 10.6, the Plan Administrator will not be required to treat all Awards similarly.

10.8 Issuance by Corporation of Additional Shares

Except as may otherwise be specified in this Article 10, neither the issuance by the Corporation of Shares or securities convertible into or exchangeable for Shares, nor the conversion or exchange of such Shares or securities, affects, and no adjustment by reason thereof is to be made with respect to the number of Shares that may be acquired as a result of a grant of Awards or other entitlements of the Participants under such Awards.

10.9 Fractions

No fractional Shares will be issued pursuant to an Award. Accordingly, where a Participant would become entitled to a fractional Share (whether as a result of any adjustment under this Article 10, a dividend equivalent or otherwise), the Participant has the right to acquire only the adjusted number of full Shares and no payment or other adjustment will be made with respect to the fractional Shares, which shall be disregarded.

ARTICLE 11
AMENDMENT, SUSPENSION OR TERMINATION OF THE PLAN

11.1 Amendment, Suspension, or Termination of the Plan

The Plan Administrator may from time to time, without notice and without approval of the holders of Voting Shares, amend, modify, change, suspend or terminate the Plan or any Awards granted pursuant to the Plan as it, in its discretion, determines appropriate, provided, however, that, except as otherwise provided for in this Plan:

(a) no such amendment, modification, change, suspension or termination of the Plan or any Awards granted hereunder may materially impair any rights of a Participant or materially increase any obligations of a Participant under the Plan without the consent of the Participant, unless the Plan Administrator determines such adjustment is required or desirable in order to comply with any applicable law; and

(b) any amendment that would cause an Award held by a U.S. Taxpayer be subject to the additional tax penalty under Section 409A(1)(B)(i)(II) of the Code shall be null and void ab initio with respect to the U.S. Taxpayer.

11.2 Shareholder Approval

Notwithstanding Section 11.1, approval of the holders of Voting Shares shall be required for any amendment, modification or change that:

(a) increases the number of Shares reserved for issuance under the Plan, except pursuant to the provisions in the Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Corporation or its capital;

(b) extends the term of an Award beyond its original expiry date;

(c) permits Awards to be transferable or assignable other than for normal estate settlement purposes; or

(d) deletes or reduces the range of amendments which require approval of the holders of Voting Shares under this Section 11.2.

11.3 Permitted Amendments

Without limiting the generality of Section 11.1, but subject to Section 11.2, the Plan Administrator may, without approval of the holders of Voting Shares, at any time or from time to time, amend the Plan for the purposes of:

(a) making any amendments to the general vesting provisions of each Award;

(b) making any amendments to the provisions set out in Article 8;

(c) making any amendments to add covenants of the Corporation for the protection of Participants, as applicable, provided that the Plan Administrator shall be of the good faith opinion that such additions will not be prejudicial to the rights or interests of the Participants, as applicable;

(d) making any amendments not inconsistent with the Plan as may be necessary or desirable with respect to matters or questions which, in the good faith opinion of the Plan Administrator, having in mind the best interests of the Participants, it may be expedient to make, including amendments that are desirable as a result of changes in law in any jurisdiction where a Participant resides, provided that the Plan Administrator shall be of the opinion that such amendments and modifications will not be prejudicial to the interests of the Participants and Trustees; or

(e) making such changes or corrections which, on the advice of counsel to the Corporation, are required for the purpose of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error,

provided that the Plan Administrator shall be of the opinion that such changes or corrections will not be prejudicial to the rights and interests of the Participants.

ARTICLE 12
MISCELLANEOUS

12.1 Legal Requirement

The Corporation is not obligated to grant any Awards, issue any Shares or other securities, make any payments or take any other action if, in the opinion of the Plan Administrator, in its discretion, such action would constitute a violation by a Participant or the Corporation of any provision of any applicable statutory or regulatory enactment of any government or government agency or the requirements of the Exchange (if applicable) upon which the Shares may then be listed.

12.2 Securities Law Compliance

No Awards shall be granted under the Plan and no Shares shall be issued and delivered under the Plan unless and until the Corporation and/or the Participant have complied with all applicable federal and state registration, listing and/or qualification requirements, if any, and all other requirements of law or of any regulatory agencies having jurisdiction.

12.3 No Other Benefit

No amount will be paid to, or in respect of, a Participant under the Plan to compensate for a downward fluctuation in the price of a Share, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose.

12.4 Rights of Participant

Except as may otherwise be specified in the applicable Engagement Agreement, no Participant has any claim or right to be granted an Award. No Participant has any rights (including, without limitation, voting rights, dividends entitlements (other than as set out in this Plan) or rights on liquidation) as a shareholder of the Corporation in respect of Shares issuable pursuant to any Award unless and until the allotment and issuance to such Participant, or as such Participant may direct, of certificates representing such Shares.

12.5 Corporate Action

Nothing contained in this Plan or in an Award shall be construed so as to prevent the Corporation from taking corporate action which is deemed by the Corporation to be appropriate or in its best interest, whether or not such action would have an adverse effect on this Plan or any Award.

12.6 Unfunded Plan

The Plan shall be unfunded. Neither the Corporation nor any delegate to whom authority has been delegated pursuant to Section 3.2 shall be required to establish any special or separate fund or to segregate any assets to assure the performance of its obligations under the Plan.

12.7 Conflict

In the event of any conflict between the provisions of this Plan and an Award Agreement, the provisions of the Award Agreement shall govern. In the event of any conflict between or among the provisions of this Plan, on the one hand, and a Participant's Engagement Agreement with the Corporation or a Related Entity, as applicable, on the other hand, the provisions of the Engagement Agreement or other written agreement shall prevail.

12.8 Anti-Hedging Policy

By accepting an Award, each Participant acknowledges that he or she is restricted from purchasing financial instruments such as prepaid variable forward contracts, equity swaps, collars or similar securities or instruments that are designed to hedge or offset a decrease in the fair market value of Awards.

12.9 Participant Information

Each Participant shall provide the Corporation with all information (including personal information) required by the Corporation in order to administer the Plan. Each Participant acknowledges that information required by the Corporation in order to administer the Plan may be disclosed to any custodian appointed in respect of the Plan and other third parties, and may be disclosed to such Persons (including Persons located in jurisdictions other than the Participant's jurisdiction of residence), in connection with the administration of the Plan. Each Participant consents to such disclosure and authorizes the Corporation to make such disclosure on the Participant's behalf.

12.10 Participation in the Plan

The participation of any Participant in the Plan is entirely voluntary and not obligatory and shall not be interpreted as conferring upon such Participant any rights or privileges other than those rights and privileges expressly specified in the Plan. In particular, participation in the Plan does not constitute a condition of employment or engagement nor a commitment on the part of the Corporation to ensure the continued employment or engagement of such Participant. The Plan does not provide any guarantee against any loss which may result from fluctuations in the fair market value of the Shares. The Corporation does not assume responsibility for the income or other tax consequences for the Participants, each of whom is advised to consult with his or her own tax advisors.

12.11 Successors and Assigns

The Plan shall be binding on all successors and assigns of the Corporation and its Affiliates.

12.12 General Restrictions on Assignment

Except as required by law or as may otherwise be specified herein, the rights of a Participant under the Plan are not capable of being assigned, transferred, alienated, sold, encumbered, pledged, mortgaged or charged and are not capable of being subject to attachment or legal process for the

payment of any debts or obligations of the Participant unless otherwise approved by the Plan Administrator.

12.13 Severability

The invalidity or unenforceability of any provision of the Plan shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from the Plan.

12.14 Notices

All written notices to be given by a Participant to the Corporation shall be delivered personally, e-mail or mail, postage prepaid, addressed as follows:

Algoma Steel Holdings Inc.
105 West Street
Sault Ste. Marie, ON
P6A 7B4

Attention: Chief Financial Officer

All notices to a Participant will be addressed to the principal address of the Participant on file with the Corporation. Either the Corporation or the Participant may designate a different address by written notice to the other. Such notices are deemed to be received, if delivered personally or by e-mail, on the date of delivery, and if sent by mail, on the fifth Business Day following the date of mailing; provided that in the event of any actual or imminent postal disruption, notices shall be delivered to the appropriate party and not sent by mail. Any notice given by either the Participant or the Corporation is not binding on the recipient thereof until received.

12.15 Effective Date

This Plan becomes effective on the date hereof.

12.16 Governing Law

This Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein, without reference to conflicts of law rules.

12.17 Submission to Jurisdiction

The Corporation and each Participant irrevocably submits to the exclusive jurisdiction of the courts of competent jurisdiction in the Province of Ontario in respect of any action or proceeding relating in any way to the Plan, including, without limitation, with respect to the grant of Awards and any issuance of Shares made in accordance with the Plan.

Exhibit 21.1

List of subsidiaries of Algoma Steel Group Inc.

1. Algoma Steel Holdings Inc.
2. Algoma Merger Sub, Inc.
3. Algoma Steel Intermediate Holdings Inc.
4. Algoma Steel Inc.
5. Algoma Steel USA Inc.
6. Algoma Docks GP Inc.
7. Algoma Docks Limited Partnership

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the use in this Registration Statement on Form F-4 of our report dated July 6, 2021 relating to the financial statements of Algoma Steel Group Inc. We also consent to the reference to us under the heading "Experts" in such Registration Statement.

/s/ Deloitte LLP
Chartered Professional Accountants
Licensed Public Accountants
Toronto, Canada
July 6, 2021

Exhibit 23.2

Consent of Independent Registered Public Accounting Firm

We hereby consent to the use in the proxy statement/prospectus constituting a part of this Registration Statement on Form F-4 of our report dated January 11, 2021, relating to the financial statements of Legato Merger Corp., which is contained in that proxy statement/prospectus. We also consent to the reference to us under the caption "Experts" in the proxy statement/prospectus.

/s/ WithumSmith+Brown, PC
New York, New York
July 6, 2021

Exhibit 99.2

Consent to be Named as a Director Nominee

In connection with the filing by Algoma Steel Group Inc. of the Registration Statement on Form F-4 (the "Registration Statement") with the Securities and Exchange Commission under the Securities Act of 1933, as amended (the "Securities Act"), I hereby consent, pursuant to Rule 438 of the Securities Act, to being named as a nominee to the board of directors of Algoma Steel Group Inc. in the Registration Statement and any and all amendments and supplements thereto. I also consent to the filing of this consent as an exhibit to such Registration Statement and any amendments thereto.

Date: July 6, 2021

/s/ Michael Alexander
Michael Alexander

Exhibit 99.3

Consent to be Named as a Director Nominee

In connection with the filing by Algoma Steel Group Inc. of the Registration Statement on Form F-4 (the "Registration Statement") with the Securities and Exchange Commission under the Securities Act of 1933, as amended (the "Securities Act"), I hereby consent, pursuant to Rule 438 of the Securities Act, to being named as a nominee to the board of directors of Algoma Steel Group Inc. in the Registration Statement and any and all amendments and supplements thereto. I also consent to the filing of this consent as an exhibit to such Registration Statement and any amendments thereto.

Date: July 6, 2021

/s/ Michael Bevacqua
Michael Bevacqua

Exhibit 99.4

Consent to be Named as a Director Nominee

In connection with the filing by Algoma Steel Group Inc. of the Registration Statement on Form F-4 (the "Registration Statement") with the Securities and Exchange Commission under the Securities Act of 1933, as amended (the "Securities Act"), I hereby consent, pursuant to Rule 438 of the Securities Act, to being named as a nominee to the board of directors of Algoma Steel Group Inc. in the Registration Statement and any and all amendments and supplements thereto. I also consent to the filing of this consent as an exhibit to such Registration Statement and any amendments thereto.

Date: July 6, 2021

/s/ Andy Harshaw
Andy Harshaw

Exhibit 99.5

Consent to be Named as a Director Nominee

In connection with the filing by Algoma Steel Group Inc. of the Registration Statement on Form F-4 (the "Registration Statement") with the Securities and Exchange Commission under the Securities Act of 1933, as amended (the "Securities Act"), I hereby consent, pursuant to Rule 438 of the Securities Act, to being named as a nominee to the board of directors of Algoma Steel Group Inc. in the Registration Statement and any and all amendments and supplements thereto. I also consent to the filing of this consent as an exhibit to such Registration Statement and any amendments thereto.

Date: July 6, 2021

/s/ Brian Hook
Brian Hook

Exhibit 99.6

Consent to be Named as a Director Nominee

In connection with the filing by Algoma Steel Group Inc. of the Registration Statement on Form F-4 (the "Registration Statement") with the Securities and Exchange Commission under the Securities Act of 1933, as amended (the "Securities Act"), I hereby consent, pursuant to Rule 438 of the Securities Act, to being named as a nominee to the board of directors of Algoma Steel Group Inc. in the Registration Statement and any and all amendments and supplements thereto. I also consent to the filing of this consent as an exhibit to such Registration Statement and any amendments thereto.

Date: July 6, 2021

/s/ Andrew E. Schultz
Andrew E. Schultz

Exhibit 99.7

Consent to be Named as a Director Nominee

In connection with the filing by Algoma Steel Group Inc. of the Registration Statement on Form F-4 (the "Registration Statement") with the Securities and Exchange Commission under the Securities Act of 1933, as amended (the "Securities Act"), I hereby consent, pursuant to Rule 438 of the Securities Act, to being named as a nominee to the board of directors of Algoma Steel Group Inc. in the Registration Statement and any and all amendments and supplements thereto. I also consent to the filing of this consent as an exhibit to such Registration Statement and any amendments thereto.

Date: July 6, 2021

/s/ David D. Sgro
David D. Sgro

Exhibit 99.8

Consent to be Named as a Director Nominee

In connection with the filing by Algoma Steel Group Inc. of the Registration Statement on Form F-4 (the "Registration Statement") with the Securities and Exchange Commission under the Securities Act of 1933, as amended (the "Securities Act"), I hereby consent, pursuant to Rule 438 of the Securities Act, to being named as a nominee to the board of directors of Algoma Steel Group Inc. in the Registration Statement and any and all amendments and supplements thereto. I also consent to the filing of this consent as an exhibit to such Registration Statement and any amendments thereto.

Date: July 6, 2021

/s/ Eric S. Rosenfeld
Eric S. Rosenfeld

Exhibit 99.9

Consent to be Named as a Director Nominee

In connection with the filing by Algoma Steel Group Inc. of the Registration Statement on Form F-4 (the "Registration Statement") with the Securities and Exchange Commission under the Securities Act of 1933, as amended (the "Securities Act"), I hereby consent, pursuant to Rule 438 of the Securities Act, to being named as a nominee to the board of directors of Algoma Steel Group Inc. in the Registration Statement and any and all amendments and supplements thereto. I also consent to the filing of this consent as an exhibit to such Registration Statement and any amendments thereto.

Date: July 6, 2021

/s/ Brian Pratt

Brian Pratt

Exhibit 99.10

CONSENT OF CASSEL SALPETER & CO., LLC

Legato Merger Corp.
777 Third Avenue 37th Floor
New York, NY 10017
Attention: Board of Directors

RE: Proxy Statement of Legato Merger Corp. ("Legato") / Prospectus of Algoma Steel Group Inc. ("Algoma"), which forms part of the Registration Statement on Form F-4 of Algoma (the "Registration Statement").

Members of the Board of Directors:

We hereby consent to the inclusion of our opinion letter, dated May 24, 2021, to the Board of Directors of Legato as Annex C to the Proxy Statement/Prospectus included in the Registration Statement filed with the Securities and Exchange Commission today and the references to our firm and our opinion, including the quotation or summarization of such opinion, in such Registration Statement, under the headings *"QUESTIONS AND ANSWERS ABOUT THE PROPOSALS," "SUMMARY OF THE PROXY STATEMENT/PROSPECTUS—The Legato Board of Directors' Reasons for the Merger," "SUMMARY OF THE PROXY STATEMENT/PROSPECTUS—Opinion of Legato's Financial Advisor," "PROPOSAL NO. 1 – THE MERGER PROPOSAL – Background of the Merger," "PROPOSAL NO. 1 – THE MERGER PROPOSAL – The Legato Board of Directors' Reasons for the Approval of the Merger," "PROPOSAL NO. 1 – THE MERGER PROPOSAL – Certain Unaudited Prospective Financial Information Regarding Algoma" and "PROPOSAL NO. 1 – THE MERGER PROPOSAL – Opinion of Legato's Financial Advisor."* The foregoing consent applies only to the Registration Statement being filed with the Securities and Exchange Commission today and not to any amendments or supplements to the Registration Statement, and our opinion is not to be filed with, included in or referred to in whole or in part in any other registration statement (including any amendments to the above-mentioned Registration Statement), proxy statement or any other document, except in accordance with our prior written consent.

In giving our consent, we do not admit that we come within the category of persons whose consent is required under Section *7* of the Securities Act of 1933, as amended, or the rules and regulations of the Securities and Exchange Commission thereunder, nor do we admit that we are experts with respect to any part of such Registration Statement within the meaning of the term "experts" as used in the Securities Act of 1933, as amended, or the rules and regulations of the Securities and Exchange Commission thereunder.

Dated: July 6, 2021

Cassel Salpeter & Co., LLC

/s/ Cassel Salpeter & Co., LLC