

**ALGOMA STEEL GROUP INC.**  
**CHARTER OF THE OPERATIONS AND CAPITAL PROJECTS COMMITTEE**

**1. Purpose**

The Operations and Capital Projects Committee (the “**Committee**”) is a committee established by the Board of Directors (“**Board**”) of Algoma Steel Group Inc. (the “**Company**”). The purpose of the Committee is to assist the Board in its oversight of (i) the Company’s operations and significant investments in support of operations, and (ii) assist the Board in overseeing the planning and execution of major projects (“**Major Projects**”) as declared by the Board upon approval of such projects, and undertaken by the Company or its subsidiaries, which includes the Company’s transformation to electric arc furnace steelmaking.

The Committee shall:

- (1) receive reports, as necessary and appropriate, from management on operations and trends that may affect the Company’s operations technology strategies, and associated operations budget and expenditures for the Company and its business segments;
- (2) review and, as appropriate, make recommendations to the Board regarding the Company’s proposed significant investments in support of the operations strategy;
- (3) oversee the Company’s policies, practices and procedures regarding the management of Major Projects;
- (4) oversee external independent consultants, as may be requested or engaged by the Committee;
- (5) oversee all stages of a Major Project, including monitoring the safety, scope, budget and schedule of a Major Project; and
- (6) oversee performance reporting by Management to the Committee and the Board with respect to a Major Project.

**2. Committee Activities**

As part of its function in assisting the Board in fulfilling its oversight responsibilities (and without limiting the generality of the Committee’s role), the Committee will have the power and authority to:

**A. General**

- (1) The Committee shall be responsible for developing, implementing and monitoring the Company’s policies, practices and procedures regarding the operations strategies, and management of Major Projects, in consultation with the Board.
- (2) The Committee shall be responsible for reviewing and maintaining environmental, health and safety standards of the operations and Major Projects, if applicable, including compliance with applicable and proposed legislation, regulations and orders, industry standards and Company policies and procedures.
- (3) The Committee shall be responsible for reviewing the planning and execution of Major Projects, throughout the project lifecycle, including the planning, construction, approval, and implementations phases of the Major Projects as well as other applicable responsibilities as determined by the Committee.

**B. Oversight of External Experts and Advisors Regarding Major Projects**

- (1) The Committee may retain qualified advisors, independent of Company management (“**Management**”), to monitor and report to the Committee on the progress and performance of the Major Projects against approved execution plans, including scopes, budgets and schedules.

- (2) In carrying out its responsibilities for oversight of external experts and/or independent oversight , the Committee shall review results and/or major findings from external assessments of Major Projects and the Company’s proposed remediation programs and plans and provide recommendations to the Board.

**C. Internal Authorization and Approval of Major Projects**

Whereas authorization and approvals to proceed with Major Projects are sought from the Board, the Committee shall review and make recommendations to the Board with respect to:

- (1) material changes to scope, budget and schedule proposed by Management with respect to Major Projects; and
- (2) other approvals related to the execution of Major Projects, as may be required from time to time.

**D. Monitoring and Performance Reporting of Major Projects**

- (1) In overseeing monitoring and performance reporting with respect to Major Projects, the Committee shall review:
  - (A) progress on safety, scope, budget and schedule performance against the Board approved budgets and schedules;
  - (B) reports, as required, from the Company’s Chief Risk Officer
  - (C) results and/or major findings from internal assessments of Major Projects and the Company’s proposed remediation programs and plans; and
  - (D) other information, as applicable.

**E. Project Pre-Approvals and Approvals**

- (1) Review and, if appropriate recommend the Board approval, all project proposals and contracts that
  - (a) are not included in the approved business plan of Algoma; and are anticipated to have a value, in the aggregate, greater than \$10,000,000, or as otherwise specified in a policy of the Committee;
  - or (b) determined by the Board or Management to warrant additional risk review due to complexity and/or increased probability of risk to the Company.

**F. Other**

The Committee shall:

- (1) Develop strategies and recommendations to Management to address delays in the implementation of Major Projects; Make such recommendations, as relevant, with a view to enhancing the operations and performance of the Engineering and Capital Projects Department , in particular, and the Company in general; and
- (2) Perform such other functions as assigned by the Board.

**3. Composition**

The members of the Committee shall be appointed by the Board and should consist of no less than three individuals, at least one of whom is to be a director of the Company. The chair of the Committee (the “**Chair**”) is to be appointed by the Board on an annual basis (or until their successors are duly appointed). **I**The Chair shall ensure that the decisions and recommendations of the Committee are arrived at in a timely manner and that minutes and other reports regarding the Committee’s meetings and recommendations are promptly shared with the Board and Management, if applicable.

The Board may appoint, to perform the duties of the Committee, individuals who are not directors but who possess a broad range of qualifications relevant to the responsibilities of the Committee.

Every appointed individual shall have all the rights and responsibilities of the other members of the Committee with respect to the work of the Committee. The majority of the members of the Committee should have significant, recent and relevant project experience and knowledge, as determined by the Board.

#### **4. Meetings**

The Major Projects Committee shall meet every month and have the authority to convene additional meetings, as may be required. A meeting may be called the Chair or by a majority of the members of the Committee.

The Committee may request any member of Management or staff to attend meetings of the Committee in order to carry out its responsibilities, including Vice President Maintenance & Operating Services, Chief Financial Officer, Vice President Strategy, as well as representatives from the Engineering & Construction, Legal, Strategy, and Finance teams from Management (the “**Meeting Guests**”) shall be invited to attend all Committee meetings. A minimum of three business days notice of each meeting shall be provided to each Committee member and the Meeting Guests. Meetings of the Committee shall be open to all members of the Board of Directors of the Company.

The quorum for meetings consists of two members of the Committee, one of which must be a director of the Company. In the event of an equality of votes on a matter presented at a Committee meeting, the Chair shall have a casting vote in addition to the vote to which they are entitled to as a Committee member.

#### **5. Secretary of the Committee**

The Chair shall appoint a secretary of the Committee (the “**Secretary**”). The Secretary is required to:

- (1) Circulate the notices of each meeting to Committee members and Meeting Guests;
- (2) Distribute to Committee members and Meeting Guests, three business days prior to the meeting of the Committee, the agenda of the meeting, reports and related documents, which are prepared for consideration by the Committee.
- (3) Prepare and share with the Committee members the minutes of each Committee meeting; and
- (4) Perform such other duties as may be assigned by the Committee.

#### **6. Authority to Conduct Investigations**

The Committee has the authority to request the Audit Committee of the Company conduct investigations into any matters within the scope of its responsibilities.

It is empowered to:

- (1) Seek any information it requires from employees, all of whom are directed to cooperate with the Committee’s requests;
- (2) Meet with Management of the Company or external advisors, as necessary; and
- (3) Recommend to the Board that independent counsel, experts or other advisors be retained to advise the Committee or assist in the conduct of any review, as may be required.

#### **7. Reporting Responsibilities to the Board**

The Committee shall disseminate minutes of its meetings to the Board outlining the Committee’s activities, findings and related recommendations.

#### **8. Continuing Education of Committee Members**

The Committee will ensure that members of the Committee receive continuing education on related areas to enhance their contribution to meetings.

**9. Conflicts of Interest**

Where there is a conflict of interest, the affected member of the Committee shall declare their interest to the Committee as soon as possible and the details of the conflict are to be recorded by the Secretary. The member of the Committee who has a conflict of interest shall (a) not participate in any deliberations on the particular matter; (b) excuse themselves from the discussion in respect of those interests during the period of discussion of the matter; (c) not participate in a vote on the matter at any Committee meeting; and (d) not exert any influence on the voting on the resolution in respect of the matter.

**10. Confidentiality of Committee Information**

All information received by the Committee is confidential and the property of the Company and cannot be disclosed to parties outside of the organization without the prior approval of the Board.

**11. Review and Assessment of the Charter**

The Committee will review and assess the adequacy of this Charter at least every two years and request the Board's approval for any proposed changes.