

## ALUULA COMPOSITES INC.

### CORPORATE GOVERNANCE COMMITTEE CHARTER

#### 1. GENERAL

The board of directors (the “Board”) of Aluula Composites Inc. (the “Company”) has established the Corporate Governance Committee (the “Committee”) to assist the Board in fulfilling its responsibilities with respect to the composition and operation of the Board and Board committees, the appointment of the Chief Executive Officer (the “CEO”) and in fulfilling its oversight responsibilities by:

- Assessing the effectiveness of the Board as a whole as well as discussing the contribution of individual members;
- Assessing and improving the Company’s governance standards, policies and practices;
- Proposing new nominees for appointment to the Board; and
- Orienting new directors.

Corporate governance processes and structures define the division of power among shareholders, the board of directors and management and can have an impact on other stakeholders such as employees, suppliers and communities and establish appropriate authority and accountability.

The composition, responsibilities, and authority of the Committee are set out in this Charter.

This Charter and the Articles of the Company and such other procedures, not inconsistent therewith, as the Board and Committee may adopt from time to time, shall govern the meetings and procedures of the Committee.

#### 2. COMPOSITION

The Committee shall be comprised of at least three directors of the Company (the “Members”), all of whom are “independent” as defined in National Instrument 52-110 *Audit Committees* (“NI 52-110”) or any successor policy. A director is considered to be “independent” if he or she has no direct or indirect material relationship which could in the view of the Board be reasonably expected to interfere with the exercise of a director’s independent judgment. Although NI 52-110 does not specifically define “material relationship”, it does specifically list certain relationships between issuers and individuals which are categorized as being material to an issuer as set out in Schedule “A” attached hereto.

Members of the Committee shall be elected by the Board at the annual organizational meeting of the Board or until their successors are duly elected and qualified and shall serve until they resign, cease to be a director or are removed or replaced by the Board. The Board may remove a member of the Committee at any time in its sole discretion by resolution of the Board. Unless a Chairperson is elected by the full Board, the members of the Committee may designate a Chairperson by majority vote of the full membership of the Committee. The members shall appoint, from among their number, a secretary of the Committee.

Each member will have, to the satisfaction of the Board, sufficient skills and/or experience which are relevant and will be of contribution to carrying out the mandate of the Committee.

The Committee shall meet at least twice per annum or more frequently as circumstances require. The Committee may ask members of Management or others to attend meetings or to provide information as necessary. In addition, the Committee or, at a minimum, the Chairperson may meet with the Company's external corporate counsel to discuss the Company's corporate governance policies and practices.

Quorum for the transaction of business at any meeting of the Committee shall be a majority of the number of members of the Committee or such greater number as the Committee shall by resolution determine.

Meetings of the Committee shall be held from time to time as the Committee or the Chairperson shall determine upon 48 hours notice to each of its members. The notice period may be waived by a quorum of the Committee.

### **3. RESPONSIBILITIES**

The Committee shall have the responsibilities set out below.

#### **3.1 Responsibilities with respect to the Composition of the Board and Board Committees and Appointment of CEO**

The Committee shall:

- (a) annually and more frequently if appropriate, assess the size and composition of the Board and Board committees, the competencies and skills required to enable the Board and Board committees to properly discharge their responsibilities, and report the results of that assessment to the Board;
- (b) annually and more frequently if appropriate, assess the effectiveness of the Board as a whole and each Board committee, and assess the competencies and skills of the individual directors of the Company, and report the results of that assessment to the Board;
- (c) facilitate the independent functioning and maintain an effective relationship between the Board and Management of the Company;
- (d) oversee the process of identifying and recruiting new candidates for election or appointment as directors of the Company, including assessing the competencies and skills of identified individuals and reporting the results of that assessment to the Board;
- (e) annually or more frequently if appropriate, recommend to the Board candidates for election or appointment as directors of the Company, taking into account the Board's conclusions with respect to the appropriate size and composition of the Board and Board committees, the competencies and skills required to enable the Board and Board committees to properly discharge their responsibilities, and the competencies and skills of the current Board;
- (f) annually and more frequently if appropriate, assess the *independence* and *financial literacy* (as those terms are defined in National Instrument 52-110 *Audit Committees* or any successor policy) of the individual directors of the Company and report the results of that assessment to the Board; and

- (g) when required, oversee the process of identifying and recruiting new candidates for appointment as CEO, including assessing the competencies and skills of identified individuals and reporting the results of that assessment to the Board.

### **3.2 Responsibilities with respect to the Operation of the Board and Board Committees**

The Committee shall:

- (a) periodically review the operation of the Board and Board committees, including the frequency and location of meetings, the agenda for and reports and other information provided at meetings, and the conduct of meetings, and make recommendations to the Board;
- (b) annually and more frequently if appropriate, assess the effectiveness of the relationship between the Board and the Chief Executive Officer and other senior officers of the Company, and report the results of that assessment to the Board;
- (c) annually and more frequently if appropriate, review with the Chief Executive Officer of the Company succession planning for the senior officers of the Company, and report the results of that review to the Board;
- (d) periodically review the mandates and authority of the Chief Executive Officer, the Chief Financial Officer and the Chief Operating Officer, and make recommendations to the Board; and
- (e) establish and approve an orientation program for new directors and a continuing education program for all directors of the Company.
- (f) assess the directors and officers' insurance policy of the Company and make recommendations for renewal and amendment if appropriate.

### **3.3 Responsibilities with respect to Corporate Governance**

The Committee shall:

- (a) identify corporate governance standards and practices applicable to the Company and monitor new developments in corporate governance, and make recommendations to the Board periodically;
- (b) monitor the ongoing application of the Company's Corporate Governance Principles (attached as Schedule "B");
- (c) periodically, review the Articles and Notice of Articles of the Company; the Board of Directors Mandate; the Code of Business Conduct and Ethics; the Disclosure Policy; the Whistleblower Policy; the Insider Trading Policy and the Charters of the Board committees, and make recommendations to the Board;
- (d) review and approve the disclosure with respect to corporate governance practices required to be included in the regulatory filings and the annual management information circular of the Company; and

- (e) review and approve any other corporate governance practices disclosure before it is publicly disclosed by the Company.

#### **4. AUTHORITY**

The Committee is authorized to carry out its responsibilities as set out in this Charter, and to make recommendations to the Board arising therefrom.

The Committee is authorized to retain, and to set and pay the compensation of, independent legal counsel and other advisers if it considers this appropriate.

The Committee is authorized to invite officers and employees of the Company and outsiders with relevant experience and expertise, to attend or participate in its meetings and proceedings, if it considers this appropriate.

The Company shall pay directly or reimburse the Committee for the expenses incurred by the Committee in carrying out its responsibilities.

#### **5. MEETINGS AND PROCEEDINGS**

The Committee shall meet as frequently as required, but not less than twice each year.

Any Member may call a meeting of the Committee.

The agenda of each meeting of the Committee will include input from the directors, officers and employees of the Company as appropriate. Meetings will include presentations by management, or professional advisers and consultants when appropriate, and allow sufficient time to permit a full and open discussion of agenda items.

Unless waived by all Members, a notice of each meeting of the Committee confirming the date, time, place, and agenda of the meeting, together with any supporting materials, shall be forwarded to each Member at least 48 hours before the date of the meeting.

The quorum for each meeting of the Committee is a majority of the Members. The Chair of the Committee shall chair each meeting of the Committee. In the absence of the Chair, the other Members may appoint one of their number as chair of a meeting. The chair of a meeting shall not have a second or casting vote.

The Chair of the Committee or his delegate shall report to the Board following each meeting of the Committee.

The Committee secretary or delegate shall keep minutes of all meetings of the Committee, including all resolutions passed by the Committee. Minutes of meetings shall be distributed to the Members and the other directors of the Company after preliminary approval thereof by the Chair of the Committee.

An individual who is not a Member may be invited to attend a meeting of the Committee for all or part of the meeting.

The Committee shall meet regularly alone to facilitate full communication.

## **6. SELF-ASSESSMENT**

The Committee and the Board shall annually assess the effectiveness of the Committee with a view to ensuring that the performance of the Committee accords with best practices.

The Committee and the Board shall annually review this Charter and update it as required.

## **7. RESPONSIBILITIES OF CHAIR**

The Chair of the Committee shall provide leadership to the Committee to enhance the Committee's effectiveness and ensure adherence to this Charter.

The Chair of the Committee is responsible for managing the Committee, including:

- (a) chairing all meetings of the Committee in a manner that promotes meaningful discussion;
- (b) preparing the agenda of the Committee meetings and ensuring pre-meeting material is distributed in a timely manner and is appropriate in terms of relevance, efficient format and detail;
- (c) adopting procedures to ensure that the Committee can conduct its work effectively and efficiently, including committee structure and composition, scheduling, and management of meetings; and
- (d) ensuring meetings are appropriate in terms of frequency, length and content.

Adopted by the Board of the Company effective September 26, 2023.

## SCHEDULE "A"

Subject to the exemptions available under National Instrument 52-110 - Audit Committees, the following individuals are considered to have a material relationship with the Company:

- (a) an individual who is, or has been within the last three years, an employee or executive officer of the Company;
- (b) an individual whose immediate family member is, or has been within the last three years, an executive officer of the Company;
- (c) an individual who:
  - (i) is a partner of a firm that is the Company's internal or external auditor;
  - (ii) is an employee of that firm; or
  - (iii) was within the last three years a partner or employee of that firm and personally worked on the Company's audit within that time;
- (d) an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual:
  - (i) is a partner of a firm that is the Company's internal or external auditor;
  - (ii) is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice, or
  - (iii) was within the last three years a partner or employee of that firm and personally worked on the Company's audit within that time;
- (e) an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the Company's current executive officers serves or served at that same time on the entity's compensation committee; and
- (f) an individual who received, or whose immediate family member who is employed as an executive officer of the Company received, more than \$75,000 in direct compensation from the Company during any 12 month period within the last three years, other than as remuneration for acting as a member of the Board or of any Board committee, or the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service for the Company if the compensation is not contingent in any way on continued service.

Despite the above, an individual will not be considered to have a material relationship with the Company solely because the individual or his or her immediate family member:

- (a) has previously acted as an interim chief executive officer of the Company; or
- (b) acts, or has previously acted, as a chair or vice-chair of the Board or of any Board committee of the Company on a part-time basis.

## **SCHEDULE “B”**

### **ALUULA COMPOSITES INC. CORPORATE GOVERNANCE PRINCIPLES**

1. The majority of the Board will consist of independent directors.
2. All directors will act in the best interest of the Company and will put the interest of the Company ahead of any single stakeholder, shareholder or group or their own interests.
3. The responsibility of the directors will be to supervise the management of the business and not to manage the business day to day.
4. The Board will ensure that there is a long-term strategic plan in place for the Company which is reviewed annually with the Board.
5. All major fields of business risk will be clearly defined and reviewed regularly with the Board.
6. Objectives will be established annually for the Chief Executive Officer and other senior officers, and performance against these objectives will be regularly reviewed.
7. The Board will ensure that the business is managed with integrity and ethical business standards.
8. Contingency plans for orderly management succession will be established and maintained.
9. The Company will communicate openly and effectively with its shareholders, other stakeholders and the public generally, and maintain strict compliance with all applicable securities laws regarding disclosure and trading.
10. The Board will ensure that there are effective control and information systems in place for monitoring the discharge of its responsibilities.
11. A process for regular assessment of the effectiveness of the Board and its committees and the responsibilities and contributions of the directors will be maintained.
12. A corporate governance report will be prepared and included in the annual documents required to be issued and filed by securities legislation each year.