

ALUULA COMPOSITES INC.
STANDARD TERMS AND CONDITIONS

These Standard Terms and Conditions ("**Terms**"), and any documents expressly incorporated herein by reference, exclusively govern the sale of products (each, a "**Product**") by Aluula Composites Inc. ("**Aluula**") to the purchaser identified in the relevant quotation, purchase order or Order Confirmation ("**Buyer**"). These Terms apply notwithstanding any additional or conflicting terms contained in any purchase order, acknowledgement, release or other document or communication from the Buyer, and such additional or conflicting terms shall be void and of no force or effect unless expressly agreed to in writing by Aluula by way of an amendment to these Terms. All offers by Aluula to sell Product are expressly conditioned upon Buyer's acceptance of these Terms.

Purchase Orders

Buyer shall order the Products through the issuance of a written purchase order signed by Buyer's authorized representative. Each purchase order shall reflect, as applicable, the relevant quotation and shall include the quantity of Product specified by SKU or part number, price, total purchase price, shipping instructions, a requested shipping date, "bill-to" address, tax exempt certificates and any special instructions. Buyer shall provide any additional information required to complete the order. Purchase orders may be submitted by email, facsimile or courier.

Order Acceptance

Aluula will issue a confirmation ("**Order Confirmation**") upon acceptance of a Buyer purchase order, which will serve to confirm the Product description, quantity, price and payment terms.

Delivery / Risk and Title

Risk of loss or damage to the Products shall pass to Buyer upon delivery of the Products to the carrier at Aluula's warehouse in Victoria, British Columbia, Canada, in accordance with FCA (Incoterms: 2021) ("**Delivery**"). Following Delivery, Buyer assumes all risk and liability pertaining to loading, unloading, shipment, discharge, storage, handling and use of the Product, and compliance with applicable laws.

Delivery Dates

Any Delivery dates set out in the Order Confirmations are estimates only, and failure to meet any requested Delivery date will not entitle Buyer to reject a shipment. Orders without agreed Delivery dates will be processed for Delivery according to Aluula's then-current shipment schedule. Partial deliveries are permitted and will be invoiced accordingly. In no event will Aluula be liable for any costs or damages resulting from a delay in Delivery.

Packing

Unless otherwise specified, all packing shall be best commercial pack suitable for international shipment. All packages, cases and bundles will be clearly marked with weight and order number.

Import and Export Permits

Buyer shall cooperate with and assist Aluula in obtaining any necessary documentation required by Aluula for the purpose of obtaining export permits in the country of manufacture of the Products, provided that the responsibility for, and cost related to applying for and securing such export permits shall be borne by Aluula. If required, Aluula shall cooperate with and assist Buyer in obtaining any necessary documentation required by Buyer for the purpose of obtaining any required import permits in the country of destination, provided that the responsibility for, and cost related to applying for and securing such permits shall be borne by Buyer.

Quality and Inspection

Buyer is responsible for inspecting Products following Delivery but while they are still on the roll, and prior to cutting or incorporation into products or components, but in any event within thirty (30) days of Delivery.

Provided that the Product is still on the roll and has not been cut, Buyer shall be entitled to reject any Product that does not materially conform to the agreed specifications therefor (“**Agreed Specifications**”). Buyer will be deemed to have accepted any Product for which Aluula has not received a written notice of rejection within thirty (30) days of Delivery. Buyer’s sole remedy and Aluula’s sole liability in the case of the rejection of any Product, or a breach of the warranty set out below (*Limited Warranty*) shall be, at Aluula’s discretion, to accept return of the non-conforming Product and either replace it with conforming Product, or refund (or credit) to Buyer the price paid for the non-conforming Product. Any rejection shall apply only to non-conforming Product, and shall not entitle Buyer to reject any part of an order that is not non-conforming. This remedy shall apply only to non-conforming Product that is uncut and still on the roll on which it was delivered.

Payment and Credit

Buyer shall make all payments for invoiced amounts hereunder in cash or cash equivalent at face value and in the currency indicated on Aluula’s invoice. Unless otherwise agreed to in a written credit agreement, 50% of invoiced amounts for non-custom order products shall be due and payable in full prior to Delivery, without set-off or withholding and the remaining 50% shall be due within ten (10) business days of product receipt. For custom order products, a 50% deposit shall be due upon issuance of the Order Confirmation with the remaining 50% due prior to Delivery. Any disputed amounts must be notified to Aluula in writing within seven (7) days of receipt of invoice. Any overdue amounts that are not the subject of a good faith dispute will be subject to late charges equal to the lesser of: (a) one and one-half percent (1.5%) per month of the overdue amount (19.56% per annum, effective rate), or (b) the maximum amount permitted under applicable law. Any failure to pay an invoice when due shall constitute a material breach by Buyer of these Terms and, in addition to any other rights and remedies that it may have, Aluula shall be entitled to suspend further shipments until any overdue amounts are paid.

Limited Warranty

Aluula represents and warrants to Buyer that, at the time of Delivery: (a) Aluula has good and clear title to the Products, and (b) the Products, as delivered, will materially conform to the Agreed Specifications. This warranty shall not apply to: (i) samples or developmental materials, which are provided “as is”, without warranty of any kind, or (ii) any non-conformities resulting from Aluula’s adherence to Buyer’s instructions, or otherwise not resulting from the fault of Aluula. Aluula’s sole liability and Buyer’s sole remedy for a breach of the foregoing warranties shall be as set out above (*Quality and Inspection*). This warranty, and any associated remedies, are non-transferable. EXCEPT AS EXPRESSLY PROVIDED IN THIS SECTION, THE PRODUCTS ARE PROVIDED “AS IS”, AND ALUULA DISCLAIMS ANY AND ALL WARRANTIES, EXPRESS, IMPLIED AND STATUTORY, INCLUDING WARRANTIES OF NON-INFRINGEMENT, MERCHANTABILITY, AND FITNESS FOR A PARTICULAR PURPOSE, WHETHER THE PRODUCTS ARE USED ALONE OR IN COMBINATION WITH ANY OTHER MATERIAL OR PROCESS. BUYER EXPRESSLY ACKNOWLEDGES AND AGREES THAT THE SELECTION, USE AND PROCESSING OF THE PRODUCTS ARE AT BUYER’S SOLE DISCRETION AND RISK. ALUULA DOES NOT WARRANT THAT THE PRODUCTS WILL MEET BUYER’S REQUIREMENTS OR EXPECTATIONS, OR THAT ANY PARTICULAR RESULTS WILL BE ACHIEVED. FURTHERMORE, ALUULA DOES NOT WARRANT OR MAKE ANY REPRESENTATION REGARDING THE USE OR THE RESULTS OF THE USE OF THE PRODUCTS, INCLUDING IN TERMS OF THEIR QUALITY, RELIABILITY, DURABILITY, APPROPRIATENESS FOR A PARTICULAR TASK OR APPLICATION, LEGALITY, OR OTHERWISE. NO ORAL OR WRITTEN INFORMATION OR ADVICE GIVEN BY ALUULA OR ANY ALUULA PERSONNEL, NOR THE PROVISION OF ANY SAMPLES OR DEVELOPMENTAL MATERIALS, SHALL BE DEEMED CREATE A WARRANTY OR IN ANY WAY INCREASE THE SCOPE OF THE WARRANTIES PROVIDED IN THIS SECTION.

Intellectual Property Rights

Buyer acknowledges that Aluula has developed and uses valuable technical and non-technical information, formulae, patents, trade secrets, know-how, methodology, copyrightable materials, trademarks and other intellectual and industrial property in connection with Aluula’s business and products, including the Products. Buyer agrees that, as between Buyer and Aluula, all intellectual property rights in and to Aluula’s products, and in any names, trademarks, samples, technical documentation, and product and marketing materials created by or for Aluula, are and shall remain the exclusive property of Aluula. Neither the sale of the Products, nor the

provision of any samples or developmental materials shall, by implication or otherwise, convey any license, permission or inducement under any intellectual property right of Aluula or its licensors, relating to Aluula's trademarks, copyrightable works, methods, Product formulae, compositions and/or applications, or any sample or developmental material, and shall not operate as a permission, recommendation or inducement to practice any patented invention without the permission of the patent owner. Buyer warrants that it will not, and will not permit or enable any third party to, convert to its own use or to the use of any other party any intellectual property owned by Aluula, access to which is obtained by Buyer pursuant to these Terms or otherwise.

Product Changes

Unless otherwise expressly agreed by the parties in writing, Aluula may make changes to its processes and products, including the Products, without notice to or approval from Buyer, provided that such changes do not materially alter the relevant product specifications. Buyer acknowledges that information in Aluula's marketing materials, technical data sheets and other descriptive publications distributed or published on its websites may change from time to time without notice. Any such materials are provided for Aluula customer reference only, and should not be construed as product warranties or representations.

Product Discontinuation

Aluula reserves the right to discontinue products, including the Products, at any time at its sole discretion; provided, however, that Aluula shall endeavour to provide not less than six (6) months' prior written notice and a "last time buy" opportunity for any product that will be discontinued other than for reasons of safety or legal requirement.

Exclusive Remedy and Limitation of Liability

Buyer's sole and exclusive remedy for any claim shall be, at Aluula's option, a refund or credit of the purchase price paid by Buyer for Product shown to be damaged or not in conformity with the Agreed Specifications therefor, due to the fault of Aluula. In no event will Aluula's and its directors', officers', shareholders', employees' and agents' total collective liability arising under or in connection with the Products or Buyer's or any third party's selection, use, processing or sale of the Products, exceed the amount actually paid by Buyer to Aluula for the Product giving rise to the claim. Neither Aluula, nor its directors, officers, shareholders, employees or agents will be liable for any indirect, consequential, incidental, exemplary, punitive or special damages of any kind, including but not limited to damages for personal injury, death, loss of revenue or lost profits, loss of business, failure to realize expected savings, or costs of substitute goods, even if they knew or should reasonably have known of the possibility of such damages, and notwithstanding the failure of essential purpose of any limited remedy. Some jurisdictions do not permit limitations of liability, or limit the circumstances in which a party's liability may be limited. In those jurisdictions, Aluula's liability shall be limited to the greatest extent permitted by applicable law.

Indemnity

As between Buyer and Aluula, Buyer will have sole control over the use, modification, distribution and commercialization of any products incorporating or otherwise using the Products. Accordingly, Buyer shall be solely liable, and agrees to defend, indemnify and hold Aluula, its officers, shareholders, directors, employees and contractors harmless from and against any and all liabilities, losses, costs, damages and expenses (including reasonable legal, accounting and other professional fees), resulting from or arising out of: (a) any breach by Buyer of these Terms; (b) Aluula's compliance with Buyer's designs, requirements, instructions or specifications; (c) the use or combination of the Products with any materials or substances not supplied by Aluula, or in the operation of any process; (d) any claim, demand, proceeding or action made or brought by any person, firm, corporation, government agency, regulatory authority, or other party against Aluula relating in any manner whatsoever to Buyer's or any third party's use, processing, production, marketing or sale of products incorporating or otherwise using the Products, or any modifications or derivative works thereof, including but not limited to claims for intellectual property right infringement or misappropriation, bodily injury or death; (e) negligence or intentional misconduct by Buyer, or its employees or contractors; (f) breach by Buyer of any applicable laws; and/or (g) the performance or non-performance by Buyer of its obligations to any government

or other regulatory authority, customers, or other users of any products or processes incorporating the Products, or any modifications or derivative works thereof, or to any other third party.

Force Majeure

Aluula shall not be liable for any delay in performance or non-performance as a result of fire, flood, ice, natural catastrophe, pandemic, strike, lockout, labor shortage, labor dispute or trouble, transportation stoppages or slowdowns, accident, riot, act of governmental authority, act of God, war, act of terrorism (including cyber-terrorism and ransomware attacks), public emergencies, or other contingencies and/or circumstances beyond its reasonable control that interfere with the production, supply, transportation, or consumption of the Products, or with the supply of any raw materials used in connection the Products, or the inability of Aluula to purchase raw materials at a commercially reasonable price, or if performance would be contrary to, or constitute a violation of, any regulation, law, or requirement of a recognized government authority. Any quantities of product or material so affected may be eliminated by Aluula from a Confirmed Order without liability or damages to Aluula. Aluula may, during any period of shortage due to any cause, prorate and allocate its supply of affected materials among itself for its own consumption, affiliated companies, its accepted orders, contract customers, and its regular customers not then under contract, in such a manner as may be deemed fair and reasonable by Aluula at its sole discretion. In no event will Aluula be obligated to purchase any substitute products in the marketplace to satisfy its obligations.

Assignment/Delegation/Subcontracting

Buyer may not assign rights or delegate its obligations under these Terms or in connection with any order without the prior written consent of Aluula, not to be unreasonably withheld. Aluula may assign rights or delegate duties and/or subcontract the performance of Aluula's obligations hereunder without the consent of Buyer. Aluula shall have the right to terminate an Order Confirmation with immediate effect if, at any time prior to Delivery, a person or group of persons who are unrelated to the persons controlling Buyer as of the date of the Order Confirmation, acquires de facto control over Buyer, whether through ownership of voting securities or otherwise. Buyer must notify Aluula of such acquisition within ten (10) days. Within ten (10) days after receipt of such notice, Aluula may terminate any Order Confirmation upon written notice to Buyer.

Amendments

These Terms shall not be amended or modified except in writing signed by the authorized representatives of the parties hereto. No course of dealing or usage of trade by or between the parties shall be deemed to effect any such amendment or modification.

Waiver

Any waiver by a party of its rights must be in writing. Any waiver or failure to enforce any provision of these Terms on one occasion shall not be deemed to be a waiver of any other provision, or of the same provision on any other occasion.

Severability

In the event of the invalidity or unenforceability of any provision of these Terms, that provision will be deemed to have been struck in its entirety, and the remainder of these Terms shall remain in full force and effect.

Confidentiality

If Aluula and Buyer have executed a separate confidentiality agreement governing the subject matter of these Terms, the terms of that confidentiality agreement shall apply to any transactions between the parties. If Aluula and Buyer have not executed a separate confidentiality agreement, the parties agree that any and all information, including pricing, provided by or on behalf of Aluula shall be treated as confidential, and shall only be used by Buyer for the purposes of transactions between them. If Buyer is required to disclose any Aluula information by virtue of a court order or statutory obligation, Buyer shall immediately inform Aluula, and provide all such reasonable cooperation as Aluula may require for the purpose of obtaining a protective order. Upon demand by Aluula, Buyer shall promptly return to Aluula or, at Aluula's option, destroy, all full and partial copies of any Aluula confidential information in Buyer's possession or under Buyer's control. Buyer will sign a

reasonable confidentiality agreement upon request, and shall ensure that all of its employees and contractors are bound by obligations of confidentiality and non-disclosure that are at least as protective of Aluula's confidential information as those set out in these Terms.

Relationship

Buyer and Aluula are independent contractors, and nothing in these Terms shall be interpreted so as to create an agency, partnership, fiduciary or joint venture relationship between them.

Applicable Law

These Terms, and purchase and sale of the Products, shall be exclusively governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein, except that in each case the choice of law rules in such jurisdiction shall not be invoked for the purposes of applying the laws of another jurisdiction. Except as provided herein, the courts situated in the Province of British Columbia shall have exclusive jurisdiction over all matters arising hereunder. The parties expressly disclaim the application of the United Nations Convention on Contracts for the International Sale of Goods (the "Vienna Convention") and all legislation implementing that Convention. Nothing in these Terms shall prevent either party from applying to a court of competent jurisdiction for injunctive or other equitable relief in the case of an infringement of intellectual property (including any unauthorized use), data breach or the breach of an obligation of confidentiality, in order to preserve or protect real or tangible property from continuing damage or risk of same, or to preserve a legal right for which the applicable limitation period is about to expire.

Entire Agreement

These Terms, together with (a) the Order Confirmation, (b) the Agreed Specifications, and (c) any executed credit agreement, all of which are hereby expressly incorporated into these Terms by reference, constitute the entire agreement and understanding between Aluula and Buyer relating to the purchase and sale of the Products. These Terms supersede all prior oral or written communications, agreements, understandings, representations, statements, and assurances between the parties.