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## Purchasing Terms & Conditions

### ARTICLE 1 - APPLICABILITY

The accompanying purchase order "PO" is an offer by UltraFit Manufacturing.

(UltraFit Manufacturing, "Buyer") for the purchase of the products and services provided by the "Seller" in accordance with and subject to these terms and conditions (these "Terms"). These Terms, together with the PO, the Supplier Quality Manual and the Non-Disclosure Agreement constitute this "Purchase Agreement".

This Purchase Agreement expressly limits Seller's acceptance to the terms of this Purchase Agreement. These Terms prevail over any terms and conditions contained in any other documentation and expressly exclude any of Seller's general terms and conditions or any other document issued by Seller in connection with this Purchase Agreement.

### ARTICLE 2 - DELIVERY

UltraFit Manufacturing will afford Seller a firm schedule, plus an additional schedule for forecasting purposes only set out in a Purchase Order. 100% on time delivery is required by Seller in accordance to UltraFit Manufacturing schedules. Should Seller be unable to meet schedule requirements, Seller shall immediately notify to UltraFit Manufacturing materials Department. Seller must also provide a schedule recovery plan within 24 hours of notice. Seller shall be responsible for premium freight costs incurred by UltraFit Manufacturing as a result of being behind schedules.

Seller shall maintain at all times a minimum of one week worth of safety stock based on forecasted volumes.

Seller must ensure that capacity is in place to meet increases of a minimum of 10% above projected volumes.

Delivery shall be FOB UltraFit Manufacturing unless otherwise detailed in a Purchase Order. Seller must provide NAFTA documentation and all other necessary documentation in advance of shipments to UltraFit Manufacturing facilities. Costs associated with non-compliance with NAFTA requirements or with missing or incomplete documentation shall be the responsibility of the Seller. When applicable the Buyer must be supplied with a proper certificate of origin complying with customs regulations and all proper export documents for customs clearance.

A certificate indicating compliance with all applicable drawings and specifications shall accompany each shipment shall it be deemed necessary by UltraFit Manufacturing Quality Assurance department. A certificate of compliance applicable, material certification, part number, Purchase Order number, lot number, heat number, drawing number and revision level, test results. Seller's name shall be clearly identified on the certificate and shall be signed by a Seller authorized quality assurance representative.

Seller must ensure lot traceability through all sub tier suppliers or manufacturers for material or parts shipped to UltraFit Manufacturing. Seller shall maintain records and show evidence of lot traceability as requested by UltraFit Manufacturing.

Seller is responsible for supplying all MSDS information and ensuring that all such documentation is maintained to current dates as deemed necessary by UltraFit Manufacturing.

Seller will ensure that product is package in such a way that no damage will occur during transit. Seller must ensure all steps reasonable to ensure that product is packaged in a cool, cleaned, free from scale, free from weld splatter, free from contamination. If requested by Buyer, Seller shall use every effort to utilize returnable dunnage for shipments to Buyer's location.

Seller shall ensure that Buyer's Purchase Order number shall appear conspicuously on each package, box, keg, bale, bundle, or other type of container. When shipping by weight, the tare weight of the containers should be permanently marked on each container.

All shipments must contain packing slips giving part number, description of material, quantity, and the Purchase Order number. If shipment is not made F.O.B destination, the original Bill of Lading must be furnished with invoices. Buyer's count shall be accepted as final on all shipments not accompanied by packing slips.

### ARTICLE 3 - PRICING

There shall be no price increases for any parts for the term of this Purchase Agreement. Seller agrees to supply product/services at the conclusion of the series production for a period of five calendar years at the current production price levels.

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At the conclusion of the five year service period, Buyer and Seller will mutually agree on the service parts requirements at prices in the current agreement plus any actual cost differential for manufacturing, provided that at any time during the Service Term, Buyer may purchase and Seller shall supply at the piece price, Buyer's entire parts requirement for the unexpired portion of the service term.

During the fifth year of such period, Buyer and Seller will negotiate in good faith with regard to Seller's continued manufacture of service components for all past model requirements following the five year service period.

The seller shall provide a minimum of 120 days' notice period for any proposed deviation to commercial terms specified under this Purchase Agreement. Prototype and sample parts shall be supplied by Seller at production price levels.

Purchase Order volumes are estimated annual requirements, subject to change at any time and from time to time based on program requirements. Purchase Orders do not represent a commitment by Buyer for any fixed volumes.

Any taxes whether sales, goods and services, value added or otherwise shall be shown separately on the invoice.

This Purchase Agreement or monies due thereunder may not be assigned in whole or in part without written consent of the Buyer.

The Buyer or its Related Companies shall be entitled to setoff and recoup against the accounts payable of the Buyer or its Related Companies to the Seller or its Related Companies any amounts for which the Buyer or its Related Companies determines in good faith the Seller or its Related Companies is liable under any Purchase Order or other agreements with the Seller or its Related Companies.

A Related Company is any parent company of the Buyer or the Seller, as appropriate, and any subsidiary or affiliate in which any of them owns or controls at least 25% of the voting stock, partnership interest or other ownership interest.

### **ARTICLE 4 - TOOLING**

There shall be no additional tooling charges above those at the beginning of the program if applicable. Seller is responsible for tooling replacement costs and day to day routine maintenance.

Tooling shall remain the property of UltraFit Manufacturing as applicable. All tooling shall be marked by Seller as "Property of UltraFit Manufacturing" and segregated by Seller from the property of Seller and or property of others. All such tooling shall be used strictly for production of UltraFit Manufacturing product.

### **ARTICLE 5 - QUALITY**

All suppliers shall comply with the requirements of Buyer's quality system specified under current UltraFit Manufacturing Supplier Quality Manual.

### **ARTICLE 6 - ADDITIONAL TERMS**

The Seller further agrees that the term and conditions contained in any of the Seller's acknowledgement forms, purchase and sale documents, or any forms supplied or used by the Seller shall be given no effect and the terms of the Purchase Order and UltraFit Manufacturing Standard Terms and Conditions herein shall govern in all circumstances. This Purchase Agreement shall be governed by the laws of Ontario, without regard to its conflict of law, rules and the parties hereby attorn to the jurisdiction of the Ontario Courts.

Acceptance of this Purchase Agreement or shipment of any part of it will constitute an agreement to all its specifications as to terms, delivery and prices. No supplement, modification, amendment or waiver to this Purchase Agreement shall be binding unless executed in writing by all Parties hereto.

Seller will indemnify and save harmless Buyer, its employees, agents and invitees from and against all liability, demands, claims, loss, cost, damage, and expense by reason or on account of property damage, death, and personal injury whatsoever nature or kind arising out of, as a result of or in connection with the performance of this order which is occasioned by the actions and omissions of Seller or its suppliers.

Seller will maintain and carry liability insurance which includes but is not limited to employer's liability, worker's compensation, general liability, public liability, property damage liability, product liability, completed operations liability, and contractual liability in amounts set forth in this Purchase Agreement with carriers approved by Buyer but in no event shall such amounts be less than the minimum statutory requirements, if any, Seller will, if requested by Buyer, furnish certificates of insurance indicating the foregoing coverage. The Seller agrees to perform the work in accordance with the safety rules of the Buyer and all applicable laws and regulations.

### **ARTICLE 7 - TERMINATION**

UltraFit Manufacturing may terminate this Purchase Agreement in whole or in part at any time with cause, upon written notice of termination to Seller. Termination for shall include any of the following events.

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Seller does not observe or perform any covenant or obligation of Seller contained in this Purchase Agreement or otherwise breaches this Purchase Agreement or UltraFit Manufacturing Standard Terms and Conditions and such default or breach is not remedied within twenty days after notice has been given by UltraFit Manufacturing to Seller specifying such default or breach; provided that if the default or breach cannot be reasonably cured within twenty days, Seller would have an additional twenty days to cure such default or breach. Seller ceases or threatens to cease to carry on the business currently being carried on by it or a substantial portion thereof or makes or agrees to make an assignment, disposition or conveyance, whether by way of sale or otherwise, of its assets in bulk or commits or threatens to commit any act of bankruptcy

The commencement of any proceeding or the taking of any step by or against Seller for the dissolution, liquidation or winding up of Seller or for any relief under the laws of any jurisdiction relating to bankruptcy, insolvency, reorganization, arrangement or compromise, or for the appointment of one or more trustee, receiver, receiver and manager, custodian, liquidator or any other person with similar powers with respect to Seller;

The change in the control of the Seller such that (i) more than 50% of its voting shares are held directly or indirectly by persons other than those person presently holding such shares and (ii) any shareholder directly or indirectly, has an asset in a company, partnership or other entity that sells products that the same, similar to or competitive with those products sold by Buyer.

Either party, Buyer or Seller, will have the right to terminate this Purchase

Agreement with or without cause contingent on nine months' prior written notice.

Buyer reserves the right to terminate performance of work under this Purchase Agreement with six months' notice for reasons such as poor quality, poor delivery performance or uncompetitive pricing in market. Seller will support Buyer's requirements during this transition period. Should however, Seller demonstrate to Buyer's satisfaction that they will become competitive in terms of quality, delivery and pricing within a time period selected by Buyer, termination will be suspended and this Purchase Agreement will continue. If Buyer's customer terminates any program, Buyer shall have the right to terminate such programs with Seller under this Purchase Agreement upon written notice to Seller. In such event, Buyer shall have no further liability to Seller.

### **ARTICLE 8 - GENERAL**

This Purchase Agreement and any Purchase Order hereunder constitutes the entire agreement between the Parties pertaining to the subject matter hereof and supersedes all prior or contemporaneous agreements, understandings, negotiations and discussions, whether oral or written, of the Parties and there are no warranties, representations or other agreements between the Parties in connection with the subject matter hereof except as specifically set forth herein.

If all or any portion of the provisions of this Purchase Agreement would otherwise be invalid or unenforceable as a result of the application of any law or the determination of a court of competent jurisdiction, the portions which would otherwise be held invalid or unenforceable but no others shall, automatically and without further act on the part of the Parties hereto, be reduced in scope to such extent that the same would be valid and enforceable.

### **ARTICLE 9 - INTELLECTUAL PROPERTY**

All intellectual property rights, including copyrights, patents, patent disclosures and inventions (whether patentable or not), designs, specifications, trademarks service marks, trade secrets, know-how and other confidential information, trade dress, trade names, logos, corporate names ad domain names, together with all of the goodwill associated therewith, derivative works and all other rights (collectively, "Intellectual Property Rights") in and to all parts, prototypes, documents, work product and other materials that are delivered to UltraFit Manufacturing under this Agreement or prepared by or on behalf of UltraFit Manufacturing (collectively, the "Deliverables") shall be owned exclusively by UltraFit Manufacturing.

For further clarity and without limiting the generality of the foregoing, Seller acknowledges that the Deliverables may include modifications to Seller's products and designs based on Seller's products, including products that existed prior to any relationship between Seller and Buyer (collectively, "Improvements"). Seller agrees that all Improvements shall be owned exclusively by UltraFit Manufacturing, including all Intellectual Property Rights in the Improvements. Seller further agrees that none of the Improvements will be incorporated in parts, products, designs, specifications or services provided to or produced for entities other than Buyer.

In the case of any works created in the United States, Seller agrees, and shall cause its employees and any and all subcontractor (collectively, "Seller Personnel") to agree, that with respect to any Deliverables that may qualify as "work made for hire" as defined in 17 U.S.C. 5101, such Deliverables are hereby deemed a "work made for hire" for Buyer. To the extent that any of the Deliverables do not constitute a "work made for hire," Seller hereby irrevocably assigns and agrees to assign, and shall cause the Seller Personnel to irrevocably assign and agree to assign to Buyer, in each case without additional consideration, all right, title and interest throughout the world in and to the Deliverables, including all Intellectual Property Rights therein.

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The Seller shall cause Seller Personnel to irrevocably waive, to the extent permitted by applicable law, any and all claims such Seller Personnel may now or hereafter have in any jurisdiction to so-called "moral rights" or rights of droit moral with respect to the Deliverables.

Upon Buyer's request, Seller shall, and shall cause Seller Personnel to, promptly take such further actions, including execution and delivery of all appropriate instruments of conveyance, as may be necessary to assist UltraFit Manufacturing to prosecute, register, perfect or record its rights in or to any Deliverables.

### **ARTICLE 10: CONFLICT MATERIAL**

Under legislation which came into effect in 2012, manufacturers who file certain reports with the U.S. Securities and Exchange Commission (SEC) must disclose whether products they manufacture, or contract to manufacture, contain conflict minerals that come from sources that support or fund inhumane treatment in the region of the Democratic Republic of the Congo or an adjoining country. OEM Customers are required to be in compliance with Conflict Mineral Reporting. To ensure compliance with the SEC and OEM requirements the Ultrafit Manufacturing Inc is required to request that suppliers under contract with Ultrafit Manufacturing Inc, review, manage and enforce compliance in order to prevent the use of conflict minerals.

Ultrafit Manufacturing Inc requires all suppliers be free from conflict minerals, in the product or processes they support Ultrafit Manufacturing Inc and OEM's with. Conflict Mineral Reporting is required to be reviewed and updated on annual basis and/or as required by the OEM customer supplier product/process are applied towards. Any supplier contacted by Ultrafit Manufacturing Inc, must support Ultrafit Manufacturing Inc by accurately conducting their due diligence through the CMRT process and provide all requested data and reports.

### **ARTICLE 10: Wooden Pallet**

Suppliers must comply with the International Standards for Phytosanitary Measures No. 15 (ISPM 15). We Understand this compliance is essential to prevent the spread of pests and diseases. Stamp of HT (heat treated) mark on every skid required.

Before using any wooden pallet, staff should visually inspect it to ensure it is in good condition, free from damage, and contamination. Damage or weak pallets should not be used and should be reported for repair or replacement.

### **ARTICLE 11: Compliance with Laws and Buyer Policies**

Seller, and any goods or services supplied by Seller, will comply with all applicable laws, rules, regulations, orders, conventions, ordinances or standards of the country(ies) of destination that relate to the manufacture, labeling, transportation, importation, exportation, licensing, approval or certification of the goods or services, including, without limitation, those relating to anti-trust and competition, export control and economic sanctions, environmental matters, the handling and transportation of dangerous goods or hazardous materials, data protection and privacy, wages, hours and conditions of employment, subcontractor selection, discrimination, occupational health/safety and motor vehicle safety.

Seller further represents that neither it nor any of its subcontractors, vendors, agents or other associated third parties will utilize child, slave, prisoner or any other form of forced or involuntary labor, or engage in abusive employment or corrupt business practices in the supply of Goods, including any labor practice which, if performed in Canada, would constitute a violation of the Fighting Against Forced Labor and Child Labor in Supply Chains Act, SC 2023, c. 9, the Customs Tariff, SC 1997, c.36, the Customs Act, RSC 1985, c.1 (2nd Supp.), and any regulations made thereunder. At the Buyer's request, Seller shall provide an executed declaration or other equivalent instrument certifying the foregoing. Seller agrees to comply with all applicable anti-corruption laws, including, without limitation, the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act, and that neither it nor any of its subcontractors, vendors, agents or other associated third parties will engage in any form of commercial bribery, nor directly or indirectly provide or offer to provide, anything of value to or for the benefit of, any official or employee of a governmental authority or of any government-owned, government-controlled or government-affiliated entity to obtain or retain any contract, business opportunity or other business benefit, or to influence any act or decision of that person in his/her official capacity. Seller shall ensure that employees, agents or subcontractors of Seller that are physically located on Buyer's premises are acting in accordance with all Buyer health and safety policies and protocols and are appropriately insured and licensed to perform the subject Services. All Seller employees, agents or subcontractors shall undergo safety induction training as a pre-condition to work in Buyer's facility. Seller shall ensure that their employees, agents or subcontractors follow all safety precautions while rendering services to Buyer. Seller is responsible to ensure that their employees,

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agents or subcontractors that are required to enter Buyer's facility to perform work and/or services are equipped with the appropriate PPE (personal protective equipment) which may include safety boots, hearing protection, eye protection and respiratory masks as required. All PPE employed by Seller shall be in compliance with standards set by local and federal governmental standards. At Buyer's request, Seller will certify in writing its compliance with the foregoing.

Seller will promptly furnish to Buyer in such form and detail as Buyer may direct: (a) a list of all ingredients and materials incorporated in the Goods; (b) the amount of such ingredients and materials; and (c) information concerning any changes in or additions to such ingredients and materials. Prior to and with the shipment of the Goods, Seller agrees to furnish to Buyer sufficient advance warning and notice, in writing (including, without limitation, appropriate labels on the goods, containers and packing), of any dangerous Goods or hazardous material that is an ingredient or a part of any shipment of Goods, together with such special handling instructions as may be necessary to advise carriers, Buyer and their respective employees of how to exercise that measure of care and precaution that will comply with any applicable laws or regulations and best prevent bodily injury or property damage in the handling, transportation, processing, use or disposal of the Goods, containers and packing shipped to Buyer.

Upon Buyer's request, Seller will certify to Buyer in writing the origin of any ingredients or materials in the goods. Seller will promptly provide, in writing, any information regarding the goods requested by Buyer so that Buyer may comply in a timely manner with reporting requirements under applicable law with respect to Consumer protection, "conflict minerals" or similar materials or ingredients, if any.

Revision Level	Revision Date	Description of Changes
00	15-May-18	Initial document issue.
01	15-Oct-24	Update article 11