

# CBC INTERNATIONAL SALES POLICY CODE OF CONDUCT

Companhia Brasileira de Cartuchos ("CBC") is a strategic defense company, founded in 1926, with a strong presence in both national and international markets. Since its inception, CBC has conducted its business with ethics, integrity, and transparency, seeking continuous improvement of its processes, as established in the CBC Trust Code of Conduct and Third Party CBC Trust Code of Conduct ("CBC Trust Codes").

CBC is committed to complying with national and international rules applicable to its business and taking all necessary precautions to prevent any sale from being conducted in violation of these rules.

In this sense, CBC's International Sales Policy ("Policy") systematizes the principles, guidelines, procedures, and precautions to be observed by all employees (workers, staff), senior management (directors, administrators), and partners (clients, export agents, and any other contractors) of CBC in international sales contracts. The Policy consolidates the company's Export Compliance Program ("ECP"), being part of the CBC Integrity Program along with the CBC Trust Codes, and aligning with national and international best practices on the subject.

Non-compliance with this Policy by any CBC employee or partner may result in liabilities and penalties, both through internal procedures conducted by CBC and through external procedures conducted by competent authorities. For this reason, CBC requests the commitment of all to ensure its faithful compliance, including reporting any issues or irregularities as soon as they are identified.

CBC appreciates everyone's commitment to the ECP and for ensuring that we continue to be a great company, conducting our business transparently, correctly, and honestly.

**Fábio Luiz Munhoz Mazzaro**  
President

## 1. Scope

The Policy applies to all international sales conducted by CBC ("International Sales" or "International Sale"), encompassing all sales made by the company destined for abroad, including both direct sales to public or private entities, in which all procedures are conducted directly and exclusively by CBC, as well as intermediary sales, in which CBC contracts with a third-party service provider with expertise in certain foreign market(s) to facilitate and mediate contact with the client.

Furthermore, the Policy applies to all individuals related to CBC who participate in any international sale of the company, including Employees (workers, staff), Senior Management (directors, administrators), and all Partners (clients, export agents, and any other contractors). Everyone must read and understand the Policy, committing to comply with all the rules and procedures contained therein.





## 2. Principles and procedures of this Policy

The Policy was developed and must be analyzed in light of some guiding principles, fundamental to maintaining CBC's export compliance culture, namely: transparency, compliance, responsibility, consistency, and effectiveness.

Internalized within the company through CBC's Export Compliance Program ("ECP"), this Policy has a robust internal structure for controlling International Sales, including a Committee responsible for making relevant decisions on Compliance issues and resolving disputes related to International Sales.

The procedure for hiring partners (clients or export agents) for any International Sale involves a pre-contractual phase, verification of measures associated with the product/sector, such as compliance with applicable laws and rules, and, after contract signing, periodic monitoring.

In the pre-contractual phase, the export (commercial) area initiates initial contacts with clients and partners, collects information, and verifies their legal, commercial, and reputational history ("background check"). Based on the results and the information obtained, the hiring may be interrupted immediately.

If the hiring is not interrupted, all collected information is forwarded to the Compliance area for review and validation of the background check. At this stage, the main international sanction lists are also checked, and any hiring risk is assessed.

In accordance with the ECP, there are predetermined minimum requirements for information collection and background checks to which clients and partners are subjected, as well as international sanction lists to be consulted and criteria for risk assessment in contracts. Detailed procedures must be followed for each stage of the hiring process, with a system for resolving any disputes by a specific internal body, the CBC Trust Committee.

Additionally, during the hiring process, measures associated with the product/sector are verified, including analysis of licenses, permits, and authorizations necessary for conducting an International Sale.

CBC observes the applicable rules for the marketing of defense products and aligns with international best practices. CBC must comply with and verify, when applicable, the guidelines contained in the International Traffic in Arms Regulation.

As a rule, CBC uses its standard contracts for International Sales, with conditions to be ensured for exceptions (e.g., governmental clients that must follow their own contracts, based on applicable law).

After contract signing, monitoring procedures will be conducted periodically, such as: (i) periodic monitoring for updating the background check; and (ii) training of its Employees.

Overall, the main objective of the principles and procedures established in the Policy, according to the ECP, is to prevent CBC products from reaching unauthorized users and engaging in activities contrary to applicable laws and regulations.



### 3. Contractual obligations

Partners contracted by CBC for international sales – whether export agents or resellers in general (distributors or other contractors) – are obliged to comply with and maintain the conditions verified regarding the background check conducted in the hiring process, especially regarding international sanction lists. They must at all times have sufficient technical-operational capacity for the commercialization of CBC products in the agreed territory, possessing and maintaining all registrations, licenses, and records required by the competent authorities and complying with all laws and regulations applicable to the regular development of their activities.

In accordance with the ECP, the partner contracted for international sales of CBC products undertakes, under penalty of liability and termination of commercial relations, to act diligently to avoid, among other behaviors, (i) establishing or maintaining a relationship with clients or third parties whose activities cast doubt on the legality or purpose of the operation, ensuring that products are kept out of the reach of unauthorized users; (ii) operations with countries experiencing internal civil conflict that could cause suffering to the local population or be used for unauthorized purposes; (iii) operations/recommendations whose client/third-party documentation is incomplete, inadequate, and not in accordance with relevant legislation; (iv) interaction with potential clients/third parties whose resources may originate from illegal activities. The partner also undertakes to inform CBC if they become aware of any acts during the commercial relationship that may pose risks of directing Products to sanctioned countries or individuals, always maintaining and sharing with CBC the information they have, including those that may affect the disclosure, promotion, and sale of Products.

There are mandatory conditions to be observed in CBC's international sales contracts, such as clear identification of ownership and regular transit of payments, compliance with deadlines, legitimate use of CBC's intellectual/industrial property, preservation of confidentiality and confidentiality of determined information, as well as compliance with anti-corruption and data protection regulations, among others.

The assumption of contractual obligations by partners contracted by CBC implies permission for verification of their effective compliance during the commercial relationship, including through audits, requests for documents, and information.

### 4. Reporting

All Employees and Partners of CBC have a "duty" to report any behavior or situation suspected of violating the principles and procedures of this Policy, the Code of Conduct, or the ECP, without delay, under penalty of being held responsible for omission.

Examples of behaviors to be reported by Employees and Partners: (i) violations of the legislation of Brazil, the client's home country, or third parties involved in the resale of CBC Products; (ii) involvement in any practice of corruption or bribery by any of the parties; (iii) any unethical practices; (iv) activities contrary to combating Arms and Ammunition Trafficking, financing of sanctioned groups, individuals, or countries; and (v) behaviors that may contradict the commitments and principles of the Policy and ECP.

Reports can be made anonymously, in Portuguese or English, through the link [www.contatoseguro.com.br/cbc](http://www.contatoseguro.com.br/cbc) or, in Portuguese, via phone at 08006018667 (Brazil 55). The report should be as specific as possible, detailing the entire suspicious situation and, if possible, attaching related documentation.

### 5. Related Policies

The Policy should be applied in conjunction with other policies and codes in force in the company, including the CBC Trust Code of Conduct.