



Internal Compliance Program (ICP) AGP GROUP

De acordo com o Código de Ética e Conduta do Grupo AGP

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1. Introduction

The Internal Compliance Programme (“ICP”) of AGP GROUP (“AGP”) comprises a set of internal policies and procedures to ensure compliance with laws and regulations on export control. The ICP aims to facilitate the identification, management and mitigation of risks associated with activities of AGP, including brokerage and trading of dual-use goods and military goods produced by AGP Group, and the transfer of related technology within the AGP Group and to unrelated contractors.

While AGP has different offices in countries subject to export controls, specific policies in accordance with the law of each country may apply. For each business unit, the ICP is an internal working document to be used in daily operations, together with the unit’s AGP’s Manual on Export Control Processes and Procedures (“the Manual”). The ICP is aimed to ensure that AGP, its staff and contractors, in all its activities complies with the relevant export control laws and regulations.

This ICP has been developed taking into account international best practices on ICP, including the 2011 Wassenaar Arrangement Best Practice Guidelines on International Compliance Programmes for Dual- Use Goods and Technologies, the “Best Practice Guide for Industry’ from the Nuclear Suppliers Group (NSG)”, the ICP elements in the Commission Recommendation 2011/24/EU, the results from the fourth Wiesbaden Conference (2015) on “Private Sector Engagement in Strategic Trade Controls: Recommendations for Effective Approaches on United Nations Security Council Resolution 1540 (2 004) Implementation”, the 2017 United States Export Control and Related Border Security Program ICP Guide and the Commission Recommendation (EU) 2019/1318 of 30 July 2019 on internal compliance programmes for dual-use trade controls under Council Regulation (EC) No 428/2009.



2. Top-level management commitment to compliance

AGP is committed to compliance with all export control laws, regulations, and policies. We recognize that export control compliance is in the interest of the Company and can contribute to making the world a safer place.

Export compliance is vital to protect the national security and foreign policy interests of the countries in which we operate. Under no circumstances will sales be made contrary to export regulations and laws. Export compliance is good for business and compliance with export laws and regulations and the company's export policy will not be compromised for commercial gain.

It is the responsibility of the company and its employees to be familiar and compliant with export controls. As AGP manufactures and commercialize bullet resistant glass, we are subject to such export controls regulations. A violation of export control laws, regulations, or policies could subject AGP and responsible personnel to administrative, civil, or criminal consequences, which would significantly affect our sales and ability to remain competitive. Any employee of AGP who willfully violates the rules may face disciplinary action or possible termination of their employment contract.

It is AGP's policy that all employees comply with export control rules. Under no circumstances will transactions be made contrary to laws and regulations by any individual operating on behalf of AGP. I restate our commitment to allocate sufficient organizational, human and technical resources to achieve this policy compliance.

Any question concerning the legitimacy of a transaction or potential violation should be referred to Daniel Urdaneta, Corporate Senior Legal Counsel at durdaneta@agpglass.com

Arturo Mannheim CEO

3. Organizational Structure

The organization of internal export control, including the customs export procedure at AGP, is controlled locally via the export control and customs office at each one of the jurisdictions affected by export control laws (“Export Control and Customs Unit”). The occupation and respective availability email are included as an Appendix. The Export Control and Customs Unit, however, relies on the support of various company divisions, departments, and contact persons for implementation.

This policy intends to create background knowledge and interfaces for the quick identification of risks under export control law. It is important that cases relevant to export control are identified and relevant information is collected locally (Export Control and Customs Unit) so that they can be quickly passed on to a sound review and decision.

This ensures compliance with the objective legal regulations, leads to legally compliant and immediate business transactions, and prevents sanctions against the company and those responsible (suspension of activity, fines and, in extreme cases, prison sentences).

3.1. The managing director

The management of AGP is responsible for the legally correct execution of all activities relevant to foreign trade law. The management is also responsible for legally compliant export processing according to formal and substantive customs and foreign trade law requirements and to ensure adequate resources that are required by the Export Control Manager or the team to achieve compliance with this policy.

3.2. The Export Control Manager

In connection with the implementation of approval procedures in relation to exports / shipments of listed goods, an export control manager must always be appointed inside the company and, where is required, to the local export control authority register, who must be a member of the company’s management body (“ECM”). The overall responsibility for foreign trade law for an effective organizational structure and process organization is concentrated in the person of the ECM.

The ECM is personally liable within the framework of his/her organizational and monitoring duties for compliance with all export law provisions in accordance with the aforementioned legal standards in the context of the (cross-border) business activity of AGP. Compliance with these policies and all the procedures described therein also serves to protect him/herself and the company against sanctions in the event of misconduct (e.g. personal fines, penalties and administrative consequences for the company). In this regard, every employee is responsible for adhering to the processes described. Anyone acting against this policy can be held personally liable despite the overall responsibility of the management level.

Duties

In his/her function, the ECM must take appropriate measures to ensure that all transactions, especially those relating to a foreign country, are carried out in accordance with the law. For this purpose, the ECM must ensure and monitor the proper implementation of the export control as well as other foreign trade law requirements and the export customs regulations within the company, taking into account the national and European legislation. In this respect, he has four basic duties:

- Organizational obligation
- Monitoring duty
- Personnel selection obligation
- Training and further education obligation

The ECM therefore ensures that the relevant legal regulations are complied with through an appropriate internal organization of the export control and export customs procedure. The organization must be transparent and binding in terms of export control and customs-related processes.

In this regard, suitable personnel are to be selected independently. In addition, the training and regular training of the employees involved in export control and customs procedures must be ensured in daily operations.

The ECM also ensures that the implementation, effectiveness, and compliance with the internal export control as well as the organization of the structures and processes relevant to customs law are ensured by means of suitable measures.

Delegation of duties

As part of the practical implementation of the aforementioned duties in day-to-day business, the ECM uses the delegation of duties while maintaining the personal responsibility of the Export Control and Customs Unit. The delegation of the signing authority must be reported to the relevant export control authority whenever it's changed and at least once per year if it is confirmed.

Office of Export Control and Customs Unit – Right to issue instructions

The Export Control and Customs Unit is headed by the ECM, who is legally equipped with the company-wide, cross-departmental right of stopping and giving instructions for transactions that are relevant to export control and export law.

According to the stipulations of this Policy, he is available for interfaces and employees in all departments and business lines of AGP as a central contact for all questions relating to goods listing, embargoes, end-use and also communication with the authorities (e.g., examination support and application). The ECM identifies critical goods and businesses for the company and evaluates them according to existing approval requirements and prohibitions. Numerous other departments and interfaces are therefore required to provide him with certain information about goods, technologies, customers, target countries, etc. in accordance with the following instructions.

The ECM reports directly to the managing director locally and must ensure and monitor the proper implementation of export control and the customs export procedure throughout the company.

The ECM must therefore be involved in cross-border matters at the earliest possible stage.

A representation regulation within the export control and customs office is functionally and technically ensured.

Further function holders / interfaces

To comply with the requirements regarding participation in foreign trade, other departments and employees must be involved in the export control and customs processes. These interfaces are important in order to be able to collect and evaluate all relevant information on a business transaction, customer, product etc. for the assessment of prohibitions and approval requirements. In accordance with the process organization shown below, they each have specific tasks and information requirements in individual export control-relevant fields of activity.

Brief overview and references on specific duties, tasks, and responsibilities of the interface areas:

Purchase

- Query of foreign trade, especially export control data from suppliers.
- Support of the export control and customs staff as required to obtain further required information from suppliers.
- Ensuring the execution of a sanction list check by creating new business-contacts in SAP.
- Obligation to provide information at the request of the Export Control and Customs Unit as part of the compilation of the documents required for approval procedures.

Development / engineering

- Preliminary export control law examination (military / dual-use / civil) of in-house developments and new products using the classification aids.
- Support for the Export Control and Customs Unit in assessing the technical properties of goods with regard to recording the relevant lists of goods.

Technical service

- Ensuring the execution of a sanction list check by creating new business contact in SAP.
- Country inquiry with regard to embargoes before submission of offer / order processing.
- Duty to inform the ECM if there are signs of critical use in projects.

- Obligation to provide information at the request of the Export Control and Customs Unit as part of the compilation of the documents required for approval procedures.

Sales

- General information obligation towards the Export Control and Customs Unit regarding event-related review when a new order or business contact is created in SAP.
- Country inquiry with regard to embargoes before submission of offer / order processing.
- Duty to inform the ECM if there are signs of critical use in projects.
- Obligation to provide information at the request of the ECM as part of the compilation of the documents required for approval procedures.

Financial accounting / finance

- Ensuring the execution of a sanction list check by creating new business contact in SAP.
- Identify reporting obligations in capital and payment transactions as well as for corporate investments.
- Carry out regular electronic reports via the Bundesbank's reporting portal.

Legal

- Ensuring the corporative coordination of this Policy.
- Identify legal risk associated and appoint local legal resources to support the ECM.
- Carry out audits from time to time coordinating with the local managing director, the EMC and the local legal support.

4. Education and training

As part of the personnel selection and further training obligation of the managing director, it must be ensured that the ECM, his staff as well as the other employees entrusted with export control and customs law tasks, depending on the area of responsibility, always have the current specialist knowledge necessary for compliance with export control or export law regulations by participating training.

Other employees, in particular from the purchase, financial accounting / finance, sales / commercial, development / engineering departments and all other departments concerned, are sensitized internally to issues related to export control law and issues that could affect the respective area of responsibility and regularly trained. The ECM is responsible for determining the training needs and implementing the training and must draw up a corresponding training plan annually.

AGP will provide tailored compliance training to all export control staff and awareness-raising sessions to all other staff to ensure they possess the necessary knowledge to comply with the relevant legislation and AGP's ICP. Training sessions will be mandatory and held on a periodic basis.

All new members of AGP staff will receive a new-comer training as soon as they join AGP. No export control staff will be admitted to working on export control related matters unless they have received AGP's new-comer training.

The training for export control personnel will cover all relevant export control laws, regulations, policies, control lists and all amendments to them as soon as they are made public by the competent authorities. AGP will provide a customised internal training. In addition, AGP will follow trainings made available by experts or national authorities. General awareness raising sessions will take place for all employees and take into account the specific challenges they may face in the areas of sales, project management, shipping, customer care, invoicing and others.

Training sessions will incorporate lessons learnt from performance reviews, audits, reporting and corrective actions in order to continually improve performance. Training sessions and attendance will be documented.

5. Overview of transaction screening Processes and procedures

5.1 Introduction

Transaction screening is the core element of the ICP. To this end, AGP will implement Manuals for each business unit on transaction screening processes and procedures to ensure that no transaction is made without the required license or in breach of relevant export control restriction or prohibition.

Transaction screening comprises the following elements: (i) item classification and screening; (ii) transaction screening (destination screening, party screening and end-use screening; (iii) licensing determination and application; and (iv) post-licensing control, e.g. shipment control.

This section of the ICP provides a general overview of different elements of the transaction screening. The detailed processes and procedures to be followed by the export control staff are contained in the Manual.

5.2 Classification of items

All items which are the subject of AGP's business activities shall be subject to classification.

The Manual contains a detailed explanation of the current classification of the items which AGP is brokering/trading or with respect to which AGP concludes contracts on the transfer of technology.

The Manual also contains internal rules on the procedures to be followed as regards classification of the new items and services provided with respect to those items by AGP in future.

5.3 Transaction's screening

AGP conducts a thorough transaction screening to evaluate and determine with a prospective transaction would be subject to export control licensing or export control restrictions.

AGP recognizes that screening all parties to a prospective business transaction or activity is a critical element of transaction screening. AGP is thus fully committed to ensuring that it does not participate in any transaction destined to a country under embargo restrictions or involving a party that is identified on any of the available restricted or denied parties lists issued by any authorities in which the company group operates.

Each AGP's transaction screening comprises the following steps:
Destination screening entails verification of the country of destination as well as any other country involved in the transaction or activity.

Party screening entails verification of all parties involved in the transaction or activity, in particular but not limited to the customer. All parties involved must be screened against the restricted party lists as contained in the Compliance Policy and updated from time to time.

End-use screening entails verification of the end-user and the end-use of the items in question as well as the risk of diversion, among others through direct inquiries into the planned end-use of the items, requesting the parties involved in the transaction or activity to complete an end-user statement, screening against the red-flags related to suspicious inquiries.

AGP has developed and implemented the following screening procedures:

- Each transaction with respect to controlled items is carried out by trained personnel only;
- The ECM organizes random control checks of particular transactions in respect of the compliance with the ICP.

The results of all screenings are to be duly recorded and maintained as explained below.

The Manual contains a detailed description of all the steps to be followed for each type of the screening.

5.4 License requirements

Based on the classification of items, AGP's export control staff determines the type of license that is required for each particular transaction in accordance with the relevant export control law.

The applications for export licenses are to be submitted by AGP's export control staff.

5.5 Post-licensing controls, including shipment control

AGP is committed to ensure export control compliance through the full chain of its business activities. To this end, AGP's ECM performs the final check that all steps ensuring compliance were duly taken. In particular, this involves a final verification of the proper classification of the items in question, the availability of the necessary licenses and the absence of any "red-flag" signs. AGP's ECM will always perform a thorough post-licensing control, when regulatory changes were adopted between the issuance of the license and the completion of the transaction in question.

Any changes to the end-user and other parties involved and to the details of the authorized activities may affect the validity of the license and will be assessed by AGP's ECM.

The ECM has the power to halt a transaction when any of the requirements are not met. The respective contractual clauses recognizing ECM's authority to halt completion of transactions, including shipment, shall be included in all AGP's contracts with its contractors.

AGP's customers are required to report the receipt of the items in question. The contracts between AGP, other companies in the AGP Group and the customers shall include relevant contractual clauses.

6. Performance review, audits, internal reporting and corrective action

6.1 Introduction

Performance reviews, audits and reporting procedures are designed to detect deficiencies in the day-to-day trade practices, to clarify and revise routines if they (risk to) result in non-compliance. In order to identify possible export control compliance violations and to determine whether the ICP is being implemented properly and effectively, the design, adequacy and effectiveness of the ICP will be reviewed on a regular basis. In addition to process-related controls (see Section 6 above), a performance review and audit will allow AGP to verify whether the ICP remains consistent with the applicable export control requirements.

6.2 Performance review

Performance review helps to reduce export control-related risks for AGP. Such review is necessary to verify the day-to-day compliance work and to check whether the ICP is implemented appropriately. Performance reviews enable early detection of non-compliance and the development of follow-up measures for damage control. Performance review is carried out internally once per year.

6.3 Audit

AGP conducts systematic, targeted and documented inspections to confirm that the ICP is implemented correctly and in compliance with the applicable export control regulations.

Each audit will assess the design, adequacy and efficiency with regard to all aspects of the ICP. An audit will take place once per year.

The criteria of the audit will be defined in writing in advance and the result of the inspection will be documented in writing.

In order to ensure that the evaluation of samples is representative, at least one consignment per customer or destination or at least one consignment per project should be audited. If the system audit reveals non-compliance, the suspected violations, the corrective measures recommended as a result, and an assessment of the effectiveness of these corrective measures will be recorded in writing; the records will be archived.

6.4 Reporting procedures

AGP has implemented clear internal reporting procedures for export control staff and other employees regarding the appropriate notification and escalation measures in the event of suspected or known non-compliance. In order to foster a sound compliance culture, AGP seeks to ensure that employees feel confident and reassured when they raise questions or report concerns about compliance in good faith.

6.5 Corrective action

In the event of any identified non-compliance, AGP will take appropriate corrective actions to remedy the non-compliance and to guarantee the proper implementation of the ICP in the future.

In case the performance review, audit or reporting identify vulnerabilities in AGP's ICP, AGP will take effective corrective actions to adapt the export control operations or the ICP according to the findings.

Once corrective action has been implemented, AGP will communicate the amended procedures to all employees concerned.

AGP will document any suspected or known breaches of export control rules and the associated corrective measures in writing.

7. Recordkeeping and documentation

AGP recognises that proportionate, accurate and traceable recordkeeping of export control related activities is essential for AGP's compliance efforts. Proper documentation is indispensable for conducting performance reviews and audits, complying with documentation retention requirements and cooperation with competent authorities.

With respect to controlled goods, records must be maintained on the manufacture, purchase, sale, or brokerage of or any other form of trade, as well as on the contract for the transfer of intellectual property or granting of rights thereto.

Pursuant to this requirement, AGP keeps records with respect to brokerage and trading in controlled goods and contracts for the transfer of intellectual property or granting of rights to intellectual property.

AGP will retain for ten years after the transaction all documents that are necessary to prove the license requirements (or absence of such requirements).

AGP keeps all export-related documents available for inspection for a period of ten years in order to substantiate records.

8. Physical and information security

Dual use and military items, including goods and technology, should be protected from unauthorized access to, removal or transfer of such items by employees, contractors or third parties, e.g. visitors.

To ensure information security, AGP has implemented the following measures:

- Access to the controlled information is limited to AGP’s employees, who are duly instructed and follow this ICP;
- Access to the controlled information by third parties is prevented through anti-virus checks, file encryption, audit trails and logs, firewall;
- Information shall only be stored in equipment, servers and files that complies with local regulations;
- Transfer of information shall only be performed using the methods authorized by the company such as corporate email and corporate service clouds. Proper licensing is mandatory.

Appendix 1: Export Control and Customs Unit contact.

AGP Company	Export Control and Customs Unit contact
AGP Worldwide Operations GmbH (Switzerland).	Tomás Mérida E-mail: tmerida@agpglass.com
American Glass Products Company (USA).	CB Leflar E-mail: cbleflar@agpglass.us
AGP Europe GmbH (Germany)	Christoph Schultz E-mail: cschultz@agpglass.com
SOliver NV (Belgium)	Kenny Vanthournout E-mail: kvanthournout@agpglass.com
American Glass Products do brasil LTDA. (Brazil)	Marina Viviani E-mail: mviviani@agpglass.com