

**CONTRACT BETWEEN THE OKLAHOMA DEPARTMENT OF COMMERCE
AND
CBC USA AMMUNITION COMPANY, INC.
FOR AN AWARD FROM THE OKLAHOMA QUICK ACTION CLOSING FUND**

COMES NOW the Oklahoma Department of Commerce (hereinafter "ODOC"), an Agency of the State of Oklahoma, on behalf of the Governor of the State of Oklahoma, and CBC USA Ammunition Company, Inc., and its affiliates and subsidiaries (hereinafter "CBC"), a recipient of an award by the Governor of the State of Oklahoma from the Oklahoma Quick Action Closing Fund (hereinafter "Fund"), established at 62 O.S. § 48.2 (the "Statute"), in the amount of Ten Million dollars (\$10,000,000.00) as evidenced by a letter from Governor Stitt authorizing the same.

The funds subject to this contract are being expended by the Governor for purposes of economic development and related infrastructure development. Both the Governor and ODOC find that the expenditure of these funds would likely be a determining factor in either locating a high-impact business project or facility in Oklahoma or in retaining such project or facility within the State.

ODOC further finds that CBC, the establishment making application, qualifies to receive these funds pursuant to 62 O.S. § 48.2(C). ODOC has conducted a complete analysis of the potential impact of CBC's business activity using the factors outlined in the Statute, as well as the associated administrative rules. The Director of ODOC further finds that this expenditure from the Fund is expected to result in a net economic benefit to the State using the criteria required by the Statute and administrative rules.

THE PARTIES AGREE AS FOLLOWS:

The application of CBC for funding from the Fund, including all additions to the application, is incorporated herein by reference and made a part hereof. In addition to the statements in the application of CBC, the parties agree as follows:

1. PROJECT DESCRIPTION

The funding from the Fund is being used to support the acquisition and construction of building, new machinery and equipment operated by CBC which would manufacture small arms ammunition and related products for existing and new customers in a facility located in the MidAmerica Industrial Park. Money awarded pursuant to this contract shall be used to pay for the acquisition, construction and installing of building, machinery and equipment at a newly constructed facility in the MidAmerica Industrial Park where CBC will be located and where the above described activities would occur (hereinafter "Oklahoma Facility").

The projected public benefit for the above project consists of the following:

New jobs	350
Average annual salary of the new jobs	\$55,635.00
Capital investment	\$300,000,000.00

2. CONDITIONS FOR PAYMENT OF FUND PROCEEDS

The following provisions must be completed before payment is made from ODOC to CBC:

1. Five Million dollars (\$5,000,000.00) shall be paid to CBC from the Fund when CBC creates 100 new full-time equivalent (FTE) employees at the MidAmerica Industrial Park site with an average wage of \$55,635.
 - a. To request payment, CBC will provide copies employment records documenting 100 new FTE positions have been created at the Oklahoma Facility. ODOC shall deliver payment of Five Million dollars (\$5,000,000.00) to CBC within forty-five (45) business days from receipt of all documentation from CBC.
 - b. This condition must be met prior to March 31, 2030, to qualify for this payment.
2. Five Million dollars (\$5,000,000.00) shall be paid to CBC from the Fund when at least Two Hundred Million dollars (\$200,000,000.00) total is spent towards real and personal property at the Oklahoma Facility.
 - a. To request payment, CBC will provide copies of paid invoices or other appropriate evidence of payment or contribution to ODOC establishing that Two Hundred Million dollars (\$200,000,000.00) was spent towards real and personal property at the Oklahoma Facility, which can include the contribution of equipment in-kind from affiliates of CBC. ODOC shall deliver payment of Five Million dollars (\$5,000,000.00) to CBC within forty-five (45) business days from receipt of all invoices from CBC.
 - b. This condition must be met prior to December 31, 2030, to qualify for this payment.

As required by 62 O.S. § 48.2(J), all funds used to construct the Oklahoma Facility shall be deemed to be held in trust for the benefit of the State and shall be considered as a priority claim for purposes of federal bankruptcy law. Subject to the proceeding section above, in the event that the Oklahoma Facility is Sold (defined below) prior to the Sale Exclusion Date (defined below), CBC shall repay the State the money awarded to pay for the capital improvement with interest at a rate of 2% per annum and share with the State a Proportionate Amount (defined below) of any Profit (defined below) realized from the sale. For purposes hereof, the term (1) "Sold" (or terms of similar intent, such as sale) means the transfer of record title to the Oklahoma Facility to a third party as evidenced by a delivery of a deed to the Oklahoma Facility, and shall not include (i) any transfers by CBC to any entities which are majority-owned by, or affiliated with, or controlled by

or under common control with, CBC, or (ii) any transaction or series of transactions whereby substantially all of the assets of CBC USA Ammunition Company, Inc., a Delaware corporation are sold, provided there remains a going concern for such entity operating the Oklahoma Facility substantially as prior to such transaction(s) and on condition that the purchasing entity shall be bound to the requirements imposed on CBC pursuant to section five of this contract in a writing that is in form and substance acceptable to ODOC in its commercially reasonable judgment. (2) “Proportionate Amount” means the same proportion of the Profit realized by CBC as the funds actually paid by ODOC to CBC under this Contract bears to CBC’s gross purchase price paid for the Oklahoma Facility plus the amount spent by CBC on the construction and development of the Oklahoma Facility plus real property taxes paid by CBC and other costs or expenses incurred as of the date of the sale of the Oklahoma Facility (“Gross Costs”), and (3) “Profit” means the net amount paid to CBC for the Oklahoma Facility which exceeds CBC’s Gross Costs. Provided however, this provision regarding repayment upon sale of the Oklahoma Facility shall expire (the “Sale Exclusion Date”) upon the date that is the earlier of: (i) the fifth (5th) anniversary of the Effective Date; or (ii) CBC meeting all conditions set forth in both this section and the conditions set forth in section 5 of this contract.

3. TIMELINE FOR PAYMENT OF FUND PROCEEDS

The funding will be provided to CBC, upon request, at the intervals specified in the Conditions for Payment of Fund Proceeds section of this contract. To receive payment pursuant to this contract, CBC agrees to register as a vendor with the State of Oklahoma and shall send an invoice to the ODOC for the funds in addition to all documentation contemplated in this agreement or otherwise reasonably requested. All payment procedures shall follow those as authorized or otherwise required by Oklahoma law.

To request payment from the ODOC, CBC shall e-mail an invoice along with all other documents necessary to establish that conditions for payment have been met to accounts_payable@okcommerce.gov.

4. VALIDATION OF PERFORMANCE OF CBC

The performance of CBC under the terms and conditions of this Contract shall be validated and verified by ODOC based upon written reports from CBC and on-site reviews conducted by ODOC staff. The reports shall be provided by CBC to the Executive Director of ODOC upon request of ODOC within thirty (30) days of the request. Satisfactory completion of the performance of CBC pursuant to this contract shall be determined by ODOC in its reasonable discretion.

ODOC shall not make any final determination that CBC has failed to satisfactorily complete any contract term until ODOC has given CBC written notice and thirty (30) days within which to cure; however, if any term cannot reasonably be cured within the initial thirty (30) days, CBC shall

have a total of one hundred eighty days (180 days) in which to cure such term, so long as CBC has commenced and is diligently proceeding to cure such term within the initial thirty (30) day period.

5. OBLIGATION FOR REPAYMENT OF FUND AWARD

Subject to the notice and cure provisions set forth in section four (4) of this contract, in the event CBC does not meet the following conditions (the “Conditions”):

1. CBC shall invest no less than Two-Hundred Million dollars (\$200,000,000.00) in aggregate in real and personal property at the Oklahoma Facility no later than December 31, 2030; and
2. CBC must employ no less than 250 FTE employees for a period of at least ten (10) quarters at the Oklahoma Facility no later than December 31, 2033.

Then money actually paid from the Fund to CBC shall be repaid to ODOC within thirty (30) days of the failure to meet any one of the Conditions. CBC shall certify to ODOC that the Conditions have been met via a letter from a CBC authorized representative certifying that the receipts, contributions, project expenses, real property and personal property value reflect expenditures and value as required herein. Parties agree that documentation of these expenditures may be provided to ODOC or otherwise made available to ODOC for review upon written request of ODOC and with reasonable notice to CBC. No credit shall be given for partial performance of the conditions within this contract. To the extent that CBC anticipates the potential inability to meet any one of more of the Conditions, CBC shall notify ODOC thereof as far in advance as reasonably possible and ODOC agrees to use commercially reasonable efforts to agree on an equitable amendment to such Conditions. Any amendment to the terms of this Contract can only be made upon signed agreement of both parties. Notwithstanding any other provision of this contract, the maximum aggregate liability or repayment amount due by CBC under this contract shall not exceed the amount of money actually paid from the Fund to CBC. The parties each expressly waive any right or claim to any punitive, indirect, incidental or consequential damages, whether arising at law, in equity or otherwise.

6. OPEN RECORDS

Both parties acknowledge that all State agencies are subject to the Oklahoma Open Records Act, and that this Contract is subject to public disclosure in accordance with the provisions of the Act. Disclosure of this agreement is mandated regardless of the existence of any non-disclosure agreements that may have been previously executed by the parties and may take place without further notification to CBC. Provided, however, ODOC agrees that to the extent that the Act authorizes ODOC to keep confidential trade secrets, or other business plans, feasibility studies, financing proposals, marketing plans, financial statements or trade secrets or other proprietary

information of CBC, then ODOC shall use its best efforts to not disclose such information and to notify CBC of the existence of any request for release of such information and cooperate with CBC in the event that CBC indicates that CBC intends to resist such request.

7. PROHIBITION ON POLITICAL ACTIVITY WITH PROCEEDS OF FUND

CBC agrees that no monies paid from the Fund shall be used by a recipient or any other person or entity for purposes of any political contribution to or on behalf of any candidate or for the support of or opposition to any measure including but not limited to an initiative petition or referendum. In the event any monies paid from the Fund are used for any political activity, the entire award from the Fund is immediately due and payable to the ODOC.

8. APPLICABLE LAW

This Agreement shall be governed by and interpreted in accordance with the laws of the State of Oklahoma, without regard to any conflict of law provisions. Any litigation arising seeking to enforce or interpret this agreement shall be conducted in the District Court of Oklahoma County or in the District Court for the Western District of the State of Oklahoma.

9. GENERAL TERMS

If any provision of this agreement is deemed or held by a court of competent jurisdiction to be contrary to law or otherwise unenforceable, it shall be enforced to the extent legally permissible and necessary to reflect the intent of the parties and shall not affect the remaining provisions of this agreement, which shall remain in force and in effect. This agreement may only be amended by a writing executed by duly authorized representatives of both parties. This agreement represents the entire agreement and understanding between the Parties with respect to the subject matter herein and supersedes all prior agreements and understandings and writings of any kind, written or oral, express or implied, with respect to the subject matter hereof. Rights and obligations incurred pursuant to this contract cannot be transferred to other entities without the written consent of both parties. Both parties agree not to unreasonably withhold, condition, or delay such written consent.

Written correspondence as relevant to this contract, other than submission of payment invoices, can be sent via US Mail, postage prepaid, to the following parties:

Commerce: Oklahoma Department of Commerce
Attn: General Counsel
900 N. Stiles Ave
Oklahoma City, OK 73104

CBC: CBC USA Ammunition Company, Inc.
Attn: Marcos Lopes
9100 Wyoming Ave., N., Suite 515
Brooklyn Park, MN 55445

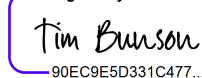
[Signature Page to Follow]

IN WITNESS WHEREOF, the signatories represent that they are authorized to bind the parties to this agreement and that they have executed this agreement effective as of the date of the signatures below (the “Effective Date”).

Oklahoma Department of Commerce

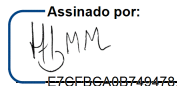
**CBC USA Ammunition Company,
Inc.**

Signed by:


90EC9E5D331C477...

Tim Bunson
Chief of Staff
Date: 09.05.2025

Assinado por:


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Fabio Luiz Munhoz Mazzaro
President
Date: 09.05.2025