



# Supplier and Vendor Compliance Manual

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## 1 Partnership Strategy

This manual contains a documented review of Superior Group of Companies, Inc. (SGC) vendor policies. These policies are to assist you in preparing, producing, and delivering your product to meet our expectations and avoid any expense offsets necessary for reworking of product received. Please take sufficient time to carefully review the SGC Vendor Manual. Please distribute copies of this manual to the appropriate personnel within your organization and have a copy at the factory to ensure that these requirements are met.

Two of the core values of our organization are to guarantee our customers “quality products and services” as well as “excellence in performance.” To meet these commitments to our customers, it is essential that all products are manufactured to meet stringent guidelines, assessed for quality, packaged effectively, labeled correctly, and transported safely to prevent damage. This manual will serve as a tool to assist you in meeting these requirements. To achieve these requirements, we believe that SGC and its business partners and vendors must operate ethically and manage all business transactions with due respect for employees’ health, safety, work environment, and fair compensation. As such, we require that our partners/vendors abide by the following basic principles and standards of conduct. SGC also will abide by these principles.

SGC and the Supplier will agree upon a system of Key Measurables to monitor the efficiency, progress, capabilities, successes, and failures of both parties; as well as the quality and workmanship of product produced by the supplier. Key Measurables will be used to track the progress and development of a long-term relationship between SGC and the supplier.

The supplier recognizes SGC’s growth needs and is able to support those by being located in an area with an accessible and willing labor supply. If needed, the supplier is willing and able to support SGC growth by increasing production capacity, personnel, facilities, equipment, etc. All partners agree to give open access to factories and mills announced or unannounced for inspections.

SGC believes that our vendors are an integral part of our success. We value your partnership and look forward to a long term beneficial working relationship with you for years to come.

Michael Benstock  
CEO

Charles Shepard  
Sr. VP Sourcing and Production

Lisa Stewart  
VP Product Development

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## Introduction

Superior Group of Companies, Inc., including , but not limited to, HPI, BAMKO, Inc., CID Resources, Inc. and any of its subsidiaries, divisions, affiliates, and brands such as HPI, BAMKO, HPI, and CID Resources, Inc. (collectively, “SGC”) endeavors to work with businesses that share SGC’s philosophy of valuing employees, complying with the law, and operating with integrity. This Supplier and Vendor Compliance Manual (the “Manual”) describes SGC’s philosophy and certain minimum requirements to which all of its suppliers and vendors (collectively, “Suppliers”) must adhere. For example, at a minimum, we require that our Suppliers comply with all applicable local, state, national, and international laws, codes, rules, and regulations, including health codes, employment and discrimination laws, privacy and information security laws and regulations, environmental regulations, safety codes, permits, and building ordinances (collectively, the “Laws”) for each location in which they do business. Often, though, the requirements in this Manual exceed the requirements established by Law. SGC actively seeks Suppliers whose philosophy is compatible with our own and will not do business with any Supplier that does not meet our minimum requirements. Failure to comply with this Manual is grounds for immediate termination by SGC of its working relationship with a Supplier.

We require our Suppliers to communicate and uphold our requirements with their employees, suppliers, and vendors and, when appropriate, to post them in the local language in a prominent place accessible to all workers. Suppliers shall communicate all applicable contents of this Manual verbally to all illiterate workers. Suppliers shall also adhere to, publicize, and enforce a non-retaliation policy that permits workers to discuss the requirements of this Manual with their management, suppliers, vendors, customers, and SGC or its designated third party without fear of retaliation by management.

## 2 Principles

SGC’s philosophy includes certain core principles and requirements. They are as follows:

### Human Rights/Workplace Conditions

## 3 Child Labor

SGC will not tolerate the use of child labor in any of its global operations or facilities. We will not tolerate the exploitation of children or their engagement in unacceptably hazardous work. We expect our Suppliers with whom we do business to uphold the same principles. For purposes of this Manual, a “child” is determined and established by Law.. Temporary workplace internships, apprenticeship education programs for younger persons, and customary seasonal employment, so long as such persons are closely supervised and their morals, safety, health, and compulsory education are not compromised in any way, may be exceptions to the prohibition; in no event, however, shall such individuals be involved directly with the manufacturing process.

## 4 Forced Labor and Human Trafficking

SGC will not tolerate the use of any forced or involuntary labor, either directly or indirectly, by any of SGC's Suppliers or any of their suppliers or vendors. This includes the use of slave labor, bonded labor, indentured labor, or involuntary convict labor. Nor will we tolerate the trafficking, physical punishment, or abuse of any worker. As part of the hiring process, workers must be provided with a written employment agreement in their native language that contains a description of terms and conditions of employment prior to the worker departing from his or her country of origin. Workers cannot be required to surrender their identity papers or other original personal documents or pay deposits as a condition of employment. Suppliers shall maintain adequate policies and procedures to ensure that workers are not recruited by third party brokers and have not been charged recruitment fees during their recruitment process. Workers must be free to leave the workplace at the end of their shift and to resign without repercussion. All overtime should be voluntary and should not be in excess of legal limits. We expect our Suppliers with whom we do business to uphold the same principles.

## 5 Compensation

Suppliers must pay wages and benefits that meet or exceed the legally required wages and benefits or, where no wage or benefits Laws exist, the local industry standard. For each pay period, Supplier must provide workers with a timely and understandable wage statement that includes sufficient information to verify the accuracy of wages paid for work performed.

## 6 Working Hours

Suppliers must comply with applicable Laws and industry practices on working hours. Workers must not work more hours in one week than allowable under applicable Laws or regularly exceed the recommended maximum of 56 hours per week, whichever is less. Workers must be properly compensated for overtime work and must be allowed at least one uninterrupted, 24-hour rest period every seventh (7th) day.

## 7 Worker Health and Safety

Suppliers must provide all their workers with a safe and healthy work environment and comply with all applicable Laws and regulations regarding working conditions, including, but not limited to:

- Access to potable drinking water; sanitary food preparation, storage, and eating facilities; emergency medical care; and first aid kits
- Appropriate personal protective equipment, available at no cost to all applicable employees
- Instruction in and enforcement of proper use of protective equipment
- Appropriate safety training for the use of machinery and other equipment, and the handling of chemicals
- Proper labeling of machinery, hazardous materials, and other potentially dangerous items
- Workers are not permitted to engage in the manual transport of a load which, by reason of its weight, is likely to jeopardize a worker's health or safety
- Adequate lighting, ventilation, heating, and clean toilet facilities in all work areas

- Doors and other exits are well marked, unobstructed, and unlocked from the inside during all working hours for orderly evacuation in case of fire or other emergencies
- All main exit doors allow workers to clear the building
- Evacuation drills are conducted at least annually
- Maintain written standards for a safe and healthy work environment and the prevention of accidents and injuries to workers, including emergency reporting, employee notification and evacuation procedures, and appropriate fire detection and suppression equipment
- Where residential housing is provided for workers, facilities must comply with all housing Laws and regulations, occupancy requirements, and health and safety Laws

## 8 Harassment and Violence

SGC is committed to a working environment that is free of harassment. Harassment of any type will not be tolerated. Suppliers must treat all workers with respect and dignity. Suppliers must not use or permit corporal punishment or any other form of physical or psychological coercion, including verbal abuse and sexual harassment. Suppliers shall implement reasonable procedures for disciplining and/or terminating workers, including maintaining appropriate documentation. Suppliers shall not use monetary fines as a punitive disciplinary practice.

## 9 Discrimination

Suppliers shall comply with all applicable Laws pertaining to discrimination, including, as applicable, Laws prohibiting discrimination on the basis of actual or perceived race, color, creed, religion, national origin, ancestry, citizenship status, age, sex or gender (including pregnancy, childbirth and pregnancy-related conditions), gender identity or expression (including transgender status), sexual orientation, marital status, military service and veteran status, physical or mental disability, genetic information, or any other characteristic protected by Laws.

## 10 Freedom of Association

Suppliers must recognize and respect workers' rights to freedom of association and collective bargaining. Workers must not be subject to intimidation or harassment in the exercise of their right to join or to refrain from joining any organization. Our objective is to treat employees with fairness and consideration, whether employees are unionized or not.

## 11 Environmental

At a minimum, Suppliers must fully comply with all local environmental Laws. All waste materials and production byproducts must be disposed of legally and in an environmentally responsible manner. Suppliers must establish and use safety practices and standards for the identification and handling of hazardous waste. Adequate records of compliance must be maintained and made available to SGC upon request.

## Ethics

### 12 Business Integrity/Anti-Corruption/Anti-Bribery

SGC expects its Suppliers to conduct business responsibly and with integrity, honesty, and transparency. SGC is committed to conducting business legally and ethically within the framework of a free enterprise system. Corrupt arrangements with customers, suppliers, vendors, government officials, or other third parties are strictly prohibited. “Corruption” generally refers to obtaining, or attempting to obtain, a personal benefit or business advantage through improper or illegal means. Suppliers shall implement procedures to ensure compliance with anti-corruption and anti-bribery Laws, including the United Kingdom Bribery Act and the United States Foreign Corrupt Practices Act, when applicable.

Supplier represents and warrants that it is not suspended, debarred, or proposed for debarment, under applicable Law, such as under the Federal Acquisition Regulation of the U.S.

### 13 Disclosure of Information

Information regarding, among other topics, business activities, structure, financial situation, and performance is to be disclosed in accordance with applicable Laws. Falsification of records or misrepresentation of conditions or practices in the supply chain are unacceptable. Suppliers must comply with all applicable privacy and information security laws and regulations pertaining to personal and/or confidential information, including how it is collected, stored, processed, transmitted, and shared, and take commercially reasonable measures to adequately protect such information.

### 14 Intellectual Property

Intellectual property rights are to be respected. Compliance with all related applicable Laws is required. Supplier shall have no rights or interests in SGC’s intellectual property. In the event that Supplier becomes aware of an infringement or potential infringement of the SGC’s intellectual property, Supplier will promptly notify SGC and provide the details known to it. Supplier will cooperate fully with SGC with respect to the procurement, maintenance and enforcement of intellectual property rights

### 15 Protection of Identity and Non-Retaliation

Suppliers shall implement and communicate processes for their personnel and workers to raise concerns without fear of retaliation, including programs to ensure the confidentiality, anonymity, and protection of Supplier and employee whistleblowers.

### 16 Identification of Toxic Chemicals

All Suppliers are responsible for ensuring that all products provided to SGC comply with California’s Proposition 65 (the California Safe Drinking Water and Toxic Enforcement Act of 1986, California Health and Safety Code §25249.5, *et seq.*). Proposition 65 prohibits a business from exposing individuals to chemicals known to cause cancer or reproductive toxicity without first giving “clear and reasonable warning,” unless the business can prove that the level of exposure is not significant. Supplier can find more information about Proposition 65 at <http://www.oehha.ca.gov>.

For products that require a Proposition 65 warning, Supplier must provide the warning to SGC at the time of the sale and inform SGC in writing whether warnings must be provided by point-of-sale signage. If SGC does not receive written notice to the contrary from the Supplier by the time of sale, SGC may assume that the Supplier’s products comply with Proposition 65 and do not require a warning.

## 17 Responsible Sourcing of Minerals

Suppliers shall have a policy to reasonably assure that the minerals in the products they manufacture or source, including all tantalum, tin, tungsten, and gold, do not directly or indirectly finance or benefit armed groups that are perpetrators of serious human rights abuses in the Democratic Republic of the Congo or an adjoining country. Suppliers shall develop and provide written evidence documenting their due diligence programs to ensure “conflict-free” supply chains, shall comply with all related Laws and requirements, and shall cooperate with SGC in its efforts to comply with all such Laws and requirements. SGC will not knowingly purchase products that contain conflict minerals or engage with Suppliers when SGC identifies a reasonable risk that such entity is sourcing from, or linked to, an entity that is using or supporting the use of conflict minerals.

If a Supplier is found to not be in compliance with these objectives, Supplier is expected to develop, implement, and document plans to remedy such non-compliance in a timely manner. If the non-compliance cannot be resolved in a timely manner, SGC reserves the right to terminate the relationship with the Supplier and/or to not compensate Supplier for any products not yet delivered to and accepted by SGC that do or might contain conflict minerals.

## 18 Privacy and Data Protection

If a Supplier Processes any personally identifiable information (“PII”) on behalf of SGC, the Supplier shall comply with all privacy and data protection Laws, rules, and regulations applicable in the jurisdiction to which such data is subject. The Supplier shall only Process PII in accordance with SGC’s instructions. The Supplier shall implement appropriate technical and organizational measures to adequately protect PII against misuse and loss in accordance with the requirements of all applicable Laws. Upon SGC’s request, the Supplier shall provide a copy of its comprehensive and current personal data protection and security program covering Processing. The Supplier shall ensure that all personnel entrusted with Processing PII have undertaken to comply with the applicable principles of data protection and have been duly instructed on the applicable regulations. The Supplier shall promptly inform SGC in case of a serious interruption of operations, suspected of breach affecting PII, or any other irregularity in Processing PII. Where SGC, based upon applicable Law, is obliged to provide information to an individual about the collection, Processing or use of its PII, the Supplier shall assist SGC in making this information available, including allowing SGC personnel or a third party designated by SGC to conduct an audit of Supplier’s records and facilities to verify Supplier’s compliance with this Manual. For purposes of this section, “Process” means any operation or set of operations performed on PII, including but not limited to, storage, amendment, transfer, and erasure of such data.

If a Supplier is found to not be in compliance with these requirements, SGC reserves the right to immediately terminate the relationship with the Supplier.

## 19 Legal Compliance

Suppliers to SGC are required to comply with Laws, as defined above, and all Laws applicable to SGC, including, but not limited to, the following:

- Consumer Product Safety Act (“CPSA”), 15 U.S.C. §§ 2051-2089
- Flammable Fabrics Act (“FFA”), 15 U.S.C. §§ 1191-1204
- Federal Hazardous Substances Act (“FHSA”), 15 U.S.C. §§ 1261-1278a



- Textile Fiber Products Identification Act, 15 U.S.C. § 70
- Wool Products Labeling Act, 15 U.S.C. § 68
- The FTC Care Labeling Rule, 16 C.F.R. Part 423
- California Safe Drinking Water and Toxic Enforcement Act of 1986, California Health and Safety Code § 25249.5 et seq. (“Proposition 65”)
- The Dodd–Frank Wall Street Reform and Consumer Protection Act § 1502 (“Conflict Minerals”)
- Federal Food, Drug, and Cosmetics Act, 21 U.S.C. § 301, *et seq.*
- Fair Labor Standards Act (“FLSA”), 29 U.S.C. § 201, *et seq.*
- Fair Packaging and Labeling Act, 15 U.S.C. §§ 1451-1461
- Foreign Corrupt Practices Act of 1977 (“FCPA”), 15 U.S.C. § 78dd-1, *et seq.*
- Bribery Act 2010 (c.23) (“UK Bribery Act”)
- Title VII of the Civil Rights Act of 1964 (Pub. L. 88-352), as amended (“Title VII”)
- Equal Opportunity Clause of Executive Order 11246
- Equal Pay Act of 1963 (“EPA”)
- Age Discrimination in Employment Act of 1967 (“ADEA”)
- Title I and Title V of the Americans with Disabilities Act of 1990, as amended (“ADA”)
- Privacy and Information Security-related laws, such as the California Consumer Privacy Act, the EU General Data Protection Regulation (“GDPR”) and all U.S. federal, state and local laws and regulations
- U.S. Customs and Border Protection-related laws, such as 15 U.S.C. § 1, *et seq.* and 19 U.S.C. § 1, *et seq.*
- The U.S. Department of the Treasury’s Office of Foreign Assets Control’s Specially Designated Nationals and Blocked Persons (“SDN”) list, specifically the prohibition of conducting any business with China’s Xinjiang Production and Construction Corps (“XPCC”) ([www.xibt.gov.cn](http://www.xibt.gov.cn)). More information on the U.S. Treasury Department and the SDN List can be found at <https://home.treasury.gov/policy-issues/financial-sanctions/specially-designated-nationals-and-blocked-persons-list-sdn-human-readable-lists>

## 20 Diversity

SGC is committed to creating a culture and workplace that fosters inclusion and diversity and requires the same from its Suppliers.

## 21 Transparency/Audits/Subcontracting

SGC expects its Suppliers to provide transparency into their operations, policies, processes, and relevant records to SGC or its designated third party. Suppliers are required to disclose in writing to SGC conditions that are or may be in conflict with anything in this Manual or any applicable Laws in facilities that produce, store, or handle SGC products or provide services to SGC.

Suppliers must allow unannounced inspections and audits of their records and facilities by SGC or a SGC approved third party to verify compliance with this Manual, including permitting confidential employee interviews and providing copies of such books and records as SGC may reasonably request, provided that SGC agrees to maintain any information contained in such books and records which is confidential and proprietary information of Supplier with at least the same degree of confidentiality with which SGC maintains its own confidential and proprietary information of a like nature. SGC shall use its best efforts to conduct such inspections and audits during normal working hours. SGC shall pay the costs associated with the first inspection or audit per year of Supplier's facilities. Should the inspection or audit reveal, in the sole determination of SGC, any non-compliance with the terms of this Manual and/or SGC's quality and other manufacturing and storage standards, practices, and procedures, Supplier shall reimburse SGC for all costs of the second inspection or audit and of any subsequent inspections and audits. SGC may deduct these costs from any invoices submitted to it by the Supplier.

Supplier also shall permit a customer of SGC or a group purchasing organization (GPO) that has a contract or other business affiliation with SGC, or that GPO's agent, to conduct periodic unannounced audits to determine whether Supplier complies with the customer's or GPO's requirements related to compliance with this Manual and legal compliance, including, but not limited to, compliance with the Health Insurance Portability and Accountability Act of 1996, Pub. L. No. 104-191.

Suppliers must disclose the identity, physical location, and ownership of all factories that will produce products for SGC, including those operated by subcontractors. Any proposed change from one factory to another or the use of subcontractors must be approved by SGC in writing before production begins. Any Supplier of SGC that uses a subcontractor, even if approved by SGC, shall be responsible for the acts and omissions of its subcontractor(s), including, but not limited to, any violation of this Manual by the subcontractor. Any Supplier that utilizes subcontractors without the prior approval of SGC will be subject to order cancellation upon, and for a reasonable amount of time after, SGC becomes aware of the use of the unapproved subcontractor. SGC shall not be required to compensate Supplier for any services performed or products provided (or which are in process) by an unapproved subcontractor.

## 22 Code of Conduct

SGC has adopted a Code of Business and Ethical Conduct (the "Code"). The Code may be amended from time-to-time. The most recent version of the Code is available on SGC's website. All Suppliers of SGC are required to adhere to the Code. The Code is explicitly incorporated into this Manual. Execution of the Acknowledgement and Agreement to this Manual shall indicate consent to be bound to the Code commencing on the date of such execution. Adequate records of compliance with the Code must be maintained and made available to SGC upon request.

## 23 Purchase Order Terms and Conditions

SGC has adopted certain Purchase Order Terms and Conditions (“POTCs”). The POTCs, including of any subsidiary, division, affiliate, or brand, as may be amended from time-to-time. All Suppliers of SGC are required to adhere to the POTCs. The most recent version of the POTCs is incorporated by reference into this Manual and shall be provided upon request. Execution of the Acknowledgement and Agreement to this Manual shall indicate consent to be bound to the most recent version of the POTCs for all orders placed by SGC (or, as applicable, to the version of the POTCs that was in effect at the time the order was shipped to SGC). Adequate records of compliance with the POTCs must be maintained and made available to SGC upon request. Should there be a conflict between SGC’s POTCs and any term and/or condition proffered by any Supplier, SGC’s POTCs shall control. SGC reserves the right to except a Supplier from certain of the terms and conditions.

## 24 Confidentiality

“Confidential Information” means all information and/or documents of SGC, whether marked or not marked as confidential, written or oral, tangible or intangible, and shall include, but not be limited to, existing or proposed business or products, pricing, costs, technology, trade secrets, discoveries, ideas, concepts, know-how, methods, techniques, designs, patterns, processes, terminology, styling, markers, structure, marketing and distribution methods, plans, and efforts, the identities of and the course of dealing with actual and prospective customers, contractors, competitors, and suppliers, employee names and other information, specifications, drawings, maps, blueprints, diagrams, analyses, strategies, compilations, studies, and other technical, financial, and/or business information. Any information about third parties including, but not limited to, SGC’s customers, disclosed to Supplier shall be deemed SGC’s information, subject to these terms and conditions.

Confidential Information does not include any information that (a) has been or becomes publicly known, through no wrongful act of Supplier; (b) was previously and lawfully known to Supplier without obligation to keep it confidential; (c) is rightfully received from a third party who received the information lawfully and under no obligation to keep it confidential; or (d) which is independently developed by Supplier without use of or reference to the Confidential Information that has been disclosed by SGC.

Supplier agrees to maintain as confidential the Confidential Information it receives from SGC using no less than the same degree of care it uses to protect its own Confidential Information, but in no event less than a reasonable degree of care. The Confidential Information shall not be used by Supplier, its employees, or its representatives in any manner, whatsoever, in whole or in part, other than for the purpose contemplated in this Manual. Supplier shall hold such Confidential Information in confidence, except to the extent that disclosure of such Confidential Information is (a) consented to in writing by SGC; (b) required by law; or (c) made to Supplier’s employees, agents, consultants, advisors, subcontractors, and entities controlled by it (collectively, “Personnel”) who have a need to know such Confidential Information in connection with the purpose and who are bound to Supplier by obligations of confidentiality no less stringent than these provisions to keep such Confidential Information confidential. Supplier shall be responsible for any breach of these obligations by its Personnel. Supplier and its Personnel shall not disclose to any third-party (including, without limitation, any employee, customer, competitor, supplier, or vendor of SGC) any Confidential Information, the purpose, anything regarding any possible transaction, and/or the fact that discussions or negotiations are taking place.



Supplier shall not reproduce the Confidential Information, in whole or in part, and shall not distribute all or any portion of this Confidential Information to any person other than Supplier's Personnel for the purposes contemplated in this Manual.

Any and all proprietary rights, including, without limitation, patent rights, inventions, copyrights, trademarks, service marks, trade secrets, and any other intellectual property rights in and to Confidential Information shall be and remain with SGC. Supplier shall not have any rights, by license or otherwise, to use the Confidential Information except as expressly provided. To the extent that Supplier acquires any proprietary rights in Confidential Information disclosed by SGC, SGC shall own and retain all such proprietary rights and Supplier hereby assigns and agrees to assign all such rights to SGC.

Supplier acknowledges that threatened or actual disclosure or use of Confidential Information in violation of these obligations (including by third parties to whom Supplier disclosed Confidential Information) will cause irreparable harm to SGC for which monetary damages would be an inadequate remedy. Supplier, therefore, agrees that SGC shall have the right, in addition to any other rights and remedies, to seek injunctive relief for any violation these obligations by Supplier without the necessity of posting a bond. Supplier waives the claim or defense that SGC has an adequate remedy at law.

SGC may require Supplier to sign a separate Confidentiality and Non-Disclosure Agreement ("Confidentiality Agreement") consistent with the terms above. In the event of any conflict, the terms of the Confidentiality Agreement will control.

## 25 Indemnity

Supplier shall defend (at SGC's election), indemnify, and hold harmless SGC, including its officers, directors, employees, representatives, agents, customers, and other Suppliers, individually and collectively, against all claims (whether based in tort, strict liability, contract, or otherwise), damages, demands, actions, proceedings, lawsuits, judgments, settlements, liabilities, penalties, fines, expenses, costs, and/or fees (including reasonable attorneys', experts', and legal fees) arising out of, resulting in any way from, and/or related to: (i) the Manual; (ii) any product sold or service provided to SGC by Supplier; (iii) any act or omission of a Supplier, or of its subsidiaries, directors, officers, employees, representatives, agents, suppliers, or vendors; (iv) any actual or alleged violation, infringement, or breach of any applicable Law; (v) any actual or alleged violation, infringement, or breach of any intellectual property right, such as a patent, trademark, trade dress, service mark, or copyright, or of any trade secret; (vi) contamination of the environment and any associated clean-up costs; and/or (vii) the death or injury to any person or damage to property which is alleged to and/or does result from or relate to any product sold or service performed by a Supplier. Supplier shall not enter into any settlement without SGC's prior written authorization. SGC may be represented by and actively participate through its own counsel at its own expense in any suit or proceeding. These obligations shall be in addition to any warranty obligations of Supplier.

Should SGC's use, or use by its customers, of any products or services purchased from the Supplier be enjoined, Supplier shall, at its sole cost and expense, and at SGC's choosing (a) substitute fully equivalent non-enjoined products or services; (b) modify the products or services so they no longer are enjoined but remain fully equivalent in functionality; (c) obtain for SGC and its customers, at no cost to SGC and its customers, the right to continue using the products or services; or (d) if none of the foregoing is possible, refund all amounts paid for the enjoined products or services.



Supplier shall maintain insurance including, but not limited to, product liability, contractual liability, completed operations, contractor's liability, automotive liability (including non-owned automotive liability), workers' compensation and employer's liability insurance (or the equivalent in the Seller's country), that will adequately protect SGC against all damages, claims, actions, lawsuits, judgments, settlements, liabilities, fees, costs, and/or expenses.

## **26 Supplier Compliance**

SGC requires that an officer or authorized senior management representative from Supplier sign an agreement pledging Supplier's compliance with this Manual.

Any violation or threatened violation of this Manual, including but not limited to, a violation of the Law, is cause for immediate termination by SGC of its contractual and/or business relationship with such Supplier, including of any shipments not yet received. If it is determined by SGC that a Supplier is operating in violation of the Manual, should SGC so choose, the Supplier must work with SGC or its designated third party to develop and implement a corrective action plan, including a mutually agreed schedule for resolution of the issues. Failure to meet a corrective action plan commitment will be considered a material breach of any supply or similar agreement between SGC and the Supplier and may result in cancellation of current orders and/or termination of the contractual relationship.

## **27 Modifications**

SGC reserves the right to amend or modify this Manual at its discretion and without further notice to Supplier.

## **28 Governing Law/Venue**

All matters relating to any transaction, including any dispute arising out of a purchase order, shall be governed by and construed in accordance with the laws of the State of Florida. Exclusive venue and jurisdiction with respect to any such matter shall be in either the state courts located in Pinellas County, Florida or the federal courts of the Middle District of Florida. Supplier affirms that it has sufficient contact with Florida such that Supplier would reasonably anticipate being hailed into said courts in Florida regarding any transaction or other issues arising between the parties. SGC shall have the right, alternatively, to elect to enforce this agreement in a jurisdiction in which Supplier is incorporated and/or in which it has its principal place of business.