



## Vendor Code of Conduct

By signing the VENDOR AGREEMENT, which incorporates this VENDOR CODE OF CONDUCT in its entirety, Vendor, as defined in the Vendor Agreement, acknowledges that Galls, LLC and its divisions, subsidiaries, parents, and affiliates (“Galls”) does not condone or permit the violation of any applicable United States, foreign, or international laws, rules, or regulations, including, without limitation, any laws governing employment or labor, the environment, the provision of services, or the sale of goods. Vendor further acknowledges that Galls does not condone or permit the use of child, forced, indentured, prison, involuntary, or uncompensated labor in the manufacturing of any materials for Galls under any circumstances, or any activities which are in violation of international agreements or applicable laws or customs, including, but not limited to, false declarations of country of origin or other false documentation, counterfeit visas, or illegal transshipment to evade the textile quota restraint agreements negotiated between the country of export and the country of import. Vendor acknowledges a policy against engaging in any illegal activities and will not purchase products or services provided through the use of any unlawful or unethical practices.

In furtherance of the foregoing, Vendor acknowledges and agrees that:

**Laws and Regulations:** Vendor is in compliance with, and will continue to comply with, all applicable laws, rules, and regulations, including but not limited to, those pertaining to environmental matters in the conduct of its business, the manufacture or assembly of products for Galls, the provision of services, and the international sale of goods. Where applicable, Vendor owns or may legally purchase rights to export textiles and textile products under the mandatory quota agreements in effect between the country of export and the United States.

**Compensation and Benefits:** Vendor is not engaged in, and will not engage in, any unfair labor, wage, or benefits practice in violation of the laws or regulations of the country where it manufactures or assembles products. Vendor pays at least the minimum total compensation required by the laws or regulations of the country where it manufactures or assembles products, including all mandated wages, allowances, and benefits. Vendor provides paid annual leave and holidays as required by law or that meet the local industry standard, whichever is greater, and Vendor does not modify or terminate workers’ contracts for the sole purpose of avoiding the provision of benefits.

**Labor:** Vendor is not engaged in, and will not engage in, the employment of child, forced, indentured, bonded, involuntary, prison, or uncompensated labor, the use of corporal punishment, discrimination based on race, gender, national origin, age, or religious beliefs, or similar employment activities or conditions, or labor practices involving unsanitary and/or unsafe labor conditions in violations of the laws or regulations of the country where it manufactures or assembles products.

**Child Labor:** Vendor does not use workers who are younger than 15 years of age (or 14 years of age where consistent with International Labor Organizational guidelines and the local law allows such exception), the age for completing compulsory education, or the minimum established by law, whichever is greater. Vendor observes all legal requirements for work of employees under 18 years of age, particularly those pertaining to hours of work and working conditions.

**Hours of Work:** Vendor ensures that employees’ hours worked shall not, on a regularly scheduled basis, exceed the lessor of: (a) legal limitations on regular and overtime hours in the jurisdiction which it manufactures or assembles products; (b) 48 hours per week, plus 12 hours of overtime; or (c) the regular work week plus 12 hours of overtime. Workers may refuse overtime without any threat of penalty, punishment, or dismissal. In addition, except in extraordinary business circumstances, all employees shall be entitled to at least one day off in every seven-day period.

**Sweatfree Conditions:** Vendor warrants that its products are manufactured in sweatfree, decent, and dignified work conditions, and Vendor will advise and update Galls if it has received WRAP or other social compliance certificates.

**Freedom of Association:** Vendor recognizes and respects the right of its workers to exercise lawful rights of free association, including joining or not joining any association.

**Harassment or Abuse:** Vendor provides a work environment free of harassment, abuse, or corporal punishment in any form.

**No Discrimination:** Vendor ensures employment – including hiring, remuneration, benefits, advancement, termination, and retirement – is based on ability and not on race, gender, national origin, age, or religious beliefs.

**Health and Safety:** Vendor provides a safe and healthy work environment, and, where applicable, safe and healthy residential housing, in accordance with local laws, rules, and regulations.

**Monitoring and Compliance:** Vendor maintains on site all documentation necessary to demonstrate compliance with this Code of Conduct. Galls or its third party representatives may undertake affirmative measures, such as announced or unannounced on-site inspections of production facilities, to monitor compliance. Vendor must allow Galls and/or its representatives full access to production facilities, employee records, and employees for confidential interviews in connection with monitoring visits. In addition, Vendor must respond promptly to reasonable inquiries by Galls or its representatives concerning the operations of Vendor's facilities.

**Subcontracting:** Vendor will not subcontract work without the prior written consent of Galls, and then such subcontracting shall only be permitted by companies that abide by this Code of Conduct.

Vendor further acknowledges that it is Galls' policy to stop and/or prevent known illegal activities. If Galls determines that Vendor, or any subcontractor of Vendor, has violated any applicable law, rule, or regulation, or has engaged in any of the practices prohibited by this Code of Conduct, Galls may: (a) provide all available information, including the name of Vendor or its subcontractor, to applicable governmental agencies and law enforcement officials for appropriate action; and (b) exercise its termination rights under the applicable Vendor Agreement and/or purchase order(s).

To assist Galls in assuring compliance with this Code of Conduct, Vendor agrees to: (a) require all of its officers and employees who will be responsible for or involved with the implementation of procedures designed to ensure compliance with this Code of Conduct to review and familiarize themselves with it; (b) require all of its consented-to subcontractors to execute and deliver to Galls this Code of Conduct on or before execution of an applicable Vendor Agreement or purchase order with Galls; (c) provide Galls with access to its and its consented-to subcontractors' production facilities to conduct inspections; (d) provide Galls, upon request, proof of production, including without limitation, shipping documents, production and manufacturing reports, country of origin assembly and manufacturing reports, and similar documentation; and (e) provide Galls, upon request, with proof of compliance by Vendor and consented-to subcontractors with applicable employment and labor laws, rules, and regulations in the country of manufacture, including, without limitation, proof that all employees meet minimum legal working age and pay requirements, and the right to interview such employees regarding the same. Company reserves the right to take measures to assure the truth of all documents it receives and reviews, and the authenticity of Vendor's sources of supply.

Vendor acknowledges that violations of this Code of Conduct will be appropriately remedied at full cost to Vendor, and that Galls reserves the right to take all necessary measures to ensure compliance with these standards. Failure of Vendor to abide by the terms of this Code of Conduct may result in the immediate termination of the Vendor Agreement between Galls and Vendor or any and all purchase orders, including, without limitation, Galls' cancellation of orders for goods in process or scheduled to be made at the time of cancellation or termination, whether involving raw materials, work in process, or finished goods, or in Vendor's, Galls' or a third party's possession.

Vendor further acknowledges and agrees that Galls may require Vendor to reaffirm this Code of Conduct, or execute a new Code of Conduct, from time to time, and that this Code of Conduct replaces and supplants any prior Code of Conduct governing Vendor's relationship with Company.