



## AMRG CERTIFICATE OF COMPLIANCE

### 1. DEFINITION AND STANDARDS

AM Retail Group, Inc. (AMRG) is committed to legal compliance and ethical business practices in all of our operations worldwide. We choose business partners who we believe share that commitment. We have placed or are considering placing, one or more orders with your company for manufacture of apparel or for the performance of services with regard to the manufacture of apparel. We would like to call your attention to AMRG's policy with regard to legal compliance and ethical business practices.

We have defined business partners as contractors and suppliers (and their respective sub-contractors and sub-suppliers) who provide labor and/or material utilized in the manufacture of our products, regardless of AMRG's role as purchaser or sourcing agent.

In our purchase arrangements, business partners must observe all applicable laws of their country, including laws relating to, 1) employment, 2) discrimination, 3) the environment, and 4) safety in the apparel and related fields. Moreover, business partners must comply with applicable U.S. Customs laws relating to the import of product, including country of origin labeling, product labeling and fabric and product testing, as well as customs security regulations such as C-TPAT. If local or industry practices exceed US legal requirements, this higher standard should be met.

Our standards are summarized as follows:

- Our business partners must share our commitment to compliance with all laws regarding the importation of merchandise into the United States or other importing nation. Our business partners must respect the U.S. Customs laws for importation and the laws concerning the transshipment of merchandise. Transshipment is illegal and AMRG will not tolerate this type of transaction for purposes of evading quota or country of origin rules. Vendor must allow AMRG the opportunity to review pertinent internal records to verify vendor's compliance.
- Our business partners must share our commitment to 1) providing a safe and healthy workplace and 2) treating employees fairly and in compliance with local laws. Worker housing, where provided, must meet the same standards for health and safety as the workplace. Employees must be compensated in a timely matter and fairly for all hours worked and at rates that meet local industry standards. Employees must not be discriminated against because of personal characteristics or associations.
- Our business partners must not utilize child labor as defined by the United Nations standards or by national standards, whichever are higher. They must not utilize forced labor, including prison or other compulsory labor.
- Protection and preservation of the environment.

Assuring vendor compliance includes the following key components and formal documentation of these activities:

- a) Annual completion of the AMRG Business Partner (Vendor) Profile.(Including Factories)
- b) Regular In-Line and Final Inspection of all orders by AMRG designees with a reporting section specifically covering observation of the compliance of these standards.
- c) All vendor purchase orders issues with clearly stated compliance requirements at a high or factory level.
- d) Unscheduled (unannounced) factory visits for the express purpose of identifying legal, safety and policy compliance. (See separate access memo)
- e) Regular recertification of all facilities by authorized Quality Control staff and Compliance.
- f) Annual recertification of these Operating Guidelines to all active business partners.



If it is found that a business partner has committed legal violations, or deals with a sub-contractor or sub-suppliers that has committed legal violations, or is not in compliance with the standards set forth herein, we will take appropriate action, which may include canceling the affected purchase contract(s), terminating our relationship with that business partner, commencing legal actions against the supplier or contactor, or other actions as warranted. Additionally, AMRG may assess penalties equivalent to all damages incurred by AMRG to rectify non-compliance of the local and US laws already described.

Your endorsement of this letter will reconfirm our authorization to send an ARMG representative or agent to your premises from time to time to perform such work as is necessary to ensure that you are in compliance with our standards. You agree to cooperate fully and to provide our representative or agent with any and all information requested which is necessary to prove your compliance with the applicable laws or other matters reviewed.

Please sign and return to us a copy of this Certification of Compliance, which evidences your agreement to comply with AMRG’s policy, and with the employment standards and legal requirements of your country, with respect to the manufacture of all goods and services, which you supply to us. If you have any questions concerning compliance with the applicable laws of your country, we suggest that you consult your local authorities.

Please confirm your agreement with all of the foregoing by signing this letter and returning it to our compliance department promptly.

**2. CERTIFICATION OF COMPLIANCE**

By my signature below, as chief executive officer, and on behalf of my company, I acknowledge receipt of the above AM Retail Group’s Business Partner operating Vendor Guidelines, and do hereby certify and agree that my company will comply with all applicable labor laws, US import regulations, and order terms and conditions set for any and all goods supplies to or though AMRG regardless of country of origin. My company also agrees to assess payment penalties for damages to AMRG in the event of failure to comply with any of the above requirements.

**VENDOR**

**FACTORY**

\_\_\_\_\_  
Name of Company

\_\_\_\_\_  
Name of Factory

\_\_\_\_\_  
Name of Representative

\_\_\_\_\_  
Name of Representative

\_\_\_\_\_  
Title (Must be: General Manager, CEO or Owner)

\_\_\_\_\_  
Title (Must be: General Manager, CEO or Owner)

\_\_\_\_\_  
Company Address

\_\_\_\_\_  
Factory Address

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date