

Supplier Code of Conduct

VPI is committed to:

- a high standard of excellence in every aspect of its business;
- ethical and responsible conduct in all its business dealings and operations;
- respect for the rights of all individuals and;
- respect for the environment.

Therefore, to achieve VPI's goals of ethical manufacturing practices, Supplier covenants on its own behalf with respect to its own manufacturing facilities, and agrees to require each of its own and third-party suppliers to agree in writing to comply with and perform the obligations set forth below:

A) In developing, making and shipping the Products, Supplier must comply with all applicable laws and regulations, including, but not limited to, those related to employment, labor, worker health and safety, and the environment.

B) All references to "applicable laws and regulations" in this Code of Conduct include local and national codes, rules, and regulations as well as applicable treaties and voluntary industry standards.

C) Supplier agrees not to use child labor. The term "child labor" refers to a person younger than the local legal minimum age for employment or the age for completing compulsory education, but in no case shall any child younger than fifteen (15) years of age (or fourteen (14) years of age where local law allows) be employed. Suppliers employing young persons who do not fall within the definition of "child" agree to comply with any applicable laws and regulations with respect to such persons.

D) Supplier agrees to only employ persons whose presence and labor are voluntary, and not to use any forced or involuntary labor, whether prison, bonded, indentured or otherwise.

E) Supplier agrees to treat each employee with dignity and respect and shall not use corporal punishment, threats of violence, or other forms of physical, sexual, psychological or verbal harassment or abuse.

F) Supplier agrees not to discriminate in hiring or employment practices, including salary, benefits, advancement, discipline, termination, or retirement on the basis of race, color, national origin/heritage, religion, age, nationality, social or ethnic origin, maternity, sexual orientation, gender, political opinion, or disability. Suppliers will not retaliate against workers who complain in good faith about what they believe to be discrimination.

G) Supplier agrees to comply, at a minimum, with all applicable laws and regulations regarding wages and hours, including minimum wage, overtime, maximum hours, piece rates and other elements of compensation, and to provide legally mandated benefits.

H) Supplier agrees to provide employees with a safe and healthy workplace in compliance with all applicable laws, ensuring at a minimum, reasonable access to drinkable water and sanitary facilities, fire safety, and adequate lighting and ventilation. Supplier also agrees to ensure that the same standards of health and safety are applied in any housing it provides for employees.

I) Supplier agrees to comply with all applicable laws and regulations regarding the environment.

J) Supplier agrees to ensure that no counterfeit parts and materials will be used in the manufacture of Products supplied to VPI by ensuring that only original parts and materials are procured, either directly from original manufacturers or authorized distributors.

K) Supplier agrees that VPI and its designated agents (including third parties) may engage in monitoring activities to confirm compliance with these provisions, including unannounced on-site inspections of manufacturing, packaging and distribution facilities, and employer provided housing.

L) Supplier agrees to maintain on site all documentation necessary to demonstrate compliance with these provisions.

M) Supplier agrees not to use subcontractors or independent contractors for the manufacture of Products supplied to VPI or components thereof without VPI's express written consent. VPI may require, as one of the conditions of approval, that the subcontractor or independent contractor enter into a written commitment with VPI and comply with this Code of Conduct.

N) "Noncompliance" shall mean any significant and/or persistent pattern of noncompliance, or any individual incident of serious noncompliance, with the provisions of this Agreement or any applicable Code of Conduct, either as determined by internal or external monitoring or as alleged by any third party. Each report shall include:

1. A description of the monitoring conducted which led to the discovery of the Noncompliance;
2. A description of the Noncompliance;
3. A description of the remedial actions taken by Supplier to prevent the recurrence of such Noncompliance or alleged Noncompliance.

O) If any permitted subcontractor or independent contractor fails to pass a compliance inspection, and thereafter fails to remedy the cited failure(s) within the time designated by VPI, or if the third-party Supplier otherwise breaches its obligations to perform its services in accordance herewith, the third-party Supplier will be terminated immediately by Supplier, and Supplier shall not thereafter use the third-party Supplier employed.