



## Supplier Code of Verification and Certification

### Introduction

As part of SugarCRM Inc.'s ("**Sugar**") ongoing effort to develop and strengthen our relationships with suppliers, partners, subcontractors, and consultants (collectively, "**Providers**"), we have introduced the Sugar Supplier Code of Verification and Certification (the "**Supplier Code**"). The Supplier Code is based on the belief that good corporate citizenship is essential to our long-term business success and must be reflected in our relationships and actions in the marketplace, the workplace, the environment, and the community.

Recognizing that there are differences in laws, customs and economic conditions that affect business practices in various parts of the world, we believe that shared values must serve as the foundation for relationships between Sugar and our Providers. This Supplier Code restates our requirements and emphasizes good workplace policies that comply with local labor laws and regulations. This Supplier Code applies to all Providers, whether Provider is providing services on Sugar's premises or at off-site locations where Provider is acting as a representative of Sugar.

We look forward to working with our Providers to ensure understanding of and compliance with the requirements set forth in this Supplier Code. Provider may contact the appropriate Sugar relationship manager with any questions or concerns regarding compliance with this Supplier Code. Please note that this Supplier Code supplements but does not supersede any rights or obligations of the parties established in any other contract or agreement Provider may have with Sugar.

### Business Integrity

Sugar is committed to conducting business in an ethical, fair, and honest manner. Any and all forms of illegal or inappropriate activity, including, but not limited to, corruption, misrepresentation, extortion, embezzlement or bribery, are strictly prohibited and may result in termination of any or all Provider agreements with Sugar and possible legal action. Provider (including its officers, directors, employees, agents, and any person under its control) shall comply with, and shall require its contractors, subcontractors, and any contingent workers to comply with, any and all applicable anti-corruption laws and regulations, including but not limited to, the U.S. Foreign Corrupt Practices Act (FCPA).

Provider (including its officers, directors, employees, agents and any person under its control) shall not, directly or indirectly, make, promise to make, or accept any payment, offer or transfer of anything of value in connection with any business transaction relating to Sugar, to: (i) any foreign government official (which includes any officer, employee or consultant of a government, or government department or agency, officer or employee of a state-owned enterprise or corporation, political party or official, candidate for political office, officer or employee of a public international organization, such as the World Health Organization or World Bank, or the spouse or immediate family member of any of the persons mentioned above "government official"); (ii) an intermediary for payment to any government official; (iii) any officer, director, employee of any actual or potential customer of Sugar; (iv) any officer, director or employee of Sugar or any of its affiliates; or (v) any other person or entity if such payment, offer or transfer is made to induce the individual to misuse his or her official position in order to benefit the Provider or Sugar or would violate the laws of the country in which made or the laws of the United States of America. It is the intent of the Parties that no payments, offers or transfers of value shall be made which have the purpose or effect of public or commercial bribery, acceptance or acquiescence in extortion, kickbacks or other unlawful or improper means of obtaining or retaining business or directing business to any person or entity.

Without limiting the above, Providers shall not offer or promise any employee or agent of Sugar a gift or business courtesy that compromises, appears to compromise, any such employee's or agent's ability to make objective and fair business decisions or which would create or give the appearance of creating a conflict of interest. Without limitation, Provider is prohibited from offering or giving any of the following to any employee or agent: (i) gifts of cash or its equivalent (e.g., stock, bonds, or other negotiable instruments); or (ii) any other business courtesy given in an attempt to motivate a person to do anything that is prohibited by law, regulation or Sugar's policies. Provider also will not enter into a financial or any other relationship with a Sugar employee that creates or gives the appearance of a conflict of interest. Even the appearance of a conflict of interest can be damaging to Sugar and to the Provider and must be disclosed, when known, and approved by the Company.

Provider will cooperate fully in Sugar's efforts to enforce the terms of this provision, including but not limited to: (i) providing, upon request from Sugar, a certification of compliance with this provision in the form requested by Sugar; and (ii) providing reasonable co-operation at Provider's expense with respect to any investigation relating to this provision. In addition, records prepared for Sugar including records of work time and expenses, shall be accurate, truthful, and complete, and shall meet applicable standards and requirements.

### Proper Use of Company Assets and Information

Provider shall protect and conserve any resources made available by Sugar and shall use them only for purposes authorized by Sugar. Sugar resources include tangible items, such as vehicles, equipment, facilities, consumables, and computer and communication systems, as well as intangible items, such as Sugar's good name and reputation, employee productivity, and sensitive information. Provider shall agree to respect and protect the intellectual property rights of all parties by only using information, technology and software that has been legitimately and lawfully acquired and licensed. Any Sugar information,

technology and access to Sugar systems which granted to Provider by Sugar shall be used for Sugar business related purposes only and will be subject to the confidentiality, security and privacy obligations agreed to by the parties.

### **Accuracy of Business Records**

All financial books, records and accounts must accurately reflect the underlying activity and conform both to generally accepted accounting principles and a system of internal controls. Likewise, all operational records must be accurate, timely and conform to Sugar requirements. Providers must create, retain, and dispose of business records in full accordance with applicable legal and contractual requirements.

### **Fair Competition and Antitrust**

Providers representing Sugar are expected to comply with all applicable laws and regulation regarding fair competition and antitrust (including price fixing, price discrimination, collusion bidding practices or any other unfair trade practices) and the laws and regulations governing intellectual property rights and import / export customs.

### **Subcontractors and Consultants**

Sugar Providers must agree to comply with this Supplier Code. Sugar Providers must ensure that any subcontractor or consultant used by Provider have ethical and business practices that are in accordance with this Supplier Code.

### **Workplace Standards and Practices**

Sugar expects its Providers to operate their facilities and conduct employee relations in an ethical manner and to comply with all applicable laws and regulations in their respective host countries. This includes, but is not limited to, laws and regulations relating to labor and employment, compensation, work hours, days of service, rest periods, overtime, non-discrimination, freedom of association, health and safety, and the environment. Providers shall treat every employee with respect and dignity and shall not subject any employee to physical, sexual, psychological, or verbal/physical harassment or abuse.

Unless exempt, this contractor and subcontractor shall abide by the requirements of 41 CFR §§ 60-1.4(a), 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity or national origin. Moreover, these regulations also require certain covered contractors and subcontractors to take affirmative action to employ and advance in employment qualified protected veterans and individuals with disabilities and others without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.

Providers certify that to the best of their knowledge they comply with laws prohibiting human trafficking and slavery including forced, bonded, indentured, involuntary convict or compulsory labor, by any of the following means: (i) by means of force, threats of force, physical restraint, or threats of physical restraint to that person or another person; (ii) by means of serious harm or threats of serious harm to that person or another person; (iii) by means of the abuse or threatened abuse of law or legal process; (iv) by means of any scheme, plan, or pattern intended to cause the person to believe that, if that person did not perform such labor or services, that person or another person would suffer serious harm or physical restraint or (v) by means of acts involved in the recruitment, abduction, transport, harboring, transfer, sale or receipt of persons within national or across international borders, through force, coercion, fraud or deception, to place persons in situations of slavery or slavery-like conditions, forced labor or services such as domestic servitude, bonded sweatshop labor or other debt bondage. All work must be voluntary and workers should be free to leave work or terminate their employment with reasonable notice. Workers must not be required to surrender any government-issued identification, passports, or work permits as a condition of employment. Provider must create and maintain a system by which violations of Workplace Standards and Practices are reported and must prohibit and ensure that retaliatory behavior against any person who, in good faith reports such violation, is prohibited.

Provider must comply with all laws prohibiting illegal child labor, including compliance with all minimum age requirements as determined by applicable local laws and regulations and by not producing goods for Sugar with: (i) the sale and trafficking of children; (ii) debt bondage and serfdom; (iii) forced or compulsory labor; (iv) use, procuring, or offering of a child for illicit; or (v) work which is likely to harm the health or safety of children.

In addition, Provider certifies that materials incorporated into the products they provide to Sugar comply with the laws regarding slavery and human trafficking of the country or countries in which they are doing business and do not contain materials which would violate either import or export applicable laws.

### **Health and Safety Practices**

Safety is always our first consideration. It is not optional. Providers must apply safe work practices (including regulatory and contract specific requirements) to all activities and exercise good judgment in work decisions. Providers performing work on our property or on our behalf must instill safety in every aspect of their work processes and in the attitude and behavior of all their employees. Providers must provide appropriate controls, safe work procedures, preventative maintenance, and protective measures (such as physical guards, interlocks, and barriers) to mitigate health and safety risks in the workplace. When hazards cannot be adequately controlled by these means, Providers must provide workers appropriate personal protective equipment. Workers must have the right to refuse unsafe working conditions without fear of reprisal until management adequately addresses their concerns.

## **Environmental Practices**

Adverse effects on the community, environment, and natural resources are to be minimized while safeguarding the health and safety of the public. Providers must comply with all applicable health, safety, and environmental laws and regulations when conducting business with Sugar.

## **Audits and Inspections**

Verification of compliance by Provider and any of its subcontractors, consultants, and next tier suppliers, are subject to audits by Sugar or a third party designated by or otherwise acceptable to Sugar. Sugar may visit (or have a third party designate or otherwise acceptable to Sugar visit) Provider's facilities, with or without notice, to assess compliance with this Supplier Code. Failure to comply, or failure to work with Sugar or a third party to correct non-complying situations, are grounds for cancellation of contracts, open orders, or termination of our business relationship. Provider shall also notify Sugar in writing if Provider discovers or has a reasonable basis to believe that it is not complying with any of the provisions of this Supplier Code.

## **Penalties for Non-Compliance**

It is the responsibility of Provider to ensure that its representatives understand and comply with this Supplier Code and to inform its Sugar business contact (or a member of Sugar management) if and when any situation develops that causes Provider to operate in violation of the code set forth in this document. Providers are expected to self-monitor their compliance with this Supplier Code. In addition to any other rights Sugar may have under its agreement with Provider, Sugar may request the immediate removal of any person (or employee, agent, or subcontractor thereof) who behaves in a manner that is unlawful or inconsistent with this Supplier Code or any Sugar policy.

## **Legal Caveat**

This Supplier Code does not confer, nor shall it be deemed to confer, any rights on the part of third parties, including any third-party beneficiary rights. For example, no employees of any vendor shall have any rights against Sugar by virtue of this Supplier Code, nor shall such employees have any rights to cause Sugar to enforce any provisions of this Supplier Code, the decision with respect to any such actions being reserved by Sugar in its sole discretion.

## **Conclusion**

Provider warrants that it has read and understands and will comply with the requirements set forth in this Supplier Code, as may be reasonably amended from time to time by Sugar. Sugar reserves the right to cancel any outstanding order, refuse any shipments and otherwise cease to do business with Provider if Provider fails to comply with any terms of this Supplier Code or if Sugar reasonably believes Provider has failed to do so.