

SUPERIOR UNIFORM GROUP INC  
Form DEF 14A  
March 22, 2017  
**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**SCHEDULE 14**  
**(Rule 14a-101)**

**INFORMATION REQUIRED IN PROXY STATEMENT**

**SCHEDULE 14A INFORMATION**

**Proxy Statement Pursuant to Section 14(a) of the**  
**Securities Exchange Act of 1934**

Filed by the Registrant  [X]

Filed by a Party other than the Registrant  [ ]

Check the appropriate box:

[ ] Preliminary Proxy Statement

[ ] **Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

[X] Definitive Proxy Statement

[ ] Definitive Additional Materials

[ ] Soliciting Material Pursuant to §240.14a-12

**Superior Uniform Group, Inc.**

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1. Title of each class of securities to which transaction applies:

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3. Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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1. Amount previously paid:

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3. Filing Party:

4. Date Filed:

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**Superior Uniform Group, Inc.**

10055 Seminole Boulevard

Seminole, FL 33772-2539

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

**TO BE HELD MAY 5, 2017**

NOTICE IS HEREBY GIVEN that the Annual Meeting of the shareholders of SUPERIOR UNIFORM GROUP, INC. (the "Company") will be held at the offices of the Company, 10055 Seminole Boulevard, Seminole, Florida, 33772 on May 5, 2017 at 12:00 p.m. (Local Time) for the following purposes:

1. To elect six Directors to hold office until the next annual meeting of shareholders and until their respective successors are duly elected or appointed and qualified; and
2. To ratify the appointment of Mayer Hoffman McCann P.C. as our independent registered public accounting firm for the fiscal year ending December 31, 2017; and
3. To transact such other business as may properly come before the meeting or any adjournment or postponement thereof.

The close of business on March 1, 2017 has been fixed as the record date for the determination of shareholders entitled to notice of and to vote at the meeting and any adjournment thereof.

You are cordially invited to attend the meeting. Whether or not you plan to attend the meeting, please cast your votes as instructed on your proxy card or voting instruction form as promptly as possible to ensure that your shares are represented and voted in accordance with your wishes.

By Order of the Board of Directors,

Seminole, Florida, March 24, 2017    JORDAN M. ALPERT  
Secretary

**IMPORTANT**

**TO ENSURE YOUR REPRESENTATION AT THIS MEETING PLEASE MARK,**

**DATE AND SIGN THE ENCLOSED PROXY AND RETURN IT PROMPTLY.**

**THANK YOU.**

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**SUPERIOR UNIFORM GROUP, INC.**

**10055 Seminole Boulevard**

**Seminole, Florida 33772**

**PROXY STATEMENT FOR 2017**

**ANNUAL MEETING OF SHAREHOLDERS**

This proxy statement and the accompanying form of proxy are first being sent to our shareholders on or about March 24, 2017 in connection with the solicitation by our Board of Directors of proxies to be used at our 2017 annual meeting of shareholders (the "Annual Meeting"). The Annual Meeting will be held on Friday, May 5, 2017, at 12:00 p.m. (Local Time) at the offices of Superior Uniform Group, Inc. (the "Company," "we," "our," and "us"), 10055 Seminole Boulevard, Seminole, Florida 33772.

Our Board of Directors has designated Michael Benstock and Andrew D. Demott, Jr., and each or any of them, as proxies to vote the shares of common stock solicited on its behalf. If you sign and return the accompanying form of proxy, you may nevertheless revoke it at any time before it is exercised by (1) giving timely written notice to our Corporate Secretary, (2) timely delivering a later dated proxy, or (3) attending the Annual Meeting and voting in person. The shares represented by your proxy will be voted unless the proxy is mutilated or otherwise received in such form or at such time as to render it not votable. Proxies will be tabulated by Alliance Advisors.

If the Annual Meeting is adjourned for any reason, at any subsequent reconvening of the Annual Meeting all proxies may be voted in the same manner as the proxies would have been voted at the original convening of the Annual Meeting (except for any proxies that have been properly revoked or withdrawn).

The close of business on March 1, 2017 has been designated as the record date for the determination of shareholders entitled to receive notice of and to vote at the Annual Meeting (the "Record Date"). As of March 1, 2017, 14,562,092 shares of the Company's common stock, par value \$.001 per share (the "Common Stock"), were issued and outstanding. Each shareholder will be entitled to one vote for each share of Common Stock registered in his or her name on the books of the Company on the close of business on the Record Date for the Annual Meeting on all matters that come before the Annual Meeting.

**INTERNET AVAILABILITY OF PROXY MATERIALS**

We are again pleased to take advantage of Securities and Exchange Commission rules allowing companies to furnish proxy materials to their shareholders over the Internet. We believe this e-proxy process expedites shareholders' receipt of proxy materials, while lowering the costs and reducing the environmental impact of our Annual Meeting.

On or around March 24, 2017, we provided our beneficial shareholders with a notice containing instructions on how to access our proxy statement and annual report and how to vote online.

All other shareholders will continue to receive a paper copy of the proxy statement, proxy card and annual report by mail. The proxy statement contains instructions on how you can (i) receive a paper copy of the proxy statement, proxy card and annual report if you only received a notice by mail or (ii) elect to receive your proxy statement and annual report over the Internet if you received them by mail this year.

#### **INTERNET ACCESS OR ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS**

If you have previously signed up to receive shareholder materials, including proxy statements and annual reports by mail, you may choose to receive these materials by accessing the Internet in the future, which can help us achieve a substantial reduction in our printing and mailing costs as well as be environmentally friendly. If you choose to receive your proxy materials by accessing the Internet, then before next year's annual meeting, you will receive a Notice when the proxy materials and annual report are available over the Internet.

Your election to receive your proxy materials by accessing the Internet will remain in effect for all future shareholder meetings unless you revoke it before the meeting by contacting Melinda Barreiro at our offices at 10055 Seminole Boulevard, Seminole, Florida 33772, phone: (727) 397-9611, ext. 1523.

If you hold your shares in an account at a brokerage firm or bank participating in a "street name" program, you can sign up for delivery of proxy materials in the future by contacting your broker.



## **HOUSEHOLDING**

The Securities and Exchange Commission's rules permit us to deliver a single set of annual meeting materials to one address shared by two or more of our shareholders. This delivery method is referred to as "householding" and can result in significant cost savings. To take advantage of this opportunity, we have delivered only one Notice or proxy statement and annual report, as applicable, to multiple shareholders who share an address, unless we received contrary instructions from the impacted shareholders prior to the mailing date. We agree to deliver promptly, upon written or oral request, a separate copy of the Notice, proxy statement or annual report, as applicable, to any shareholder at a shared address to which a single copy of those documents was delivered. If you prefer to receive separate copies of the Notice, proxy statement or annual report (with respect to the Annual Meeting or in the future), contact Melinda Barreiro at our offices at 10055 Seminole Boulevard, Seminole, Florida, 33772, phone: (727) 397-9611, ext. 1523.

If you are currently a shareholder sharing an address with another shareholder and wish to receive only one copy of future Notices, proxy statements or annual reports for your household, please contact Melinda Barreiro at our offices at 10055 Seminole Boulevard, Seminole, Florida 33772, phone: (727) 397-9611, ext. 1523.

## **VOTING SECURITIES**

### **Quorum**

The Company's Bylaws provide that the holders of a majority of the shares of the Company's common stock issued and outstanding on the Record Date and entitled to vote must be present in person or by proxy at the Annual Meeting in order to have a quorum for the transaction of business. Abstentions will be counted as present for purposes of determining the presence of a quorum. Shares held by brokers, banks or other nominees for beneficial owners (which we refer to as "brokers") will also be counted for purposes of determining whether a quorum is present if the broker has the discretion to vote on at least one of the matters presented, even though the broker may not exercise discretionary voting power with respect to other matters and even though voting instructions have not been received from the beneficial owner (a "broker non-vote"). Brokers have discretionary voting power with respect to the ratification of the appointment of Mayer Hoffman McCann P.C. as independent registered public accounting firm for 2017.

### **Votes Required**

For Proposal 1, if a quorum is present, the six nominees for director receiving the highest number of affirmative votes of the shares present or represented and entitled to be voted for them shall be elected as directors. Abstentions and broker non-votes will not affect the outcome of the vote on such proposal.

The approval of Proposal 2 requires that the number of votes cast in favor of the proposal exceed the number of votes cast against the proposal. In order to ratify the appointment of Mayer Hoffman McCann P.C. as our independent registered public accounting firm for 2017, abstentions will be disregarded and will not be counted as votes for or against such proposal. However, since brokers may exercise discretionary voting power with respect to this proposal, a shareholder's failure to provide voting instructions will not prevent a broker vote and can therefore affect the outcome of the auditor ratification proposal.

***We note that your broker will NOT be able to vote your shares with respect to Proposal 1 if you have not provided voting instructions to your broker. We strongly encourage you to complete and submit your proxy card and exercise your right to vote as a shareholder.***

## **ELECTION OF DIRECTORS (Proposal 1)**

The Bylaws set the size of the Board of Directors at not less than three nor more than nine members. The size of the Board of Directors is currently set at six members. As described below, the Board of Directors is nominating six (6) Directors to be elected at the Annual Meeting. The Board of Directors determined to maintain its current size of six members, and, as it deems appropriate, seek to fill the vacancies resulting from nominating fewer nominees than authorized by the Company's Bylaws. Directors generally hold their positions until the Annual Meeting at which time their term expires and their respective successors are duly elected and qualified.

The Board of Directors recommends that six (6) Directors be elected at the Annual Meeting to hold office until the Company's Annual Meeting in 2018 and until their successors are duly elected and qualified or until their earlier resignation, removal from office or death. The persons designated as nominees for election as director to serve the term described above are Sidney Kirschner, Michael Benstock, Alan D. Schwartz, Robin M. Hensley, Paul Mellini and Todd Siegel. See "Management - Directors and Executive Officers" for further information on such nominees. In the event any of the nominees should be unable to serve, which is not anticipated, the Board of Directors may designate substitute nominees, in which event the persons named in the enclosed proxy will vote for such other person or persons for the office of Director as the Board of Directors may recommend.

Shareholders may vote for up to six (6) nominees and the six (6) nominees receiving the highest number of votes shall be elected. Shareholders may not vote cumulatively in the election of Directors.

**The Board of Directors recommends a vote "FOR" each of the nominees.**

## **MANAGEMENT**

### **Directors and Executive Officers**

The following table sets forth the names and ages of the Company's director-nominees and executive officers as of March 24, 2017 and the positions they hold with the Company. Executive officers serve at the pleasure of the Board of Directors.

<u>Name</u>	<u>Age</u>	<u>Position</u>
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Sidney Kirschner	82	Chairperson of the Board and a member of the Audit, Corporate Governance, Nominating & Ethics, Compensation*, and Executive* Committees
Michael Benstock	61	Chief Executive Officer, Director, and a member of the Executive Committee
Alan D. Schwartz	66	Director and a member of the Executive Committee
Robin M. Hensley	60	Director and a member of the Audit* Committee
Paul Mellini	64	Director and a member of the Audit, Corporate Governance, Nominating & Ethics*, Compensation, and Capital Committees
Todd Siegel	58	Director and a member of Corporate Governance, Nominating & Ethics and Capital* Committees
Andrew D. Demott, Jr.	53	Chief Operating Officer, Chief Financial Officer and Treasurer
Peter Benstock	55	Executive Vice President
Dominic Leide	41	President, The Office Gurus and Vice President of Administration and Customer Support
Jordan M. Alpert	40	Vice President, General Counsel and Secretary
Philip Koosed	34	President, BAMKO, LLC

\*Chairperson of the Committee

The following includes information about the skills, qualities, experience and attributes of each of the nominees and executive officers of the Company:

Sidney Kirschner is the Chairperson of the Board of Directors. He has served in this capacity since July 1, 2012. He has been a Director of the Company since September 25, 1996. Since April 2016 he has been executive vice president and chief philanthropy officer of Piedmont Healthcare. From December 2010 until April 2016 he was chief executive officer of Piedmont Physicians, a comprehensive healthcare provider in the Southeast region. From March 2006 until December 2010, he was Head of The Alfred and Adele Davis Academy, which is an educational institution for children from kindergarten through eighth grade. He retired in August 2004 as chairperson and chief executive officer of Northside Hospital, Inc., positions that he had held since November 1992. Prior thereto, he served as chairperson of the board and president and chief executive officer of National Service Industries, Inc. National Service Industries was a conglomerate, including operations in the textile rental business. He also currently serves as a director of Crown Crafts, Inc. Mr. Kirschner's tenure and significant contributions on the Board of the Company, and his extensive experience as a chief executive, are the reasons for his nomination for re-election.

Michael Benstock has served as Chief Executive Officer of the Company since October 24, 2003. Mr. Benstock previously served as Co-President of the Company beginning May 1, 1992. Prior to such date, Mr. Benstock served as Executive Vice President of the Company. Mr. Benstock has served as a Director of the Company since 1985. He also serves as a director of USAmeriBank, Inc. and chair of its Audit Committee. Mr. Benstock's vast experience with the Company is the reason for his nomination for re-election.

Alan D. Schwartz has been a Director of the Company since 1981. He has served as President of the Company since October 24, 2003 and as President of Fashion Seal Healthcare – Indirect since May 1, 2015. His responsibilities include leading the Company's indirect healthcare efforts. Mr. Schwartz has announced his intention to retire effective March 31, 2017. Mr. Schwartz previously served as Co-President of the Company beginning May 1, 1992. Prior to such date, Mr. Schwartz served as Executive Vice President of the Company. Mr. Schwartz's tenure and significant contributions on the Board of the Company and vast experience with the Company are the reasons for his nomination for re-election.

Robin M. Hensley has been a Director of the Company since July 28, 2000. She has served as president and business development coach of Raising the Bar since May 2004. Raising the Bar provides executive coaching, primarily in the area of business development. Previously, she was president of Personal Construction, LLC from January 2000 until May 2004. Prior thereto, she was vice president of Patton Construction from December 1995 to January 2000. Her background also includes experience in public accounting with Ernst & Young. Ms. Hensley's contributions on the Audit Committee, as the chairperson and financial expert, and her extensive experience in executive coaching are the reasons for her nomination for re-election.

Paul Mellini has been a Director of the Company since May 7, 2004. He was a board member (treasurer) of the Economic Development Association of Citrus County and board member (treasurer) of Main Street, Crystal River until December 31, 2016. Mr. Mellini was chief executive officer and president of Nature Coast Bank in Citrus County, Florida from March 7, 2005 until January 1, 2017, chief executive officer and president of Premier Community Bank of Florida and Premier Community Bank of South Florida from January 2002 until August 2004 and chief executive officer and president of PCB Bancorp Inc. from January 2003 until August 2004. Prior thereto, he was regional president of First Union Bank of the Greater Bay Area from April 1995 to December 2001. Mr. Mellini's tenure and significant contributions on the Board of the Company, and his extensive experience as a chief executive, are the reasons for his nomination for re-election.

Todd Siegel has been a Director of the Company since February 7, 2014. He served as president and chief executive officer of MTS Medication Technologies, Inc. from approximately 1992 to 2012, chairman from 1993 to 2009 and a director from approximately 1986 to 2012. MTS Medication Technologies was a publicly-held company through December 2009. Mr. Siegel previously served at MTS Medication Technologies in other capacities, including executive vice president, vice president of sales and marketing and corporate secretary. MTS Medication Technologies manufactures and markets pharmaceutical packaging automation and the related consumable supplies. Prior to his tenure with MTS Medication Technologies, Mr. Siegel was an account executive for AMI Diagnostic Service, a diagnostic imaging company, and held sales and national sales management positions with Chamberlin

Corporation, a pharmaceutical manufacturer. Mr. Siegel's extensive experience as chief executive, chairman, and director of a publicly-held company are the reasons for his nomination for election.

Andrew D. Demott, Jr. has served as Chief Operating Officer of the Company since May 1, 2015. He has served as Chief Financial Officer and Treasurer of the Company since May 5, 2010. He previously served as Executive Vice President beginning May 5, 2010. Prior to that, he served as Senior Vice President, Chief Financial Officer, and Treasurer of the Company since February 8, 2002. Prior to that, he served as Vice President, Chief Financial Officer, and Treasurer of the Company beginning June 15, 1998. Mr. Demott served as the Company's Secretary from July 31, 1998 through June 14, 2002. Prior to such dates, Mr. Demott served as an Audit Senior Manager with Deloitte & Touche, LLP since September 1995. Prior to that date, Mr. Demott was an Audit Manager with Deloitte & Touche LLP since September 1992.

Peter Benstock has served as Executive Vice President of the Company since February 8, 2002 and as President of Fashion Seal Healthcare – Direct since May 1, 2015. His responsibilities include leading the Company's direct healthcare efforts. Mr. Benstock previously was responsible for the Company's sales efforts. Before he was an Executive Vice President, Mr. Benstock served as a Senior Vice President of the Company beginning February 7, 1994. Mr. Benstock was a Director of the Company from 1990 to August 2007.

Dominic Leide has served as the President of The Office Gurus, a subsidiary of the Company, since 2014. Formerly, he served as Managing Director of The Office Gurus since 2010. Mr. Leide also has served as Vice President of Administration and Customer Support of the Company since May 5, 2009. Formerly, he served as U.S. Manager of near-shore operations of the Company since 2008 and Director of Customer Excellence of the Company since 2007. Prior to that he served as Manager of Special Projects of the Company since 2006.

Jordan M. Alpert has served as Vice President, General Counsel, and Secretary of the Company since November 7, 2011. Before that, he served as secretary since May 6, 2011 and general counsel since March 28, 2011. Mr. Alpert previously held the position of general counsel for Grand Army Entertainment, LLC during 2010. He also was an attorney with the firms Grais & Ellsworth LLP and Willkie, Farr & Gallagher LLP during 2001-2011. Mr. Alpert has been granted Authorized House Counsel status for the Company by the State of Florida. He is admitted to the New York Bar, Southern District of New York, and Eastern District of New York.

Philip Koosed has served as the President of BAMKO, LLC, a subsidiary of the Company, since substantially all of the assets of BAMKO, Inc. were acquired by the Company effective March 1, 2016. Mr. Koosed was the co-founder of and served as chief executive officer of BAMKO, Inc. from its inception in 1999 until March 1, 2016. Mr. Koosed co-founded BAMKO while an undergraduate business student at the University of Southern California.

### **Honorary Directors**

Gerald M. Benstock has served as Chairman Emeritus of the Board of Directors since May 2, 2013. Previously, Mr. Benstock had been Chairman of the Board of Directors between October 24, 2003 and June 30, 2012. Prior to October 24, 2003, he served as Chief Executive Officer of the Company. Prior to May 1, 1992, Mr. Benstock served as President of the Company. Mr. Benstock also served as a Director of the Company from 1951 to December 31, 2012.

The following family relationships exist among the Company's Directors, nominees and executive officers. Michael Benstock and Peter Benstock are sons of Gerald M. Benstock, and Alan D. Schwartz is his son-in-law.

### **BOARD LEADERSHIP STRUCTURE AND ROLE IN RISK OVERSIGHT**

The Board does not have a policy on whether or not the roles of Chief Executive Officer and Chairperson of the Board should be separate and, if they are to be separate, whether the Chairperson of the Board should be selected from the non-employee Directors or be an employee. The Board believes that it should be free to make a choice from time to time in any manner that is in the best interests of the Company and its shareholders.

Sidney Kirschner serves as Chairperson of the Board and Michael Benstock serves as a Director and Chief Executive Officer. The Board of Directors believes this is the most appropriate structure for the Company at this time because it makes the best use of both individuals' skills and experiences.

Companies face a variety of risks, including credit risk, liquidity risk, and operational risk. In fulfilling its risk oversight role, the Board focuses on the adequacy of the Company's risk management process and overall risk management system. The Board believes an effective risk management system will (1) adequately identify the material risks that the Company faces in a timely manner, (2) implement appropriate risk management strategies that are responsive to the Company's risk profile and specific material risk exposures, (3) integrate consideration of risk and risk management into business decision-making throughout the Company, and (4) include policies and procedures that adequately transmit necessary information with respect to material risks to senior executives and, as appropriate, to the Board or relevant committee.

The full Board also periodically receives information about the Company's risk management system and the most significant risks that the Company faces. This is principally accomplished through management reports to the Board. The Board strives to generate serious and thoughtful attention to the Company's risk management process and system, the nature of the material risks the Company faces, and the adequacy of the Company's policies and procedures designed to respond to and mitigate these risks.

The Board encourages management to promote a corporate culture that understands risk management and incorporates it into the overall corporate strategy and day-to-day business operations. The Company's risk management structure also includes an ongoing effort to assess and analyze the most likely areas of future risk for the Company. As a result, the Board periodically asks the Company's executives to discuss the most likely sources of material future risks and how the Company is addressing any significant potential vulnerability.

## **DIRECTOR COMMITTEES AND MEETINGS**

The Board of Directors held four (4) meetings during 2016. In 2016, each incumbent Director who was a director in 2016 attended at least 75% of all meetings of the Board and of each committee of which he/she was a member. The Company expects all members of the Board to attend the Company's annual meeting of shareholders barring other significant commitments or special circumstances. All of the Company's Board members who were directors at the time attended the Company's 2016 annual meeting of shareholders.

The Board has a standing Audit Committee, Compensation Committee, Corporate Governance, Nominating & Ethics Committee, Capital Committee, and Executive Committee.

The Board has determined that Mr. Sidney Kirschner, Ms. Robin M. Hensley, Mr. Paul Mellini, and Mr. Todd Siegel are independent, as that term is defined by the applicable rules of the Securities and Exchange Commission and The NASDAQ Stock Market LLC® ("NASDAQ"). The Board has further determined that all members of the Audit, Compensation, and Corporate Governance, Nominating & Ethics are independent and satisfy the relevant Securities and Exchange Commission and NASDAQ independence requirements and other requirements for members of such committees.

The Board conducts an annual self-evaluation and an annual evaluation of the Audit Committee.



### **Audit Committee**

The current members of the Audit Committee are Ms. Robin Hensley, Chairperson, and Messrs. Sidney Kirschner and Paul Mellini. The Audit Committee, which was established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, assists the Board of Directors in fulfilling the Board's responsibilities relating to safeguarding of assets and oversight of the quality and integrity of the accounting, auditing and reporting practices of the Company. The Board of Directors has determined that each member of the Audit Committee is independent, as that term is defined in NASDAQ listing standards applicable to audit committee members. The Board has also determined that Robin Hensley qualifies as an "audit committee financial expert," as defined in the rules of the Securities and Exchange Commission. The Audit Committee met five (5) times during 2016. The Audit Committee has a charter, which may be found on our website at [www.superioruniformgroup.com](http://www.superioruniformgroup.com) under Investor Information.

The Audit Committee conducts an annual self-evaluation.

### **Compensation Committee**

The current members of the Compensation Committee are Messrs. Sidney Kirschner, Chairperson, and Paul Mellini. The Board of Directors has determined that each member of the Compensation Committee is independent as defined by NASDAQ listing standards applicable to compensation committee members. The Compensation Committee met two (2) times during 2016. The Compensation Committee has a charter, which can be found on our website at [www.superioruniformgroup.com](http://www.superioruniformgroup.com) under Investor Information.

The duties and responsibilities of the Compensation Committee include to:

- determine and approve the compensation of the Company's Chief Executive Officer;

- make recommendations to the Board with respect to executive compensation for executive officers other than the Chief Executive Officer;

- review, approve, and administer incentive compensation plans and equity-based plans for executive officers, staff vice presidents, and director level employees;

- review the Company's incentive compensation arrangements to determine whether they encourage excessive risk-taking, to review and discuss at least annually the relationship between risk management policies and practices and compensation, and to evaluate compensation policies and practices that could mitigate any such risk; and

report regularly to the Board regarding its actions and make recommendations to the Board as appropriate.

Under its charter, the Compensation Committee may form and delegate any of its responsibilities to subcommittees, which in turn must consist of at least 2 members of the Compensation Committee.

Our Chief Executive Officer currently initiates the compensation discussions with the Compensation Committee, providing requests and seeking approval from the Committee and the Board of Directors before employment arrangements or bonus plans related to executives of the Company are finalized. The Compensation Committee approves the annual incentive award for the Chief Executive Officer and each officer below the Chief Executive Officer level based on the Chief Executive Officer's recommendations. The Compensation Committee also reviews on an annual basis the compensation of directors for service on the Board and recommends changes to such compensation to the Board, which makes the ultimate decision on director compensation. In recommending director compensation, the Compensation Committee may take into account market studies performed by compensation consultants. For additional information regarding the Compensation Committee's processes and procedures for determining executive and director compensation, please see the footnotes to the Summary Compensation Table and Director Compensation for 2016 in the section entitled "Executive and Director Compensation" below.

As part of its decision-making process, the Compensation Committee reviews compensation practices at peer companies in an effort to set total compensation levels that it believes are reasonably competitive.

The Compensation Committee conducts an annual self-evaluation.

### **Corporate Governance, Nominating & Ethics Committee**

The current members of the Corporate Governance, Nominating & Ethics Committee are Messrs. Paul Mellini, Chairperson, Sidney Kirschner, and Todd Siegel. The Board of Directors has determined that each member of the Corporate Governance, Nominating & Ethics Committee is independent as defined by NASDAQ listing standards applicable to directors generally.

The Corporate Governance, Nominating & Ethics Committee develops and recommends to the Board of Directors a set of corporate governance principles applicable to the Company. It also assists in identifying qualified individuals to become directors and recommends to the Board candidates for all director positions to be filled by the Board or by shareholders of the Company. The Corporate Governance, Nominating & Ethics Committee held two (2) meetings during 2016. The Corporate Governance, Nominating & Ethics Committee has a charter, which can be found on our website at [www.superioruniformgroup.com](http://www.superioruniformgroup.com) under Investor Information.



The Corporate Governance, Nominating & Ethics Committee has recommended the candidates to be nominated to stand for election to the Board of Directors at the Annual Meeting.

The Corporate Governance, Nominating & Ethics Committee conducts an annual self-evaluation.

### **Capital Committee**

The current members of the Capital Committee are Messrs. Todd Siegel, Chairperson, and Paul Mellini, both of whom are independent as defined by NASDAQ listing standards applicable to directors generally.

The Capital Committee carries out the capital-related responsibilities delegated by the Board. It also reviews and recommends to the Board policy regarding dividends and share repurchase. The Capital Committee met two (2) times in 2016. The Capital Committee has a charter, which can be found on our website at [www.superioruniformgroup.com](http://www.superioruniformgroup.com) under Investor Information.

The Capital Committee conducts an annual self-evaluation.

### **Executive Committee**

The current members of the Executive Committee are Messrs. Sidney Kirschner, Chairperson, Michael Benstock, and Alan D. Schwartz. The Executive Committee is authorized to act in place of the Board of Directors during periods between Board meetings. The Executive Committee did not hold any formal meetings during 2016. The Executive Committee acted by unanimous written consent on six (6) occasions during 2016. Each action taken by the Executive Committee pursuant to a unanimous written consent was subsequently reviewed and ratified by the Board of Directors.

### **Nominations of Directors**

The Board selects the director nominees to stand for election at the Company's annual meetings of shareholders and to fill vacancies occurring on the Board based on the recommendations of the Corporate Governance, Nominating &

Ethics Committee. In identifying and evaluating potential nominees to serve as directors, the Corporate Governance, Nominating & Ethics Committee will examine each nominee on a case-by-case basis regardless of who recommended the nominee and take into account all factors it considers appropriate. However, the Corporate Governance, Nominating & Ethics Committee believes the following minimum qualifications must be met by a director nominee to be recommended to the Board:

Each director must display high personal and professional ethics, integrity and values.

Each director must have the ability to exercise sound business judgment.

Each director must be highly accomplished in his or her respective field, with broad experience at the executive and/or policy-making level in business, government, education, technology or public interest.

Each director must have relevant expertise and experience, and be able to offer advice and guidance based on that expertise and experience.

Each director must be able to represent all shareholders of the Company and be committed to enhancing long-term shareholder value.

Each director must have sufficient time available to devote to activities of the Board and to enhance his or her knowledge of the Company's business.

The Board also believes the following qualities or skills are necessary for one or more directors to possess:

At least one independent director should have the requisite experience and expertise to be designated as an "audit committee financial expert" as defined by applicable rules of the Securities and Exchange Commission and which results in the director's "financial sophistication" as defined by the rules of the NASDAQ Stock Market.

One or more of the directors generally should be active or former chief executive officers of public or private companies or leaders of major organizations, including commercial, scientific, government, educational and other similar institutions.

Directors should be selected so that the Board is a diverse body.

The Company believes that it is important for its Board to be comprised of individuals with diverse backgrounds, skills and experiences, and to ensure a fair representation of shareholder interests. To maintain a diverse mix of individuals, primary consideration is given to the depth and breadth of members' business and civic experience in leadership positions, as well as their ties to the Company's markets and other similar factors. The Corporate Governance, Nominating & Ethics Committee does not have a formal diversity policy. It identifies qualified potential candidates without regard to any candidate's race, color, disability, gender, national origin, religion or creed.



The Company has a mandatory retirement policy for its directors. The policy states that: No person shall be nominated by the Board of Directors to serve as a director after he or she has passed his or her 72nd birthday; except that anyone serving on the Board as of February 6, 2015, the date this policy was adopted, may remain on the Board until completion of the term that encompasses his or her 74th birthday or completion of the term that concludes at least five but no more than six years after this policy is adopted, whichever will result in a longer Board tenure.

The Corporate Governance, Nominating & Ethics Committee will consider recommendations for directorships submitted by shareholders. Recommendations for consideration by the Corporate Governance, Nominating & Ethics Committee, including recommendations from shareholders of the Company, should be sent in writing to the Board of Directors, care of the Secretary of the Company, at the Company's headquarters. Such nominations must include a description of the specific qualifications the candidate possesses and a discussion as to the effect on the composition and effectiveness of the Board.

### **Compensation Committee Interlocks and Insider Participation**

Messrs. Sidney Kirschner and Paul Mellini served as members of the Compensation Committee during the fiscal year ended December 31, 2016. Neither of these individuals is or has ever been an officer or employee of the Company or any of its subsidiaries. In addition, neither of these individuals has had any relationship requiring disclosure by the Company under any paragraph of Item 404 of SEC Regulation S-K. During the fiscal year ended December 31, 2016, none of the Company's executive officers served as a member of the Board of Directors or the compensation committee (or other board committee performing equivalent functions) of any other entity that had one or more executive officers serving as members of our Board of Directors or Compensation Committee.

### **Code of Business and Ethical Conduct**

The Company has adopted a Code of Business and Ethical Conduct, which sets forth the guiding principles and rules of behavior by which we operate our Company and conduct our daily business with our customers, vendors, shareholders and employees. This Code applies to all of the directors, officers (including the Company's principal executive officer, principal financial officer and controller) and employees of the Company.

The purpose of the Code of Business and Ethical Conduct is to promote honest and ethical conduct and compliance with the law. The law in many cases is about what we *can do*; what is legally permissible. We consider it important to focus on what we *should do* and what ethical principles we should embrace in guiding our behavior to engender trust and loyalty within our work forces and with all our key stakeholders, customers, suppliers, dealers and investors. The Code of Business and Ethical Conduct can be found on our website at [www.superioruniformgroup.com](http://www.superioruniformgroup.com) under Investor Information. We will post any amendments to the Code of Business and Ethical Conduct, as well as any waivers that

are required to be disclosed by the rules of either the SEC or NASDAQ, on such website.

### **Communications with Board of Directors**

Shareholders may communicate with the full Board or individual Directors by submitting such communications in writing to Superior Uniform Group, Inc., Attention: Board of Directors (or the individual director(s)), 10055 Seminole Boulevard, Seminole, Florida 33772. Such communications will be delivered directly to the Directors.

### **EXECUTIVE COMPENSATION**