



**Hit Promotional Products, Inc.'s Report of Its Order  
Processing System Through the Period**

**October 1, 2023 to December 31, 2023**

**System and Organization Controls (SOC) 3 Report**

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**SECTION ONE**  
**Management's Assertion Letter**

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## **Assertion of the Management of Hit Promotional Products, Inc.**

We are responsible for designing, implementing, operating and maintaining effective controls within Hit Promotional Products, Inc.'s Order Processing System throughout the period October 1, 2023 to December 31, 2023 to provide reasonable assurance that Hit Promotional Products, Inc.'s service commitments and system requirements relevant to security, availability, processing integrity, confidentiality, and privacy were achieved. Our description of boundaries of the system is presented in Section 3 and identifies the aspects of system covered by our assertion.

We have performed an evaluation of the effectiveness of the controls within the system throughout the period October 1, 2023 to December 31, 2023, to provide reasonable assurance that Hit Promotional Products, Inc.'s service commitments and system requirements were achieved based on the trust services criteria relevant to the security, availability, processing integrity, confidentiality and privacy (applicable trust services criteria) set forth in TSP section 100, 2017 Trust Services Criteria for Security Availability, Processing Integrity, Confidentiality, and Privacy (AICPA, Trust Services Criteria). Hit Promotional Products, Inc.'s objectives for the system in applying the applicable trust services criteria are embodied in its service commitments and system requirements relevant to the applicable trust service criteria. The principal service commitments and system requirements related to the applicable trust services criteria are present in Section 3.

There are inherent limitations in any system of internal control, including the possibility of human error and the circumvention of controls. Because of these inherent limitations, a service organization may achieve reasonable, but not absolute, assurance that its service commitments and system requirements are achieved.

We assert that the controls within the system were effective throughout the period October 1, 2023 to December 31, 2023 to provide reasonable assurance that Hit Promotional Products, Inc.'s service commitments and system requirements would be achieved based on the applicable trust services criteria.

Name raj mukherjee

Title CIO

Date 3/1/2024

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**SECTION TWO**  
**Independent Service Auditors' Report**

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## Independent Service Auditors' Report

To: Management of Hit Promotional Products, Inc.

### Scope

We have examined Hit Promotional Products, Inc.'s accompanying assertion titled "Management's Assertion Letter" (assertion) that the controls within the Order Processing System (system) were effective throughout the period October 1, 2023 to December 31, 2023, to provide reasonable assurance that Hit Promotional Products, Inc.'s service commitments and system requirements were achieved based on the trust services criteria relevant to Security, Availability, Processing Integrity, Confidentiality, and Privacy (applicable trust services criteria) set forth in *TSP 100, 2017 Trust Services Criteria for Security, Availability, Processing Integrity, Confidentiality, and Privacy* (AICPA, *Trust Services Criteria*).

The accompanying assertion and the description of the boundaries of the System indicate that certain complementary user entity controls that are suitably designed and operating effectively are necessary, along with controls at Hit Promotional Products, Inc., to achieve Hit Promotional Products, Inc.'s service commitments and system requirements based on the applicable trust services criteria. The description of the boundaries presents Hit Promotional Products, Inc.'s controls, the applicable trust services criteria, and the complementary user entity controls assumed in the design of Hit Promotional Products, Inc.'s controls. Our examination did not include such complementary user entity controls and we have not evaluated the suitability of the design or operating effectiveness of such controls.

Hit Promotional Products, Inc. uses subservice organizations to provide colocation and cloud-based computing and backup storage services. The accompany assertion and description of the boundaries of Hit Promotional Products, Inc.'s system indicate that certain service commitments and system requirements based on the applicable trust service criteria can be met only if certain types of controls that management expects to be implemented at the subservice organizations are suitably designed and operating effectively. The description of the boundaries of the Hit Promotional Products, Inc. system presents Hit Promotional Products, Inc.'s controls, the applicable trust services criteria, and the types of complementary subservice organization controls assumed in the design of Hit Promotional Products, Inc.'s controls. The description does not disclose the actual controls at the subservice organizations. Our examination did not include the services provided by the subservice organizations, and we have not evaluated the suitability of the design or operating effectiveness of such complementary subservice organization controls.

### Service Organization's Responsibilities

Hit Promotional Products, Inc. is responsible for its service commitments and system requirements and for designing, implementing, and operating effective controls within the system to provide reasonable assurance that Hit Promotional Products, Inc.'s service commitments and system requirements were achieved. Hit Promotional Products, Inc. has provided the accompanying assertion about the effectiveness of controls within the system. When preparing its assertion, Hit Promotional Products, Inc. is responsible for selecting, and identifying in its assertion, the applicable trust service criteria and for having a reasonable basis for its assertion by performing an assessment of the effectiveness of the controls within the system.

## **Service Auditors' Responsibilities**

Our responsibility is to express an opinion, based on our examination, on whether management's assertion that controls within the system were effective throughout the period to provide reasonable assurance that the service organization's service commitments and system requirements were achieved based on the applicable trust service criteria. Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform our examination to obtain reasonable assurance about whether, management's assertion is fairly stated, in all material respects. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination included:

- obtaining an understanding of the system and the service organization's service commitments and system requirements.
- assessing the risks that the controls were not effective to achieve Hit Promotional Products, Inc.'s service commitments and system requirements based on the applicable trust services criteria.
- performing procedures to obtain evidence about whether controls within the system were effective to achieve Hit Promotional Products, Inc.'s service commitments and system and system requirements based on the applicable trust services criteria.

Our examination also included performing such other procedures as we considered necessary in the circumstances. We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

## **Inherent Limitations**

There are inherent limitations in the effectiveness of any system of internal control, including the possibility of human error and the circumvention of controls.

Because of their nature, controls may not always operate effectively to provide reasonable assurance that the service organization's service commitments and system requirements were achieved based on the applicable trust services criteria. Also, the projection to the future of any conclusions about effectiveness of controls is subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

## **Opinion**

In our opinion, management's assertion that controls within Hit Promotional Products, Inc.'s Order Processing System were effective throughout the period October 1, 2023 to December 31, 2023 to provide reasonable assurance that Hit Promotional Products, Inc.'s service commitments and system requirements were achieved based on the applicable trust service criteria is fairly stated, in all material respects.

*PKF O'Connor Davies, LLP*

PKF O'Connor Davies, LLP  
Woodcliff Lake, NJ  
March 1, 2024

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**SECTION THREE**  
**Description of the Order Processing System**

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## Applicability of Description

This report is intended to provide an understanding of the controls associated with Hit Promotional Products, Inc. (“Hit Promo” or the “Company”) that are used in providing its Order Processing System (the “System”). The controls outlined in this report are applicable to Hit Promo’s customers (collectively referred to as “Customers” or “User Entities”). Control descriptions have been prepared while taking into consideration the guidance to meet the criteria for the Security, Availability, Processing Integrity, Confidentiality, and Privacy Trust Service Categories set forth in the in TSP 100, 2017 Trust Services Criteria for Security, Availability, Processing Integrity, Confidentiality, and Privacy (With Revised Points of Focus—2022). As these descriptions are intended to focus on features that may be relevant to the internal control structure of services provided for Customers, they do not encompass all aspects of the services provided or procedures followed by Hit Promo. The information in this report is designed to assist User Entities and their auditors in assessing control risk as it pertains to their own operations.

This report is not intended to be an all-inclusive description of controls within Hit Promo but represents a guide to assist Customers in assessing the controls relevant to their activities.

## Relevant Aspects of the Control Environment

An organization’s internal control environment reflects the overall attitude, awareness and actions of management and employees concerning the importance of controls and the emphasis given to controls in its policies, procedures, methods, and organizational structure. Management’s roles and responsibilities include oversight of the development and performance of internal control. It is the foundation of all other components of internal control, awareness and actions of management and employees concerning the importance of controls and the emphasis given to controls in its policies, procedures, methods, and organizational structure. The organization’s history and managerial culture influence the control environment.

Factors influencing the control environment include but are not limited to the following:

- Management oversight;
- Roles and responsibilities;
- Rules of conduct and discipline;
- Policies and procedures;
- Preventative and detective controls and activities; and
- Hiring practices and training.

## Company Overview

Founded in 1981, Hit Promo is a family-owned business that operates with a personal touch, an extensive inventory, and quality imprinting and decorations. Hit Promo understands Customers' needs and is constantly evolving to meet the needs of the market. With a wide array of products, expertise in the industry, and the capacity, the capability, and the commitment to execute even the most complex projects, Hit Promo remains focused in providing Customers with service, competitive prices, and a large inventory of products.

### Core Values

#### Value: Committed

Hit Promo is committed to offering products and services that provide real value. From extensive inventory to imprinting and decorating skills, the Company strives to create memorable products for Customers.

#### Connection: Personable

As a family-owned business, the Company wants to build a real connection with each of its Customers through personable relationships and a desire to exceed expectations.

#### Sustainability: Accountable

Hit Promo is committed to offering sustainable, ethically-sourced products and holding themselves accountable to social responsibility.

#### Capable: Experienced

The Company has the capacity, capability, and experience to manage and deliver complex projects.

## Principal Service Commitments and System Requirements

Hit Promo designs its processes and procedures related to its system to meet its objectives for the services provided to User Entities. Service commitments are standardized and include, but are not limited to, the following:

- Security principle within the fundamental design of the system to permit system users to access the information needed based on their role and assignments within the system while restricting them from accessing unauthorized information.
- Use of encryption to protect sensitive Customer data both at rest and in transit.
- Use of network monitoring tools and related notification procedures.

Hit Promo establishes operational requirements that support the achievement of security, availability, processing integrity, confidentiality, and privacy commitments, and other system requirements. Such requirements are communicated in Hit Promo's policies and procedures. Information security policies define an organization-wide approach to how systems and data are protected. These include policies around how the service is designed and developed, how the system is operated, how the internal business systems and networks are managed, and how employees are hired and trained. System changes are



requested, tested, and approved in accordance with the Change Management Policy to minimize the risk of system failure. In addition to these policies, standard operating procedures have been documented on how to carry out specific manual and automated processes required in the development of the System to ensure security, availability, processing integrity, confidentiality, and privacy commitments.

Hit Promo's Privacy Statement, which is published on its website, defines its purpose for collecting personal information, the sources and methods of collection, how personal information is used, shared, stored, and protected, and its Customers' rights to opt out of information sharing.

## **Components of the System Used to Provide the Services**

### **Infrastructure**

Hit Promo's System is managed through a combination of an internal Windows-based network and a dedicated AWS environment. The core infrastructure, strategically situated at its headquarters in Largo, Florida, serves as the backbone of its operations, providing the essential support for the functionality and security of the System. The infrastructure's architecture incorporates on-premises components hosted at the headquarters facility, ensuring localized control and access, while the dedicated AWS environment provides additional scalability.

### **Software**

The suite of applications is designed to offer an immersive UI shopping experience, specifically tailored to showcase, and facilitate the purchase of distinct merchandise categories. Moreover, the software has the ability to integrate artwork customization for all purchased merchandise. This ensures that each item can be uniquely personalized according to the Customer's preferences.

At the heart of the software ecosystem in an externally facing, internally serving, and desktop/laptop applications, all centered around an intuitive and user-friendly interface. A paramount focus lies in managing inventory seamlessly, bridging the gap between distributors and suppliers, and ensuring a smooth flow of merchandise from source to destination.

The software supports multiple operating systems, including Windows, Mac, Linux, and Android, ensuring widespread accessibility. By leveraging platforms such as Microsoft SQL Server, PostgreSQL, MySQL, and MongoDB, the Company enables the applications with robust, secure, and reliable database management capabilities. Whether it is managing data on Microsoft SQL Server, harnessing the versatility of PostgreSQL, leveraging the performance of MySQL, or harnessing the flexibility of MongoDB, the software architecture is tailored to deliver optimum performance and data integrity.

To bolster the efficiency of the operations, the software integrates with an enterprise resource planning (ERP) back-end. This ERP integration not only facilitates comprehensive order management but also serves as a robust platform for the core order application software.

## People

Hit Promo is led by its Chief Executive Officer and a senior leadership team comprised of the President, Chief Financial Officer, Chief Officer of Operations, Chief Information Officer, as well as management personnel responsible for plant management, logistics, manufacturing, procurement, training, and customer service. Collectively, Hit Promo's leadership team steers the planning and direction of the Company and its mission, vision, and values.

Hit Promo has defined its organizational structure, reporting lines, and responsibilities to meet its commitments and requirements and reevaluates its structure in response to changing commitments and requirements. Personnel and business functions are separated into departments according to roles and responsibilities. Management evaluates and updates the organizational chart and employee roles and responsibilities as needed to address changing commitments and requirements.

## Data

Access to data, such as Customer and vendor records, is restricted to authorized personnel in accordance with Hit Promo's Information Security Policies and Privacy Statement. Personal information, such as Customer names and addresses, is collected and retained based upon Company needs, such as for the purposes of fulfilling orders, providing services, conducting sales research and analysis, or complying with investigations and applicable laws and regulations. Hit Promo requires its employees to sign an acknowledgement of receipt and understanding of the Employee Handbook, which stipulates that the employee will use confidential data only as required to perform job responsibilities. The Employee Handbook further states that the employee must not disclose confidential information and protect such information from improper dissemination.

## Policies, Processes and Procedures

Hit Promo has implemented Information Technology (IT) and Human Resources (HR) policies and procedures to support the achievement of objectives for employees to follow. The policies include the Employee Handbook and the Information Security Policies. The Information Security Policies address acceptable use, identity management, authentication, access control, awareness and training, data security, information protection, incident response, and compliance.

Management has also implemented a Change Management Policy to minimize the risk and impact associated with system changes while ensuring efficiency and operations. The policy covers the requesting, testing, and approval of changes.