

DESCENTE Supplier Code of Conduct
as of June 9th, 2009
DESCENTE, LTD.

As DESCENTE, LTD. (“DESCENTE”) understands appropriate working conditions and environmental protections are essential elements in our supply chain management as well as manufacturing high quality products with high-level functions, DESCENTE defines “DESCENTE Supplier Code of Conduct” based on the Code of Conduct of the World Federation of the Sporting Goods Industry (“WFSGI”) as follows.

DESCENTE requires all suppliers of our products to comply with this Code of Conduct in their business operations.

1. LEGAL COMPLIANCE

Suppliers shall operate in full compliance with national and local laws, rules and regulations relevant to their business operations.

2. WORKING CONDITIONS

Suppliers shall apply local industry standards for working conditions when they are higher than the local legal requirements. And Suppliers shall apply the following minimum criteria in countries where the legal requirements fall short of internationally recognized standards:

a) Forced Labour

Suppliers shall not use forced labor, whether in the form of prison labor, indentured labor, bonded labor, or otherwise. Suppliers shall not compel any workers to work through force, the threat of force, or intimidation of any form.

b) Nondiscrimination

Suppliers shall not discriminate in employment, included in hiring, salary, benefits, advancement, disciplines, termination or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, or social or ethnic origin.

c) Freedom of Association and Collective Bargaining

Suppliers shall recognize and respect the rights of workers to join workers organizations and associations of their own choosing, and to bargain collectively. Where the right to freedom of association and collective bargaining is restricted under law, suppliers shall consider the

development of parallel means for independent and free association and bargaining.

d) Wages

Suppliers shall recognize that wages are essential to meeting workers' basic needs and that suppliers shall fully compensate workers for all time worked. In all cases, wages shall equal or exceed the minimum wage or the prevailing industry wage, whichever is higher.

In addition to their compensation for regular hours of work, suppliers shall compensate workers for overtime hours at the premium rate legally required in the country of manufacture or, in those countries where such laws do not exist, at a rate exceeding their regular hourly compensation rate.

e) Hours of Work

Suppliers shall not require workers, except in extraordinary business circumstances, to work in excess of 60 hours per week, including overtime, or the local legal requirement, whichever is less. Suppliers shall grant workers to have the right to take at least 1 day off for every 7 day period.

f) Benefits and Leave

Suppliers shall recognize that all workers will be provided all legally mandated benefits, and suppliers shall not prevent workers from enjoying the benefits. These benefits may include meals or meal subsidies; transportation or transportation subsidies; other cash allowances; health care; child care; emergency, pregnancy or sick leave; religious, or bereavement leave; and contributions for social security and other insurance, including life, health and employees compensation.

g) Child Labour

Suppliers shall not employ any workers at an age younger than 15 (or 14 where the law of the country of manufacture allows) or younger than the age for completing compulsory education in the country of manufacture where such age is higher than 15.

h) Health and Safety

Suppliers shall provide all workers with a safe and hygienic working environment, and shall promote occupational health and safety practices

which prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of suppliers' facilities.

This includes protection from fire, accidents, and toxic substances. Suppliers shall provide all workers with adequate lighting, heating and ventilation systems and access at all times to sanitary facilities, which shall be adequate and clean.

Suppliers shall have safety and health policies and procedures that are clearly communicated to the workers. These shall apply to workers residential facilities, where provided by suppliers.

i) Harassment or Abuse

Suppliers shall recognize all workers have the right to a workplace free from physical, sexual, psychological or verbal harassment or abuse and shall treat all workers with respect and dignity.

3. ENVIRONMENT

Suppliers shall use their best efforts to improve their environmental performance progressively, not only in their own operations, but also in their relationships with partners, suppliers and subcontractors.

This includes:

- Integrating principles of sustainability into business decisions.
- Responsible use of natural resources such as land, soil, energy and water.
- Reducing, minimizing and avoiding pollution and waste including solid, liquid and atmospheric conditions.
- Designing and developing products, materials and technologies according to the principles of sustainability.

4. COMMUNITY INVOLVEMENT

Suppliers shall recognize the economic and social impact of their work and shall improve conditions in the wider community.

5. COMPANY SPECIFIC STANDARDS

Suppliers shall use their best efforts to draw up their own specific code of ethical conduct, if they have not already done so, building on this Code of Conduct.

6. VERIFICATION

Suppliers shall keep necessary documents that prove suppliers' compliance with each provision of this Code of Conduct and all laws, rules and regulations, and shall present the documents upon DESCENTE's request. And upon DESCENTE's request suppliers shall permit and cooperate with inspections by DESCENTE or its designated third party.

7. COMPLIANCE

Suppliers shall take steps to ensure compliance with all provisions under this Code of Conduct in their own operations and those who supply them. Where there are instances of non compliance whether found by internal or external monitors, suppliers shall ensure timely and reasonable remediation of such non compliance; and shall ensure that adequate steps are taken to prevent recurrence and/or occurrence in other factories.