



14. CODE OF CONDUCT.

(a) Code of Conduct, Generally. Licensee acknowledges that the Collegiate Institutions, to evidence their respective committed to conducting their business affairs in a socially responsible and ethical manner consistent with their respective educational, research and/or service missions, and to protecting and preserving the global environment, have adopted the following Code of Conduct regarding the design, development, sourcing, use, manufacture, production, sale, license, distribution, or other commercialization of the Licensed Articles, and have directed CLC to implement the Code of Conduct with Licensee as a condition of granting Licensee the rights licensed in this Agreement. Accordingly, Licensee agrees to operate work places and contract only with companies whose work places adhere to or exceed the standards and practices described below. Licensee shall cooperate with CLC, the Collegiate Institutions, and/or their respective agents or representatives in periodic inspections of Licensee's and its Manufacturers' and suppliers' factory sites to ensure that Licensee and its Manufacturers and suppliers are in compliance with such Code of Conduct requirements. Licensee's failure to comply or ensure compliance with Code of Conduct requirements for a Collegiate Institution shall be considered a breach of the License Agreement regarding the applicable Collegiate Institution.

(i) Legal Compliance. Licensees must comply with all applicable legal requirements of the country(ies) of manufacture in conducting business related to or involving the sign, development, sourcing, use, manufacture, production, sale, license, distribution, or other commercialization of Licensed Articles. Where there are differences or conflicts with the Code of Conduct and the laws of the country(ies) of manufacture, the higher standard shall prevail, subject to the following considerations. In countries where law or practice conflicts with these labor standards, Licensees agree to consult with governmental, human rights, labor, and business organizations and to take effective actions as evaluated by CLC, the applicable Collegiate Institution(s) or their designees, and Licensee to achieve the maximum possible compliance with each of these standards. Licensee further agrees to refrain from any actions that would diminish the protections of these labor standards. Collegiate Institution(s) may be affiliated with non-profit, third party labor rights monitoring organizations, including, but not limited to, the FLA and WRC. Licensee agrees to incorporate the corresponding organization(s) affiliations and protocols as required by the Collegiate Institution(s). A Collegiate Institution may elect to change its monitoring organization affiliations during the Term, and Licensee shall agree to accommodate the changed affiliation status.

(ii) Employment Standards. Licensee shall comply with the following standards:

A. Wages and Benefits. Licensee recognizes that wages are essential to meeting employees' basic needs. Licensee shall pay employees, as a floor, at least the minimum wage required by local law or the local prevailing industry wage, whichever is higher, and shall provide legally mandated benefits.¹

B. Working Hours. Except in extraordinary business circumstances, hourly and/or quota-based wage employees shall: (i) not be required to work more than the lesser of: (a) 48 hours per week and 12 hours overtime, or (b) the limits on regular and overtime hours allowed by the law of the country of manufacture or, where the laws of such country do not limit the hours of work, the regular work week in such country plus 12 hours overtime; and (ii) be entitled to at least one day off in every seven day period.

C. Overtime Compensation. In addition to their compensation for regular hours of work, hourly and/or quota-based wage employees shall be compensated for overtime hours at such a premium rate as is legally required in the country of manufacture or, in those countries where such laws do not exist, at a rate at least equal to their regular hourly compensation rate.

¹CLC and the Collegiate Institutions will continue to monitor these issues and will promote studies that examine conditions and factors related to minimum and prevailing wages and employees' basic needs.



D. Child Labor. Licensee shall not employ any person at an age younger than 15 (or 14, where, consistent with International Labor Organization practices for developing countries, the law of the country of manufacture allows such exception). Where the age for completing compulsory education is higher than the standard for the minimum age of employment stated above, the higher age for completing compulsory education shall apply to this section. Licensee agrees to consult with governmental, human rights, and nongovernmental organizations, and to take reasonable steps as evaluated by CLC, the applicable Collegiate Institution(s) or their designees, and the Licensee to minimize the negative impact on children released from employment as a result of implementation or enforcement of the Code of Conduct.

E. Forced Labor. There shall not be any use of forced prison labor, indentured labor, bonded labor or other forced labor.

F. Health and Safety. Licensee shall provide a safe and healthy working environment to 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 Licensee facilities.

G. Nondiscrimination. No person shall be subject to any discrimination in employment, including hiring, salary, benefits, advancement, discipline, termination or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, or social or ethnic origin.

H. Harassment or Abuse. Every employee shall be treated with dignity and respect. No employee shall be subject to any physical, sexual, psychological, or verbal harassment or abuse. Licensee will not use or tolerate any form of corporal punishment.

I. Freedom of Association and Collective Bargaining. Licensee shall recognize and respect the right of employees to freedom of association and collective bargaining.

(iii) Full Public Disclosure. Licensee shall disclose to the Collegiate Institution(s) or their designee, including CLC, the location, factory name, contact name, address, phone number, e-mail address, products produced, and nature of business association, of each factory used in the production of all items that bear Licensed Indicia, including any additional disclosure information requested from time to time by the Collegiate Institution(s) or their designee, including CLC. Such information shall be updated upon any change to such disclosed information. CLC and/or the Collegiate Institution(s) reserve the right to disclose this information to third parties, without restriction as to its further distribution.

(iv) Women's Rights.

A. Women workers will receive equal remuneration, including benefits, equal treatment, equal evaluation of the quality of their work, and equal opportunity to fill all positions as male workers.

B. Pregnancy tests will not be a condition of employment, nor will they be demanded of employees.

C. Workers who take maternity leave will not face dismissal nor threat of dismissal, loss of seniority or deduction of wages, and will be able to return to their former employment at the same rate of pay and benefits.

D. Workers will not be forced or pressured to use contraception.



E. Workers will not be exposed to hazards, including glues and solvents, that may endanger their safety, including their reproductive health.

F. Licensees shall provide appropriate services and accommodations to women workers in connection with pregnancy.

(v) Fair Labor Association (FLA) Affiliation. Licensee shall comply in full with the affiliation requirements of the FLA's Collegiate Licensee Program. Incorporated in 1999, the FLA is a collaborative effort of socially responsible companies, colleges and universities, and civil society organizations to improve working conditions in factories around the world. The FLA has developed a Workplace Code of Conduct, based on International Labour Organization (ILO) standards, and created a practical monitoring, remediation and verification process to achieve those standards. The FLA is a brand accountability system that places the onus on companies to achieve the FLA's labor standards in the factories manufacturing their products. Collegiate Institutions affiliated with the FLA seek to ensure that the licensees supplying their Licensed Articles manufacture or source those products from factories in which workers' rights are protected. The FLA's Collegiate Licensee Program and its requirements for affiliates are outlined at www.fairlabor.org, and the FLA may be contacted at the following address: Fair Labor Association, 1111 19th St. NW, Suite 401, Washington, DC 20036, Phone: (202) 898-1000, Fax: (202) 898-9050.

(vi) Worker Rights Consortium (WRC) Cooperation. Licensee shall cooperate with the WRC. The WRC is an independent labor rights monitoring organization that conducts investigations of working conditions in factories on behalf of its affiliate Collegiate Institutions. The WRC conducts independent, in-depth labor rights investigations at factories producing Licensed Articles; issues reports of its findings to affiliate Collegiate Institutions and the public; and, where needed, aids workers to ensure that violations of Collegiate Institution codes of conduct are corrected. Collegiate Institutions that are affiliates of the WRC have agreed to the requirements for affiliation, found at www.workersrights.org. The WRC may be contacted at the following address: Worker Rights Consortium, 5 Thomas Circle NW, Fifth Floor, Washington, DC 20005, Phone: (202) 387-4884, Fax: (202) 387-3292, kimberly.capehart@workersrights.org.
