

CODE OF CONDUCT: University of Wisconsin (“University”)

GENERAL

The University conducts its business affairs in a socially responsible and ethical manner consistent with its educational mission, as well as with the goal of preserving the environment. The University desires to ensure that its partners utilize best practices for the respectful and ethical treatment of workers and in promoting sustainable conditions within which such workers may earn fair wages in a safe and healthy work environment. As such, the University has adopted the following Code of Conduct (the “Code”) that requires Licensee to comply with the principles set forth in the Code at a minimum. Licensee will further ensure compliance with this Code by the factories, contractors, subcontractors, manufacturers, vendors, agents, or any other component suppliers that produce, assemble or package Licensed Consumer Products (each a “Disclosed Factory”).

As a condition of being permitted to produce and/or sell licensed products bearing the name, trademarks and/or images of the University, each Licensee must comply with this Code of Conduct. If the University, in its sole discretion, determines that any Licensee has failed to comply with this Code, then the University may either terminate its business relationship and trademark license agreement with the Licensee or require that the Licensee implement a corrective action plan on terms acceptable to the University.

Licensee and its Disclosed Factories will comply with all applicable laws and regulations of the country of manufacture. Where there are conflicts or differences among these standards, the higher standard shall prevail. In countries where law or practice conflicts with these Code standards, Licensee agrees to take effective steps, in consultation with the University or its designee(s), to achieve the maximum possible compliance with the standards. Licensee shall not engage in any action that would diminish the protection of these labor standards.

ADHERENCE TO CODE/RIGHT TO INSPECTION

As a condition of being permitted to produce and/or sell Licensed Consumer Products bearing the Licensed IP of the University, Licensee must comply with this Code and ensure that each Disclosed Factory is fully informed of the Code and notifies its employees of it. Licensee shall ensure that each Disclosed Factory posts this Code in English and the native language(s) of the country in which the Disclosed Factory is located. The Code will be adhered to by Licensee and each Disclosed Factory, and the employees, officers and managers of the respective entities at all times. The University and FLM will have full access and opportunity to ensure compliance with the Code by Licensee and any Disclosed Factory at any time, including via onsite inspections by the University, the Worker Rights Consortium (“WRC”), and accredited external monitors. Licensee shall comply with the monitoring requirements adopted by the University, including, but not limited to, meeting or exceeding the requirements of the workplace codes and guidelines of the Fair Labor Association (“FLA”) and the WRC.

Licensee shall disclose to the University or its designee the location, contact information, website URL, list of products manufactured, and the nature of the business relationship for each Disclosed Factory used in the production of all items which bear the University’s Licensed Intellectual Property. Licensee shall provide the University, upon renewal of the trademark license agreement (if applicable), confirmation that each Disclosed Factory is meeting the standards set forth in this Code. Licensee shall provide the information required to be disclosed in a format requested by the University or its designee (e.g., via electronic questionnaire). Licensee is fully responsible for updating any changes to this information, or the discontinuance of the relationship with any Disclosed Factory within 30 days of such a change. Licensee understands and agrees that the University may disclose this information, without limitation, to third parties.

WORKPLACE COMPLIANCE (HEALTH & SAFETY, FORCED LABOR, ABUSE)

WORKPLACE CONDITIONS:

Licensee agrees to operate workplaces and contract with Disclosed Factories whose workplaces adhere to the standards and practices described herein. Licensee shall provide a safe and healthy working environment to prevent accidents and injury to health arising out of, related to, or occurring in the course of work or as a result of the operation at Disclosed Factories.

Each workplace will have adequate fire protection, emergency exits that are accessible at all times, clean air, clean water, adequate rest periods, unrestricted use of toilets, and the right to leave work without penalty to receive medical care. Any residential facilities provided by Licensee and any Disclosed Factory must meet the same standards. Workers will not be exposed to hazardous activities or materials that may endanger their health and safety, including their reproductive health.

Licensee and its Disclosed Factories will be committed to the protection of the local environment, including all locations and surroundings. They will protect residential areas located adjacent to, or near, their locations, disposing of garbage and waste in such a way so as not to endanger the safety and health of nearby areas.

CHILD LABOR AND FORCED LABOR:

Licensee and its Disclosed Factories shall not employ any person 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. Young workers will not be forced to work overtime hours that would prevent them from attending school. Licensee shall cooperate with the University and work with governmental, human rights and non-governmental organizations to mitigate the negative impact on any child released from employment as a result of this Code.

Licensee and its Disclosed Factories shall not use any forced labor, whether in the form of prison labor, indentured labor or servitude, bonded labor or any other type of forced labor.

ABUSE & HARASSMENT:

Licensee and its Disclosed Factories shall treat every employee with respect and dignity. Licensee and its Disclosed Factories will not subject any employee to any physical, sexual, psychological or verbal abuse or harassment. Licensee will not engage in, use, or otherwise permit or tolerate any form of corporal punishment.

EMPLOYMENT RELATIONSHIP (WAGES, OVERTIME, WORKING HOURS, NON-DISCRIMINATION)

WAGES & BENEFITS, OVERTIME, HOURS:

Licensee and its Disclosed Factories recognize that wages are necessary for workers to meet their basic and essential needs and provide some discretionary income. Every worker has a right to compensation for a regular work week that is sufficient to meet these basic and essential needs and provide some discretionary income. Accordingly, Licensee shall pay employees the greater of the minimum wage required by local law or the local prevailing industry wage and shall provide legally mandated benefits.

Where compensation does not meet workers' basic and essential needs and provide some discretionary income, Licensee shall work with the University or its agent or designee, or local authorities, to take appropriate actions to realize an appropriate level of compensation. The University and Licensee agree to monitor these issues and to promote further focus and examination that have the goal of improving conditions and factors related to wages.

Licensee and its Disclosed Factories shall not require workers to work more than the regular and overtime hours allowed by the law of the country where the workers are employed, but in no event shall the regular work week exceed 48 hours. Workers will be entitled to at least one day off in every seven-day period. All overtime work shall be consensual. Workers shall be compensated for overtime hours at 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. Except in extraordinary business circumstances, workers shall not work more than 48 hours per week and 12 hours overtime. Where the maximum regular and overtime hours allowed by the law of the country of manufacture are higher than the above, or where the laws of such country do not limit the hours of work, the worker will be limited to the above-specified maximum.

NON-DISCRIMINATION:

Licensee and its Disclosed Factories will not discriminate against any individual as it relates to employment, including hiring, salary, benefits, type of work, advancement, discipline, termination or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, pregnancy, marital status, nationality, political opinion or affiliation, union involvement, or social or ethnic origin. Female workers will receive equal pay, including benefits, and equal treatment in the workplace as is afforded to their male counterparts. Pregnancy tests will not be a condition of employment nor demanded of workers during their employment. Workers will not be forced or pressured to use contraception. Licensee and its Disclosed Factories shall provide appropriate services and accommodations to female workers in connection with pregnancy. Finally, workers will not face dismissal nor the threat of dismissal, loss of seniority or deduction in wages, due to maternity (or paternity) leave, and such workers will be able to return to their former employment at the same rate of pay and benefits.

Nothing in the above should be construed as preventing Licensee or its Disclosed Factories from retaining and/or rewarding workers on the basis of seniority, nor in pursuing equal opportunity employment practices.

FREEDOM OF ASSOCIATION & COLLECTIVE BARGAINING

Licensee and its Disclosed Factories shall recognize and respect the right of workers to freely associate and collectively bargain.

NON-COMPLIANCE/REMEDATION

Licensee will ensure that each of its Disclosed Factories will provide its employees with an opportunity to report any non-compliance with the Code with the knowledge that any such report will not punish or prejudice

the individual employees in any manner. Employees may also submit complaints to the WRC (Phone: 202-387-4884; Fax: 202-387-3292; Website: www.workersrights.org). Licensee will ensure that future business relationships will depend on correcting instances of non-compliance.