

**CLC SPECIAL AGREEMENT REGARDING  
LABOR CODES OF CONDUCT  
(January 2003 Document)**

This is an Agreement between -----, a corporation organized under the laws of the state of -----, having its principal place of business at ----- (“Licensee”), and the Collegiate Licensing Company, a Georgia corporation, having its principal place of business at 290 Interstate North, Suite 200, Atlanta, Georgia 30339 (“CLC”), as agent on behalf of the Collegiate Institutions.

WHEREAS Licensee and CLC have entered into and are operating under the terms of the Collegiate Licensing Company Standard Retail Product License Agreement and/or other similar license agreements involving the use of Collegiate Institution indicia (collectively, the “License Agreement”);

WHEREAS Collegiate Institutions have adopted certain labor code standards and verification / monitoring procedures regarding the manufacture, production and sale of Licensed Articles (“Code(s) of Conduct”);

WHEREAS Collegiate Institutions have directed CLC to implement their respective Codes of Conduct with Licensee as an additional License Agreement requirement;

WHEREAS defined terms not defined herein will have the same meanings as ascribed to such terms in the License Agreement.

NOW, THEREFORE, in consideration of the parties’ mutual covenants and undertakings, and other good and valuable consideration the receipt and sufficiency of which are acknowledged, the parties agree as follows:

**1. LICENSEE OBLIGATIONS**

Certain Collegiate Institutions have directed CLC to implement the Code of Conduct requirements as described in this Agreement as an institutional policy and requirement, as provided in the License Agreement. Accordingly, Licensee shall comply with Code of Conduct requirements as directed by the respective Collegiate Institutions and as described in this Agreement in order to remain in compliance with the License Agreement. Licensee shall cooperate with CLC, the Collegiate Institutions and/or their agents or representatives in periodic inspections of Licensee’s factory sites to ensure that Licensee is in compliance with such Code of Conduct requirements. Licensee’s failure to comply with Code of Conduct requirements for a Collegiate Institution shall be considered a breach of the License Agreement regarding the applicable Collegiate Institution.

**2. CURRENT CODE OF CONDUCT REQUIREMENTS**

Certain Collegiate Institutions have adopted Code of Conduct requirements. Those requirements are set forth on the attached Schedules and Riders.

**3. ADDITIONS / MODIFICATIONS OF CODE OF CONDUCT REQUIREMENTS**

Additional Collegiate Institutions may from time to time implement Code of Conduct requirements, and Collegiate Institutions may from time to time modify their Code of Conduct requirements. CLC shall give Licensee reasonable written notice of any changes in Code of Conduct requirements. Licensee, upon receipt of the notice, shall be responsible for complying with the new Code of Conduct requirements.

4. **TERM**

This Agreement shall begin effect on the last date of signature below and shall terminate upon the termination, revocation, cancellation or expiration of the rights granted Licensee under the License Agreement with respect to affected Collegiate Institution(s). Any renewal(s) of said License Agreement shall constitute renewal of this Agreement.

5. **SEVERABILITY**

The determination that any provision of this Agreement is invalid or unenforceable shall not invalidate this Agreement, and the remainder of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

6. **NO WAIVER, MODIFICATION, ETC.**

This Agreement, including attachments, constitutes the entire agreement and understanding between the parties and cancels, terminates, and supersedes any prior agreement or understanding relating to the subject matter hereof between Licensee, CLC and Collegiate Institutions. There are no representations, promises, agreements, warranties, covenants or understandings other than those contained herein. None of the provisions of this Agreement may be waived or modified, except expressly in writing signed by both parties. However, failure of either party to require the performance of any term in this Agreement or the waiver by either party of any breach shall not prevent subsequent enforcement of such term nor be deemed a waiver of any subsequent breach.

7. **MISCELLANEOUS**

When necessary for appropriate meaning, a plural shall be deemed to be the singular and singular shall be deemed to be the plural. The attached schedules are an integral part of this Agreement. Paragraph headings are for convenience only and shall not add to or detract from any of the terms or provisions of this Agreement. This Agreement shall be construed in accordance with the laws of the state of Georgia, which shall be the sole jurisdiction for any disputes

IN WITNESS WHEREOF, the parties hereto have signed this Agreement.

LICENSEE:

By: \_\_\_\_\_ [Seal]  
(Signature of officer, partner, or person  
duly authorized to sign)

Title: \_\_\_\_\_

Date: \_\_\_\_\_

THE COLLEGIATE LICENSING COMPANY, as agent on behalf of the Collegiate Institutions.

By: \_\_\_\_\_  
(Signature of person duly authorized to sign)

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## **Labor Code Standards Schedule I**

- I. Introduction: The Collegiate Licensing Company (“CLC”) and the collegiate institutions represented by CLC (“Collegiate Institutions”) are each 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. While CLC and the Collegiate Institutions believe that Licensees share this commitment, CLC and certain Collegiate Institutions have adopted the following Labor Code Standards (the “Code”) which requires that all Licensees, at a minimum, adhere to the principles set forth in the Code.

Throughout the Code the term “Licensee” shall include all persons or entities which have entered into a written “License Agreement” with CLC to manufacture “Licensed Articles” (as that term is defined in the License Agreement) bearing the names, trademarks and/or images of one or more Collegiate Institutions. The term “Licensee” shall for purposes of the Code, and unless otherwise specified in the Code, encompass all of Licensee’ contractors, subcontractors or manufacturers which produce, assemble or package finished Licensed Articles for the consumer.

- II. Standards: Licensees agree to operate work places and contract with companies whose work places adhere to the standards and practices described below. CLC and the Collegiate Institutions prefer that Licensees exceed these standards.

A. Legal Compliance: Licensees must comply with all applicable legal requirements of the country(ies) of manufacture in conducting business related to or involving the production or sale of Licensed Articles. Where there are differences or conflicts with the Code 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 designee, and the applicable Licensee(s) to achieve the maximum possible compliance with each of these standards. Licensees further agree to refrain from any actions that would diminish the protections of these labor standards.

B. Employment Standards: Licensees shall comply with the following standards:

1. Wages and Benefits: Licensees recognize that wages are essential to meeting employees’ basic needs. Licensees 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.<sup>1</sup>
2. 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.

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<sup>1</sup>CLC 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.

3. **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.
4. **Child Labor:** Licensees 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. Licensees agree 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 designee, and the applicable Licensee(s) to minimize the negative impact on children released from employment as a result of implementation or enforcement of the Code.
5. **Forced Labor:** There shall not be any use of forced prison labor, indentured labor, bonded labor or other forced labor.
6. **Health and Safety:** Licensees 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.
7. **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.
8. **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. Licensees will not use or tolerate any form of corporal punishment.
9. **Freedom of Association and Collective Bargaining:** Licensees shall recognize and respect the right of employees to freedom of association and collective bargaining.

## COLLEGIATE INSTITUTIONS - LIST I

The following Collegiate Institutions have adopted Labor Code Standards – Schedule I:

1. The University of Alabama
2. Alabama A&M University
3. University of Alaska at Anchorage
4. University of Arizona
5. University of Arkansas-Fayetteville
6. University of Arkansas-Pine Bluff
7. Baylor University
8. Boston College
9. Boston University
10. University of Cincinnati
11. University of Connecticut
12. Cornell University
13. University of Delaware
14. Duke University
15. Drexel University
16. University of Florida
17. Florida State University
18. George Mason University
19. George Washington University
20. Georgetown University
21. University of Georgia
22. Georgia Institute of Technology
23. University of Houston
24. University of Illinois
25. James Madison University
26. Kansas State University
27. University of Kansas
28. Marquette University
29. Marshall University
30. University of Maryland
31. University of Memphis
32. University of Miami
33. The University of Missouri
34. University of Montana
35. University of Nebraska
36. University of New Hampshire
37. University of North Carolina at Greensboro
38. North Carolina State University
39. University of North Carolina
40. Northwestern University
41. The University of Oklahoma
42. The Pennsylvania State University
43. Pepperdine University
44. University of Pittsburgh
45. Purdue University
46. Robert Morris College
47. St. John's University
48. Saint Joseph's University
49. San Diego State University
50. San Jose State University
51. Santa Clara University
52. University of South Alabama
53. University of South Carolina
54. Syracuse University
55. The University of Texas at Austin
56. Tulane University
57. University of Utah
58. Utah State University
59. Villanova University
60. University of Virginia
61. Wayne State University
62. University of Wisconsin-Madison
63. University of Wyoming

**Labor Code Standards  
Rider 1 to Schedule I**

Full Public Disclosure:

Each Licensee shall disclose to the Collegiate Institution or its designee the location (including 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 which bear Licensed Indicia. Such information shall be updated upon change of any factory site location. The Collegiate Institution reserves the right to disclose this information to third parties, without restriction as to its further distribution.

## COLLEGIATE INSTITUTIONS - LIST II

The following Collegiate Institutions have adopted Rider 1 to Schedule I:

1. University of Alabama
2. University of Alaska at Anchorage
3. Appalachian State University
4. University of Arizona
5. University of Arkansas-Fayetteville
6. University of Arkansas-Pine Bluff
7. Baylor University
8. Boise State University
9. Boston College
10. Boston University
11. California State University, Northridge
12. Colgate University
13. University of Colorado
14. Colorado State University
15. University of Connecticut
16. Cornell University
17. University of Delaware
18. Drexel University
19. Duke University
20. University of Florida
21. Florida State University
22. George Mason University
23. George Washington University
24. Georgetown University
25. University of Georgia
26. Georgia Institute of Technology
27. University of Illinois
28. James Madison University
29. University of Kansas
30. Kansas State University
31. University of Kentucky
32. Louisiana State University
33. University of Louisville
34. Marquette University
35. Marshall University
36. University of Maryland
37. University of Memphis
38. University of Miami
39. University of Michigan
40. The University of Missouri
41. University of Montana
42. University of Nebraska
43. University of Nevada-Las Vegas
44. University of New Hampshire
45. The University of New Mexico
46. New Mexico State University
47. University of North Carolina at Greensboro
48. University of North Carolina
49. North Carolina State University
50. Northern Arizona University
51. Northwestern University
52. The University of Notre Dame du Lac
53. The University of Oklahoma
54. The Pennsylvania State University
55. University of Pittsburgh
56. Purdue University
57. Robert Morris College
58. St. Cloud State University
59. St. John's University
60. Saint Joseph's University
61. San Diego State University
62. San Jose State University
63. Santa Clara University
64. University of South Alabama
65. University of South Carolina
66. University of South Florida
67. Syracuse University
68. Temple University
69. The University of Texas at Austin
70. The University of Texas Medical Branch at Galveston
71. Tulane University
72. University of Utah
73. Utah State University
74. Villanova University
75. University of Virginia
76. University of Washington
77. Wayne State University
78. University of Wisconsin-Madison
79. University of Wyoming
80. Xavier University

**Labor Code Standards  
Rider 1A to Schedule I**

Full Public Disclosure:

For University of Arizona licensees, full public disclosure includes but shall not be limited to direct disclosure to the University, in addition to required disclosure to CLC or various other monitoring organizations.

Monitoring:

In addition to any other monitoring provisions or practices which the University of Arizona may require, including but not limited to those developed by or to be developed by the FLA, CLC, or other programs in which the University elects to participate, the University further requires that as part of its overall Code compliance and monitoring program, licensees will accommodate unannounced visits to, and unannounced independent monitoring of, factories selected without the participation of the companies whose factories, or whose contractors' factories, are being monitored. For purposes of this provision, "independent monitoring" must involve accreditation of monitors wherein the qualifying person or group has no monetary interest in the outcome of the monitoring process. The independent monitor may not be chosen by the individual corporate or other ownership entity whose factories or whose contractor's factories are being monitored, nor may the monitors be selected or accredited by a group dominated by commercial or corporate interests or entities. Accreditation should occur through organizations with balanced representation of business entities, universities, human rights organizations and preferably labor rights organizations.

**Labor Code Standards  
Rider 2 to Schedule I**

Women's Rights:

1. 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.
2. Pregnancy tests will not be a condition of employment, nor will they be demanded of employees.
3. 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.
4. Workers will not be forced or pressured to use contraception.
5. Workers will not be exposed to hazards, including glues and solvents, that may endanger their safety, including their reproductive health.
6. Licensees shall provide appropriate services and accommodations to women workers in connection with pregnancy.

### **COLLEGIATE INSTITUTIONS - LIST III**

The following Collegiate Institutions have adopted Rider 2 to Schedule I:

1. The University of Alabama
2. University of Arkansas-Fayetteville
3. University of Arizona
4. University of Connecticut
5. Cornell University
6. Drexel University
7. Duke University
8. The George Washington University
9. Georgetown University
10. University of Illinois
11. James Madison University
12. Marquette University
13. University of Miami
14. The University of Missouri
15. University of Montana
16. University of Nebraska
17. The University of New Mexico
18. Purdue University
19. San Diego State University
20. Syracuse University
21. Tulane University
22. University of Virginia
23. University of Wisconsin-Madison

## **FLA Labor Code Categories Schedule II**

### **Monitoring:**

Each Licensee shall comply with the monitoring requirements adopted by the Collegiate Institution including but not limited to participation in the Fair Labor Association (“FLA”) labor code monitoring program. Licensee shall participate in the FLA under one of the following four applicable categories:

Category A Licensees are subject to the following criteria and requirements:

- Licensees with annual consolidated revenues of \$50 million or greater.
- Adopt, and cause its applicable licensees, contractors, and suppliers to adopt, the FLA workplace code.
- Convey the code and its commitment to comply with the code to the officers, managers, and employees of its factories and of its licensees, contractors, and suppliers.
- Implement a system of monitoring, in compliance with the FLA’s monitoring principles and its monitoring guidance and compliance benchmarks, that includes both internal company monitoring and monitoring by independent external monitors accredited by the FLA.
- Internally monitor, in accordance with FLA monitoring principles and guidelines, half of their facilities during the first year and all facilities during the second and subsequent years of FLA participation.
- Externally monitor, by accredited independent external monitors, at least 30% of their facilities by the end of the implementation period.
- Pay annual assessments to the FLA, based on a formula related to the company’s annual revenues. Assessments range from \$5,000 to \$100,000, with the maximum assessment of \$100,000 required of any company with annual revenues in excess of \$10 billion.

Category B Licensees are subject to the following criteria and requirements:

- Licensees with annual consolidated revenues of \$50 million or greater.
- Submit to the FLA’s monitoring process those facilities that produce or manufacturer product under license from FLA-affiliated institutions.
- Adopt the FLA workplace code in facilities that produce or manufacturer product under license from FLA-affiliated institutions.
- Remit annual dues based on the total revenue from goods licensed by all FLA-affiliated institutions.
  - If these revenues are \$100 million or less, dues are \$1,000.
  - If these revenues are more than \$100 million, dues are \$1,000 plus .00001 times revenues in excess of \$100 million.

Category C Licensees are subject to the following criteria and requirements:

- Annual consolidated revenues less than \$50 million and do not qualify for Category D.
- Adopt the FLA workplace code in facilities that are owned and/or operated by the Licensee.
- Within two years, implement a system of internal monitoring in facilities that are owned and/or operated by the Licensee.

- Participate with other Category C Licensees in a pool of facilities that are owned and/or operated by these Licensees, from which each year 10% will be selected for inspection by accredited independent external monitors selected by the FLA.
- Provide to the University Liaison the names and addresses of any subcontractors and/or supplier from which they secure goods for the production of licensed products.
- Remit annual dues at a rate of .0001 times annual consolidated revenue with a minimum fee of \$500.

Category D Licensees are subject to the following criteria and requirements:

- Annual consolidated revenues below \$1 million.
- Located in the same state as, or within 200 miles, of at least one FLA institution for which Licensee is licensed.
- Production and/or manufacturing facilities are located in the United States.
- No fee for FLA participation.
- Certify their compliance with the FLA workplace code.
- Publicly disclose the location of all the facilities they own and/operate.
- Provide to the University Liaison the names and addresses of any subcontractors and/or suppliers from which they secure goods for the production of licensed products.

## COLLEGIATE INSTITUTIONS - LIST IV

The following Collegiate Institutions have adopted Schedule II:

1. University of Alabama
2. Appalachian State University
3. University of Arizona
4. Boise State University
5. Boston College
6. Boston University
7. California State University, Northridge
8. Colgate University
9. University of Colorado
10. Colorado State University
11. Cornell University
12. University of Delaware
13. Duke University
14. University of Florida
15. Florida State University
16. George Mason University
17. University of Georgia
18. Georgia Institute of Technology
19. University of Illinois
20. James Madison University
21. University of Kansas
22. Kansas State University
23. University of Kentucky
24. Louisiana State University
25. University of Louisville
26. Marquette University
27. University of Maryland
28. University of Memphis
29. University of Miami
30. The University of Michigan
31. The University of Missouri
32. University of Nebraska
33. University of Nevada-Las Vegas
34. University of New Hampshire
35. The University of New Mexico
36. New Mexico State University
37. University of North Carolina at Chapel Hill
38. University of North Carolina at Greensboro
39. North Carolina State University
40. Northwestern University
41. The University of Notre Dame du Lac
42. The Pennsylvania State University
43. University of Pittsburgh
44. Purdue University
45. St. Cloud State University
46. St. John's University
47. Saint Joseph's University
48. San Diego State University
49. San Jose State University
50. Santa Clara University
51. University of South Florida
52. Syracuse University
53. Temple University
54. University of Texas at Austin
55. University of Texas, Medical Branch at Galveston
56. University of Utah
57. Utah State University
58. Villanova University
59. University of Washington
60. The University of Wyoming
61. Xavier University

**Collegiate Institution – University of Michigan  
Special University of Michigan Code of Conduct Requirements**

University of Michigan Licensees are required to adopt the Code of Conduct for University of Michigan Licensees attached as Schedule III. Alternatively, in recognition that licensees may have already implemented other codes of conduct, and for a trial period of two years beginning effective March 12, 2003, Licensee will be deemed to have met Licensee's contractual obligation to the University of Michigan provided that (i) Licensee has adopted the CLC Labor Code Standards attached as Schedule I (including Rider 1 – Public Disclosure and Rider 2 - Womens Rights) or the FLA code (including FLA compliance benchmarks); and that (ii) the Licensee agrees with the following principles:

1. Code provisions apply not only to the supplier factories but also to the primary manufactured components of the licensed articles.
2. The women's rights provisions are understood to include the right of a new mother to take a leave of absence and that nondiscrimination includes protections against adverse employment decisions based on marital status and reproductive or family situation.
3. Freedom of association means that Licensees shall recognize and respect the right of factory workers to freedom of association and collective bargaining; no worker shall be subject to harassment, intimidation or retaliation for her/his efforts to freely associate or bargain collectively; Licensees shall allow union organizers access to workers; and Licensees shall recognize the union of the worker's choice.
4. Mandatory work should be closely monitored. Any scheduling of mandatory hours of work exceeding sixty (60) hours in a workweek should be reported to the University of Michigan with a full explanation that this was due to extraordinary circumstances and the nature of such extraordinary circumstances.
5. Wages paid factory workers should meet at least basic needs.

**Code of Conduct for University of Michigan Licensees  
Schedule III**

February 16, 2001

Forced Labor. Licensees shall not use (or purchase materials that are produced using) any form of forced labor, whether in the form of prison labor, indentured labor, bonded labor, or otherwise.

Child Labor. Licensees 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. Licensees agree to consult with governmental, human rights, and non-governmental organizations, and to take reasonable steps to minimize the negative impact on children released from employment as a result of implementation or enforcement of the Code.

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. Licensees will not use or tolerate any form of corporal punishment.

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, marital status, reproductive or familial situation, religion, age, disability, sexual orientation, nationality, political opinion, or social or ethnic origin.

Health and Safety. Licensees shall provide a safe and healthy working environment to prevent accidents and injury to health, including reproductive health, arising out of, linked with, or occurring in the course of work or as a result of the operation of Licensee facilities.

Women's Rights. Women's rights are included in the previous sections of this Code of Conduct. Without restricting the generality of the foregoing and for purposes of greater clarity and specificity, licensees shall abide by the following conditions:

Female workers shall have the same work opportunities as men, without arbitrary restriction on the types of jobs or special limits on hours of work;

Licensees shall not use criteria related to marital or reproductive status (for example, pregnancy tests, the use of contraception, fertility status) as conditions of employment;

New mothers shall be entitled to leaves of absence (with the right to return to work) for childbirth and recovery from childbirth.

Freedom of Association and Collective Bargaining. Licensees shall recognize and respect the right of employees to freedom of association and collective bargaining. No employee shall be subject to harassment, intimidation or retaliation for her/his efforts to freely associate or bargain collectively. Licensees shall allow union organizers access to employees. Licensees shall recognize the union of the employee's choice.

Hours of Work and Overtime. Licensees shall comply with applicable laws and industry standards on working hours. In any event, personnel shall not, on a regular basis, be required to work in excess of 48 hours per week and shall be provided with at least one day off in every seven-day period. Mandatory overtime shall be limited to extraordinary and short-term business circumstances and the policy concerning mandatory overtime shall be explained to employees before they are hired. Regular working hours plus mandatory overtime shall not exceed 60 hours per week. All overtime shall be remunerated at an appropriate premium rate.

Compensation. Licensees recognize that wages are the principal means of meeting the basic needs of employees and their families, and therefore commit themselves to a wage goal that enables employees to satisfy these needs. Licensees shall ensure that wages and benefits for a standard working week meet at least legal minimum standards and industry averages, whichever is greater, and that net compensation is at least sufficient to meet the worker's basic needs. Compensation standards will be adjusted periodically based on experience and increased knowledge concerning local labor markets and living conditions.

**University of Notre Dame  
Licensing Code of Conduct  
Schedule IV**

**I. Introduction:** The University of Notre Dame du Lac (“Notre Dame”) is committed to conducting its business affairs in a socially responsible manner consistent with its religious and educational mission. Notre Dame expects nothing less of its business partners and licensees. Therefore, Notre Dame will not do business with those who engage in business practices or follow work place standards inconsistent with this Code of Conduct.

**II. Application:** This Code of Conduct shall apply to all Licensees of Notre Dame. Throughout this Code, the term “Licensee” shall include all persons or entities who have entered a written License Agreement with the Collegiate Licensing Company on behalf of Notre Dame, as well as their respective contractors, subcontractors, vendors, manufacturers, sublicensees and any related entities throughout the world which produce or sell products or materials incorporated in products which bear the name, trademarks or images of the University of Notre Dame du Lac. This Code of Conduct is incorporated by reference into the License Agreement between Licensee and the Collegiate Licensing Company as per Section 2(e)(7) of the Agreement. It is applicable and mandatory with respect to every Licensee of Notre Dame.

As a condition of being permitted to produce and/or sell licensed products bearing the name, trademarks and/or images of Notre Dame, each Licensee must comply with this Code of Conduct. If the University of Notre Dame, 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 License Agreement with the Licensee or require that the Licensee implement a corrective action plan on terms acceptable to Notre Dame.

**III. Work Place Standards and Practices:** Specifically, Notre Dame Licensees must operate work places and contract with employers whose work places adhere to the following minimum standards and practices:

**A. Legal Compliance:** Notre Dame Licensees must comply with all applicable legal requirements in conducting business related to or involving the production or sale of products or materials bearing the name, trademarks or images of Notre Dame.

**B. Environmental Compliance:** Notre Dame Licensees must share Notre Dame’s commitment to the protection and preservation of the global environment and the world’s finite resources and conduct business accordingly.

**C. Ethical Principles:** Notre Dame Licensees must be committed in the conduct of their business to a set of ethical standards, which are not incompatible with those of Notre Dame. These include but are by no means limited to honesty, integrity, trustworthiness, and respect for the unique intrinsic value of each human being.

**D. Employment Standards:** Notre Dame will only do business with Licensees whose workers are in all cases present at work voluntarily, not at risk of physical harm, fairly compensated and not exploited in any way. In addition, the following specific guidelines must be followed:

1. **Wages and Benefits:** Licensees must provide wages and benefits which comply with all applicable laws and regulations and match or exceed the prevailing local manufacturing industry practices.

2. **Working Hours:** Licensees must not exceed prevailing local work hours in the country where the work is to be performed, except with respect to appropriately compensated overtime. In any event, Licensees must not require in excess of a sixty-hour week on a regularly scheduled basis.

3. **Child Labor:** The use of child labor is not permissible and will not be tolerated. Workers can be no less than 14 years of age and not younger than the compulsory age to be in school in the country where the work is to be performed.

4. **Prison or Forced Labor:** The use of forced labor and prison labor is not permissible and will not be tolerated. Labor supplied by prisoners working within the United States pursuant to a lawfully authorized work program sponsored by the United States government or a government of one of the fifty states shall only be permissible if the Licensee obtains Notre Dame's prior written consent.

5. **Health and Safety:** Licensees must provide workers with a safe and healthy work environment. If residential facilities are provided to workers, they must be safe and healthy facilities.

6. **Non-Discrimination and Respect for Life:** While Notre Dame recognizes and respects cultural differences, all workers must be employed on the basis of their ability to do the job, rather than on personal characteristics. We insist upon doing business with licensees who share this value. Workers must not be discriminated against on the basis of their race, ethnicity, religious belief or affiliation, age (except with respect to the child labor requirements set forth herein), disability or gender. The sanctity of human life must be respected in all relations with workers. Specifically, no worker shall be required to undergo pregnancy testing, practice birth control or terminate a pregnancy as a condition of employment or continued employment at any time or for any reason.

7. **Disciplinary Practices:** Licensees must not use or tolerate corporal punishment or any other form of psychological or physical coercion.

8. **Human Rights:** Products and materials bearing the name, trademarks or images of Notre Dame shall not be manufactured or produced in any country where the human rights environment, as determined by Notre Dame, in its sole discretion, would prevent the conduct of business activities in a manner that is consistent with this Code of Conduct.

9. **Legal System:** Products and materials bearing the name, trademarks or images of Notre Dame shall not be manufactured or produced in any country where the local legal system would prevent Notre Dame, in its sole discretion, from adequately protecting its name, trademarks, images or other interests or from implementing any provision of this Code of Conduct.

In addition, after June 30, 2001, products bearing the name or other trademarks of the University of Notre Dame shall only be manufactured in countries where all workers enjoy the legal rights to associate freely, form independent labor unions and collectively bargain with their employers concerning wages, hours, working conditions and other terms and conditions of employment.<sup>1</sup>

In order to satisfy the minimum requirements of this recommendation, any country where Notre Dame licensed products are manufactured must satisfy one or more of the following: (1) be a signatory to International Labor Organization (“ILO”) Convention No. 87<sup>2</sup>; (2) be a signatory to I.L.O. Convention No. 98<sup>3</sup>; or (3) have adopted its own national laws which provide all workers within the country (including but not limited to foreign workers) legal rights to free association and to form and join organizations of their own choosing (including unions) without anti-union discrimination, prior authorization or interference by public authorities or others. Employer created, mandated or sponsored organizations, such as company unions, do not satisfy this requirement.

**10. Political, Economic and Social Environment:** Products and materials bearing the name, trademarks or images of Notre Dame shall not be manufactured or produced in any country where the political, social or economic environment would threaten Notre Dame’s reputation and/or commercial or other interests.

**IV. Documentation and Inspections.** It shall be the responsibility of each Notre Dame Licensee to ensure its compliance with this Code of Conduct and to verify that its business partners, subcontractors and others involved in the production or manufacture of products or materials bearing the name, trademarks or images of Notre Dame are in compliance with this Code of Conduct. Each Notre Dame Licensee shall maintain on file such documentation as may be needed to demonstrate its compliance with this Code of Conduct and shall make the documentation available for Notre Dame’s inspection upon request.

**A. Monitoring Compliance:** Each Notre Dame Licensee shall provide the University and its designated representatives with physical access to all facilities where Notre Dame licensed products are made, in whole or in part, whether by the Licensee or by third parties with whom the Licensee or its agents or representatives contract, in order to monitor and verify compliance with this Code of Conduct. Upon request, and on January 1 of each year, every Licensee shall promptly provide the Collegiate Licensing Company on behalf of the University with the following information concerning each such facility where Notre Dame licensed products are made: (1) the name, address, telephone number and facsimile number of the facility; (2) the name, address, telephone number and facsimile number of the owner(s) of the facility; (3) the name and job title of a contact person at the facility; (4) a detailed description of the type and quantity of all Notre Dame licensed products made, assembled or processed, in whole or in part, at the facility; (5) a summary description of the Licensee’s relationship to the owners and/or operators of the facility (e.g., company owned, contractual); and (6) any other information the University deems necessary to effectively monitor and verify compliance with this Code of Conduct.

It shall be the Licensee’s responsibility under this agreement to promptly notify the Collegiate Licensing Company on behalf of the University whenever it creates or ends relationships with new entities or facilities for the manufacturer or assembly, in whole or in part, of Notre Dame licensed products. If the Licensee should fail to do so, and/or the University incurs any expense as a result of the Licensee’s or a third party’s failure to notify Notre Dame or provide factory access as required herein, then the Licensee shall reimburse the University for all of its expenses.

Notre Dame Licensees must participate in the Fair Labor Association (“FLA”). Licensees with annual consolidated revenues of \$50 million or greater must either join the FLA as a Category A Licensee participating company or as a Category B Licensee and subject all facilities where Notre Dame licensed products are manufactured to the FLA monitoring process. Licensees with annual

consolidated revenues of less than \$50 million must participate as Category C Licensees or as Category D Licensees if their revenues are less than \$1 million and their production facilities are located within 200 miles of a FLA University of which it is a licensee.

<sup>1</sup> The term “manufactured” includes making or processing raw materials into finished products or goods as well as screen printing, embroidery, sewing, assembly and any process by which the University’s name or other trademarks are applied to a product or good.

<sup>2</sup> This international convention is a multilateral treaty, which was adopted in 1948. It establishes the right of all workers and employers to form and join organizations of their own choosing without prior authorization, and lays down a series of guarantees for the free functioning of organizations without interference by the public authorities.

<sup>3</sup> This international treaty was adopted in 1949. It provides for protection against anti-union discrimination, for protection of workers’ and employers’ organizations against interference by each other, and for measures to promote collective bargaining.