

VENDOR CODE OF CONDUCT REPORT

Whereas: Reports of human rights violations in the overseas subsidiaries and suppliers of some U.S.-based corporations has increased public awareness of the problems of child labor, sweatshop conditions and the denial of basic labor rights.

As investors, we believe it is prudent for our company to establish incentives to encourage its suppliers and vendors to raise labor standards. Human rights violations in the workplace can damage our company's reputation, lead to the loss of brand value or result in costly litigation.

Apparel manufacturers and leadership are purchasing an increasing volume of goods produced in countries where human rights abuses and unfair labor practices have been alleged or well documented. For example, in China, according to the U.S. State Department, auditors found falsified payroll and overtime records, and serious health and safety violations. (U.S. State Department's "China Country Report on Human Rights Practices – 2004")

Our company is exposed to these risks by selling products assembled and manufactured portions in China. If allegations surface concerning poor labor conditions in our company's supply chain, it may damage our company's corporate image, and have a negative impact on shareholder value.

A number of our company's competitors have adopted codes of conduct for vendors, addressing such issues as child labor, forced labor and freedom of association. Our company has not publicly disclosed any such code. We believe these codes should be based on the United Nations' International Labor Organizations' (ILO) core labor standards and the United Nations Norms on the Responsibilities of Transnational Corporations with Regards to Human Rights. (<http://www1.umn.edu/humanrts/links/commentary-Aug2003.htm>)

We believe that a credible code compliance program includes independent monitoring, a transparent verification process and regular public reporting of monitoring results.

Resolved: Shareholders request the Board of Directors to:

1. Adopt a code of supplier conduct, based on the ILO standards,
2. Establish an independent monitoring process that assesses adherence to these standards and,
3. Prepare an annual report, at reasonable cost, omitting proprietary information, on adherence to the supplier code, the first such report to be completed by October 2006.

Supporting Statement

1. All workers have the right to form and join trade unions and to bargain collectively. (ILO Conventions 87 and 98)
2. Worker representatives shall not be the subject of discrimination and shall have access to all workplaces necessary to enable them to carry out their representation functions. (ILO Convention 135)
3. There shall be no discrimination or intimidation in employment. Equality of opportunity and treatment shall be provided regardless of race, color, sex, religion, political opinion, age, nationality, social origin or other distinguishing characteristics. (ILO Convention 100 and 111).
4. Employment shall be freely chosen. There shall be no use of force, including bonded or prison labor. (ILO Convention 29 and 105).
5. There shall be no use of child labor. (ILO Convention 138 and 182)