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# DREAMWAVE LLC. ETHICAL STANDARDS FOR VENDORS

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At Dreamwave LLC. (hereinafter referred to as “Dreamwave”), we are committed to conducting business in an ethical and responsible manner in all countries in which we operate, and require the same from our business partners. While Dreamwave recognizes that there are different legal and cultural environments in which factories operate throughout the world, these Ethical Standards for Vendors (“Standards”) set forth the basic minimum requirements all factories must meet in order to do business with Dreamwave. These Standards apply to factories that produce goods for Dreamwave, including, manufacturers, contractors and subcontracted manufacturers (hereinafter collectively referred to as “Vendors”). Dreamwave strongly encourages Vendors to exceed these Standards and promote best practices and continuous improvement throughout their factories.

## **Legal Requirements:**

Dreamwave requires that its Vendors must operate in full compliance with all applicable laws and regulations of the countries in which they manufacture.

## **Forced Labor:**

Dreamwave requires that its Vendors not use forced labor, including, but not limited to, prison, indentured, bonded or involuntary labor.

## **Child Labor:**

Dreamwave requires that its Vendors not employ any person at an age younger than 15 (or 14 where the law of the country permits) or younger than the age for completing compulsory education in the country of manufacture where such age is higher than 15. In addition, Vendors must comply with all legal requirements for the work of authorized young workers, particularly those pertaining to hours of work, wages, and working conditions.

## **Harassment or Abuse:**

Dreamwave requires that its Vendors treat their employees with respect and dignity. Vendors must provide a work environment free of harassment, abuse or corporal punishment in any form. In addition, Vendors will not use monetary fines as a disciplinary practice.

## **Discrimination:**

Dreamwave requires that its Vendors ensure employment, including but not limited to hiring, salary, benefits, advancement, discipline or termination, is based solely on ability and not on any personal characteristics.

## **Health and Safety:**

Dreamwave requires that its Vendors provide safe and healthy working environment in accordance with applicable local law to prevent accidents and injury arising out of, linked with, or occurring in the course of work or as a result of the operation of employer facilities. Employers who provide residential facilities must ensure these facilities are also safe and healthy in accordance with applicable local laws.

## **Freedom of Association:**

Dreamwave requires that its Vendors recognize and respect the legal right of employees to freely associate. Employees should not be subject to intimidation or harassment as a result of the peaceful exercise of their legal right to join or to refrain from joining any organization.

## **Compensation and Benefits:**

Dreamwave requires that its Vendors to pay employees at least the minimum compensation required by local law, and shall provide all legally mandated benefits. In addition to their compensation for regular hours of work, employees shall be compensated for overtime hours at such premium rate as is legally required or, in those countries where such laws do not exist, at least equal to their regular hourly compensation rate.

## **Hours of Work:**

Dreamwave requires that its Vendors ensure that, except in extraordinary business circumstances, on a regularly scheduled basis, employees shall (i) not be required to work more than the lesser of (a) sixty (60) hours per week or (b) the limits on regular and overtime hours allowed by the law of the country of manufacture, and (ii) be entitled to at least one day off in every seven day period.

**Environment:**

Dreamwave requires that its Vendors comply with all local environmental laws applicable to the workplace.

**Subcontracting:**

Dreamwave requires that its Vendors not utilize subcontractors for the production of Dreamwave orders without Dreamwave 's written approval and only after the subcontractor has agreed in writing to comply with these Standards.

**Communication:**

Dreamwave requires that its Vendors take the appropriate steps to ensure that the provisions of the Standards are communicated to employees.

**Monitoring and Compliance:**

Dreamwave requires that its Vendors maintain on file all documentation necessary to demonstrate compliance with Dreamwave's Standards. Vendors must allow Dreamwave and its designated agents (including third parties) to engage in announced and unannounced monitoring visits, including confidential employee interviews.

Dreamwave Vendors are expected to take necessary corrective actions to promptly remediate any noncompliance. Dreamwave reserves the right to ultimately terminate its business relationship and/or cancel existing orders with any Vendor who is unwilling to comply with these Standards.

\*\*\*\*\*END\*\*\*\*\*

**COMPLIANCE WITH LAWS AND REGULATIONS**

(a) In performing its obligations under this purchase order, Vendor agrees to comply with and make all stipulations and representations required by applicable law. Applicable law shall include federal, state and local laws, regulations and requirements applicable to the merchandise or this order promulgated by any department, bureau, or other government agency of the United States of America.

(b) Unless otherwise specifically agreed to in writing, Vendor shall be responsible for timely procuring and providing to Dreamwave, LLC. all necessary export/import licenses, certificates of origin, documentation, forms statement and information appropriate and/or necessary for importation into and full release for consumption into the customs territory of the United States. Vendor further agrees that any visa accompanying wearing apparel exported to , Dreamwave LLC. is in the form required by the applicable Bilateral Textile Agreement between the United States and the exporting territory, and any amendments thereto, and that any textile quota category reflected thereon accurately describes the exported merchandise. Any denial of entry by the Bureau of Customs and Border Protection due to improper visa, lack of visa, or the failure of a visa to accurately reflect the applicable quota category or the categories shall entitle, Dreamwave LLC., at its discretion, and without prejudice to withhold payment to the Vendor and to actual and consequential damages and attorneys' fees in connection with such breach including any penalties or liquidated damages assessed by or paid to the Bureau of Customs and Border Protection.

(c) Vendor further agrees that the country of origin declaration(s) accompanying each shipment accurately describe(s) the true origin of each shipment. Vendor agrees to maintain records, including material and trim purchases, cutting reports, payroll records, daily production reports and the like, verifying production in the country of origin reflected on the visa or invoice accompanying the respective order for three years from the date of shipment, and to produce such documents , Dreamwave LLC. in the event the Bureau of Customs and Border Protection denies entry or assesses any claim for penalty or liquidated damages on the grounds of an incorrect origin declaration, Dreamwave LLC. shall be entitled, at its discretion, without prejudice to withhold payment to the Vendor and to actual and consequential damages and attorneys fees in connection with such a breach including any penalties or liquidated damages assessed by or paid to the Bureau of Customs and Border Protection.