

CSI INTERNATIONAL INC.

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Code of Conduct For CSI International Inc.

1. INTRODUCTION: CSI International Inc. (hereafter, "CSI") is committed to conducting its business affairs in a manner consistent with its employees personnel policies and expects its manufacturers to conduct their business in a manner consistent with, and follow workplace standards that adhere to the following Code of Conduct (the Code). The Code is subject to amendment to reflect any subsequently developed standards either by CSI or a national higher standard whose code CSI wishes to adopt.
2. NOTICE: This Code shall apply to all vendors of CSI. Throughout this Code the term "vendor" shall include all persons or entities who manufacture products for CSI. Additionally, this Code shall apply to all of the vendor's contractors. Throughout this Code the term "contractor" shall include each contractor, subcontractor, vendor or manufacturer that is engaged in a manufacturing process that results in a finished product for CSI. "Manufacturing process" shall include assembly and packaging.

As a condition of being permitted to sell to CSI, each vendor must comply with this Code and ensure that its contractors comply with this Code.

Remediation: If CSI determines that any vendor or contractor has failed to remedy a violation of this Code, CSI will consult with the vendor to examine the issues and determine the appropriate measures to be taken. The remedy will, at a minimum, include requiring the vendor to take all steps necessary to correct such violations including, without limitation, paying all applicable back wages found due to workers who manufacture articles for CSI. If consultation and agreed upon measures fail to adequately resolve the violations within a specified time period, CSI and the vendor will implement a corrective action plan on terms acceptable to other national standards. CSI reserves the right to terminate its relationship with any vendor which continues to conduct its business in violation of the corrective action plan.

3. Standards: CSI vendors must operate workplaces, and ensure that their contractors operate workplaces, that adhere to the following minimum standards and practices.

- A) Legal Compliance: CSI vendors must comply, at a minimum, with all applicable legal requirements of the country in which products are manufactured. Where this Code and the applicable law of the country of manufacture conflict or differ, the higher standard shall prevail.
- B) Ethical Principles: Vendors shall commit to conduct their business according to a set of ethical standards which include, but are not limited to, honesty, integrity, trustworthiness, and respect for the unique value of each human being.
- C) Employment Standards: CSI will do business only with vendors whose workers are present to work voluntarily, are not at undue risk of physical harm, are fairly compensated, and are not exploited in any way. In addition, the following specific guidelines must be followed:
 - 1. Wages and Benefits: Vendor must provide wages and benefits which comply with all applicable laws and regulations, and which match or exceed the local prevailing wages and benefits in the relevant industry.
 - 2. Working Hours: Except in extraordinary circumstances, employees shall (1) not be required to work more than the lesser of (a) 48 hours per week and 12 hours overtime per week, or (b) the limits on regular and overtime hours allowed by the law of the country of manufacture; and (2) be entitled to at least one day off in every 7-day period.
 - 3. Overtime Compensation: In addition to their compensation for regular hours of work, employees shall be compensated for overtime hours at such a premium rate as is legally required in that country, but not less than at a rate equal to their hourly compensation rate.
 - 4. Child Labor: No person shall be employed 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. Vendors agree to work with governmental, human rights, and non-governmental organizations, as determined by CSI and the vendor, to minimize the

negative impact of any child released from employment as a result of the enforcement of this Code.

5. Forced Labor: There shall not be any use of forced labor, whether in the form of prison work, indentured labor, bonded labor or otherwise.
 6. Health and Safety: Vendors must provide workers with a safe and healthy work environment. If residential facilities are provided to workers, they must be safe and healthy facilities.
 7. Nondiscrimination: Vendors shall employ individuals solely on the basis of their ability to perform the job.
 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. Vendors will not use or tolerate any form of corporal punishment.
 9. Freedom of Association: Vendors shall recognize and respect the right of employees to freedom of association.
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4. Compliance: Vendors shall provide to CSI written assurances that it and its contractors adhere to the Code (except that in the initial phase-in period, vendor must provide such written assurances within 6 months of receipt of this Code); and a summary of the steps taken, and/or difficulties encountered, during implementation and enforcing of this Code at each site.
 5. Disclosures: Vendor shall be required to immediately report to CSI any changes in its business operations which materially affect the application of the Code, such as selection of a new factory.
 6. Verification: It shall be the responsibility of the vendor to ensure its compliance with this Code and to verify that its contractors are in compliance with this Code.