

GUIDANCE MANUAL & AGREEMENT

WFSGI PLEDGE FOR THE FIFA QUALITY PROGRAMME

AS OF JULY 5, 2012



Purpose

As the world governing body for the sporting goods industry, the WFSGI strives to promote fair and environmentally friendly trade and working conditions. As world football's governing body, one of FIFA's missions is "building a better future". Both organizations campaign for fairness, honesty, mutual understanding and ethical standards in factories that produce sporting goods. The ideals are identical to those of sports.

With this in mind WFSGI and FIFA have created a pledge. Companies who are signing the WFSGI Pledge for the FIFA Quality Programme vow and are committed to eliminate poor working conditions from the stitching and production of footballs (soccer balls). By signing every single page of the Pledge Form - both the company as well as the manufacturer signify that they have read, understood, accepted and undertake to fully comply with all provisions of the WFSGI Code of Conduct.

In addition to the duly filled-in Pledge Form, the FIFA License Applicant is required to submit an audit report, not older than 12 months, providing sufficient validated information to evaluate and prove the manufacturer's full compliance with the WFSGI Code of Conduct.

Since the approval of the WFSGI Pledge for the FIFA Quality Programme is mandatory for the production of FIFA licensed footballs, it is compulsory to first get the WFSGI Pledge confirmed before going through the technical test phase, that is to say before sending test samples to EMPA and PFI.

In order to properly monitor labour conditions in manufacturing on a regular basis, the WFSGI Pledge has to be renewed every year by the FIFA Licensee in collaboration with the Manufacturer.

Please do note that the WFSGI is acting as administrating and handling agent only for FIFA, and that therefore the WFSGI's liabilities and responsibilities are therefore limited to the extent set forth in Sect. 6 below.

1. Initial Parties

- 1.1. World Federation of the Sporting Goods Industry, hereafter ("WFSGI"); and
- 1.2. The FIFA Licensee (Applicant).

2. Third Parties

- 2.1. Manufacturer, which is used by the FIFA Licensee (Applicant) for the 'FIFA APPROVED', 'FIFA INSPECTED' or 'International Match Ball Standard' football production.
- 2.2. Sub Contractor(s): Company(ies)/manufacturer(s) under contract of the Manufacturer for taking care of a part of the football production.
- 2.3. Trading Company: Company that acts as an intermediary between FIFA Licensee (Applicant) and Manufacturer.
- 2.4. International Federation of Association Football, hereafter ("FIFA")

3. General Terms

- 3.1. Service
WFSGI shall in its role as handling and administrating agent on behalf of FIFA provide guidance, gather the necessary evidences, verify audit reports, conduct research and finally provide a pledge approval to the FIFA Licensee (Applicant) in accordance with the terms and conditions of this WFSGI Guidance Manual and Agreement, hereafter ("Service").
- 3.2. Delivery of the Service
 - 3.2.1. Start date: The WFSGI shall commence with its services on the date the FIFA Licensee (Applicant) contacts the WFSGI.
 - 3.2.2. Completion date: The date of completion will be reached when the FIFA Licensee (Applicant) is in compliance with the WFSGI Code of Conduct and in accordance with all the terms and conditions of this WFSGI Guidance Manual and Agreement. This includes the following prerequisites: the duly signed WFSGI Pledge, that the payments owed by the Applicant are credited on the WFSGI's bank account and that FIFA has received the duly signed Pledge Approval from the WFSGI.
- 3.3. Service Fee
 - 3.3.1. The fee for the provision of the Service by the WFSGI is CHF 1'500 (one thousand five hundred Swiss Francs).
 - 3.3.2. The fee has to be paid for each submitted Pledge.
 - 3.3.3. WFSGI members: The Pledge service is included in the yearly WFSGI membership fee and no additional costs will apply.
- 3.4. Payment
 - 3.4.1. Once the FIFA Licensee (Applicant) has requested the WFSGI Pledge Form, the WFSGI shall invoice the FIFA Licensee Applicant.
 - 3.4.2. The fee is payable in full upon receipt of the respective invoice.
 - 3.4.3. The FIFA Licensee (Applicant) who is also a WFSGI Member is required to pay its WFSGI membership fee and all other outstanding invoices before the WFSGI will start to provide this service.

4. Submission of the Pledge by FIFA Licensee Applicant

- 4.1. The WFSGI Pledge
 - 4.1.1. The FIFA Licensee (Applicant), in cooperation with the respective Manufacturer, shall submit a WFSGI Pledge on a yearly basis as long as the FIFA Licensee is using the FIFA Quality Label.
 - 4.1.2. The FIFA Licensee (Applicant) has to submit a Pledge for each particular manufacturer producing FIFA licensed footballs.
 - 4.1.3. The WFSGI shall provide the FIFA Licensee (Applicant) with a new, original and uniquely numbered Pledge Form for each manufacturer and for every following year.
 - 4.1.4. The WFSGI shall only accept original and uniquely numbered, fully completed and duly signed WFSGI Pledge Forms.
 - 4.1.5. The WFSGI shall not accept modifications in Pledge Forms or recycled Pledge Forms.
- 4.2. WFSGI Code of Conduct
The WFSGI Code of Conduct version to be complied with is the WFSGI Code of Conduct as approved by the WFSGI General Assembly in Munich on August 5, 2000 and is subject to changes or amendments at the WFSGI's sole discretion as set forth in the last paragraph of this WFSGI Guidance Manual and Agreement.

- 4.3. Audit report
 - 4.3.1. The FIFA Licensee (Applicant) shall provide the WFSGI an audit report that shows the compliance of the Manufacturer with all the provisions of the WFSGI Code of Conduct.
 - 4.3.2. The audit report must not be older than one year; calculated from the day the WFSGI Pledge Form was issued to the FIFA licensee by the WFSGI.
 - 4.3.3. The FIFA Licensee (Applicant) shall use an internationally recognized and experienced social audit company or multi-stakeholder initiative to conduct the audit. In any case of doubt please contact the WFSGI.
- 4.4. Audit Fatigue

There is no need to conduct a new audit if an audit report - which fulfills the requirements set forth in this Guidance Manual and Agreement - is already available. In any case of doubt please contact the WFSGI.
- 4.5. Non-compliance
 - 4.5.1. In case the social audit report shows non-compliance with the WFSGI Code of Conduct, the WFSGI shall and will not approve the pledge and consequently the FIFA Licensee (Applicant) will not get the FIFA Quality Label for its footballs.
 - 4.5.2. In case of doubt of non-compliance by one of the parties, random verifications can be made upon request of the WFSGI and shall be delivered by the FIFA Licensee (Applicant) accordingly.
- 4.6. IMAC and SGFI
 - 4.6.1. Manufacturers located in Pakistan are required to be 'member in category A' of the Independent Monitoring Association against Child Labour (IMAC).
 - 4.6.2. Manufacturers located in India are required to be 'member' of Sports Goods Foundation of India (SGFI).

5. Approval of the Pledge by the WFSGI

- 5.1. Approval
 - 5.1.1. The WFSGI shall approve the WFSGI Pledge submitted by the FIFA Licensee (Applicant) and the Manufacturer when;
 - a) the Manufacturer is in compliance with all the provisions of the WFSGI Code of Conduct proved by a social audit, and
 - b) the FIFA Licensee (Applicant) is in accordance with all terms and conditions of this WFSGI Guidance Manual and Agreement.
 - 5.1.2. The WFSGI shall send a notification of the approval of the WFSGI Pledge accompanied by the WFSGI Pledge itself to the FIFA.
 - 5.1.3. From the issuing date on the WFSGI Approval Form, such approval is valid for one year.
- 5.2. Expiration
 - 5.2.1. The FIFA Licensee is solely responsible for renewing the WFSGI Pledge and providing the WFSGI a duly dated social audit report.
 - 5.2.2. The WFSGI and FIFA shall send an alert three (3) months prior to the expiration date to remind the FIFA Licensee to renew the WFSGI Pledge on time.
 - 5.2.3. If the WFSGI Pledge is not renewed at the expiration date, all ball models of the Manufacturer concerned will be declared invalid by FIFA and cannot be produced nor sold during that time.

6. Liabilities

- 6.1. WFSGI is acting as verification, administrating and handling agent for FIFA only and can therefore not be held liable for any of its activities performed or owed hereunder except for any gross-negligent or deliberate unlawful acts or omissions.
- 6.2. It is both the FIFA Licensee's and the Manufacturer's sole duty and liability to ensure that the requirements stipulated in this WFSGI Guidance Manual and Agreement and in the WFSGI Pledge Form are fully met and complied with throughout the whole one-year validity period of the respective pledge upon signing of the WFSGI Pledge Form.

7. Governing Law, Place of Venue

- 7.1. This WFSGI Guidance Manual and Agreement for the WFSGI Pledge for the FIFA Quality Programme shall be exclusively governed by Swiss Laws.
- 7.2. Any dispute between the WFSGI and the Manufacturer arising of or pertaining to the WFSGI Pledge for the FIFA Quality Programme, which cannot be settled amicably, shall be exclusively dealt with by the civil courts of Berne, Switzerland.

8. Changes of the WFSGI Code of Conduct and all other Documents relating thereto, Effective Date

- 8.1. The WFSGI reserves its right to modify the present applicable version of its Code of Conduct and of any other documents and forms pertaining hereto whenever deemed required in the WFSGI's view at its discretion with the approval of FIFA. Such modified version will then be valid from the next following year onward and will fully replace the respective preceding version.
- 8.2. This version of the FIFA Guidance Manual and Agreement shall become effective as of July 5, 2012.