

### III. Foreign Contract Worker Requirements

Gap Inc.'s Foreign Contract Worker Requirements (FCWR) seek to institutionalize supplier responsibility and accountability for ensuring that foreign contract workers receive full disclosure of their employment terms, sign employment contracts in their home countries, and that they can return home for any reason and at any time without fear of reprisal and without debt that has been accrued in any way on the basis of their employment contract.

Suppliers must comply with all of the following provisions of the FCWR except to the extent any term is expressly prohibited by law:

01. The supplier will be responsible for ensuring that each applicant receives a contract for employment ("Employment Contract") in his or her home country. The supplier must thereafter execute the Employment Contract with each worker in the worker's home country. (This requirement applies to all workers hired after March 1, 2001). The supplier may not impose any additional terms or requirements on the worker after the Employment Contract is signed unless expressly required by law.
02. The Employment Contract must be in the local language of the worker and must specify, among other things:
  - (a) term/duration of the contract;
  - (b) minimum and overtime wage rates to be paid;
  - (c) maximum allowable overtime hours consistent with the laws of the host country and Gap Inc.'s Code of Vendor Conduct (no more than 60 hours/week on regularly scheduled basis);
  - (d) all benefits to be provided (including medical coverage, sick leave, annual leave and holidays);
  - (e) all deductions to be taken (including charges for food and housing);
  - (f) estimated minimum net pay that the worker can expect to receive per month;
  - (g) recruitment fee restrictions (if imposed by applicable host or home country laws); and
  - (h) summary of the living conditions, including any curfews.
03. The supplier must pay all host country fees and costs, including any levies, recruitment fees, renewal fees or other costs associated with the use of foreign labor (per the Gap Inc. Code of Vendor Conduct).
04. Wherever possible, the supplier should avoid using recruitment agencies altogether and instead either transfer existing workers from the suppliers' home country facilities or hire workers directly.
05. The supplier (including its employees and representatives) must not accept any reimbursements, kickbacks or other amounts from any recruitment agency or other person involved in the recruiting process. The supplier also must not charge back or accept

reimbursement from any foreign contract worker to recover any fees paid by the supplier in the recruitment or hiring of said worker.

06. For all foreign contract workers hired after March 1, 2001, the supplier must pay all transportation costs from the home to host country. For any foreign contract worker (regardless of date of hire) who wishes to leave the factory for any reason and at any time and elects to return to his/her home country after March 1, 2001, the supplier must arrange and pay for the worker's airfare and/or other reasonable transportation costs home.
07. The supplier must allow the worker full control over his or her passport and similar documentation and must provide the worker with a locked and secure storage space in which to keep this documentation. The worker may choose to allow the factory to keep his/her passport but this must be in writing and must not be a condition of employment.
08. The supplier must allow workers full and complete control over the monies they earn (as required in Gap Inc.'s Code of Vendor Conduct) and must not withhold any "guarantee money" or recruitment fee sums from pay otherwise due to foreign contract workers.
09. The supplier must pay the same minimum wage to foreign contract workers in the same job category as local workers.
10. The supplier must make available to Gap Inc. or its representatives upon request current lists of all foreign contract workers employed at each facility, including the date of arrival, contract term, and anticipated date of return.
11. All foreign contract workers are informed of the basic terms of their employment before leaving home.