

RUSSELL ATHLETIC AND UNION ANNOUNCE LANDMARK AGREEMENT

Russell Athletic and the union of workers of Jerzees de Honduras S.A. de C.V. SITRAJERZEESH and the General Confederation of Workers are pleased to announce the completion of an agreement that is intended to foster workers rights in Honduras and establish a harmonious and cooperative labor-management relationship. This agreement represents a significant achievement in the history of the apparel sector in Honduras and in Central America.

Under the terms of the agreement:

- The Company will establish a unionized apparel factory of substantial size in Choloma, Honduras called Jerzees Nuevo Dia, which will employ former Jerzees de Honduras employees. The SITRAJERZEESH Union will be the exclusive representative of the workers at the new factory. The Company and the union have also agreed to a process of good faith collective bargaining.
- The Company and the Union have agreed to cooperate on the hiring of the former Jerzees de Honduras employees at the new factory and at the Company's other Honduran facilities. All former JDH employees will be extended an offer and it is the Company's intent to complete this process within one year.
- The Company and the Union have established a framework for ensuring respect of workers' freedom of association rights in all company factories, including provisions addressing training of workers through a joint union-Company training program and union access to facilities.
- An oversight process has been developed to ensure the success of the new relationship that includes an ombudsman to monitor day to day issues and mediation where needed.
- The Company has agreed to establish a workers welfare fund to provide assistance to displaced workers and will contribute a substantial amount to this fund. The money will be distributed to workers by the Worker Rights Consortium, the General Confederation of Workers and the American Center for International Labor Solidarity.
- The Company will phase-out Collective Pacts now in place in its facilities.