

BJ&B, S.A.

To: Neil Kearny, ITGLWF
Jorge Pérez-López, FLA
Scott Nova, WRC.
Fukumi Hauser, Nike / Gregg Nebel, adidas

FROM: Jaekyung Cha, GM of BJ&B
SUBJECT: FINAL AGREEMENT
DATED: May 29th, 2007

The following is to inform you that BJ&B, after dedicating itself in all sincerity to the negotiations with FEDOTRAZONAS, has decided to pay 2 additional months of salaries (3 MONTHS IN TOTAL), as well as giving RD\$200,000 to FEDOTRAZONAS. This amount is to be used as a fund to carry out customary activities related to the organization and education of workers. Therefore, BJ&B is pleased to have reached the conclusion of the closure process through exemplary relations between the employees and BJ&B, as the closure agreement was the final product of the sincere negotiations with FEDOTRAZONAS. We thank all of you who have visited the Dominican Republic proving your interest on BJ&B and on the lives of workers.

Best regards,

CHA, JAE-KYUNG
GENERAL MANAGER

(ANNEX: 6 PAGES

6.1 – 6.5: Amicable agreement between BJ&B, the Union of Workers of BJ&B and FEDOTRAZONAS.

6.6: Conclusion of the Negotiations with BJ&B.)

BJ&B, S.A. Villa Altagracia Free Trade Industrial Zone
San Cristóbal, Dominican Republic

Translation of FEDOTRAZONAS Letter

FEDOTRAZONAS

May 28, 2007.
Santo Domingo, Dom. Rep.

To: All National and International Organizations
To: Nike and Adidas representatives
From: Free Trade Zone Dominican Federation (FEDOTRAZONAS),
and the Company Union of BJ&B.
Subject: Conclusion of the Negotiations with the Company, BJ&B

Distinguished Sirs:

The Dominican Federation of Free Trade Zone Workers (FEDOTRAZONAS), informs all the national and international organizations who have taken part and shared in common way in the solution of the conflict by the closure of the company BJ&B, that on Saturday 26 of May, a meeting took place between the Union, the Company and the FEDOTRAZONAS, in which the union raised all and each one of the existing demands; of which the following ones were agreed to:

- 1) Complete the payment of three months of salary to all male and female workers of the company, including the union leaders and pregnant workers, by paying two additional months to the month already paid in the month of March of the present year.**
- 2) Donate to the Union and the Federation the sum of DRS200,000.00 for the development of activities related to the on-going activities of the organization and training of the union representatives.**

Thank you for all of your support.

Fraternally,

YGNACIO HERNANDEZ
General Secretary

AURELIA CRUZ
Adjunct General Secretary

DAMIANA DE LA ROSA
Secretary of Acts and Correspondence

*Amicable Agreement between
BJ&B, S.A,
The Company Union of BJ&B
And the Federation of Free Trade Zone Workers (FEDOTRAZONAS)*

BETWEEN: for the FIRST PARTY, the company BJ&B, organized commercial society in agreement with the Dominican laws, with its location in the Free Trade Zone of Villa Altagracia, S.C, properly represented by **Mr. Sung Soo Yang**, Citizen Korean, adult, married, Administrative Manager, with address in this city of Villa Altagracia, in which follows in the present agreement will denominate THE FIRST PART or by his own name;

And for the SECOND PARTY, the persons **LOYDA SANDOVAL**, Dominican, adult, private ex employee, with address and resident in Villa Altagracia, S.C; **EVELICE DE LA ROSA**, Dominican, adult, private ex employee, with address and resident in Villa Altagracia, S.C; **MIREYA PEREZ**, Dominican, adult, private ex employee, with address and resident in Villa Altagracia, S.C.; **FLORENCIA GARCIA**, Dominican, adult, private ex employee, with address and resident in Villa Altagracia, S.C.; **MARITZA ESCALANTE**, Dominican, adult, private ex employee, with address and resident in Villa Altagracia, S.C.; **MARITZA VARGAS**, Dominican, adult, private ex employee, with address and resident in Villa Altagracia, S.C.; **SAGRARIO MORILLO**, Dominican, adult, private ex employee, with address and resident in Villa Altagracia, S.C.; **BRUNO NUÑEZ**, Dominican, adult, private ex employee, with address and resident in Villa Altagracia, S.C.; **FRANCISCO CONCEPCION**, Dominican, adult, private ex employee, with address and resident in Villa Altagracia, S.C.; **VLADIMIR ACEVEDO**, Dominican, adult, private ex employee, with address and resident in Villa Altagracia, S.C.; **ADRIANO ESPINOSA**, Dominican, adult, private ex employee, with address and resident in Villa Altagracia, S.C. ; **JOSE FRANCISCO**, Dominican, adult, private ex employee, with address and resident in Villa Altagracia, S.C.; **ROBERTO ROJAS**, Dominican, adult, private ex employee, with address and resident in Villa Altagracia S.C.; **SEBASTIAN GARCIA**, Dominican, adult, private ex employee, with address and resident in Villa Altagracia, S.C.; who represents the Company Union of **BJ&B.**, and **Mr. IGNACIO HERNANDEZ**, Dominican Citizen, adult, married, with address and resident on Juan Erazo street, #14, Santo Domingo, who represents the Free Trade Zone Dominican Federation (FEDOTRAZONAS), who in which it follows of the present contract will denominate the SECOND PARTY or by its own name;

WE HAVE AGREED AND SIGNED TO THE FOLLOWING:

INTRODUCTION: BJ&B, in order to reach a final and satisfactory agreement with the SECOND PARTY, in view of the definitive closure of the company; it has decided to make the following concessions:

FIRST: A. TO GRANT two (2) additional months of ordinary wages to all its ex employees. With this concession it is three (3) months of wages that would be received by the ex employees, if we consider the one month payment already made on the 12th of March, 2007.

B. - By ex employees it is understood all those employees who were working on the date of the 22 of February of 2007, day in which the closure of production operation was announced.

C. - The method of payment will be through banking deposit made to the account of payroll of each worker, taking place within fifteen (15) days from the date of this agreement.

SECOND: TO GRANT the sum of TWO HUNDRED THOUSAND PESOS (DR\$ 200,000.00) to the SECOND PARTY, as a contribution for the development of the on-going activities related to the organization and education of the workers. This sum will be granted upon the time of the company/signature of this agreement.

THIRD: In view of the concessions that BJ&B has made, the SECOND PARTY formally declares that it accepts them as good and invalidates all the previous claims by the Free Trade Zone Dominican Federation (FEDOTRAZONAS).

The SECOND PARTY declares in addition that it desists from now on and forever of any claim or demand that may be pending in any national or international arena, as well as desists of any future or civil, penal, labor, commercial claim or of the nature that is to acknowledge that the this agreement has been made in good faith.

FOURTH: The SECOND PARTY recognizes that the labor benefits paid to the workers, as much of the common personnel, like pregnant and union leaders, were done according to the law.

The SECOND PARTY leaves without effect the claim related to the donation of machineries and materials for the training center for ex employees, understanding that the union has not benefited from the donation.

FIFTH: The SECOND PARTY is committed to make an official notice directed to the national and the international communities that have interest in the BJ&B, THE UNION AND THE FEDERATION FEDOTRAZONAS, to inform them of the results of this agreement. This official notice will be made within fifteen days as of the date of this signed document.

MADE IN GOOD FAITH IN THE CITY OF VILLA ALTAGRCIA, ON THE TWENTY EIGHT (28) OF THE MONTH OF MAY OF TWO THOUSAND AND SEVEN (2007).

**FOR THE FIRST PARTY:
SUNG SOO YANG
Administrative Manager.**

**FOR THE SECOND PARTY:
A-) Company Union of BJ&B, S.A.:
LOYDA SANDOVAL
EVELICE DE LA ROSA
MIREYA PEREZ
FLORENCIA GARCIA**

**MARITZA ESCALANTE
MARITZA VARGAS
SAGRARIO MORILLO
BRUNO NUÑEZ
FRANCISCO CONCEPCION
VLADIMIR ACEVEDO
ADRIANO ESPINOSA
JOSE FRANCISCO
ROBERTO ROJAS
SEBASTIAN GARCIA**

**B-) Free Trade Zone Dominican Federation:
IGNACION HERNANDEZ
General Secretary**

I CERTIFY: THAT THE SIGNATURES THAT APPEAR IN THE PRESENT DOCUMENT WERE FREE AND VOLUNTARY MADE IN MY PRESENCE BY SUNG SOO YANG, LOYDA SANDOVAL, EVELICE DE LA ROSA, MIREYA PEREZ, FLORENCIA GARCIA, MARITZA ESCALANTE, MARITZA VARGAS, SAGRARIO MORILLO, BRUNO NUÑEZ, FRANCISCO CONCEPCION, VLADIMIR ACEVEDO, ADRIANO ESPINOSA, JOSE FRANCISCO, ROBERTO ROJAS, SEBASTIAN GARCIA E IGNACIO HERNANDEZ, WHOSE GENERALS AND QUALITIES CONSIST IN ITSELF AND ARE PEOPLE THAT I GIVE FAITH TO KNOW.

REGISTRATION NUMBER. 660

VILLA ALTAGRACIA, SAN CRISTOBAL

MAY 28, 2007

**LIC. JACINTO VALDEZ
Public Notary**