

THIS AGREEMENT ("Agreement") is made on the 17 day of February 2008

BY AND BETWEEN

Majblommans Riksförbund, (in English: The Mayflower Charity Organisation for Children), Reg. No. 857200-5083, an organisation duly incorporated and organized under the laws of Sweden, having its principal office at Kungsgatan 28, SE-411 19 Gothenburg, Sweden ("Majblomman")

AND

Zhejiang Taizhou GoodLuck Gifts Co Ltd, Reg. No. 3310032005455, a corporation validly existing and operating under the laws of the People's Republic of China, with its registered address at No. 16 Chaoyuan Road, West Industrial Area, Huangyan, Zhejiang 318020, China (the "Supplier")

WHEREAS, Majblomman is one of the leading charitable foundations in Sweden, under the patronage of Her Royal Highness the Queen of Sweden, raising funds through the sale of paper flowers ("Mayflowers") during a fixed two-week-period every year;

WHEREAS, the main purpose of Majblomman's activities, as specified in its bye-laws and other constitutional documents, is to improve the conditions for children in Sweden;

WHEREAS, the target is to support and protect all children who are in an exposed position e.g. due to illness, handicap or the child's social situation, by offering financial support to individual children and by influencing the public opinion to improve children's living conditions generally;

WHEREAS, the Mayflower is the children's flower and the sales of the Mayflowers is conducted by Swedish children in the ages between 9 and 12 years old;

WHEREAS, the Supplier operates a plant in Huangyan, the People's Republic of China for the production of, inter alia, artificial flowers;

WHEREAS, the Supplier has agreed to manufacture Mayflowers and other relevant accessories and components under the terms and conditions of a separate Supply Contract;

WHEREAS, Majblomman, for the reasons explained herein, pays much attention to the compliance by its suppliers of relevant laws and regulations in relation to worker safety, working conditions etc. and has established a corporate policy to enforce such compliance ("Majblomman's Code of Conduct");

WHEREAS, although Majblomman is willing to take into consideration cultural differences and other factors, which may vary from one country to another and from one location to another, even if in the same country, Majblomman does not compromise on basic requirements with regard to worker safety and human rights;

WHEREAS the Supplier has agreed to become bound by the specific terms and conditions of Majblomman's Code of Conduct whereby such compliance will be guaranteed by the Supplier.

NOW, THEREFORE, the parties have agreed as follows:

1. DEFINITIONS

For the purposes of this Agreement the following expressions shall have the following meaning.

"Business" shall mean the manufacturing of various species of Mayflowers and other business related thereto, as per Majblomman' specifications and as designated from time to time by Majblomman, and under the terms and conditions of a separate Supply Contract between Majblomman and Supplier.

"Plant" shall mean Supplier's plant located at Huangyan, People's Republic of China,

"Territory" shall mean Zhejiang Province of the People's Republic of China.

2. GENERAL BACKGROUND AND POLICY

Since 1907, Mayflowers have been sold during a two-week period every year in the springtime. This makes the Mayflower Charity Foundation for Children one of the oldest organizations in the world for aid and support to children. Already from the outset, the overall objective and goal with Majblomman's activities have been to safeguard children's right to a perfectly satisfactory life as well as a dignified and deserving life. Children's needs have of course come to vary over time and from time to time in line with variations of the general living conditions in society and consequently, Majblomman has always had to adjust its support and its activities to cater for such needs as are urgent and relevant from time to time.

Being a charitable foundation for the benefit of children, under the patronage of Her Royal Highness the Queen of Sweden, Majblomman is generally committed to the compliance with and the enforcement of all relevant international covenants and conventions as well as all laws, rules and regulations which are applicable to children, child labour, worker safety and working conditions for laborers.

Majblomman has a responsibility towards all people taking part in the conduct of its activities and wants to make sure that nobody whose work is contributing to Majblomman's aid and support of children in Sweden is deprived of his or her human rights, or suffers mental or bodily harm.

In order to make Majblomman' position clear to its suppliers, its own staff as well as any other parties, Majblomman has therefore established a corporate policy to ensure that all its activities, whether performed by Majblomman itself or through suppliers and sub-suppliers, are in strict compliance and conformity with such covenants, conventions, laws and regulations, in each such jurisdiction in which Majblomman is engaged with outsourcing of the production of the Mayflowers and related accessories and products thereto. This policy, which is a non-negotiable requirement for all relevant parties working with Majblomman to comply strictly with, is hereinafter referred to as the "Majblomman's Code of Conduct".

3. UNDERTAKING BY THE SUPPLIER

The Supplier acknowledges and agrees with Majblomman that compliance with the Majblomman Code of Conduct is critical to Majblomman's choice of and co-operation with its suppliers.

Therefore, and in accepting to become Majblomman' Supplier, the Supplier agrees with Majblomman, that a strict compliance with Majblomman Code of Conduct, is of the essence to the parties' co-operation and for Supplier's conduct of the Business.

The Supplier acknowledges and agrees that in all of its activities under this Agreement, in particular the conduct of the Business, the Supplier has the duty to improve the overall working conditions, living conditions (where relevant) and safety conditions for its workers in all such areas which have been defined in Majblomman's Code of Conduct, including but not limited to, such areas as minimum wages, worker benefits, child labor, worker safety, working hours, holidays, annual leave, accommodations, food and general working conditions.

In accepting its appointment to become Majblomman's Supplier within the Territory, the Supplier hereby agrees and undertakes to strictly comply with the terms and conditions of this Agreement and such terms and conditions, manuals etc. with regard to Majblomman's Code of Conduct as may be conveyed to the Supplier from time to time by Majblomman.

4. LABOUR AND SOCIAL UNDERTAKINGS

Child labour

4.1 Majblomman has based its policy on child labour on the UN Convention on the Rights of the Child, Article 32.1

Majblomman recognizes and honors the rights of every child to be protected from economic exploitation and from performing any work that is likely to be hazardous or to interfere with the child's education, or to be harmful to the child's health or physical, spiritual, moral or social development.

For the purposes of Majblomman' Code of Conduct the term "child" is defined as a person younger than 15 years of age or, as an exception, 14 years in such countries as are covered by Article 2.4 in the ILO convention No. 138.

4.2 The Supplier represents and warrants to Majblomman, and guarantees that each of its sub-contractors will guarantee and undertake towards Majblomman that no person under the age of fourteen years (14) will participate, either directly or indirectly, in the conduct of the Business. The expression "indirectly" will include, but not be limited to, the outsourcing of work to individual homes ("Work at Home") as in such cases children might be at greater risk to be forced or "talked into" providing assistance in violation of the covenants herein contained.

4.3 If a child is found working at the Supplier's plant, or being engaged in Work at Home (as before defined) or else being engaged in the conduct of the Business, whether at the plant or not, Majblomman will request the Supplier to make sure that effective measures are taken in the child's best interest. Majblomman will in co-operation with the Supplier seek to find a satisfactory solution, taking into account the child's age, social situation, education etc.

Majblomman will not ask the Supplier to dismiss a child without first having had a discussion about the child's future and any measures taken shall always aim to improve, not worsen each individual child's situation. Any costs for education etc. must be paid by the Supplier.

4.4 Majblomman acknowledges that, according to the UN Convention on the Rights of the Child, a person is a child until the age of 18. The Supplier is therefore strongly recommended to make sure that any employees of Supplier who are in the age group between 14 and 18 years of age are treated accordingly.

Workers' rights

4.5 Supplier must enter into individual labor contracts with its staff and workers. The labor contract shall stipulate the terms of employment, dismissal, remuneration, welfare, labor safety, and labor insurance.

4.6 The Supplier furthermore, represents and warrants to Majblomman, and guarantees that each of its sub-suppliers and sub-contractors will guarantee and undertake towards the Supplier, that it will not, either directly or indirectly, use prisoners, bonded workers, illegal workers or other non-paid workers, in the conduct of the Business.

4.7 The Supplier must ensure that no employee is discriminated against because of race, gender, religion or ethnic background and that all employees with the same qualifications, training and skill set shall receive equal pay for equal work.

4.8 The Supplier must further ensure that all employees shall be free to join associations of their own choosing and that no corporal punishment or other forms of physical or mental disciplinary actions, or sexual harassment shall be taken against any employee of Supplier or any other person who is engaged in the conduct of the Business.

4.9 The Supplier represents and warrants to Majblomman, and guarantees that each of its sub-suppliers and sub-contractors will guarantee and undertake towards the Supplier, that all persons in its employ or otherwise working on its behalf, are paid minimum wages, are subject to actual working hours and enjoy mandatory annual leave and government holidays, which are at least equal to the highest of any minimum standards set by international covenants or conventions, or any relevant laws, rules or regulations applicable in the Territory in which Supplier is conducting the Business.

4.10 Supplier must pay all wages regularly and on time and all wages shall be fair in respect of each individual's work performance.

4.11 Supplier must guarantee that weekly working times shall not exceed the maximum limit as provided in statutory laws and regulations, whether on state, provincial or local level, and overtime work must always be voluntary and properly compensated in accordance with laws and regulations.

4.12 The Supplier represents and warrants to Majblomman, and guarantees that each of its sub-suppliers and sub-contractors will guarantee and undertake towards the Supplier, that the working conditions and safety arrangements for its workers are in strict compliance with all relevant laws, rules and regulations in force from time to time in the Territory, including without limitation conditions regarding fire safety, building safety, general cleanliness in the workplace, light, ventilation, sanitary facilities, accommodations (where relevant), etc.

4.13 All workers of Supplier must be granted their statutory annual leave as well as any sick leave without any repercussions.

Female workers

4.14 Supplier shall ensure that female workers shall be granted the statutory maternity leave at basic wage, as provided in the relevant laws and regulations.

4.15 Female workers must not be assigned to engage in third class physical labor as stipulated by the state nor in any other work that has been deemed prohibited work while pregnant. Female Employees who are more than 7 months pregnant shall not be assigned to work overtime or work at night.

4.16 During the period of nursing a baby less than 1 year old, female workers shall not be assigned to engage in third class physical labor, overtime work and night work or any other work prohibited in relevant laws and regulations during the nursing period.

4.17 The Supplier will not assign female workers to engage in physical labor of the fourth class of difficulty, as stipulated by the state, or any other prohibited labor prohibited by Chinese laws and regulations.

4.18 Female workers shall not be assigned to work in low temperature or cold water, at high altitudes or engage in third class physical labor during menstruation, as stipulated by the state.

Sub-contracting

4.19 The Supplier undertakes and guarantees that it will not procure any sub-contracting services (which for the purposes of this Agreement will include, but not be limited to, Work at Home, labor, raw materials, semi-finished goods and finished goods) from any third party (individual or organization) unless and until such sub-supplier has undertaken and agreed towards the Supplier in writing to act in total conformity with the provisions of this Agreement and Majblomman's Code of Conduct, as conveyed from time to time by Majblomman.

5. BUILDING AND FIRE SAFETY & FIRST AID

Building and Fire safety

5.1 Majblomman requires that the Supplier shall prioritize worker safety at all times. Majblomman will not accept any hazardous equipment, or unsafe processes or buildings, whether as regards factory, warehouses, canteens, dormitories etc.

5.2 All buildings must have clearly marked exits, and emergency exits on all floors (if relevant). All exit doors must open outwards. Exits must not be blocked by cartons, debris or any other obstacles and must be well lit. If emergency exits are locked, the keys must be placed behind breakable glass next to the doors, and thus be available to all staff at all times in case of an emergency.

5.3 All workers in Supplier's factory must be aware, and well trained in, all safety arrangements in the plant, the warehouses, the canteen and the dormitories, such as emergency exits, fire extinguishers, first aid equipment etc. An evacuation plan must be prominently

displayed in the plant, the warehouses, canteen, dormitories etc. and the fire alarm must be tested regularly and regular evacuation drills must be performed.

First aid

5.4 Supplier must ensure and arrange that first aid equipment is available in the plant, and that at least one person in each department is effectively trained and experienced in mastering such first aid kits in case of any accidents or other instances where it is required to use it.

5.5 Supplier must arrange that a doctor and/or a qualified nurse shall be available at short notice, in case of an accident in the plant. Supplier must undertake to pay any costs and expenses (not covered by any social welfare or medical care benefits offered in the Territory) which an employee of Supplier may incur for medical care, following an injury during work at the plant.

6. FACTORY AND HOUSING CONDITIONS

6.1 Supplier acknowledges that it is important for the workers' well being, as well as for the quality of the work conducted in the plant that the environment is clean and free from pollution of any kind. Supplier further acknowledges that, although the temperature must be relevant to the conduct of the Business, it must at the same time also be tolerable as a working environment.

6.2 Supplier further acknowledges that the sanitary facilities must be clean at all times and adequate in number for the number of workers and staff working in the plant, and preferably separated for men and women.

6.3 The housing facilities for Supplier's staff and workers must meet the same conditions as those set out in Article 5 and Article 6.1 hereto and all workers must be provided with their own individual bed and be afforded such living space per person as is in strict compliance with any minimum standards provided by relevant laws and regulations.

6.4 Supplier must ensure that separate dormitories, toilets and showers will be provided for men and women, and that there shall be no restriction on workers' right to leave the dormitory during off-hours.

7. RIGHT TO INSPECTION

7.1 Supplier must, and guarantees to procure that each of its sub-suppliers shall undertake and agree to, keep true and accurate records for each worker in their employ or for any individual otherwise working on its behalf, whether in the Plant or otherwise, concerning all matters relating to, without limitation, worker particulars (name, address, age, sex, employment date etc.), working hours, accrual and payment of wages and taxes, accrual and payment of holiday payments, leave periods, sick leave, maternity leave, etc. Such records will be open for inspection by Majblomman, without any prior notice to Supplier and during Supplier's normal business hours, for the purpose of verifying Supplier's compliance with Majblomman's Code of Conduct.

7.2 Majblomman shall further have the right to make inspections, without any prior notice to Supplier, of all other matters, which relate to Majblomman's Code of Conduct.

7.3 The Supplier must obtain, and must assist Majblomman in obtaining and providing copies of all laws, regulations, notices and all such other information which may be relevant to the Supplier's operation and/or Majblomman's Code of Conduct.

8. TERM

This Agreement comes into force on the date when it is signed by both parties hereto. The Agreement will be effective for as long as Supplier continues to be a supplier to Majblomman.

9. REMEDIES FOR BREACH OF CONTRACT

If Supplier has committed a breach of this Agreement and such breach is not cured within twenty (20) days after written notice from Majblomman, Majblomman may terminate forthwith, without the giving of any further notice, all its current contracts and arrangements with Supplier, including without limitation any pending orders.

10. SUPPLEMENTARY ARTICLES

10.1 Any amendment, change or supplement to this Contract shall be made in writing signed by the authorised representatives of both Parties.

10.2 This Agreement constitutes the entire agreement and the only understanding of and between Supplier and Majblomman with respect to the subject matter hereof and the Agreement supplements all other contracts, agreements, understandings between the parties hereto.

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed in two (2) originals as of the date first written above, by its duly authorised officers or representatives.

MAJBLOMMANS RIKSFÖRBUND

ZHEJIANG TAIZHOU GOODLUCK GIFTS CO LTD

Lena Holm

Chen Lingling