

In January 2012, the California Transparency in Supply Chains Act became effective. This California statute requires retailers and manufacturers to disclose "efforts to eradicate slavery and human trafficking from their direct supply chains for tangible goods offered for sale." Life Fitness, LLC (Life Fitness or Company) is committed to a mission of inspiring healthier lives and expects its employees and suppliers to engage in ethical and lawful business practices. The use of slave labor or human trafficking in the manufacture of Life Fitness products or components supplied to the Company is unethical and unacceptable.

Life Fitness supply agreements require suppliers to manufacture and supply products in compliance with applicable laws, regulations and industry standards. This comprehensive provision, in addition to the Life Fitness Code of Conduct and Supplier Code of Conduct (found here), underscore the Company's commitment to lawful and ethical practices, including labor practices. Supply agreements entered into after January 2012 include a provision specifically requiring suppliers to comply with all applicable laws related to slavery and human trafficking and to certify that the supplier and its products comply with the laws regarding slavery and human trafficking of the country or countries in which they are doing business. Life Fitness supply agreements require suppliers to warrant compliance with applicable laws, regulations and industry standards.

Life Fitness validates and approves its Tier 1 suppliers based on a variety of criteria. Life Fitness uses a variety of means, including Company conducted audits, to verify and evaluate suppliers. Supplier compliance with applicable laws, regulations and industry standards is among the items audited by the Company. Life Fitness does not currently engage a third party in the verification of supply chains to specifically evaluate and address the risks of human trafficking and slavery.

The Company trains its employees in a variety of areas, including ethical business conduct. Employees and management participating in international trade and supply chain are trained regarding the risks of doing business in high risk countries and/or with high risk trading partners, including risk mitigation. The Company does not maintain internal accountability and procedures for employees or contractors related to failing to meet standards specifically regarding slavery and human trafficking. However, the Company maintains a robust ethics and compliance program which encourages reporting and is designed to identify and promptly address unethical or unlawful business practices, including labor practices.