

August 6, 2012

Thank you for giving us the opportunity to respond to the allegations contained in the, "Maid in India" report regarding child labor. We believe in operating our business in a manner that respects the communities and environment in which we do business directly and indirectly through our supply chain. We have developed a robust ethical sourcing program that we refer to at Quiksilver as "QUEST" (Quiksilver Ethical Standards of Trade).

In 2004, Quiksilver Inc. established a global program for all its affiliated brands tasked with ensuring that all facilities involved in the production and supply of products for Quiksilver Inc. and its licensees adhere to the principles set out within our QUEST program. In this regard, Quiksilver Inc. created a Supplier Workplace Code of Conduct, in line with recognized international standards, labor laws and International Labor Organization (ILO) conventions. The "Code" requires that all suppliers and their respective factories that are manufacturing product on our behalf comply with these standards and laws.

To maintain the independence and international consistency of the QUEST program, Quiksilver Inc. works with unbiased third-party monitoring firms. Under the QUEST program, all global factory assessments are conducted on an unannounced basis and monitoring is ongoing. Throughout the assessment process, factory management is educated and assisted on any noncompliance issue encountered during the applicable audit. In the event that a factory assessment yields results in which they are unable or unwilling to meet these expectations, Quiksilver Inc. reserves the right to terminate the relationship with the supplier and respective factory.

Quiksilver Inc. expects its licensees, vendors and suppliers to act reasonably in all respects and work to eliminate and prevent any abusive, exploitative or illegal conditions at their workplaces including child labor. As part of these efforts, our QUEST department conducts ongoing internal employee and management training sessions on our code and human rights concerns within our supply chain. As we expand our business activities abroad and work with suppliers globally to meet customers' needs, we recognize the importance of preserving our collective commitment to human rights in the workplace.

Sincerely,

Quiksilver, Inc.

