

CODE OF BUSINESS CONDUCT

COMPLIANCE WITH THE CODE

All Dorel Industries Inc. (“the Company”) employees and consultants are expected to comply with the Company’s Code of Business Conduct and actively support its values and principles.

Anyone who fails to comply with the Code, or who withholds information during the course of an investigation regarding a possible violation of it is subject to disciplinary action up to and including dismissal. Depending upon the nature of the noncompliance, the Company may have the legal obligation to report the non-compliance to the appropriate authorities.

Breaches of the Code must be reported immediately to the Chairman of the Audit Committee and the President and Chief Executive Officer, Dorel Industries Inc. They can be reached confidentially at Dorel Industries Inc.’s corporate offices in Montreal, Canada.

General Phone Number: (1) 514 934 3034

All information will, to the extent possible, be received in confidence. No retaliatory action will be taken against anyone for making in good faith a report of a violation. However, anyone who takes part in a prohibited activity may be disciplined even if they report it. An employee’s decision to report will, in all cases, be given due consideration in the event any disciplinary action is necessary.

Employees must consult with their management or senior Company officers if they have any questions or difficulties relative to the application of the above guidelines.

Consultants are equally expected to adhere to this Code in all their dealings with or on behalf on the Company. The Company must ensure that they are aware of the contents of the Code, either by providing them with a copy or by referring them to the Dorel website (www.dorel.com). Any consultant who fails to comply with the Code may see their contract terminated or not renewed.

The Company’s external or internal auditors may be asked to report on any practice they discover in the course of their work which appears to breach this Code.

COMPLIANCE WITH APPLICABLE LAWS

The Company operates on a global basis and is therefore subject to national and local laws and regulations that vary from one jurisdiction to another. The policy is to comply with the laws wherever business is done.

SECURITIES LAW AND INSIDER TRADING

Employees must refrain from buying or selling Company securities, products or raw materials while in possession of material non-public information about the Company and refrain from passing such information on to others, which includes family and friends. "Material non-public information" in this context is information that is significant enough that, if publicly-known, is likely to affect the market price of any of the Company's securities.

To use non-public information for personal financial benefit or to "tip" others who might make an investment decision on the basis of this information is not only unethical but also illegal.

SHAREHOLDER, MEDIA AND COMMUNITY RELATIONS

The Company values good relations with our shareholders. It always attempts to respond to their inquiries and requests as quickly as possible. Requests from investors or shareholders for information concerning the Company and its business should be forwarded to the Executive Vice-President, Chief Financial Officer and Secretary as stated in the Company's Disclosure Policy.

Communications with external audiences, i.e., with the news media and investors, is essentially about communicating in an equitable, credible and timely manner. The Company's credibility is key to building the value of its name and enhancing shareholder value.

Media interaction is the responsibility of authorized Company spokespersons, who ensure the timely and informed communication of relevant information. All such spokespersons, who deal with the media, must demonstrate high standards of integrity and transparency, while refraining from unauthorized disclosure of proprietary or non-public information.

Company employees should make these spokespersons know about any relevant issue of local or national interest that relate to the Company's business of which they may not be aware.

The Company is committed to demonstrating that good corporate citizenship is compatible with achieving superior returns for its shareholders.

BOOKS AND RECORDS

All financial transactions are to be accurately recorded in the books of account in a timely manner and accounting procedures are to be supported by the associated internal controls.

All Company books and records must be available for internal and external audit.

In relation to the Company's books of account and Company records, we must:

1. not intentionally cause Company documents to be incorrect in any way;
2. not create or participate in the creation of any records that are intended to conceal anything that is improper;

3. properly and promptly record all disbursements of funds;
4. co-operate with internal and external auditors;
5. not make unusual financial arrangements with a customer or a Supplier (such as over-invoicing or under-invoicing) for payments on their behalf to a party not related to the transaction; and
6. comply with the Policy on Financial Reporting. Suspected breaches of any financial policy, which directly or indirectly affect the Company's business, must be reported and investigated

Business records and communications often become public, and we should avoid exaggeration, derogatory remarks, or inappropriate characterizations of people and companies that may be misunderstood. This applies equally to email, internal memos, and formal reports. Records should also be retained or destroyed according to the Company's record retention policies.

As far as practicable, contracts to which the Company is a party should be in writing, leaving little uncertainty as possible.

CONFIDENTIAL INFORMATION AND INTELLECTUAL PROPERTY

Confidential information includes: technical information about products or processes; vendor lists or purchase prices; cost, pricing, marketing or service strategies; non-public financial reports; and information related to divestitures, mergers and acquisitions.

Intellectual Property ("IP") includes: patents, copyrights, trademarks and trade secrets. IP owners have rights granted to them under the law.

Confidential information, including that which relates to IP, is a valuable asset that could benefit a competitor if known to it or otherwise harm the Company if made public. We must be careful not to disclose such information to unauthorized persons, either within or outside the Company, and must exercise care to protect the confidentiality of such information received from another party. Confidential information can be protected under the law as a trade secret if it has value to others and the owner takes the necessary steps to protect it.

We must always protect the Company's confidential information and IP rights and we must also respect the same rights of others. Report any unauthorized use of the Company's IP.

All subsidiaries of the Company must maintain a complete and up to date ledger of all IP. This listing is to be forwarded to the Company Vice-President, Finance and Assistant Secretary at the end of each financial year end.

The Company's policy is to licence one software package per employee-user, except when the licence provides otherwise or permits a network version of the software to be used. We must not copy software, protected by copyright law and/or licence agreements, unless the owner of the copyright or licence holder specifically grants, directly or indirectly, permission to do so.

CONFLICTS OF INTEREST

It is essential to remain free of, or disclose, commitments and relationships that involve, or could involve, a conflict of interest with the Company.

A conflict of interest can exist when one has a direct or indirect personal interest in a decision being made where that decision should be made objectively, free from bias and in the best interests of the Company. It is important that even the appearance of a conflict of interest be avoided.

Loans to or guarantees of obligations of, employees and their family members by the Company may create conflicts of interest and in certain instances are prohibited by law.

It is a conflict of interest for a Company employee to work for a competitor, customer or supplier. One should avoid any direct or indirect business connection with the Company's customers, suppliers or competitors except as required on the Company's behalf.

Any employee who believes that he or she may be affected by a conflict of interest must immediately disclose all relevant details to his or her supervisor. Anything that could present a conflict of interest to an employee could also present a conflict of interest if it is passed on to a family member or a third party who is receiving benefits for the employee. Common sense and good judgement must be exercised to avoid any perception of impropriety or conflict of interest.

GIFTS AND ENTERTAINMENT

When acting on behalf of the Company, employees must not offer inappropriate gifts or other benefits to persons, including public officials and political parties, which might influence or be perceived as influencing a business decision or committing any act in violation of a lawful duty. In addition, employees should never accept inappropriate gifts from anyone, including a current or prospective supplier, vendor, distributor, competitor of the Company when doing so might compromise, or appear to compromise, the objectivity of your business decisions.

EMPLOYEE USE OF COMPANY PROPERTY, INFORMATION AND POSITION

Company property, information and position are for Company use.

We must not:

1. obtain, use or divert Company property, information and position for personal use or benefit;
2. materially alter or destroy Company property without proper authorization; and
3. remove Company property or use Company services without prior management approval.

HUMAN RIGHTS AND THE WORKPLACE

The Company is guided by principles of non-discrimination, respect for human rights and individual freedoms and conducts its global business in an appropriate manner. We do not permit discrimination or harassment on the basis of race, gender, national origin, religious belief or on the basis of any personal characteristic protected by law.

In addition, we do not permit coercion or intimidation in the workplace and we are unequivocally opposed to forced or child labor.

The Company strives to provide each employee with a safe and healthy work environment. Each employee has a responsibility for maintaining a safe and healthy workplace for all employees by following environmental, safety and health rules and practices and reporting accidents, injuries and unsafe equipment, practices or conditions. Violence and threatening behavior are not permitted.

We respect employees' rights in relation to employment matters. While the Company will promote its position in a fair and legal manner; we recognize the right of employees to organize legally and bargain collectively.

WORKPLACE HARASSMENT, VIOLENCE AND DISCRIMINATION

Harassment, violence and discrimination are not tolerated, and the Company requires all subsidiaries to have procedures in place to ensure that such issues are dealt with promptly and adequately, and in compliance with their own cultural and legislative environments.

ANNUAL ACKNOWLEDGEMENT

To assist in ensuring compliance with this Code, the Company requires that all employees review the Code of Business Conduct and acknowledge their understanding and adherence in writing on an annual basis.