



# **ANTI-BRIBERY AND ANTI-CORRUPTION POLICY**

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## 1. INTRODUCTION

Spin Master Corp. and its subsidiaries and affiliates (collectively the “**Spin Master Group**”, or each individually a “**Company**”) hereby adopts this Anti-Bribery and Anti-Corruption Policy (the “**Policy**”). This Policy is designed to complement and expand on Spin Master Group’s Code of Ethics and Business Conduct (the “**Code**”).

Ethics are an integral part of Spin Master Group’s business. It is critical that all Spin Master Group business be conducted in full compliance with all relevant anti-bribery laws. Corrupt acts could expose the Spin Master Group and its directors, officers, and employees to the risk of prosecution, fines, and imprisonment. In addition, non-compliance threatens the Spin Master Group’s reputation, which plays a critical role in its success as a business. The Spin Master Group is therefore fully committed to compliance with all anti-bribery laws. The objective of this Policy is to provide guidance and procedures to ensure that the Spin Master Group conducts business in an honest and ethical manner when dealing with Government Officials and all other parties, and in compliance with all applicable laws and regulations pertaining to bribery and corruption.

## 2. APPLICATION

The Policy applies to all personnel including full-time, temporary and part-time employees, contract workers, and independent consultants of the Spin Master Group and operated entities in Canada and all other jurisdictions in which Spin Master Group conducts business (“**Spin Master Group Personnel**”). In addition, Spin Master Group also requires Third Party Representatives to conduct themselves in a manner consistent with this Policy.

Spin Master Group’s General Counsel is responsible for administering the Policy.

## 3. ANTI-BRIBERY LAWS

There are laws throughout the world prohibiting bribery and corruption, including laws that apply to the Spin Master Group’s domestic and international activities. These laws include Canada’s *Criminal Code* and *Corruption of Foreign Public Officials Act* (“**CFPOA**”), the U.S. *Foreign Corrupt Practices Act* (“**FCPA**”), and the U.K. **Bribery Act 2010** (“**Bribery Act**”) (collectively, “**Anti-Corruption Laws**”). The CFPOA, FCPA, and Bribery Act can apply to the Spin Master Group’s actions anywhere in the world, and therefore must be complied with on a global basis.

## 4. BRIBERY IS STRICTLY PROHIBITED

Anti-bribery laws generally define bribery as the offer, promise, or provision, directly or indirectly, of anything of value to any person, including a Government Official, to influence acts or decisions or to obtain a business advantage. Bribery can take many forms, including:

- cash payments;
- jobs or “consulting” relationships;
- commissions or kickbacks;

- excessive gifts, entertainment, or hospitality;
- payment of non-business related or lavish travel expenses; or
- provision of personal favors.

Corruption and bribery are never acceptable business practices and are illegal. Spin Master Group Personnel are strictly prohibited from offering, paying, promising or authorizing any bribe to any Government Official or any other person, directly, indirectly, or through a Third-Party Representative (as defined in section 12 of this Policy).

## **5. GOVERNMENT OFFICIALS**

“Government Officials” (foreign or domestic) are defined broadly under Anti-Corruption Laws to include:

- government ministers and their staff;
- members of legislative bodies or other elected officials;
- judges and ambassadors;
- officials or employees of government departments and agencies, regardless of rank or position;
- any employee of any branch of government at any level: federal, state, or local;
- customs, immigration, tax, and police personnel;
- an officer or employee of any state-owned or state-controlled company;
- persons employed by a board, commission, or other body or authority that is established to perform a duty or function on behalf of a foreign state;
- First Nations officials;
- political parties, party officials, and candidates for political office; and
- employees of public international organizations, such as the United Nations or World Bank.

In addition, a person does not cease to be a Government Official by purporting to act in a private capacity or by the fact that he or she serves without compensation. If you are not sure whether a particular person is a Government Official, please contact Spin Master Group’s General Counsel for further guidance.

## **6. FAMILY MEMBERS & CLOSE ASSOCIATES OF GOVERNMENT OFFICIALS**

It is important to note that benefits to close relatives of Government Officials, such as spouses and children or other immediate family members, may be treated by enforcement authorities as benefits to the Government Official and, accordingly, may constitute violations of Anti-Bribery and Anti-Corruption Laws.

Accordingly, Spin Master Group Personnel are prohibited from offering, providing, promising or authorizing a payment or anything of value to an immediate family member or close associate of a Government Official or other person or third party, directly, indirectly, or through a Third Party Representative (as defined in section 12 of this Policy), if such a payment would be prohibited if provided directly.

## **7. AVOIDING BRIBERY IN THE PRIVATE SECTOR**

Bribery of non-Government Officials (such as employees of private companies and union officials) is also illegal in many parts of the world (including Canada and the United States) and can cause great reputational and business harm in addition to criminal penalties. It is therefore Spin Master Group's policy to prohibit providing bribes, kickbacks or other corrupt or illicit payments to anyone regardless of whether or not they are a Government Official.

## **8. GIFTS, MEALS, ENTERTAINMENT, TRAVEL EXPENSES AND OTHER BUSINESS HOSPITALITY**

Spin Master Group Personnel must avoid both the fact and the appearance of improperly influencing the judgement or business decisions of the organizations or individuals with whom they deal, including Government Officials.

Spin Master Group Personnel are prohibited from providing any gift, meal, entertainment, travel, payment for expenses or other business hospitality, other than hospitality of a token or nominal value, to a Government Official without prior approval of Spin Master Group's General Counsel.

Reasonable relationship building expenses for non-Government Officials are allowed, so long as the payment is transparent, is not intended to obtain improper advantage, and is made in accordance with Spin Master Group's other policies and local laws.

## **9. POLITICAL AND CHARITABLE CONTRIBUTIONS AND LOBBYING**

Restrictions on political and charitable contributions and government lobbying laws assist with the proper functioning of the political process. The Spin Master Group's money, assets, property or other things of value may not be contributed, loaned, or made available to any political candidate, political party, party official, or committee without prior authorization from Spin Master Group's General Counsel.

Without prior authorization, Spin Master Group Personnel and Third-Party Representatives must never endorse or appear to endorse political parties or organizations, or individuals who hold or are candidates for public office, engage in lobbying activities, or make political contributions on Spin Master Group's behalf.

Regulatory authorities have taken the position that making a donation to a charity associated with a Government Official (or immediate family member of an official) can, in certain circumstances, violate Anti-Corruption Laws. Therefore, contributions made by Spin Master Group Personnel to charitable organizations that have a significant or known sponsorship by a Government Official who is in a position to influence a matter involving the Spin Master Group are prohibited, unless approved in advance by Spin Master Group's General Counsel.

## **10. COMMUNITY INVESTMENT**

All community support donations must be documented, transparent and made in accordance with this Policy and other Spin Master Group policies, and all applicable laws and regulations. Donations, investments of cash, gifts-in-kind and/or volunteering to charitable and other community-based organizations must not be made to improperly influence Government Officials to act in favour of Spin Master Group.

## **11. FACILITATION PAYMENTS**

The Spin Master Group prohibits the use of Facilitation Payments. A "Facilitation Payment" is an occasional payment of minimal value made solely to expedite or secure the performance of a routine government action. Facilitation Payments are small bribes and are prohibited by the CFPOA, as well as in certain countries where the Spin Master Group operates. Accordingly, the use of Facilitation Payments is strictly prohibited.

## **12. EXIGENT CIRCUMSTANCES**

Nothing in this Policy prohibits the making of payments in cash or in kind to a Government Official or anyone else when life, safety, or health is at imminent risk. Spin Master Group Personnel are permitted to make a payment to avoid subjecting themselves or another person to an imminent health or safety risk. The making of such a payment in exigent circumstances should be reported to Spin Master Group's General Counsel as soon as possible after the payment is made. Such payments must be accurately recorded and identified in the Company's books and records.

## **13. LIABILITY FOR ACTIONS OF THIRD-PARTY REPRESENTATIVES**

A "Third-Party Representative" means all contractors, partners, agents, consultants, sales representatives, brokers, distributors, advisors, service providers, and other third parties who interact with Government Officials on behalf of the Spin Master Group or in connection with work for the Spin Master Group.

The Spin Master Group can be held liable under the Anti-Corruption Laws not only for payments made directly to Government Officials, but also for payments made indirectly through a Third-Party Representative. Thus, the Spin Master Group cannot adopt a "head in the sand" approach if a questionable action comes to its attention. Accordingly, all questionable activity involving the Spin Master Group or a Third-Party Representative must be reported immediately to Spin Master Group's General Counsel.

Additionally, Spin Master Group Personnel must ensure that Third-Party Representatives understand and comply with their obligations not to engage in improper conduct in connection with the business they conduct for Spin Master Group.

Prior to retaining or engaging Third Party Representatives, the Spin Master Group must conduct due diligence on all Third Party Representatives who will interact with Government Officials on behalf of the Spin Master Group outside of Canada, the United States, France, The United Kingdom, Germany, the Netherlands, Japan, Hong Kong or any other jurisdiction specified by Spin Master Group's General Counsel. The nature and extent of due diligence to be performed will be proportional to the risks involved in retaining the Third-Party Representative and determined in consultation with Spin Master Group's General Counsel.

Spin Master Group will only retain the Third-Party Representatives described above, after completing the required screening process and using written agreements that include provisions regarding compliance with Spin Master Group's policies and applicable law.

#### **14. WHAT TO DO IN THE EVENT OF A REQUEST FOR A BRIBE**

If a Government Official, consultant, agent or any other person requests a bribe, kickback or other thing of value (including gifts, entertainment, travel or other hospitality that would be in violation of this Policy or the Code), Spin Master Group Personnel shall politely turn down the request and make a record of the request as soon as possible. The record should be marked "confidential" and promptly provided to Spin Master Group's General Counsel so that they can advise regarding the appropriate next steps.

#### **15. INTERNAL CONTROLS**

Each Company within the Spin Master Group shall develop, implement and maintain a system of accounting policies and internal controls to facilitate compliance with this Policy, as well as to foster a culture of integrity and maintain high ethical standards throughout the Company.

#### **16. BOOKS AND RECORDS**

The Spin Master Group shall maintain books and records that are full, fair and accurate and understandable to reflect all transactions, use and disposition of assets, and other similar information. All Spin Master Group Personnel must ensure that:

- a) all gifts, hospitality, and other expenses are properly reported and recorded;
- b) any payment made on behalf of the Spin Master Group is supported by appropriate documentation; and
- c) no Spin Master Group Personnel shall create or help create any documents for the purpose of concealing any improper activity.

In reviewing and approving expenses, or in the review of any books and records, any question which may arise in connection with this Policy shall be promptly brought to the attention of Spin Master Group's General Counsel.

#### **17. VIOLATIONS**

The Spin Master Group expects all Spin Master Group Personnel to take steps to prevent a violation of this Policy. This includes identifying and raising potential issues before they lead to problems, and seeking additional guidance when necessary.

Spin Master Group Personnel who become aware of a violation of this Policy must report the matter to their immediate supervisor or Spin Master Group's General Counsel as soon as possible. All reports received by supervisors must immediately be communicated to Spin Master Group's General Counsel. Where Spin Master Group Personnel do not want to report suspicious activity to their immediate supervisor or directly Spin Master Group's General Counsel, a report can be made anonymously in accordance with the Spin

Master Group Whistleblower Policy. The Spin Master Whistleblower Policy provides an independent, 24-hour reporting hotline service that allows Spin Master Personnel to submit concerns anonymously. Spin Master Personnel may access the hotline by any of the methods detailed in **Appendix A**.

Spin Master Group's General Counsel will determine the most appropriate method to investigate the substance of the claims and ensure that there is appropriate monitoring of progress until the matter has been satisfactorily resolved.

Retaliation by anyone as a consequence of making a good faith report of a possible violation of the law or this Policy is strictly prohibited and will result in disciplinary action, including up to termination.

#### **18. CONSEQUENCES OF NON-COMPLIANCE WITH POLICY**

In the case of Spin Master Group Personnel, failure to comply with this Policy may result in severe consequences, which could include internal disciplinary action up to termination of employment with cause or consulting arrangements without notice and without compensation where permissible under applicable laws. Violation of this Policy may also violate applicable laws and if it appears that Spin Master Group Personnel may have violated such laws, the Spin Master Group may refer the matter to the appropriate regulatory authorities, which could lead to penalties, fines or imprisonment.

In the case of Third-Party Representatives, violation of this Policy may result in termination of a contract without notice, or such other measures that are available at law.

#### **19. QUERIES**

Any questions regarding this Policy should be directed to Spin Master Group's General Counsel.



## **Appendix A**

A Whistleblower may raise a concern anonymously through **Whistleblower Security**, an independent, 24-hour reporting hotline service, by any of the following methods:

**Online at:** [www.integritycounts.ca](http://www.integritycounts.ca)

**By Email to:** [spinmaster@integritycounts.ca](mailto:spinmaster@integritycounts.ca)

**Mail:** PO Box 91880, West Vancouver,  
BC V7V 4S4  
Fax: 1-604-926-5668

### **Toll free by telephone at:**

|                |                   |
|----------------|-------------------|
| Australia      | 1800263215        |
| Canada         | 1-866-921-6714    |
| China          | 400-120-8514      |
| Czech Republic | 800-144-056       |
| France         | 0800907162        |
| Germany        | 8001806718        |
| Greece         | 00800108665216714 |
| Hong Kong      | 800903704         |
| Hungary        | 001-800-2002-0033 |
| India          | 8001007980        |
| Italy          | 00-800-2002-0033  |
| Japan          | 0120-958-144      |
| Mexico         | 800-099-0642      |
| Netherlands    | 00-800-2002-0033  |
| Poland         | 8001124717        |
| Romania        | 800890192         |
| Russia         | 8 (800) 301-38-46 |
| Slovakia       | 0800 223 137      |
| Spain          | 00-800-2002-0033  |
| Sweden         | 00-800-2002-0033  |
| Turkey         | +90 850 390 2162  |
| United Kingdom | 0-800-092-3586    |
| USA            | 1-866-921-6714    |
| Vietnam        | 120-85-2329       |