

# RC2 CORPORATION

## CODE OF BUSINESS ETHICS

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(as amended effective August 6, 2009)

RC2 Corporation maintains a reputation for integrity and honesty, and for acting in good faith in all of its dealings. This reputation has been established over the years by the responsible conduct of every employee of RC2 Corporation.

The RC2 Corporation Code of Business Ethics captures in written form those ethical principles that we have always followed in the conduct of our business. It introduces no new standards of responsible conduct. The Code provides a clear statement of policy that all RC2 employees should follow in the future. It is also applicable to RC2 directors.

RC2's Code of Business Ethics will be rigorously enforced. Any employee who violates the Code is subject to disciplinary action and possible discharge.

**1. Conflicts of Interest must be Avoided.**

You should not engage in any act that might result in a conflict (or even the appearance of a conflict) between RC2's interest and your own or another person's or organization's interests. You should also be free from any interest or influence that would make it difficult to give RC2 your best efforts and undivided attention.

**2. Business Opportunities belong to RC2.**

You should not take advantage or allow others to take advantage of any business opportunity in which RC2 has (or can reasonably be expected to have) an interest. Business opportunities of RC2 include any opportunity discovered through the use of Company property, information or position.

**3. Outside Work is Permitted but with Limitations.**

You may do a limited amount of work for outside organizations on your own time if this work does not interfere in any way with the effective performance of your RC2 job. However, the other organizations must not have business dealings with or compete with RC2 and your outside work must not be harmful to RC2's interests or reputation.

**4. Ownership of Outside Organizations is Restricted.**

Unless approved in advance by the Board of Directors of RC2, you may not own (directly or indirectly) any interest in an outside organization or serve as a director of that organization, if it competes in any way with RC2 or has (or is likely to have) dealings with RC2. However, you may own up to one percent (1%) of the shares of any public corporation regardless of its business dealings or competitive relationship with RC2.

**5. Accepting Payments from Outside Organizations is Prohibited.**

You may not accept any payment or other consideration from an outside organization in connection with your RC2 job. You may not accept any gift having a value of more than \$50 or a loan other than a normal bank loan from any such organization. You must avoid even the appearance of impropriety in any situation involving a supplier, customer or other organization that currently has (or is likely to have) business dealings with RC2.

**6. Improper Payments to Customers and Suppliers are Prohibited.**

You must not be involved in any way with making any improper payment or offering any improper inducement to current (or likely) customers and suppliers, other business organizations or U.S. or foreign government agencies for the purpose of obtaining business or other advantages. This prohibition applies to activities such as offering bribes or kickbacks, paying excessive commissions or fees and providing inappropriate gifts or entertainment in connection with any RC2 business.

**7. Political Contributions on Behalf of RC2 are Restricted.**

No RC2 funds may be used for making contributions of any kind to any political organization or candidate or holder of any federal, state or local government office unless the contributions have been approved by RC2's Chief Financial Officer. As a private citizen you should, if you desire, vote and participate in governmental activities, but you should not use the name of RC2 in connection with these activities.

**8. Corporate Assets are Intended for Corporate Purposes.**

RC2's assets and the services of RC2 personnel are intended to be used only for RC2's business purposes. You may not remove, loan, give, sell or

otherwise dispose of any equipment, tools, materials, supplies or other property owned by RC2 without proper authorization.

**9. Unauthorized Use of the Property of Others in RC2's Possession is Prohibited.**

RC2 customers and suppliers often entrust us with their property. You should use this property only as specified in the agreements we have with these outside organizations.

**10. RC2's Confidential Information must be Protected.**

You are responsible for protecting and keeping strictly confidential RC2's business plans, financial documents, customer information, technology and other trade secrets or proprietary information. Do not communicate this information to outsiders unless you have been authorized to do so, and do not share this information with other employees except on a "need-to-know" basis. You should also follow any specific confidentiality procedures that may be issued from time-to-time. Using confidential information for your personal benefit or in any way not directly related to your duties as a RC2 employee is prohibited. Your obligation to keep this kind of information confidential continues even if you leave RC2.

**11. Receipt and Use of Trade Secret and Confidential Information of Others is Restricted.**

You may receive and use trade secrets and other confidential information from an outsider only on the basis of a written understanding that has been reached with the outsider that the information need not be treated as confidential or as otherwise specified in a written understanding approved by RC2's Chief Financial Officer. You should also keep confidential the trade secrets and confidential information of your former employer.

**12. Our Actions in the Marketplace will be Lawful, Ethical and Fair.**

You have an obligation to protect RC2's relations with its customers, consumers and suppliers by acting lawfully, ethically and fairly. Any questions about what action is required in any particular situation in order to meet this standard should be referred to your immediate supervisor or, if appropriate, RC2's Chief Financial Officer or another officer of the Company.

**13. Company Records must be Properly Maintained.**

You should not create (or fail to create or destroy) any RC2 records, including expense reports, in order to falsify or obscure the true nature of any payment, transaction or other activity.

**14. Applicable Laws and Regulations will be Respected.**

You must abide by all applicable laws and regulations in the countries in which RC2 operates, including insider trading laws. If you have any questions concerning the application or interpretation of laws and regulations that may relate to your business activities, consult RC2's Chief Financial Officer. Because of the complexity of certain types of laws, such as those relating to employment, insider trading and foreign corrupt practices, RC2 has developed specific policies for such areas. Here again, you should consult RC2's Chief Financial Officer when appropriate.

**15. Supplemental Guidelines may apply to Certain Business Units or Personnel.**

Supplemental guidelines may be developed for certain RC2 business units or personnel to cover situations unique to their particular business or position. Any such supplemental guidelines, together with the policies stated in this document, will be considered the RC2 Code of Business Ethics for these units or personnel.

**16. Reporting of Illegal or Unethical Behavior.**

You are responsible for reporting violations of laws, rules, regulations or this Code. You may make such reports to your immediate supervisor or, if this is not feasible or you feel your concerns have not been resolved, to RC2's Chief Financial Officer or another officer of the Company. The Company also provides employees with an accessible and confidential manner in which to make anonymous disclosures. If you wish to make an anonymous disclosure, you may make a report to RC2's Ethics and Compliance Hotline. The Ethics and Compliance Hotline operates 24 hours a day, seven days a week, and is run by an independent, third-party provider to help preserve anonymity. The Hotline provides a web-based reporting capability as well as a toll-free telephone-based service. The Ethics and Compliance Hotline website is located at [www.ethicspoint.com](http://www.ethicspoint.com). To access the Ethics and Compliance Hotline via the telephone, dial 1-888-293-3592. International dialing instructions for non-U.S. callers can be obtained from the Ethics and Compliance website. You may also report

concerns regarding the matters addressed in this policy, suspected misconduct or any questionable accounting or auditing matters, deficiencies or non-compliance with internal control or violations of law or statute with respect to RC2 on a confidential basis by making a report to RC2's Compliance Officer, Peter Nicholson. Peter is responsible to keep a whistleblower's identity confidential unless the person agrees to be identified, identification is necessary to allow RC2 or law enforcement officials to investigate or respond effectively to the report, identification is required by law or the report is baseless and not made in good faith. It is our policy not to retaliate for any reports made in good faith. See the RC2 Corporation Whistleblower Protection Policy for more information.

**17. Refer Any Questions to Management.**

No set of ethical guidelines can cover every situation that might arise. If you have any questions or concerns about the ethical propriety of any actions you have taken or may be about to take, you should seek clarification. If you have any questions or concerns regarding this Code or any matter covered by this Code, you should contact RC2's Compliance Officer, Chief Financial Officer or another officer of the Company.

The Board of Directors will have final responsibility for the interpretation and administration of the Code. Only the Board of Directors (or a committee of the Board) may grant waivers of any of the provisions of this Code, and any such waivers will be described in SEC filings as required by the SEC's rules and regulations. Protection of our reputation for integrity and honesty and for acting in good faith in all of our dealings requires the continuous efforts of each of us in all of our business activities.