



Code of Conduct

VISION AND MISSION

Round 2 Holdings LLC, is a company of global scope with six business segments including Plastic model kits, die-cast replicas, slot cars, farm toys, and accessories.

Our business philosophy, which is deeply rooted in the Five Principles, requires that we work only with suppliers who have and can consistently meet our standards and specifications and are committed to values of conduct that are compatible with our own. This commitment to unmatched quality is the foundation of our "Mutuality" Principle where "A mutual benefit is a shared benefit; a shared benefit will endure".

Based on appropriate legal standards

This Round 2 Supplier Code of Conduct (Code) sets forth the guidelines and expectations with respect to key areas of responsible sourcing and ensures that Round 2 upholds the Principle of Mutuality and provides consistent excellence for our consumers. Content in this Code is informed by the International Bill of Human Rights and the principles concerning fundamental rights set out in the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work.

This Code of Conduct applies to all our direct and indirect suppliers in all categories. Direct suppliers are those that contribute directly to the production of finished goods, primarily raw materials, and packaging. This includes the suppliers and sub-contractors. Indirect suppliers are those that provide goods and services outside of those used in the production of finished goods. This includes the services and items purchased to construct and run our factories, the transport and warehousing of our products, and the marketing services we use to promote our brands and products.

It is recognized that the circumstances in which our suppliers operate may change and because of this we review the Code every two years to ensure that its content and implementation remain appropriate and effective.

Expectations for suppliers

Supplier confirms that it complies with the legal requirements and standards of its industry and maintains accurate books and records demonstrating compliance with such legal requirements and standards, to the extent permitted by law.

Our suppliers are expected to align with the following standards and are encouraged to exceed the requirements set forth in this Code. We recognize that our suppliers operate in different legal and cultural environments, and we are willing to evaluate alternative approaches if suppliers have found better solutions than those identified in this Code, subject in all cases to compliance with applicable legal requirements. This Code acts as a benchmark, and we will only ask for changes in areas where the supplier standard in place and the requirements in our Code are significantly different. If the Code establishes a higher standard than is required by applicable law, Round 2 expects its suppliers to align with the principles contained in the Code. Where compliance with the Code could lead to a conflict with or a violation of applicable laws or regulations, the supplier shall promptly notify Round 2 of the situation and explain how it intends to operate in a responsible manner.



CHILD LABOR

Requirements

Supplier does not employ individuals below the age of 16, except if allowed by local law and such exception is consistent with ILO guidelines. Supplier maintains documentation of each individual's date of birth or has legitimate means of confirming each individual's age.

Guidelines

- Supplier complies with the laws and regulations related to minimum working age. No employee of any age, including apprentices or vocational students, may be employed in breach of local regulations governing the minimum age for work or the compulsory age for schooling, consistent with ILO Minimum Age Convention No. 138.
- Supplier ensures that workers under 18 are not allowed to:
 - Work in hazardous conditions or those that require handling hazardous materials in an unsafe manner
 - Work for more than 8 hours per day
 - Work primarily at night
 - Work in a manner that unreasonably interferes with vocational education
- Where independent documents are not available, Supplier employs other legitimate and reliable means for determining employees' ages.



VOLUNTARY EMPLOYMENT / FORCED LABOR

Requirements

Supplier employs all employees on a voluntary basis and does not use any prison, slave, bonded, forced or indentured labor, or engage in any other forms of compulsory labor, or any other forms of slavery or human trafficking.

Guidelines

- Definitions of (a) slavery and (b) human trafficking shall be consistent with the (a) Supplementary Convention on the Abolition of Slavery, the Slave Trade, and Institutions and Practices Similar to Slavery (1957) and (b) Palermo Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children (2000).
- Supplier does not require employees to deposit original identification documents, travel documents or any other personal legal documents upon commencing employment with Supplier.
- Supplier ensures that throughout the hiring process and employment period, no deposits (monetary or otherwise) are collected from employees, including temporary, seasonal and migrant labor and employees provided by agencies, recruiters or brokers. Employment through private employment agencies shall comply with ILO Private Employment Agencies Convention No. 181. In cases where a fee was collected in violation of this guideline, the supplier shall promptly pay, as appropriate, all such fees either directly to labor contractors/agencies or other providers of labor, or promptly reimburse the effected worker.¹
- Supplier does not force employees to work overtime.
- Supplier will not delay or withhold the payment of workers' salaries for more than one month on a regular basis.
- Supplier does not confine or subject employees to restrictions on freedom of movement.
- Supplier does not use or source raw materials or products associated with forced labor or human trafficking.
- Supplier will use only legitimate and reputable recruitment agencies, which are properly licensed to operate under applicable laws.

1. If fees are charged to workers by a third party recruitment agency, these must be to cover the cost of secondary expenses only, such as travel expenses. Supplier should ensure that such fees are reasonable and should not provide workers with a loan or wage advance to cover the cost of fees paid by any worker to a recruitment agency.



MIGRANT LABOR²

Requirements

Supplier recognizes the unique legal, social, and cultural situations that migrant workers face and will ensure that such workers are treated with dignity, respect and in accordance with the same standards as apply to other workers.

Guidelines

- Supplier provides working conditions (wages, hours of work, etc.) to migrant workers which are lawful and comparable to those of other workers performing substantially the same tasks. Supplier will verify the legal status of all migrant workers and ensure that only those with a valid work permit issued by the appropriate governmental authority are employed.
- Supplier will not hold official identity documents, including passports, work permits, and birth certificates, even upon the request of the migrant worker.
- Supplier will pay all fees related to services provided by third party labor contractors or labor agencies.

2. The term "migrant workers" includes both foreign and internal migrants, i.e., those who are engaged in work in a country in which they are not a national and those who migrate within their country of nationality in pursuit of permanent, temporary or seasonal work.



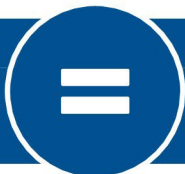
ABUSE, HARASSMENT, DISCIPLINARY ACTION

Requirements

Supplier does not engage in physical, mental, verbal, sexual or any other abuse, inhumane or degrading treatment, corporal punishment, or any form of harassment. Supplier treats all employees with respect and dignity and complies with local legislation on disciplinary practices.

Guidelines

- Supplier maintains formal written disciplinary procedure and these procedures must be clearly communicated to all employees and prospective employees. All disciplinary measures must be recorded, and the employee(s) affected by disciplinary action must acknowledge the action in writing.
- Supplier will not establish monetary fines and/or take deductions from wages for disciplinary reasons.
- Supplier will establish written and/or verbal procedures for handling grievances from workers concerning workplace conditions and treatment.
- Supplier conducts security procedures in a gender-appropriate and non-intrusive manner, if applicable.



FAIR AND EQUAL TREATMENT / DISCRIMINATION

Requirements

Supplier's terms and conditions of employment, including hiring, training, working conditions, compensation, benefits, promotions, discipline, termination or retirement, are based on the individual's qualifications, performance, skills, and experience.

Guidelines

- Supplier maintains workplaces that are free from discrimination on the basis of race, color, age, sex, gender or gender identity, caste, political opinion, national origin, religion, marital status, sexual orientation, disability or genetic information, maternity, membership, affiliation or other status of the individual unrelated to the ability to perform the job.
- Supplier does not conduct medical tests on employees that can be used to discriminate (e.g. pregnancy testing). The results of any tests that are required by local legislation shall not be used in a discriminatory way.



COMPENSATION AND BENEFITS

Requirements

Supplier fairly compensates all employees by providing wages and benefits in accordance with all applicable laws.

Guidelines

- Supplier ensures that wages paid for all hours worked meet at least the legal minimum wage or the local industry minimum standards for compensation, whichever is higher.
- Supplier pays employees on time, in accordance with legal requirements; in all circumstances, wages must be paid on at least a monthly basis.
- Supplier ensures that, where workers' pay is contingent on the volume produced (piece rate, quotas, etc.), workers always earn at least the equivalent of the applicable minimum wage for each 8-hour day and are not compelled to work more than 8 hours per day in order to earn the minimum wage. Where there is no legally mandated minimum wage, suppliers ensure that workers earn at least the average wage in the particular industry or geographic area.
- Supplier meets all legal requirements for the payment of overtime and incentive rates. Supplier pays overtime at a premium rate / at a rate at least equal to the normal rate of compensation.
- Supplier provides all legally mandated benefits, such as public holidays, paid vacation/annual leave, sick days and maternity/paternity/family leave.
- Suppliers, where reasonably possible, must provide all workers (permanent, temporary, seasonal, domestic and migrant) with a written contract in the appropriate language that includes a description of job duties, benefits, disciplinary procedures, and notice periods. Where the provision of a written contract is not reasonably possible or practical, suppliers shall provide workers with a verbal description of the terms of their employment.³
- Supplier provides each employee with an itemized wage statement upon wage payment. The statement includes, at a minimum, amount of pay, pay period, rate of pay, regular and overtime hours worked, deductions, and benefits, if applicable.

3. Supplier can satisfy this requirement by prominently posting key workers' rights and entitlements / terms of employment in the workplace in clear, understandable language and in the language(s) spoken by workers.



WORKING HOURS

Requirements

Supplier complies with all applicable laws regarding regular working hours, rest periods and overtime hours.

Guidelines

- Suppliers must provide workers with at least 24 consecutive hours of rest during every 7 day period.⁴
- Supplier does not require a work week over 60 hours, including overtime, unless operational circumstances require a temporary increase in working hours. Supplier consults with employees about the temporary increase in working hours and provides compensatory time off for these additional hours or overtime compensation at a premium rate.
- Supplier does not force employees to work overtime, and employees will not be punished, penalized, or dismissed for refusing to work overtime.



FREEDOM OF ASSOCIATION / COLLECTIVE BARGAINING

Requirements

Supplier respects the right of employees to form and join trade unions and bargain collectively in a lawful and peaceful manner, subject to and in accordance with applicable law.

Guidelines

- Supplier complies with all applicable laws that pertain to freedom of association and collective bargaining.
- Supplier does not discriminate on the basis of affiliation or non-affiliation.
- Supplier does not allow interference by management in the organization of workers. Supplier does not subject its employees to harassment, intimidation, or retaliation in their efforts to freely associate or bargain collectively.
- Supplier provides confidential and anonymous means for employees to raise grievances and records this process.

4. If exception is made to this provision, it must be in compliance with applicable laws and only for exceptional circumstances, such as work that is continuous in nature or in the event of accident or emergency. In such a case, workers must be furnished with compensatory time off as soon as circumstances reasonably permit. Under normal circumstances, Suppliers must avoid situations where workers are made to work for long periods of time without receiving weekly rest days.



HEALTH AND SAFETY

Requirements

Supplier complies with all applicable laws pertaining to health and safety in the workplace.

Guidelines

- Supplier provides a safe, clean, healthy, and productive work environment, including the provision of clean drinking water to all workers and an adequate number of washing and toilet facilities for both males and females.
- Supplier or third party agency that provides worker dormitories shall provide workers with adequate lighting, temperature, ventilation, toilet facilities, shower or bathing facilities and access to clean drinking water. Dormitories shall be clean and safe and provide emergency exits, reasonable personal space, and reasonable entry and exit privileges.
- Supplier shall provide workers written health and safety information and warnings, in the primary language(s) of its workers. Supplier shall post, in the primary language(s) of its workers, Material Safety Data Sheets that describe toxic or hazardous substances used in the workplace and properly manage the handling of all dangerous substances and machinery.
- Supplier shall provide all appropriate personal protection equipment.
- Supplier adequately trains employees on applicable local workplace safety practices, including emergency evacuation procedures. Supplier provides systems and training designed to help prevent accidents and injuries.
- Supplier maintains records of health and safety training and accidents and injuries at the workplace.
- Supplier shall establish and maintain appropriate first aid equipment at the facility and make it available to workers at all times. The location of the equipment shall be prominently marked and communicated to workers.
- Supplier provides adequate access to medical facilities; fire exits and fire-fighting and safety equipment.



ENVIRONMENT

Requirements

Supplier complies with all applicable environmental laws and regulations. Supplier continuously strives to improve environmental performance.

Guidelines

- Supplier documents and maintains records of compliance with local and national environmental laws and regulations, including environmental permits and reporting requirements.
- Supplier properly handles and stores hazardous materials and waste, has a plan for dealing with discharges of hazardous wastes, and disposes of them in a safe and legal manner.
- Supplier ensures that relevant staff have been **adequately informed** about the company's significant environmental impacts and trained on the company's environmental management system.
- Supplier minimizes and monitors its impact on the environment where possible through a reduction in greenhouse gas emissions, energy efficiency initiatives, reduction and recycling of natural resources, including water and paper / packaging materials.



ETHICAL BUSINESS PRACTICES

Requirements

Supplier conducts its business in accordance with the highest standards of ethical behavior and in accordance with all applicable laws and regulations.

Guidelines

- Supplier complies with all applicable legal requirements, whether local or foreign, that apply to foreign operations, including the U.S. Foreign Corrupt Practices Act and the UK Bribery Act. The Foreign Corrupt Practices Act generally makes it unlawful to give anything of value to government officials, foreign political parties, party officials, or candidates for public office for the purposes of obtaining or retaining business or gaining an improper advantage.
- Supplier shall have written policies prohibiting bribery, kickbacks, corruption and similar prohibited business practices.
- Supplier must train its employees, consultants, subcontractors and vendors on the company's rules and procedures related to ethical business practices.
- Supplier does not offer or accept bribes, kickbacks, or other means of obtaining undue or improper advantage.
- Supplier does not give to any employee from Round 2 a gift or donate on behalf of, or for the benefit of any employee from Round 2 unless approved by both the relevant business segment and the regional general counsel. Any meals provided by Supplier to an employee from Round 2 are reasonable and appropriate in value and are provided only in the course of Supplier's business with Round 2.
- Supplier will protect and be responsible for Round 2 capital assets that are assigned to this supplier. Supplier will not produce any product not authorized by Round 2 using these tools or licenses.
- Supplier does not engage in collusive bidding, price fixing, price discrimination, or other unfair trade practices in violation of fair competition laws or antitrust laws that govern the jurisdictions in which it conducts business.
- Supplier respects the intellectual property rights of others. Supplier takes appropriate steps to safeguard and maintain confidential and proprietary information or trade secrets of Round 2 and uses such information only for the purposes authorized for use by Round 2.

COMPLIANCE

Requirements

Supplier complies with the legal requirements and standards of its industry under all applicable laws and maintains accurate books and records demonstrating compliance with such laws and these standards, to the extent permitted by law.

OTHER RESPONSIBILITIES

SUB-CONTRACTING

Supplier does not use subcontractors or assign to any other party its contractual obligations to Round 2 Holdings LLC, without prior written approval by Round 2 Holdings LLC or its subsidiaries. Prior written acceptance of this Code by the approved subcontractor or assignee is required before production begins.

COMMUNICATION OF THIS CODE

Suppliers must inform workers about the expectations contained in this Code. This might include prominently posting the Code in the workplace in an area accessible to workers, conducting group or individual meetings to review and explain the Code, distributing explanatory pamphlets to workers, or communicating through on-line channels.

ASSIGNMENT OF RESPONSIBILITY

Supplier assigns a senior officer to continuously monitor compliance by Supplier with this Code. Supplier shall immediately advise Round 2 of any relevant issues that are inconsistent with this Code. Supplier informs Round 2 of any violations of this Code including, if Supplier so chooses, of violations reported via a confidential whistleblowing hotline. Such programs shall protect worker whistleblower confidentiality and prohibit retaliation.

Suppliers are responsible for prompt reporting of actual or suspected violations of law, this Code and any contractual relationship with Round 2. This includes violations by any employee or agent acting on behalf of either the supplier or Round 2. You may report a violation via e-mail using the following address: Korpurt@round2corp.com

COMPLIANCE MONITORING

To measure Supplier's compliance with this Code, Round 2 reserves the right to conduct announced and unannounced on-site independent third-party audits of Supplier's facilities, Supplier- provided housing, operations, books, and records and conduct confidential worker interviews in connection with such audits.

Upon receipt of any unsatisfactory audit results and Supplier's failure to implement recommended corrective actions, Round 2, in its sole discretion, reserves the right to suspend any purchases from Supplier until corrective actions are implemented, or to terminate its relationship with Supplier.

Suppliers are responsible for educating and monitoring their vendors, subcontractors and independent contractors.

TRANSPARENCY

Supplier adopts a transparent approach to working with Round 2, including the disclosure of relevant policies and procedures. If requested, supplier discloses the geographical location of facilities producing raw materials for Round 2, as well as the origin of raw materials within the suppliers own direct supply chain. Supplier will take responsibility to implement the requirements of this Code and associated due diligence processes with those in its own direct supply chain.

We recognize that many of the issues facing manufacturers like Round 2 arise in the lower tiers of extended supply chains where many more suppliers are involved. It is therefore essential that our direct suppliers recognize the role they must play in promoting responsible sourcing practices with their own suppliers, including ensuring the Code's principles are flowed down to, and adhered by, lower tier suppliers and compliance monitoring takes place at all levels in the supply chain.

REFERENCES

Round 2 consulted the following references:

Eco- Management and Audit Scheme

www.quality.co.uk/emas.htm

Ethical Trading Initiative

www.ethicaltrade.org

ILO Code of Practice in Safety and Health

www.ilo.org/public/english/protection/safework/cops/english/download/e000013.pdf

ILO International Labor Standards

www.ilo.org/public/english/standards/norm/whatare/fundam/index.htm

ISO 14001

www.iso.org

National Fire Protection Association

www.nfpa.org/categoryList.asp?categoryID=143&URL=About%20NFPA

OECD Guidelines for Multinational Enterprises

www.oecd.org

OHSAS 18001

www.bsi-global.com/index.xalter

SA 8000

www.cepaa.org

SAI

www.sa-intl.org

This Code is aligned upon, upheld, and put into action by our Segment Leaders as indicated by the signatures included with this document.

Richard Barry - CEO

Matthew Lynn - CFO

Date

Date

The undersigned acknowledges their understanding of, and their compliance with, all applicable laws and the above Round 2 Supplier Code of Conduct (Code). Suppliers are expected to take necessary corrective actions to promptly remediate any noncompliance. Round 2 reserves the right to terminate its business relationship with any Supplier who is unwilling to comply with this Code.

Statement of Responsibility

After filling in the parentheses, please remove the words in italics.

(Name of Company) a company legally constituted in *(Company Location)*

with registration/license number _____ hereby declares that it:

(a) understands and accepts the content of the Code, included with this Statement of Responsibility.

(b) will share, with Round 2 and its own network of suppliers, those efforts, difficulties, and achievements in implementing this Code;

(Owners Signature and Printed Name)

Please also identify (check which applies) whether...

- Your company is a member of Sedex and will link its Sedex information to the Round 2 account OR to another approved account (such as Walmart).
- Your company had an external responsible sourcing audit for the relevant industry sector and location/locations completed in the last two years and will share this with Round 2.