

DIVERSITY POLICY

May 11, 2016

Spin Master Ltd. (the “**Company**”) recognizes and embraces the benefits of having diversity on its board of directors (the “**Board**”) and in senior management. Diversity is important to ensure that members of the Board and senior management provide the necessary range of perspectives, experience and expertise required to achieve the Company’s objectives and deliver for its stakeholders.

Meaning of Diversity

“**Diversity**” is any dimension that can be used to differentiate groups and people from one another and includes gender and age, race, nationality, culture, language and other ethnic distinctions, education, regional and industry experience, and expertise.

Application of this Policy to the Board

The GNC Committee of the Board is responsible for reviewing and assessing Board size, composition and effectiveness, and for recommending to the Board (i) the director nominees to stand for election at the next annual meeting of Company shareholders, and (ii) any candidates for appointment to the Board between annual meetings of Company shareholders, as appropriate.

It is an objective of this policy that diversity be considered in determining the optimal composition of the Board and, when possible, the Board should be balanced appropriately. In reviewing Board composition and identifying suitable candidates for Board appointment or nomination for election to the Board, candidates will be selected based on merit and against objective criteria, and due regard will be given to the benefits of diversity in order to enable the Board to discharge its duties and responsibilities effectively.

The Board recognizes that gender diversity is a significant aspect of diversity and acknowledges the contribution that women with the right competencies and skills can make to diversity of perspective in the boardroom. Accordingly, in order to promote the specific objective of gender diversity, the selection process for Board appointees/nominees will involve the following steps (including where the Company engages an external recruitment agency to identify and assess candidates):

- a short-list identifying potential candidates for appointment/nomination must be compiled and must include at least one female candidate for each available Board seat; and
- if, at the end of the selection process, no female candidates are selected, the Board must be satisfied that there are objective reasons to support this determination.

On an annual basis, the GNC Committee will (i) assess the effectiveness of the Board appointment/nomination process at achieving the Company’s diversity objectives and (ii) consider and, if determined advisable, recommend to the Board for adoption, measurable objectives for achieving diversity on the Board. At any given time the Board may seek to adjust one or more objectives concerning its diversity and measure progress accordingly.

Application of this Policy to Senior Management

The GNC Committee of the Board is responsible for (i) periodically reviewing and making recommendations to the Board with respect to succession planning matters concerning the Chief Executive Officer and other key executive officers, and (ii) reviewing the recommendations of the Chief Executive Officer respecting the appointment of the Chief Financial Officer, all senior management reporting directly to the Chief Executive Officer, and all other officers appointed by the Board.

It is an objective of this policy that diversity be considered in connection with succession planning and the appointment of members of the Company's senior management.

The Company recognizes that gender diversity is a significant aspect of diversity and acknowledges the contribution that women with the right competencies and skills can make to diversity of perspective in senior management positions. Accordingly, in order to promote the specific objective of gender diversity, the Company will:

- implement policies which address impediments to gender diversity in the workplace and review their availability and utilisation;
- regularly review the proportion of women at all levels of the Company;
- monitor effectiveness of, and continue to expand on, existing initiatives designed to identify, support and develop talented women with leadership potential; and
- continue to identify new ways to entrench diversity as a cultural priority across the Company.

On an annual basis, the GNC Committee will (i) assess the effectiveness of the senior management appointment process at achieving Company's diversity objectives and (ii) consider and, if determined advisable, recommend to the Board for adoption, measurable objectives for achieving diversity in senior management. At any given time the Board may seek to adjust one or more objectives concerning senior management diversity and measure progress accordingly.