

COMPLAINT PROCEDURES FOR ACCOUNTING AND AUDITING MATTERS

The Company is committed to achieving compliance with all applicable securities laws and regulations, accounting standards, accounting controls and audit practices. In order to facilitate the reporting of accounting relating complaints, the Company's Audit Committee has established the following procedures for (1) the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters ("Accounting Matters") and (2) the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

Any employee of the Company may submit a good faith complaint regarding accounting or auditing matters to the Company without fear of dismissal or retaliation of any kind.

Receipt of Complaints

- (1) Employees or other interested parties with concerns regarding Accounting Matters may report their concerns to the General Counsel of the Company at the address set forth below, marked confidential. The General Counsel shall forward a copy of such report to the Chairman of the Audit Committee.

Kid Brands, Inc.
General Counsel - - Accounting Complaints
1800 Valley Road
Wayne, NJ 07470

and/or

- (2) Employees may forward complaints on a confidential or anonymous basis to the General Counsel by e-mail at the following address: accountingcomplaints@kidbrandsinc.com or regular mail at the address set forth above, marked confidential.

Scope of Matters Covered by These Procedures

These procedures relate to complaints relating to any questionable accounting or auditing matters, including, without limitation, the following:

- (1) fraud or deliberate error in the preparation, evaluation, review or audit of any financial statement of the Company;
- (2) fraud or deliberate error in the recording and maintaining of financial records of the Company;
- (3) deficiencies in or noncompliance with the Company's internal accounting controls;
- (4) misrepresentation or false statement to or by a senior officer or accountant regarding a matter contained in the financial records, financial reports or audit reports of the Company; or
- (5) deviation from full and fair reporting of the Company's financial condition.

Treatment of Complaints

- (1) Upon receipt of a complaint, the General Counsel will (i) determine whether the complaint actually pertains to Accounting Matters and (ii) when possible, acknowledge receipt of the complaint to the sender.
- (2) Complaints relating to Accounting Matters will be reviewed under Audit Committee direction and oversight by the General Counsel, or such other persons as the Audit Committee determines to be appropriate. Confidentiality will be maintained to the fullest extent possible, consistent with the need to conduct an adequate review.
- (3) Prompt and appropriate corrective action will be taken when and as warranted in the judgment of the Audit Committee.
- (4) The Company will not discharge, demote, suspend, threaten, harass or in any manner discriminate against any employee in the terms and conditions of employment based upon lawful actions of such employee with respect to good faith reporting of complaints regarding Accounting Matters or otherwise as specified in Section 806 of the Sarbanes Oxley Act of 2002.

Reporting and Retention of Complaints and Investigations

The General Counsel will maintain a log of all complaints, tracking their receipt, investigation and resolution and shall prepare a periodic summary report thereof for the Audit Committee. Copies of complaints and such log will be maintained in accordance with the Company's document retention policy.