

Code of Business Ethics

INTRODUCTION

This Code of Business Ethics defines Clas Ohlson's undertaking to uphold high ethical standards, to make businesslike decisions without personal gain or benefits to a third party or close personal friend, not to accept, offer or pay bribes, and to observe and comply with all relevant laws, rules and regulations. Showing respect and responsibility for people and the environment and conducting business operations with a high level of ethics, integrity and honesty is a cornerstone of the Clas Ohlson company culture, core values and practices. All Clas Ohlson employees are instructed in, must understand, accept and comply with this Code. Clas Ohlson requires all employees to follow the guidelines in the Code to ensure that our operations are conducted in accordance with current legislation and the Clas Ohlson company culture.

Apart from this Code of Business Ethics, Clas Ohlson always acts in compliance with national laws and regulations and the Swedish Anti-Corruption Institute's (Institutet Mot Mutor - IMM) Code on Gifts, Rewards and other Benefits in Business.

THE CODE

1. It is the personal responsibility of every employee to act in the best interests of the corporation. Employees must not allow personal or family related economic interests to come into conflict with the interests of Clas Ohlson. Potential conflicts of interest should be disclosed to immediate supervisors as soon as possible. The following types of conflict of interest must be reported:
 - personal interests, either direct or indirect via a co-operation or business transaction with Clas Ohlson or with one of Clas Ohlson's suppliers or customers;
 - employment of dependants;
 - acquisition of property; and
 - sidelines which directly or indirectly threaten to conflict with Clas Ohlson's interests.
2. Clas Ohlson prohibits the offering, giving or receiving of any form of bribe, including cash, cashlike gift such as gift vouchers, promises of security or credit, remissions of debts, kickbacks (illegal gratuity or commission payment), unfair competition, offering the use of transportation or property for private use or whole/part payment for leisure activities and/or, holidays or other benefits.

3. Clas Ohlson prohibits the use of other channels to offer improper benefits to, or receive improper benefits from customers, representatives, entrepreneurs, suppliers, employees of such aforementioned parties, and civil servants.
4. Clas Ohlson permits the giving or receiving of the following benefits: business meals of reasonable cost, moderate recognition of anniversaries, retirement or sickness and gifts of nominal market value. Minor gifts and measures of hospitality can be accepted if they are moderate, occasional, appropriate, offered openly in the normal course of business, would not harm the company if publicly disclosed, are not intended to gain unfair business advantages for company products or services, and could not be interpreted as an attempt to influence or put the recipient at a disadvantage in business dealings or under an obligation that could distort judgement.
5. The following benefits are also permitted at Clas Ohlson provided they are moderate, given and accepted openly and could not be interpreted as influencing the recipient's ability to perform his/her duties at Clas Ohlson: study visits, seminars, and training courses which are predominantly educational and the offer is directed towards the relevant person within Clas Ohlson. The acceptance of the benefits named above is conditional upon that the education favours Clas Ohlson, that Clas Ohlson pays for travel and accommodation and that participation is transparent and approved by immediate supervisors.
6. Hospitality is to be moderate, transparent and approved by immediate supervisors. Hospitality and general behaviour on Clas Ohlson business trips must be conducted in an ethically acceptable manner and must not be conducted in a manner, which could possibly harm the Clas Ohlson brand or reputation. The purchase of goods or services for private use during Clas Ohlson business trips only covers goods and services, which are not evidently manufactured in breach of governing law or the Clas Ohlson Code of Conduct in force at any time. We avoid staying at hotels, visiting bars, restaurants or the like where adults or children are exposed sexually. Suspected commercial sexual exploitation of children shall be reported to the police and/or to the immediate supervisor and the Chief Legal Officer. We are aware that we as employees with Clas Ohlson may be subject to the offering of gifts, bribes, and/or offers of contact with children or adults for sexual purposes. All such offers shall be reported to the Chief Legal Officer and criminal activities will be reported to the police.
7. No remuneration, gift or benefit may be given or accepted for the purpose of influencing a decision, outcome, activity or business transaction. During an ongoing business transaction for example, Clas Ohlson employees should not accept or bestow any favours or participate in activities with suppliers or business partners, regardless of whether it takes place during working hours or social hours, without the prior approval of immediate supervisors or the Chief Legal Officer.
8. None of Clas Ohlson's assets may be used for payments, either directly or indirectly, to representatives and officials of government and public bodies or political parties for any illegal or improper purposes.
9. The offer of or acceptance of any improper reward, gift or benefit must be reported to immediate supervisors and/or the Chief Legal Officer. Suspected attempted bribery and illegal conduct contrary to the code of business ethics must where appropriate be reported to immediate

supervisors or the Chief Legal Officer. Anonymous reports can be submitted to the Chief Legal Officer via e-mail or internal mail. E-mail concerning significant violations by people in executive positions can even be sent to anti-bribery@clasohlson.se. The treatment of the information in such an e-mail will be dealt with in accordance with the Swedish Data Inspection Board's guidance concerning the handling of such information. Clas Ohlson prohibits retaliatory actions or any type of reprisals against a person who reports or helps report such wrongdoings. All reported breaches of the Code will be dealt with by Clas Ohlson as quickly as possible in a fair, appropriate and objective manner.

10. Clas Ohlson advocates free market competition and Clas Ohlson employees are obliged to abide by applicable competition laws. Clas Ohlson must not make deals with competitors regarding prices, discounts, terms and conditions or shares of the market.
11. Any suspicion that Clas Ohlson's computers or cell phones are used for criminal purposes, including the usage and spread of pictures of children that are presented in a sexualised manner or children that are sexually abused shall be reported to the Chief Legal Officer. All criminal activity will be reported to the police.
12. Breaches of the Code of Business Ethics could, apart from conflicting with Clas Ohlson's core values and ethics, constitute breaches of criminal law and result in criminal prosecution, disciplinary action or dismissal as well as damaging the reputation of both Clas Ohlson and the employee. Breaches of competition law can result in the company facing penalties and/or damages.
13. All employees are required to refuse all offers of improper benefits. Clas Ohlson will not tolerate any breach of this code and every employee is to undergo compulsory education provided by the company. If you, as an employee of Clas Ohlson, feel uncertain about attending an event, accepting a gift or have difficulty assessing a certain situation, you should turn to your immediate supervisor or the Chief Legal Officer to discuss if the situation is consistent with the Clas Ohlson Code of Business Ethics and applicable law.
14. This Code of Business Ethics was approved by the Board of Clas Ohlson AB (plc), on 6 September 2013. The Chief Legal Officer is responsible for the Code and for ensuring that information about the Code is communicated to every employee within the corporation. Amendments to the Code which are not of minor editorial nature are to be approved by the Board.
15. Every year, in conjunction with an internal risk analysis of Clas Ohlson's business operations, the Board's audit committee will also carry out an analysis of the risk for breaches of the Code. The senior executive group will conclude every minuted meeting with a risk analysis concerning the present risk of breaches of the Code.