

Code of Conduct

11 August 2017

OBJECTIVE

JB Hi-Fi Limited and its subsidiaries, including those subsidiaries conducting the JB Hi-Fi and The Good Guys businesses (collectively, the "Group"), recognises that the way we conduct ourselves directly contributes to the success of our businesses and shapes our brand and reputation. It is a fundamental principle of the Group that all of our business activities shall be conducted legally, ethically and responsibly, with strict observance of the highest standards of integrity and propriety. This Code of Conduct is based on that principle and sets out those standards.

The purpose of this Code of Conduct is to ensure all persons employed or engaged by the Group in any capacity, including directors, senior executives and employees (whether permanent, casual or temporary) (collectively, "Team Members") understand the ethical and behavioural standards that apply in all of the Group's daily business activities. These standards are fundamental to delivering value for the Group's shareholders and building and maintaining confidence in the Group.

This Code of Conduct sets out:

- the overarching principles that govern the way in which the Group conducts its business;
- certain responsibilities of Team Members;
- processes for handling actual or potential conflicts of interest;
- processes for the declaration and approval of gifts, loans and hospitality;
- procedures for reporting conduct which is not in accordance with this Code of Conduct; and
- the steps the Group will take in investigating and addressing potential breaches of this Code of Conduct.

The Board of Directors of JB Hi-Fi Limited has approved this Code of Conduct to provide a set of principles which are to be observed by all Team Members.

Each Team Member must:

- read this Code of Conduct and ensure they understand it; and
 - comply with this Code of Conduct.
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APPLICATION

This Code of Conduct applies to all Team Members in conjunction with all applicable Group Policies and respective Terms and Conditions of employment.

It applies to the conduct of Team Members in the course of their employment or engagement by the Group, including:

- in the workplace outside normal working hours;
- during work activities (for example, when dealing with customers and suppliers); and
- at work-related events (for example, work social functions and conferences)

COMMITMENT

It is required that each Team Member:

- reads this Code of Conduct and ensures they understand it; and
 - follows this Code of Conduct at all times.
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RESPONSIBILITIES

The Group will:

1. act ethically and responsibly;
2. as far as reasonably practicable, provide a safe work environment, free from injury and unlawful workplace behaviour for all Team Members, customers, visitors and suppliers of the Group;
3. protect and keep confidential customer information in accordance with the law;
4. comply with the laws and regulations that apply to the Group and its operations; and
5. ensure that Team Members have the opportunity to raise any concerns under this Code of Conduct and take appropriate steps to address those concerns.

Team Members will:

1. act in the best interests of the Group;
 2. act honestly, in good faith and with integrity and professionalism at all times;
 3. treat customers, suppliers, the public and fellow Team Members with honesty, courtesy and respect;
 4. interact with fellow Team Members, customers and external parties without unlawful discrimination, harassment, victimisation or bullying;
 5. carry out duties in a safe, effective and competent manner and maintain specified standards of performance and conduct;
 6. be present at work as required and be absent from the workplace only with valid reason and proper authorisation;
 7. only deal in JB Hi-Fi shares as permitted under the Group's Securities Trading Policy;
 8. be aware of and comply with all respective Group policies and procedures and follow all lawful and reasonable employer instructions;
 9. respect and safeguard the property of the Group, customers, and fellow Team Members;
 10. protect, and keep confidential, customer information in accordance with the law;
 11. not enter into any arrangement or participate in any activity that would conflict with the Group's best interests or would be likely to negatively affect the Group's reputation, including by ensuring that their personal, business and financial interests do not conflict with their duties to the Group;
 12. not take advantage of their position or the opportunities arising for personal gain;
 13. only use, or allow the use of, Group property, information, resources or funds for authorised purposes;
 14. only enter into an agreement or incur liability on behalf of the Group with proper authorisation; and
 15. comply with all laws and regulations that apply to the Group and its operations and which are relevant to their employment and not knowingly participate in any illegal or unethical activity.
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CONFLICTS OF INTEREST

A conflict of interest exists where loyalties are divided, such as where a Team Member's personal interests (or the interests of any associated person) conflicts with the interests of the Group or the Team

Member's duties to the Group. Team Members have a potential conflict of interest if, in the course of performing their duties, any decision they make provides an improper gain or benefit to themselves or a third party. Examples of conflicts of interest include where a Team Member:

- has a significant ownership interest or personal financial interest in an outside business which may compromise his or her loyalty to the Group or the Team Member's ability to make an impartial decision in the best interests of the Group, such as where the outside business is a supplier, customer or competitor of the Group;
- has a personal relationship which could compromise the Team Member's ability to perform his or her responsibilities objectively and impartially; or
- has outside employment or other involvement (such as a position on the board of directors) with another organisation where that organisation has a business relationship with the Group or competes with the Group.

Any interest which may constitute a conflict of interest must promptly be declared to the appropriate senior manager (or, in the case of Directors, to the Chairman), who may take steps to manage the conflict. Team Members should not participate in any decision in respect of which they have a conflict of interest unless their participation has been approved by the appropriate senior manager.

GIFTS, LOANS, HOSPITALITY AND OTHER BENEFITS

Team Members must not ask for or accept any gift, loan, unusual or expensive hospitality or other benefit of significant value in connection with their employment with the Group unless approved in advance by their manager. Approval will not be given where it is felt that acceptance of the gift could impose pressure on the Team Member's judgement or could result in, or be seen to result in, a conflict of interest, or could damage business relationships with others.

Hospitality in the form of entertainment in the interests of normal business practice is generally acceptable. However, it is important not to give any impression that there may be a connection between the hospitality and business opportunities.

If a Team Member is sent or offered a significant gift, loan, hospitality or other benefit, they must report it to their manager. The manager will determine if it is appropriate to accept the gift, loan, hospitality or other benefit or decline it. If a Team Member is in any doubt about whether gifts, loans, hospitality or other benefits sent or offered need to be reported and approved under this Code of Conduct, they must ask their manager.

Only gifts of items or services of *significant* value need to be reported and approved under this Code of Conduct. Unsolicited gifts of items or services of little or nominal value (for example, pens, pencils, key rings, diaries) do not need to be reported and approved under this Code of Conduct.

REPORTING OF BREACHES

All Team Members have an obligation to ensure compliance with this Code of Conduct. If you see behaviour that you believe breaches this Code you must report it, in line with JB Hi-Fi or The Good Guys internal reporting procedures, which may include respective incident reporting hotlines (Stopline for JB Hi-Fi Team Members and Your Call for The Good Guys Team Members).

Any matter reported will be treated confidentially (as far as reasonably practicable) and handled in a manner that ensures that the Team Member making the report is not disadvantaged for reporting their concerns.

CONSEQUENCES OF BREACH

All suspected breaches of this Code will be thoroughly investigated. If a breach is found to have occurred, formal disciplinary action will be taken, which may, in the most serious cases, include termination of employment.