

POLICY: Code of Ethics	POLICY NUMBER: 2.13	PAGE: 1 of 8
APPLIES TO: All FGL Employees	ISSUED BY: Human Resources	REVISED: April 2006

I. PRINCIPLES

- FGL is committed to fair and honest business practices in all its dealings with shareholders, customers, suppliers, employees, competitors and partners.
- The Company strives to create a work environment where employees are treated with dignity and respect and are valued for their contributions.
- FGL is committed to treating its employees in a fair and ethical manner and in accordance with all federal and provincial Human Rights legislation.
- FGL will comply with all applicable laws, regulations, internal policies and business standards.
- FGL expects employees to behave in an ethical manner in all business situations where they are representing FGL.
- FGL expects that all representatives of the Company act with honesty, good faith and fairness.
- When in doubt, FGL employees should speak with their Vice President or Director, Audit Services regarding ethical situations. In many cases, FGL can provide clarity and guidance on these types of issues.

The FGL Leadership team and the Company's Board of Directors encourages discussion of Employee observations and concerns in relation to financial and non-financial matters including violations of applicable laws, regulations or internal policies.

II. ELIGIBILITY

This policy applies to all full time and part time employees of FGL. It also applies to all third party contractors and suppliers working for/and with FGL.

III. DETAILS

A. Gifts

Employees may accept offers of hospitality arising out of activities associated with the normal course of their duties and responsibilities, provided these offers remain within the bounds of propriety or constitute a normal expression of business courtesy or protocol.

Employees should not accept gifts, samples, entertainment, or meals when the gift may influence a business decision on behalf of FGL. Employees should recognize that the perception of a gift influencing a business decision is as damaging to the Company's reputation as the acceptance of an inappropriate business courtesy.

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Any employee who receives or is about to accept anything that might be considered a questionable gift or payment must inform the Vice-President responsible for his/her department and/or Director, Audit Services.

B. Confidential Information

The Company strives to ensure the confidentiality of its relations with its shareholders, customers, employees, suppliers and governments. It shall disclose only that information that is already public, required by law, or approved for release by the parties concerned.

Employees shall keep confidential all information acquired in the performance of their duties concerning the Company and its employees, customers, affiliated retailers or any other partner. Confidential information may not be disclosed to any non-authorized person.

Employees may not use confidential information concerning the affairs of FGL, its operating banners and its employees, customers and/or suppliers for their personal gain or for the benefit of any third party, competitor or other individual.

This principle of confidentiality also applies to confidential information concerning employees. In compliance with their fundamental right to privacy, and applicable provincial and federal privacy legislations, all commercial, financial and personal information regarding FGL employees shall be held in confidence and dealt with appropriately. Please refer to the Company's Privacy Policy (2.14) for more information.

No specific or confidential information regarding an employee may be given by telephone, without the employee's consent.

C. External Communication

Media Requests

All information about FGL released externally must adhere to all regulatory provisions.

Proprietary information is not to be released under any circumstances without prior approval of the CEO or President. If employees are unsure whether certain information is proprietary, they should consult their Vice President.

All requests for interviews or inquiries by the media for information should be directed to the CEO or President. They will assess the nature of the request and who should respond.

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Copies of business speeches being given at public or private gatherings where the employee is speaking in his/her capacity as a FGL employee should be vetted beforehand with the relevant Vice President. If media will be in attendance, the CEO or President should review speeches.

Public Speaking Requests

There are numerous opportunities and occasions where employees may be called upon to talk about the Company, including:

- Events relating to The Forzani Group Foundation;
- Speeches and presentations at professional association events;
- Speeches and speaking engagements at private or public gatherings.

These events can provide valuable opportunities for exposure for FGL. Employees should review the content of their speeches or presentations with their Vice President prior to accepting the speaking opportunity.

D. Conflict of Interest

A conflict of interest occurs when an employee is in a business situation that may result in personal gain or profit which conflicts with the interests of FGL. Both the actual conflict of interest and the perception of a conflict of interest must be avoided.

Employees owe their first loyalty in business to FGL. They must therefore avoid any situation where their personal interest might conflict with that of FGL. Employees may not take part, whether directly or indirectly, in any activity external to FGL that could:

- a) require so much of their time and attention as to adversely affect their responsibilities towards FGL; or
- b) give rise to a conflict of interest that could adversely affect their judgment to the detriment of FGL's interest.

Employees must declare in writing, any situation that might be interpreted as a conflict of interest. Employees must obtain authorization from their Vice President before becoming involved in any activity or situation that may give rise to a conflict of interest. In most cases, the process of declaring a potential conflict of interest eliminates problems.

Officers of FGL must obtain authorization from FGL's Board of Directors prior to serving as members of the board of directors of any business corporation, especially one whose shares are listed on a recognized stock exchange.

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Any employee who owns shares in a supplier company must disclose this information to their Vice President or Director, Audit Services.

E. Accuracy of Business Information

FGL employees are responsible for accuracy in the preparation of business information and for completing work to the highest standard.

FGL's accounting records and entries shall be maintained with the strictest integrity and in accordance with generally accepted accounting principles to ensure that all the Company's operations and transactions are accounted for accurately and promptly.

No employee may be party to any deceit that contributes to a false or contrived entry in FGL's accounting books. No account may be opened or used in the Company's books, nor any entry made, that is not warranted by the documentation submitted in support of such transactions.

Employees must avoid involvement in any misappropriation of the Company's funds or assets. Employees are also required to inform the V.P. of his/her department and/or the Director, Audit Services of any fraudulent activity of which they become aware. Furthermore, it is essential that employees cooperate fully with any inspection, investigation or internal or external audit.

Employees may also call or e-mail the confidential phone line - Communications Forum (1-800-573-7345 or forum@forzani.com) if they wish to report any fraudulent activity.

F. Insider Trading

Law defines "Insiders" as being any person with material information regarding the Company that has not been publicly disclosed and which could affect the market price of the Company's securities. Insiders include directors, officers, and senior management, but may also mean any other employee of the Company.

Employees may not buy or sell FGL shares when in possession of insider information.

In particular, the Company has determined that during certain periods (called "blackout periods") no insider or employee shall buy or sell FGL securities. The blackout periods are as follows:

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- a) annual results - from the last day of the fiscal year to and including the end of the second trading day after the public announcement of the annual results; and
- b) quarterly results - from the earlier of when the employee becomes aware of financial results or from the end of each fiscal quarter to and including the end of the second trading day after the public announcement of the results for the quarter.

There may be special circumstances during which certain employees may have access to confidential and undisclosed information and are not permitted to trade in FGL securities. The General Counsel will advise these employees of these special blackout periods.

G. Reporting Incidents and Concerns

FGL will review and respond to all complaints it receives involving the Company and its employees in relation to financial and non-financial matters, including violations of applicable laws, regulations or internal policies. The Board of Directors has established procedures to investigate and resolve complaints received by the company concerning such matters, including any claim of retaliation for providing information to, or otherwise assisting, the Board of Directors and any allegation of dishonesty, such as theft or fraud.

Employees (or consultants) who become aware of any issues concerning accounting, internal accounting controls, auditing or non-financial matters including violations of applicable laws, regulations or internal policies may report such issues to the following:

- Your direct manager and/or Loss Prevention (for incidents involving dishonesty);
- Next level manager, or
- Vice President, Human Resources.
- Chief Financial Officer or Director, Audit Services
- General Counsel
- If you are uncomfortable making your observation in person, you may submit a complaint to the Communications Forum via voice message or e-mail (1-800-573-7345 or forum@forzani.com). Your complaint may be made anonymously if you wish. For any observations regarding acts of dishonesty, you may contact the Loss Prevention department's confidential voice mail at 1-800-363-3648.

The above named individuals will investigate and resolve complaints received by any employee concerning accounting, internal accounting controls, auditing or other non-financial matters, including any claim of retaliation for providing information to or otherwise assisting the Company and its Board of Directors and any claim of dishonesty, such as theft or fraud.

If, following the initial report, an employee feels that his/her concerns are not dealt with to his/her satisfaction or if the Employee prefers not to deal with those persons in connection

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with the matters at issue, the Employee may file a complaint directly with the General Counsel. In the event the complaint regards financial or regulatory matters, the complaint must be forwarded to the General Counsel by whoever collects the complaint. If FGL General Counsel is involved in the subject matter of the complaint, the complaint may be submitted directly to the Chair of the Audit Committee of the Board of Directors.

Currently the following individuals hold the offices referred to above, with their respective contact information noted:

Vice President, Human Resources – Leslie Shikaze (403) 717-1427 or lshikaze@forzani.com
 Chief Financial Officer – Richard Burnet (403) 717-1442 or rburnet@forzani.com
 Director, Audit Services – Murray Botterill (403) 717-1489 or mbotterill@forzani.com
 General Counsel – Karen Wiwchar (403) 717-1476 or kwiwchar@forzani.com
 Chair of the Audit Committee – Roman Doroniuk (416) 944-8668 or rd_32@hotmail.com

To assure a correct understanding of the complaint, the complaint should be filed in writing (although it may be made orally) and should be as specific and as detailed as possible. All complaints should be filed as soon as possible, in order that prompt action may be taken.

Again, the complaint may be made anonymously. In any event, confidentiality – relating both to the fact that a complaint has been made and to its investigation – will be maintained to the greatest extent possible. Only persons with a reason to know will have access to the information relating to the complaint, and to its investigation. If the person making the complaint does not wish to maintain anonymity, the complaint may be submitted to that person's immediate supervisor.

Investigation Process

In the event the complaint is forwarded to General Counsel, the General Counsel will contact the Chair of the Audit Committee, who in turn will appoint a person (who may be the General Counsel or the Chair of the Audit Committee himself) to investigate the complaint and issue a report. The person conducting the investigation will have access to all information and documents that he or she considers relevant, and will interview witnesses, as he or she considers appropriate. The investigation will be completed as soon as possible after the complaint is made.

The report issued on the conclusion of the investigation will summarize the facts found by the investigator and his or her recommendations. The report will be delivered to the Chair of the Audit Committee. The Audit Committee will then review the report and such other facts, as it considers relevant. Any decision by the Audit Committee on the subject matter of the complaint will be communicated to the appropriate corporate executives and, unless the complaint was filed anonymously, to the person who made the complaint.

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Potential Outcomes

If it is determined that something improper has occurred, the Audit Committee shall recommend appropriate action, including discipline of any wrongdoer(s). Discipline may take the form of counselling, verbal or written warning, reprimand, reassignment, suspension, demotion and/or termination of employment. In appropriate cases, the matter may be referred to legal or regulatory authorities.

Retention of Complaint Files

For record-keeping purposes only, the Company will retain a copy of the complaint, the report on its investigation and any other relevant documents for a period of three years. These records will be held on a confidential basis in the office of the General Counsel.

IV. NO RETALIATION

None of the Audit Committee, the Board of Directors or the Company will tolerate any retaliation against an employee for complaining of questionable accounting, internal accounting controls, auditing matters or non-financial matters including violations of applicable laws, regulations or internal policies or for cooperating in an investigation.

V. ACCOUNTABILITY

Employees/Contractors:

- Are responsible for compliance with the FGL Code of Ethics and seeking clarification from their respective VPs or the Director, Audit Services when in doubt on issues. All employees/contractors must sign the Code of Ethics on hire and as required thereafter.
- Any employee/contractor who becomes aware of a violation of any provision of the Code must immediately advise his/her Vice President or the Director, Audit Services. Any violation may lead to disciplinary action up to and including termination of employment.

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Management:

- Are responsible for ensuring employees abide by and understand the Code of Ethics. Management is also responsible for providing guidance to employees on ethical matters, as requested.

Audit Services/General Counsel/Board of Directors:

- Is responsible for investigating situations and providing guidance to employees.

ACKNOWLEDGMENT

I acknowledge that I have read and understand this Policy. I agree to abide by this policy.

Name (print)

Signature

Date

Calgary Office Employees must return an executed copy of this Policy to Calgary Human Resources.