

Tax Strategy

Introduction

Claire's Stores, Inc. ("Claire's") is a US based multinational enterprise with operations primarily across North America and Europe, including the UK. Claire's is a responsible and compliant taxpayer. We collect and pay a substantial amount and variety of taxes and recognise the importance of this as part of our economic contribution to the communities in which we operate.

Group Tax Policy

Our policy and approach to our tax obligations is governed by the same core values that guide all aspects of how we do business and interact with our customers, suppliers and partners. These include honesty, doing the right thing, keeping it simple, responsibility and action. We are committed, and our overall tax strategy is to remain committed, to:

- Paying the right amount of tax in accordance with the tax laws and practice in all territories in which we operate.
- Paying all taxes on time.
- Disclosing all relevant facts and information to the tax authorities wherever we operate.
- Having open, transparent and constructive relationships with the tax authorities.
- Proactively seeking guidance from professionals and/or the local tax authorities on any area of uncertainty to manage tax risk to the very lowest margin.

As a cost of doing business, tax is considered, along with all other relevant matters, in all major business decisions and in relation to operations generally. We do not undertake any business or engage in arrangements for the sole purpose of achieving a tax saving or accessing a tax relief. We look to ensure that our business activities are structured and undertaken in a way that is consistent with the commercial and economic substance of the business. We do not put in place arrangements that are contrived or artificial.

Our tax policy is established by senior management and reviewed/approved by the Board of Directors of the relevant company or companies (the "Board"). The Director, Global Tax is responsible for ensuring Claire's adherence to this policy and updating senior management and the Board on tax policy matters and group compliance.

Claire's acknowledges that there will always be a level of risk in relation to tax given the size of our business and the complexity of tax law and practice. We adopt a low risk tolerance approach to all tax compliance. Internal audit functions are in operation to proactively identify, evaluate and manage tax risk across the business.

Responsibility and accountability for Claire's tax affairs lies with the Director, Global Tax who works with qualified internal finance team members looking after the day to day management of Claire's tax affairs, including those in the UK. Where there is uncertainty or complexity in relation to any area, external professional advice will be sought and / or discussions with the relevant local tax authorities to ensure compliance in our approach.

Globally, Claire's adheres to the *2013 Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission in respect of managing and evaluating the appropriateness of internal controls. In the UK, Claire's also adheres to the tax accounting controls and formal procedures under the UK Senior Accounting Officer ("SAO") legislation which our SAO applies to confirm to HM Revenue & Customs ("HMRC") on an annual basis whether our internal tax processes are appropriate.

We deal with HMRC and all tax authorities openly, honestly and in a spirit of co-operative compliance.

This tax strategy is published in line with our statutory obligation under Para. 16(2), Schedule 19, Finance Act 2016 for the UK subsidiaries of Claire's Stores, Inc. It applies to Claire's for the financial year ending 28 January 2017 and all subsequent years until superseded. It will be reviewed annually and updated as appropriate and approved by the Board.