

**BIG LOTS, INC.**  
**RELATED PERSON TRANSACTION POLICY**

**Policy Statement**

Big Lots, Inc. (the “Company”) recognizes that a Related Person Transaction may present conflicts of interest and create the appearance that Company decisions are based on considerations other than the best interests of the Company and its shareholders. While it is generally the Company’s preference to avoid Related Person Transactions, the Company recognizes that there are situations where a Related Person Transaction may be in the best interests of the Company and its shareholders. Therefore, the Company has adopted this policy (this “Policy”) for the review, approval or ratification of Related Person Transactions. Each capitalized term used herein has the meaning ascribed to it at the end of this Policy.

**Notice Procedures**

Any Director, Executive Officer or Covered Associate that has knowledge of any proposed or existing Related Person Transaction shall promptly notify the Company’s General Counsel. To the extent known, such notice shall include a description of the facts and circumstances of the Related Person Transaction, including: (i) the Related Person’s relationship to the Company and interest in the transaction; (ii) the material facts of the transaction, including the aggregate value of such transaction; (iii) the benefits to the Company of the transaction; (iv) if applicable, the availability of other sources of comparable products or services; and (v) an assessment of whether the transaction is on terms that are comparable to the terms available to an unrelated third party or to associates generally.

Upon receiving such notice, the General Counsel shall determine whether the transaction is a Related Person Transaction. If the General Counsel determines that the transaction constitutes a Related Person Transaction, the General Counsel shall promptly notify the Chair of the Committee.

**Review Procedures**

The Committee shall review, considering all factors and information it deems relevant, and either approve, ratify or disapprove the Related Person Transaction in light of what it believes to be the best interests of the Company and its shareholders. Examples of factors and information that the Committee may consider include: (i) the Company’s reasons for entering into the transaction; (ii) the Related Person’s relationship to the Company and interest in the transaction; (iii) whether the transaction is on terms that are comparable to the terms available to an unrelated third party; (iv) the benefits of the transaction to the Company; (v) the comparability of the transaction to similar transactions with unrelated third parties; (vi) the materiality of the transaction to each party; (vii) the nature of the Related Person’s interest in the transaction; (viii) the potential impact of the transaction on the status of an independent Director; and (ix) the alternatives to the transaction. The Committee shall approve or ratify a Related Person Transaction only if it determines that the Related Person Transaction is in the best interests of the Company and its shareholders.

The Committee shall, to the extent practicable, approve all Related Person Transactions in advance. If advance approval is not practicable or if a Related Person Transaction that has not been pre-approved is discovered, the Committee shall promptly consider whether to ratify the Related Person Transaction.

No Director shall participate in any approval or ratification of a Related Person Transaction with respect to which he or she or any of his or her Immediate Family Members is a Related Person, except that the Director shall provide to the Committee and the General Counsel all material information concerning the transaction.

Each Director and Executive Officer is personally responsible for compliance with this Policy, including to the extent his or her Immediate Family Members are involved in a Related Person Transaction. However, it shall not be considered a violation of this Policy if a Related Person Transaction involving a Director or Executive Officer is entered into without his or her knowledge if such Director or Executive Officer notifies the General Counsel as soon as practical after they become aware of such transaction so the Related Person Transaction can be reviewed.

### **Transactions Not Subject to Policy**

This Policy shall not apply to any of the following:

- *Executive Officer employment.* Any employment of an Executive Officer by the Company or any of its subsidiaries if: (i) the related compensation is or will be reported in the Company's proxy statement under Item 402 of Regulation S-K; or (ii) the Executive Officer is not an Immediate Family Member of a Director or other Executive Officer, the related compensation would be reported in the Company's proxy statement under Item 402 of Regulation S-K if the Executive Officer was a "named executive officer," and the Company's Compensation Committee approved (or recommended that the Board of Directors of the Company approve) such compensation.
- *Director compensation.* Any compensation to a Director if the compensation is or will be reported in the Company's proxy statement under Item 402 of Regulation S-K.
- *Transactions involving competitive bids.* Any transaction involving a Related Person where the rates or charges involved are determined by competitive bids.
- *Certain regulated transactions.* Any transaction with a Related Person involving the rendering of services as a common or contract carrier, or public utility, at rates or charges fixed in conformity with law or governmental authority.
- *Certain banking-related services.* Any transaction with a Related Person involving services as a bank depository of funds, transfer agent, registrar, trustee under a trust indenture, or similar services, if the terms of such account or services are generally the same as or similar to accounts offered to others in the ordinary course of business.
- *Transactions where all shareholders receive proportional benefits.* Any transaction where the Related Person's interest arises solely from the ownership of the Company's common shares and all holders of the Company's common shares receive the same benefit on a pro rata basis (e.g., dividends).
- *Transactions with similar terms to all employees.* Any transaction involving a Related Person made on the same or similar terms available to all Company employees.

In addition, a Related Person who has a position or relationship with another entity that engages in a transaction with the Company shall not be deemed to have a direct or indirect interest in the transaction where the interest arises only from: (i) the Related Person's position as a director of such other entity; (ii) from the direct or indirect ownership by the Related Person and all other Related Persons, in the aggregate, of less than a 10% equity interest in such other entity (other than a partnership); or (iii) the Related Person's position as a limited partner in a partnership in which the Related Person and all other Related Persons, in the aggregate, have an interest

of less than 10%, and the Related Person is not a general partner of and does not hold another position in the partnership.

### **Amendments**

The Committee may amend this Policy at any time. In addition, the General Counsel may, without the approval of the Committee, amend this Policy at any time if, in his or her reasonable opinion, such amendment is advisable in light of applicable laws, regulations or rules.

## **Definitions**

For purposes of this Policy:

“*Committee*” means Nominating / Corporate Governance Committee of the Board of Directors of the Company.

“*Company*” means Big Lots, Inc.

“*Covered Associate*” means an individual employed by the Company or any of its subsidiaries in any of the following positions: executive vice president, senior vice president, vice president, regional vice president, departmental director, director of distribution, senior buyer, buyer, assistant buyer, regional team leader, zone asset protection leader, and market asset protection leader.

“*Director*” means a member, or any person nominated or chosen to become a member, of the Board of Directors of the Company.

“*Executive Officer*” means an officer of the Company or any of its subsidiaries that is, with regard to his or her ownership of the Company’s common shares, subject to the disclosure requirements of Section 16(a) of the Securities Exchange Act of 1934, as amended.

“*Five Percent Shareholder*” means any person or group who is known by the Company to be the beneficial owner of more than five percent of Company’s common shares.

“*General Counsel*” means the Company’s General Counsel

“*Immediate Family Member*” means (i) any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law of the Director, Executive Officer or Five Percent Shareholder, and (ii) any person (other than a tenant or employee) sharing the household of such Director, Executive Officer or Five Percent Shareholder.

“*Policy*” means this Related Person Transaction Policy.

“*Related Person*” means any:

- Director or Executive Officer currently, or at any time since the beginning of the Company’s last fiscal year, serving as such or a nominee to become director;
- Five Percent Shareholder; and
- Immediate Family Member.

“*Related Person Transaction*” means any transaction, arrangement or relationship (or any series of similar transactions, arrangements or relationships) in which:

- the Company or a subsidiary was, is or will be a participant;
- the aggregate amount involved did, does or is expected to exceed \$120,000; and
- a Related Person had, has or will have a direct or indirect interest.

***Last Update: November 29, 2016***