



WILLIAMS-SONOMA, INC.

2007 CODE OF CONDUCT

**Williams-Sonoma, Inc.
Corporate Code of Conduct**

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INTRODUCTION

The Williams-Sonoma, Inc. Corporate Code of Conduct (the “Code of Conduct”) is a general statement of our Company’s standards of ethical business conduct, based upon our commitment to adhere to WSI’s values and comply with the law. The responsibility to act ethically in all of our business practices is shared by all associates. Additionally, we expect our leaders to model this standard in their decision-making and provide ethical guidance to their teams. The Code of Conduct provides guidelines for proper behavior in the workplace and identifies whom you should contact if you have specific questions or concerns.

The Code of Conduct applies to all WSI associates and to any person performing work or providing services on WSI’s behalf, including temporary and seasonal associates. References in the Code of Conduct to Williams-Sonoma, WSI or the Company are generally intended to mean Williams-Sonoma, Inc. and all its affiliates, divisions, brands and subsidiaries. This Code of Conduct is effective as of September 1, 2007 and supersedes any previous policies issued or written by WSI prior to this date.

If you have any questions about the meaning of the Code of Conduct, or how it applies to you, please feel free to call the Legal Department at (415) 616-7883.

WILLIAMS-SONOMA, INC.’S COMMITMENT

Williams-Sonoma, Inc. is committed to maintaining the highest level of integrity and honesty throughout its business. For this reason, every associate has a responsibility to act with the highest ethical standards, to treat vendors, customers and other associates with honesty and respect, and to pursue business activities that will withstand public ethical scrutiny and not violate the law. In addition, each associate has a duty of loyalty to WSI. This means that each of us must carry out our responsibilities on the basis of the best interests of the Company, independent of our personal considerations or relationships. This Code of Conduct sets forth rules to enable associates to avoid any personal interests or activities that might create or appear to create a conflict with the duty of loyalty to WSI, or might otherwise reflect unfavorably on WSI’s reputation or compliance with law.

This Code of Conduct also serves as an agreement between you and the Company. As you are aware, the business of the Company is highly competitive. Much of our success is the result of the creativity, innovation and hard work of our many associates. Because the Company’s future and your own opportunities within the Company will be enhanced by the greatest protection of the Company’s intellectual property rights, including trade secrets and other confidential or proprietary information, we are asking all associates to enter into this agreement, in consideration of your employment, and the payment to you of salary, bonus, equity awards and other compensation.

Please read this Code of Conduct carefully, sign it on the last page, and FAX the signed signature page to the secure HRIM fax @ (415) 439-7877 by September 14, 2007.

REPORTING VIOLATIONS

Part of your job and ethical responsibility is to help enforce this Code of Conduct. You should be alert to possible violations and promptly report violations or suspected violations of this Code of Conduct to the General Counsel. If your situation requires that your identity be kept secret, your anonymity will be preserved to the greatest extent reasonably possible. If you wish to remain anonymous, send a letter addressed to the General Counsel at 3250 Van Ness Avenue, San Francisco, CA 94109. If you make an anonymous report, please provide as much detail as possible, including copies of any documents that you believe may be relevant to the issue.

If your concerns relate to accounting, internal controls or auditing matters, or if the General Counsel is implicated in any violation or suspected violation, you may also refer to the company's Policy for Reporting Accounting Concerns adopted by the Audit Committee of the Board of Directors for additional reporting options and procedures. The Policy for Reporting Accounting Concerns is included in this Code of Conduct as Attachment A and is also in the Public Folders.

NO RETALIATION

Reprisals, threats, retribution or retaliation against any person who has in good faith reported a violation or a suspected violation of law, this Code of Conduct or other Company policies, or against any person who is assisting in any investigation or process with respect to such a violation, is prohibited.

LEGAL AND ETHICAL STANDARDS

WSI associates must comply with all laws and regulations, and all financial reporting requirements, applicable to WSI's business. We also must act consistently with the highest level of integrity and honesty in all our business dealings.

Protection of Company Information and Assets. Each of us has a responsibility to protect the Company's assets, including physical assets, financial assets, intellectual property and proprietary information, from theft, loss, damage or misuse. In accordance with the WSI Insider Trading Policy, associates who have access to confidential information are prohibited from using or disclosing that information for purposes of trading WSI securities or any other purpose other than the conduct of Company business. Using confidential information for personal financial benefit or to "tip" others is both unethical and illegal. Inquiries from investors or analysts should be directed to the Chief Financial Officer.

Compliance with Laws. You are responsible for complying with all laws, rules, regulations and regulatory orders applicable to the conduct of our business, including insider trading laws. If you are located or engaging in business outside of the United States, you must comply with laws, rules, regulations and regulatory orders of the United States, including the Foreign Corrupt Practices Act and U.S. export rules and regulations, in addition to the applicable laws of other jurisdictions. If compliance with the Code of Conduct should ever conflict with law, you must comply with the law.

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WSI is committed to compliance with the applicable laws, rules and regulations of the Securities and Exchange Commission. Falsification of any financial report, or other record, including quality and safety data, time reports or expense reports, will result in immediate disciplinary action up to and including termination. If you believe that Company information has been falsified or misused, you should immediately report the issue in accordance with the WSI Policy for Reporting Accounting Concerns.

Our Responsibilities to Our Customers. We must treat all of our customers equally, with the highest level of respect, honesty and service. Our customers must feel secure relying on our Company and our products, and our marketing of those products. Therefore, all of our advertising must be truthful, and any specific claims that we make about our products must be supported by objective evidence. Also, we may not unfairly disparage publicly any of the products, services or employees of any of our competitors. Any comparisons that we make between our products and those of our competitors must be fair and accurate.

Our Responsibilities to Our Vendors. Each of us must deal honestly, fairly, openly and impartially with all of our vendors and potential vendors. Specifically, we must purchase goods and services based solely on the quality, performance, price and services offered, and give due consideration to a variety of vendors to ensure the most competitive selection process and the most appropriate choices.

Our Responsibilities to Each Other. Our commitment to ethical business conduct starts with how we treat our fellow employees. We must all treat each other with respect, honesty, and fairness. Those of us who supervise others should also encourage employees to raise questions or concerns about the Code of Conduct and should take prompt and effective action where appropriate.

Of course, many other legal and ethical requirements apply to all WSI associates. Some of these requirements are published in the Public Folders under “Corporate Policies” (e.g., the WSI Insider Trading Policy and the WSI Electronic Communications Policy), and others are outlined in the WSI Associate Handbook (e.g., confidentiality obligations). However, these additional requirements are non-exclusive and do not in any way detract from the broader obligation to comply with all applicable legal requirements and to act in accordance with the highest integrity and ethical standards.

Fair Dealing with our Competitors. It is our policy to lawfully compete in the marketplace. Our commitment to fairness includes respecting the rights of our competitors to compete lawfully in the marketplace and abiding by all applicable laws in the course of competing.

Most countries have well-developed bodies of law designed to encourage and protect free and fair competition. These laws are broad and far-reaching and regulate the Company’s relationships with its suppliers and customers. Competition laws generally address the following areas: pricing practices (including predatory pricing, price fixing and price discrimination), discounting, terms of sale, credit terms, promotional allowances, secret rebates, exclusive dealerships or distributorships, product bundling, restrictions on carrying competing products, termination and many other practices.

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Competition laws also govern, usually quite strictly, relationships between the Company and its competitors. Collusion among competitors is illegal, and the consequences of a violation are severe. You must not enter into an agreement or understanding, written or oral, express or implied, with any competitor concerning prices, discounts or other terms or conditions of sale; profits or profit margins; costs; allocation of product, customers, markets or territories; limitations on production or supply; boycotts of customers or suppliers; or bids or the intent to bid. You also must not discuss or exchange information on these subjects.

The Company is committed to obeying both the letter and spirit of these laws, which are often referred to as antitrust, consumer protection, competition or unfair competition laws. Although the spirit of these laws is straightforward, their application to particular situations can be quite complex. To ensure that the Company complies fully with these laws, you should promptly involve our Legal Department when questionable situations arise.

CONFLICTS OF INTEREST

All business decisions should be made solely in the best interest of the Company and not for personal benefit. In general, a conflict of interest exists when an associate has a relationship or engages in an activity that impairs or adversely affects the associate's judgment regarding the best interests of WSI, or when an associate benefits financially from the associate's employment with WSI beyond compensation and financial benefits paid or granted by WSI. Similarly, situations that appear to create a conflict of interest may also damage the Company's reputation and undermine morale. You should avoid any action that creates, or appears to create, a conflict of interest with the Company.

CONFLICTS OF INTEREST SITUATIONS COMMONLY FACED BY ASSOCIATES

While it is impossible to anticipate and specify every situation which may give rise to a possible conflict of interest between an associate's personal interests and the best interests of WSI, this section illustrates the types of business relationships or activities with a particularly high potential for a conflict of interest. These relationships and activities should be avoided. If you have questions about whether a particular activity may be a conflict of interest, please contact your Human Resources representative or the Legal Department.

Ownership Interests. Associates should not invest in any supplier, vendor or competitor of WSI, other than buying or selling nominal amounts of stock in those that are publicly traded companies.

Outside Employment or Business Activities. Associates may not serve as an officer, director, partner, employee or consultant to, or otherwise work for or receive compensation for personal services from, any supplier, vendor or competitor of WSI or any business entity that does or seeks to do business with WSI.

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Serving in such a capacity for a company that is not a supplier, vendor or competitor of WSI may be permitted, but such activities must be approved in advance by Human Resources and must not interfere with your duties to WSI.

Gifts, Merchandise and Entertainment

- **Gifts and Merchandise.** Accepting or offering merchandise, discounts on merchandise, samples for home use or gifts (other than holiday gifts valued at less than \$100) from any existing or prospective supplier, vendor or competitor of WSI, or any government employee is prohibited. Samples must be sent to WSI offices and not to an associate's home. Associates may not purchase directly from WSI vendors for personal use except when utilizing the same channels as an ordinary consumer. Accepting gifts of cash or cash equivalents (including gift certificates or stock) is strictly prohibited.
- **Entertainment.** Associates may accept business meals and entertainment, such as attending a local cultural or sporting event, which advance the Company's interests and are primarily for the purpose of discussing business with a business associate. However, accepting tickets to an event if the business partner will not also be present should be considered a gift, subject to the \$100 limitation described above, rather than business entertainment. Business meals should be appropriate to the occasion. Accepting trips is prohibited without prior authorization of WSI's Senior Executive of Human Resources or General Counsel.

No gifts or entertainment should be accepted if it would obligate, or appear to obligate, the recipient to the giver. Please inform the WSI Senior Executive of Human Resources or General Counsel in writing if anyone offers you or sends you a prohibited gift or if you have questions about this policy.

Business Transactions with WSI. Associates should not participate, directly or indirectly, in any business agreement or transaction involving WSI, except when acting in an official capacity on behalf of WSI or when making purchases as a customer of the Company. Please contact the WSI General Counsel if you have questions about a particular activity or transaction.

Loans. Associates may not borrow money from, loan money to, or guarantee a loan to any supplier, vendor or competitor of WSI.

Doing Business with Family Members or Friends. Pressuring other associates to hire a family member, including any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, unmarried partner, child of such unmarried partner, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including adoptive relationships, or a person with whom you have a significant or live-in relationship (collectively, a "Family Member"), or a friend, as an associate, independent contractor, supplier or vendor of WSI is prohibited. Prior to conducting any WSI business with any Family Member, you must obtain written approval from WSI's Senior Executive of Human Resources or General Counsel. You must always keep WSI's best interests as top priority in your business activities as an associate.

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Supervising Family Members. Supervising (directly or in the line of control), reviewing, or asserting any influence on the job evaluation, pay or benefits of any Family Member is prohibited. Any exceptions must be in writing from WSI's Senior Executive of Human Resources or General Counsel.

Fraternization. Associates must not allow romantic relationships or friendships with other associates to impair their job performance, adversely affect others or create an uncomfortable work environment for others. It is important that you use tact, good judgment and sensitivity in these situations, and specifically avoid favoritism, or the appearance of favoritism, open displays of affection and making business decisions based on emotions or friendships rather than the best interests of WSI.

CORPORATE OPPORTUNITIES

You may not directly or indirectly exploit for personal gain any opportunities that are discovered through the use of corporate property, information or position unless the opportunity is disclosed fully in writing to the Board of Directors and the Board of Directors declines to pursue the opportunity.

DISCLOSURE OF CONFLICTS; REQUEST FOR EXCEPTIONS

All associates must disclose to their supervisor, at all relevant times, any relationship or activity that might create a conflict of interest. If you are unsure whether a particular situation creates a conflict of interest, take the time to discuss it with your supervisor.

Under certain circumstances, a particular conflict relationship or activity might not contradict or compromise the best interests of WSI. However, associates may not themselves make such determinations. Requests for exceptions must be originated by the department Senior Vice President and forwarded to WSI's Senior Executive of Human Resources or General Counsel for approval.

PUBLIC COMMUNICATIONS AND FILINGS

The Company files reports and other documents with regulatory authorities, including the U.S. Securities and Exchange Commission and the New York Stock Exchange. In addition, from time to time the Company makes other public communications, such as issuing press releases.

Depending upon your position with the Company, you may be called upon by the Company to provide information to help assure that the Company's public reports and communications are complete, fair, accurate and understandable. You are expected to use all reasonable efforts to provide complete, accurate, objective, relevant, timely and understandable answers to inquiries related to the Company's public disclosures.

Individuals involved in the preparation of public reports and communications must use all reasonable efforts to comply with the Company's disclosure controls and procedures. These controls

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and procedures are designed to ensure full, fair, accurate, timely and understandable disclosure in the Company's public reports and communications.

If you believe that any disclosure is materially misleading or if you become aware of any material information that you believe should be disclosed to the public, it is your responsibility to bring this information to the attention of the Legal Department. If you believe that questionable accounting or auditing conduct or practices have occurred or are occurring, you should refer to the Company's Policy for Reporting Accounting Concerns for reporting procedures.

COMMUNICATION PROCEDURES

You may not communicate externally on behalf of the Company unless you are authorized to do so. The Company has established specific policies regarding who may communicate information on behalf of the Company to the public, the press, market professionals (such as securities analysts, institutional investors, investment advisors, brokers and dealers) and security holders.

The Company's Chief Executive Officer, Chief Financial Officer and specified investor relations personnel are the Company's official spokespeople for financial matters, public comment, press, marketing, technical and other such information.

You should refer all calls or other inquiries from the press, market professionals or security holders to the Director of Investor Relations or Chief Financial Officer, who will see that the inquiry is directed to the appropriate persons within the Company.

All communications made to public audiences on behalf of the Company, including formal communications and presentations made to investors, customers or the press, require prior approval of the Chief Financial Officer and the General Counsel.

CONFIDENTIAL INFORMATION

As associates of the Company, and for the benefit of ourselves as well as the Company, we each have a duty to safeguard our Company's trade secrets and Confidential Information as well as to refrain from any improper dealings in confidential information of any other Company, including our competitors. Associates may not disclose Confidential Information either while an employee of WSI or at any time after employment ends, regardless of the reason why employment ends. "Confidential Information" includes all confidential, proprietary and trade secret information that is not generally known and that therefore has economic value to the Company. This information includes all information, whether in written, oral, electronic, magnetic, photographic or any other form, that relates to: the Company's past, present and future businesses, products, product specifications, designs, drawings, concepts, samples, intellectual property, inventions, know-how, sources, costs, pricing, technologies, customers, vendors, other business relationships, business ideas and methods, distribution methods, inventories, manufacturing processes, computer programs and systems, employees, hiring practices, compensation, operations, marketing strategies and other technical, business and financial information. Confidential Information also includes the identity, capabilities

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and capacity of vendors and of former vendors or others that were considered but rejected and any non-public, personal information about any associates, customers, contractors, vendors or other parties. Non-public personal information includes name combined with a social security number, driver's license, credit or debit card numbers or payment card numbers in combination with a security code.

Additionally, associates may not bring Confidential Information gained from prior employers to WSI. All associates must acknowledge by signing this Code of Conduct that they have not brought any such Confidential Information from prior employers to WSI.

NON-SOLICITATION

As part of our duty to safeguard the Company's trade secrets and Confidential Information, associates may not, either during their employment with the Company or for twelve months afterward, directly or indirectly recruit, solicit or induce, or attempt to induce, any employee, consultant or vendor of the Company to terminate employment or any other relationship with the Company. Additionally, former associates may not use Confidential Information to recruit, solicit, retain or hire any of the Company's employees, consultants or vendors. By signing this Code of Conduct, associates acknowledge that the restrictions contained in this paragraph are necessary for the protection of the business and goodwill of the Company and are considered to be reasonable for that purpose.

INTELLECTUAL PROPERTY

All intellectual property created, made or conceived by associates (solely or jointly), either before or during employment by the Company, are deemed owned exclusively by the Company whenever the intellectual property relates to the actual or anticipated business of the Company or results from or is suggested by any work performed by associates for or on behalf of the Company. Additionally, associates agree that all residual rights (including but not limited to copyright, trademark, trade dress, trade secret, design and patent rights) in all such intellectual property are assigned to the Company and agree to assist the Company in securing patents, registering copyrights and trademarks, and obtaining any other forms of protection for the intellectual property in the United States and in other countries. For purposes of this Code of Conduct, "intellectual property" includes artwork, graphic designs (including, for example, catalog designs, in-store signage and posters), web site designs, audio-visual works, product designs, package designs, store interior and exterior designs, trademarks, literary works, marketing collateral, catalog copy, vendor and customer lists, manufacturing processes, custom software, training materials, business ideas and methods, Confidential Information, and any other inventions or works of creative authorship.

MISCELLANEOUS

In order to protect the Company's interests, WSI reserves the right to send a copy of the Code of Conduct to future employers of our associates. Under the Code of Conduct, our associates acknowledge that any breach of the obligations in the Code of Conduct would result in irreparable

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injury to the Company, and agree that the Company will be entitled to injunctive and other equitable relief to prevent any actual or threatened breach of this Code of Conduct. The Code of Conduct does not create an obligation on the Company to continue the employment of any associate. The provisions of the Code of Conduct will survive separation or termination of employment by the Company for any reason.

CORPORATE CODE OF CONDUCT QUESTIONNAIRE

As a condition of employment, in addition to receiving and signing this Code of Conduct, all new associates are required to complete a Corporate Code of Conduct Questionnaire. All associates at the director level or above will also be required to complete the Corporate Code of Conduct Questionnaire on an annual basis. Thorough completion and timely submission of the Questionnaire is an important job requirement.

APPROVALS AND WAIVERS

Except as otherwise provided in the Code of Conduct, the Board of Directors or its designated committee must review and approve any matters requiring special permission under the Code of Conduct for a member of the Board of Directors or an executive officer. Except as otherwise provided in the Code of Conduct, the General Counsel or the WSI Senior Executive of Human Resources must review and approve any matters requiring special permission under the Code of Conduct for any other employee, agent or contractor.

Any waiver of any provision of this Code of Conduct for a member of the Board of Directors or an executive officer must be approved in writing by the Board of Directors or its designated committee and promptly disclosed, along with the reasons for the waiver, to the extent required by law or regulation. Any waiver of any provision of this Code of Conduct for any other associate, employee, agent or contractor must be approved in writing by the General Counsel or the WSI Senior Executive of Human Resources.

FAILURE TO ADHERE TO POLICY

Failure to adhere to this Code of Conduct, including failure to disclose any conflict of interest or potential conflict of interest, or to seek an exception from the Company, is cause for disciplinary action up to and including immediate termination of employment.

If you have questions about this policy, please contact your supervisor, your Human Resources representative or the Legal Department.

Attachment A

Williams-Sonoma, Inc.

Policy for Reporting Accounting Concerns



Legal Department
POLICY STATEMENT

Williams-Sonoma, Inc.

Policy for Reporting Accounting Concerns

SUMMARY:

The Audit Committee of Williams-Sonoma, Inc. (the “Company”) has adopted the attached policy, which establishes procedures for (1) the receipt, retention and treatment of complaints regarding accounting, internal accounting controls, or auditing matters; and (2) the confidential, anonymous submission by associates of concerns regarding questionable accounting or auditing matters. Associates with concerns or complaints regarding these matters may report their concerns to the Company’s General Counsel or to the Company’s report hotline at 1-800-620-8610. The report hotline is managed by an independent company not affiliated with Williams-Sonoma, Inc. The policy applies to all associates of Williams-Sonoma, Inc. and its subsidiaries.

BACKGROUND:

As a public company, the integrity of the Company’s financial information is paramount. The Company’s financial information guides the decisions of the Company’s Board of Directors and management, and is relied upon by its shareholders and the financial markets. For these reasons, the Company must maintain a workplace in which the Company can retain and treat all complaints concerning questionable accounting, internal accounting controls, auditing matters, or the Company’s reporting of fraudulent or inaccurate financial information, and in which employees can raise these concerns free of any discrimination, retaliation or harassment.

It is the Company’s policy to encourage associates, when they reasonably believe that questionable accounting or auditing practices have occurred or are occurring, to report those concerns, with the option to report on an anonymous basis. All reports will be taken seriously and will be promptly investigated. All information disclosed during the course of the investigation will remain confidential, except as necessary to conduct the investigation and take any remedial action, in accordance with applicable law.

The specific action taken in any particular case will depend on the nature and gravity of the circumstances reported, as well as the quality of the information provided. Where questionable accounting or auditing conduct has occurred, or fraudulent financial information has been reported to the Company’s shareholders, the government or the financial markets, those matters will be corrected and, if appropriate, the persons responsible will be disciplined. The Company strictly prohibits discrimination, retaliation or harassment of any kind against any associate who reports information pursuant to this Policy based on the employee’s reasonable belief that such conduct has occurred.

Direct questions or comments regarding the enclosed Policy Statement to the Legal Department.



Legal Department **POLICY STATEMENT**

Williams-Sonoma, Inc. Policy for Reporting Accounting Concerns

(amended and restated by the Audit Committee of the Board of Directors on
January 28, 2005)

Scope of Matters Covered by Policy

This Policy covers associate complaints regarding the Company's accounting, internal accounting controls or auditing matters (collectively, "Accounting Matters"). Accounting Matters include, without limitation, the following:

- fraud or deliberate error in the preparation, evaluation, review or audit of any financial statement of the Company;
- fraud or deliberate error in the recording and maintaining of the Company's financial records;
- deficiencies in or noncompliance with the Company's internal accounting controls;
- misrepresentation or false statement to or by a senior officer or accountant regarding a matter contained in the Company's financial records, financial reports or audit reports; or
- deviation from full and fair reporting of the Company's financial condition.

Reporting and Receipt of Associate Complaints

- Associates with concerns or complaints regarding Accounting Matters may report their concerns to the General Counsel of the Company.
- Associates who (i) are uncomfortable reporting their concerns or complaints to the General Counsel, (ii) have good reason to believe that the General Counsel is involved in these matters, or (iii) desire to report their complaints on an anonymous basis, may forward their complaints to the Company's outside report hotline at 1-800-620-8610. The report hotline is managed by an independent company not affiliated with Williams-Sonoma, Inc.
- Associate reports should include a discussion of the following items: (i) a description of the matter or irregularity, (ii) the period of time during which the associate observed the matter or irregularity, and (iii) any steps that the associate has taken to investigate the matter or irregularity, including reporting it to a supervisor and the supervisor's reaction. Associate reports may include, at the associate's option, the associate's contact information in the event that additional information is needed. As stated above, however, there is no requirement that the report identify the associate, if the associate chooses to remain anonymous.



Legal Department **POLICY STATEMENT**

Treatment of Complaints

- Upon receipt of a complaint by the General Counsel or the report hotline, the recipient will (i) determine whether the complaint actually pertains to Accounting Matters and (ii) when possible, acknowledge receipt of the complaint to the sender.
- Complaints relating to Accounting Matters will be reviewed and investigated under the direction of the General Counsel (or, where it is reasonably determined that the General Counsel is involved in the relevant Accounting Matter, under the direction of an appropriate person designated by the Chair of the Audit Committee of the Company's Board of Directors). The General Counsel or other person investigating the complaint may consult with the Chief Executive Officer, Chief Financial Officer, Controller, any other employee of the Company, outside counsel, independent auditors and, if appropriate, the Audit Committee, as a part of the investigation.
- Confidentiality will be maintained to the fullest extent possible, consistent with the need to conduct an adequate review.
- Associates have a duty to cooperate in the investigation of complaints regarding Accounting Matters, or the investigation of discrimination, retaliation or harassment resulting from the reporting or investigation of such matters. In addition, associates will be subject to disciplinary action, including the termination of their employment, for failing to cooperate in an investigation or deliberately providing false information during an investigation.
- If, at the conclusion of an investigation, it is determined that Company policies have been violated, the Company will take effective remedial action commensurate with the severity of the offense. This action may include disciplinary action against the accused party, including termination. Reasonable and necessary steps will also be taken to prevent any further violations of law or Company policy.

Discrimination, Retaliation or Harassment

- The Company strictly prohibits any discrimination, retaliation or harassment against any person who, based on the person's good faith belief that such misconduct occurred, reports complaints regarding Accounting Matters or who participates in an investigation of complaints regarding Accounting Matters. The Company will not harass, discriminate or retaliate against any associate based upon any lawful actions of such associate with respect to good faith reporting or investigation of complaints regarding Accounting Matters.
- Associates who believe that they have been subjected to any harassment, discrimination or retaliation for having submitted a complaint regarding Accounting Matters or participating in an investigation relating to such a complaint, should immediately report the concern to either the General Counsel or to any supervisor. Such allegations shall be promptly and thoroughly investigated in accordance with the Company's investigation procedures outlined above. If



Legal Department **POLICY STATEMENT**

allegations of discrimination, retaliation or harassment are substantiated, appropriate disciplinary action, up to and including termination, will be taken.

Reporting to Audit Committee and Retention of Complaints and Investigations

The General Counsel will maintain a log of all complaints, tracking their receipt, investigation and resolution, and will prepare a periodic summary report for the Audit Committee. Copies of complaints and such log will be maintained in a separate, confidential corporate file for record-keeping purposes.

Additional Enforcement Information

Nothing in this Policy is intended to prevent associates from reporting information to the appropriate federal or state law enforcement agency, when they have reasonable cause to believe that a federal or state statute or regulation has been violated.

Modification

The Audit Committee or the Board of Directors can modify this Policy unilaterally at any time without notice. Modification may be necessary to maintain compliance with state and federal regulations.

Publication of the Policy

The Company will attach this Policy to the Company's Code of Conduct. In addition, the Company will include a reference to this Policy in the Associate Handbook distributed to new employees and will place a copy of this Policy in the Company's Public Folders, which associates may access via their Company computer.

Williams-Sonoma, Inc.

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- SIGNATURE PAGE -

I certify that I have read and understood the above Corporate Code of Conduct, and I agree to it.

Associate Name (please print) _____

Signature _____

Department _____

Social Security Number _____ - _____ - _____ (Required for tracking purposes)

Date _____

Please fax this signature page to HRIM @ (415) 439-7877 by September 14, 2007.