



Code of Business Conduct and Ethics

CODE OF BUSINESS CONDUCT AND ETHICS

I. INTRODUCTION

About the Code of Business Conduct and Ethics

It is the policy of rue21 inc. (the "**Company**") to conduct business with the highest standards of honesty and integrity, and in compliance with all applicable laws. The Company's Board of Directors has adopted this Code of Business Conduct and Ethics (the "**Code**"), applicable to all actions of every director and every employee, from those who perform entry level functions to senior officers, including our chief executive officer, chief financial officer and controller, to deter wrongdoing, to promote honest and ethical conduct, encourage full, fair, accurate, timely and understandable disclosures to the public, ensure compliance with applicable governmental laws, support the prompt internal reporting of violations of the Code and uphold accountability for adherence to the Code.

Our business depends on the reputation of the Company and employees for integrity and principled business conduct. Thus, in many instances, the policies referenced in this Code go beyond the requirements of the law.

The Code is a statement of policies for individual and business conduct and does not, in any way, constitute an employment contract or an assurance of continued employment or continued service as a director.

II. RESPONSIBILITY TO OUR COMPANY

Honest and Ethical Conduct

Each employee and director of rue21 owes a duty to the Company to act with integrity. Integrity is the foundation of the Company's relationships with customers, suppliers, shareholders, competitors, partners, our communities, and each other. It provides us the opportunity to meet the needs of our customers better than our competitors. All members of the rue21 team must continually work to develop and protect this critical asset through their everyday activities. Deceit, dishonesty and subordination of principle are inconsistent with integrity. Service to the Company should never be subordinated to personal gain and advantage. Specifically, you must: (i) act with integrity, including being honest and candid while still maintaining the confidentiality of Company information where required or in the Company's interests except when disclosure is authorized or legally mandated; (ii) observe, fully, applicable governmental laws, rules and regulations; (iii) comply with the requirements of applicable accounting and auditing standards and Company policies in the maintenance of a high standard of accuracy and completeness in the Company's financial records; (iv) adhere to a high standard of business ethics and not seek competitive advantage through unlawful or unethical business practices and (v) protect the Company's assets and ensure that they are used efficiently and for legitimate business purposes.

Respecting the Customer

All of our customers are entitled to world class customer service. All customers are to be treated with respect and courtesy. We will not tolerate inferior treatment of our customers based on race, color, religion, gender, national origin, citizenship, age, disability, sexual orientation or marital status. We also are committed to providing accessible facilities and services for our customers with disabilities. We must never use information about our customers for any unauthorized purpose.

Conflicts of Interest

In order to maintain the highest degree of integrity in the conduct of the Company's business and to maintain your independent judgment, you must avoid any activity or personal interest that creates or appears to create a conflict between your interests and the interests of the Company. A conflict of interest occurs when your private interests interfere in any way, or even appear to interfere, with the interests of the Company as a whole. Although we cannot list every conceivable conflict, following are some common examples that illustrate actual or apparent conflicts of interest that should be avoided:

- *Improper Personal Benefits from the Company.* You and your family members may not accept any benefits from the Company that have not been duly authorized and approved pursuant to Company policy and procedure, including any Company loans or guarantees of your personal obligations.
- *Financial Interests in Other Businesses.* The Company's employees and their immediate families may not have an ownership interest in any other enterprise if that interest compromises or appears to compromise that person's loyalty to

the Company. You may not, without the prior written approval of the Board of Directors, the Audit Committee, or any committee thereof to which the Board of Directors delegates such authority, as appropriate, own a significant interest in a competitor or any entity that provides goods or services to the Company.

- *Business Arrangements with the Company.* You may not participate in a joint venture, partnership or other business arrangement with the Company without the prior written approval of the Board of Directors, the Audit Committee, or any committee thereof to which the Board of Directors delegates such authority, as appropriate, before participating in such an arrangement.
- *Outside Employment or Activities with a Competitor or Supplier.* Simultaneous employment with or serving as a consultant of a competitor or any entity that provides goods or services to the Company is strictly prohibited, as is any activity that is intended to or that you should reasonably expect to advance a competitor's or supplier's interests. It is your responsibility to consult with the Board of Directors, the Audit Committee, or any committee thereof to which the Board of Directors delegates such authority, as appropriate, to determine whether a planned activity will compete with any of the Company's business activities before you pursue the activity in question.
- *Family Members Working In the Industry.* You may find yourself in a situation where a family member is a customer, supplier or competitor of the Company or is employed by, serves as a director of, or represents one of the foregoing. Such situations are not prohibited, but they call for extra sensitivity to security, confidentiality and conflicts of interest and you should guard against inadvertently disclosing the Company's confidential information. Conflicts of interest may also be created by activities mentioned in other sections within this Code, such as those documented in Corporate Opportunities or Entertainment, Gifts and Gratuities. You should avoid any activities that make it difficult to perform your work objectively and effectively.

Corporate Opportunities

Business opportunities relating to the Company's line of business can only be utilized by the Company itself and not by employees acting in a private manner. Any business opportunity that fits into the Company's strategic plans or that satisfies the Company's commercial objectives also belongs only to the Company. Unless the terms of the Company's certificate of incorporation or bylaws dictate otherwise, you may not direct these kinds of business opportunities to the Company's competitors, to other third parties or to other businesses that you own or are affiliated with in any way. Under no circumstances may you exploit the Company's business opportunities for your own personal gain.

Entertainment, Gifts and Gratuities

When you are involved in making business decisions on behalf of the Company, your decisions must be based on uncompromised objectivity of judgment. When interacting with any person who has business dealings with the Company (including competitors, investors and consultants) you must conduct such activities in the best interest of the Company, using consistent and unbiased standards. You must not give or accept any gifts, entertainment or gratuities that might in any way create a feeling of obligation or which can reasonably be perceived to influence your business decisions on behalf of the Company, or be in a position to derive any direct or indirect benefit or interest from a party having business dealings with the Company. Gifts and business courtesies, including meals and entertainment, are permissible if they are customary and commonly accepted business courtesies, not excessive in value, and given and accepted without an express or implied understanding that you are in any way obligated by your acceptance of the gift. Gifts that are extravagant in value or unusual in nature should not be accepted without the prior written approval of the Board of Directors, the Audit Committee, or any committee thereof to which the Board of Directors delegates such authority, as appropriate. Gifts of cash or cash equivalents (including securities, below-market loans, etc.) in any amount are prohibited and must be returned promptly to the donor.

What is acceptable in the commercial business environment may be entirely unacceptable in dealings with the government. You are prohibited from providing gifts or anything of value to government officials or employees or members of their families in connection with Company business without prior written approval from the Board of Directors, the Audit Committee, or any committee thereof to which the Board of Directors delegates such authority, as appropriate.

Giving or receiving any payment or gift in the nature of a bribe or kickback is absolutely prohibited. If you encounter an actual or potential conflict of interest, face a situation where declining the acceptance of a gift may jeopardize the Company relationship, are requested to pay a bribe or provide a kickback, or encounter a suspected violation of this policy, you must report the situation to the Board of Directors, the Audit Committee, or any committee thereof to which the Board of Directors delegates such authority, as appropriate, immediately.

Compliance with Laws, Rules and Regulations

Employees must not only comply with applicable laws, rules, and regulations, you also have leadership responsibilities with respect to demonstrating high ethical standards and commitment to compliance, fostering a work environment that encourages

employees to raise concerns, and promptly addressing employee compliance concerns identified to you.

The Company's accounting and financial reporting policies must follow applicable accounting principles. Laws and regulations require that the Company have and maintain internal controls to ensure the integrity of its financial statements. You are required to adhere to the following policies:

- all financial transactions (such as sales, leases or purchases) must be recorded truthfully, accurately, in a timely fashion and in sufficient detail so that the Company's accounting records are reliable and fairly reflect the nature of the transactions.
- you may not make any false or misleading entries or maintain any unrecorded or secret fund, reserve, asset or account for any purpose.
- you may not make any payment or transfer of funds or assets for any purpose other than that described in the documents supporting the payment or transfer.
- no invoices believed to be false or fictitious may be paid.
- it is unlawful for you to fraudulently induce, coerce or mislead the Company's auditor to make the Company's financial statements misleading.

Suspected breaches of improper treatment of an accounting transaction must be reported and investigated. The Company will not retaliate against any employee for filing a good faith complaint or for cooperating in an investigation of an alleged violation, and will not tolerate or permit retaliation by management, employees or co-workers.

Company Brands

Our brands and trademarks are valuable assets of the Company. We all have a responsibility to protect these assets, including reporting counterfeit merchandise or the improper distribution of our products to third parties. Inventions, designs, know how and innovations that you conceive or devise are assets of the Company when they (i) arise out of, or are suggested by the Company's confidential information or trade secrets or any work you performed for the Company, (ii) result from your use of the Company's time, facilities or assets or (iii) otherwise arise from your relationship with the Company.

Disclosures in Governmental Filings and Other Public Communications

It is Company policy to make full, fair, accurate, timely and understandable disclosure in compliance with all applicable laws, rules and regulations in the reports and documents that it files with or submits to various state or federal agencies and in other public communications made by the Company. All employees are expected to use their best efforts to perform their duties in a manner intended to implement this policy.

Record Retention

The Company will retain all books, records and statements in accordance with its record retention policies and all applicable laws and regulations. It is a crime to alter, destroy, modify or conceal documentation or other objects that are relevant to litigation or a government investigation, including not only formal reports but also less formal data such as e-mails, expense reports and internal memos. If you are informed that information in your possession is the subject of litigation or a government investigation, or if you have other reason to believe that such information may be involved in a judicial proceeding, no matter whether you think it is relevant or not, you are prohibited from making any effort to alter, destroy, modify or conceal that information.

III. IMPLEMENTATION OF THE CODE

Reporting Violations and Discipline

Any employee, officer or director suspecting a violation of this Code must report it immediately. Reports may be made to (i) the Chief Executive Officer or the Chief Financial Officer (ii) to the Company's Corporate Counsel, (iii) to the Company's Director of Risk and Compliance, or (iv) via the web at www.rue21inc.com. All reports will be kept confidential to the extent permitted, and may be made anonymously. If you choose to report an incident anonymously, please provide very specific, detailed information in your report so that an effective investigation can be initiated. No person will be subject to retaliation because of a good-faith report of an actual or suspected violation of this Code or any standard of ethical and lawful conduct. Retaliation is itself a violation of this Code. If an employee violates this Code, the Company will take appropriate action, including, as appropriate, discharge and legal proceedings.

Waivers of the Code

The Company will waive application of the policies set forth in this Code only where circumstances warrant granting a waiver, and then only in conjunction with any appropriate monitoring of the particular situation. Waivers of the Code may be made only by the Board of Directors as a whole or the Audit Committee of the Board, as appropriate, and must be promptly disclosed as required by law or regulation.

Remember

Ultimate responsibility to assure that we as a Company comply with the many laws, regulations and ethical standards affecting our business rests with each of us. You must become familiar with and conduct yourself strictly in compliance with those laws, regulations and standards and the Company's policies and guidelines pertaining to them.

Please direct any questions you have regarding the Code to Corporate Counsel in the Legal Department.

ACKNOWLEDGMENT FORM

I have received and read the Company Code of Business Conduct and Ethics, and I understand its contents. I agree to comply fully with the standards, policies and procedures contained in the Code of Business Conduct and Ethics and the Company's related policies and procedures. I understand that I have an obligation to report to the Board of Directors, the Audit Committee, or any committee thereof to which the Board of Directors delegates such authority, or to Corporate Counsel, as appropriate, any suspected violations of the Code of Business Conduct and Ethics that I am aware of. I acknowledge that the Code of Business Conduct and Ethics is a statement of policies for business conduct and does not, in any way, constitute an employment contract.

Printed Name

Signature

Date