

CODE OF ETHICAL STANDARDS, BUSINESS PRACTICES AND CONDUCT

(Revised as of March 2010)

I. Introduction

Pacific Sunwear has prepared the following Code of Ethical Standards, Business Practices and Conduct (“Code of Ethics”) to reaffirm the policies and business practices that apply throughout the Company, including all divisions. Every employee of the Company has an obligation to abide by this Code of Ethics. This Code of Ethics reaffirms the Company’s commitment to the highest levels of business and ethical practices. The Company requires its employees to exhibit a high degree of personal and professional integrity at all times and to exercise sound and independent business judgment. The Code of Ethics serves to remind each employee of the business practices and conduct that is required at all stores and facilities throughout the Company.

II. Ethics Review Team and Audit Committee Matters

A. Ethics Review Team Matters. To ensure that employees fully understand the Code of Ethics and have an opportunity to discuss issues and concerns arising from the Code, the Company has created a Company Ethics Review Team at its office in Anaheim, California. The Company Ethics Review Team will consult in a confidential manner on specific issues and on matters of policy. The Team consists of Craig Gosselin, Senior Vice President and General Counsel (ext. 4667), Mike Henry, Senior Vice President/Chief Financial Officer (ext. 4003) and Ivor O’Neill, Senior Director of Internal Audit (ext.4928). Employees can approach any member of the Ethics Review Team with questions or concerns regarding this Code of Ethics. Any good faith communications of violations of the Code will be kept confidential to the extent practicable. Anonymous communications to the Ethics Review Team may be made via the Company Corporate Governance Hotline listed below. *No retaliation or adverse action will be taken against anyone for raising or helping to resolve in good faith an integrity concern.*

B. Audit Committee Matters. Anyone who has a concern about the Company’s accounting, internal accounting controls or auditing matters may communicate that concern directly to the Audit Committee through the Company Corporate Governance Hotline at (800) 850-9537. This hotline is accessible 24 hours a day, 7 days a week, 365 days a year. Communications about these matters may be confidential or anonymous. The call will be digitally recorded and routed to a member of the Audit Committee via email or transcript. The status of all outstanding concerns addressed to the Audit Committee will be reported to the full Board of Directors on a periodic basis. The Audit Committee may direct special treatment, including the retention of outside advisors or counsel, for any concern addressed to them. *No retaliation or adverse action will be taken against anyone for raising or helping to resolve in good faith an integrity concern.* Employees

with questions or concerns that are not related to accounting, internal accounting controls or auditing concerns should contact a member of the Ethics Review Team (see above).

III. General Business Guidelines

A. Compliance with Laws: Employees of the Company shall conduct their business affairs in accordance with applicable laws of the United States and other governmental jurisdictions in which the Company does business and shall observe the highest standards of business ethics. Each employee is responsible for knowing the laws and policies that relate to his or her job with the Company and in the locale where he or she works. The use of Company funds, services or assets for any unlawful or improper purpose is strictly prohibited. No employee shall engage in purchasing privileges or special benefits on behalf of the Company through the payment of bribes, gratuities or other forms of payoff. No employee shall accept payments or other benefits from any party in violation of any law or in violation of this Code of Ethics.

B. Payments to Government Personnel: These laws generally provide that no payment shall be made directly or indirectly to influence or obtain favorable action by a government agency, anyone in public office or any candidate for public office. There are certain exceptions to these laws, but they are complicated, and any proposed payments to a government agency or official must be approved in advance by the General Counsel. This policy is not intended to prohibit limited political contributions (such as attending political fund raisers). However, in cases of promotional activity or political contributions, care should be exercised so that no action by a Company employee is perceived as an attempt to influence government decisions in matters affecting the Company. Any personal contribution to any political candidate, party or organization shall not be represented as a contribution from the Company. All Company employees must comply in all respects with the U.S. Foreign Corrupt Practices Act and other international anti-bribery laws.

C. Commercial Bribery: No employee or agent of the Company shall engage in soliciting, receiving, or accepting, directly or indirectly, any bribe, kickback or other payment or benefit from any employee or agent of any current or prospective Company vendor, supplier, landlord, lessee, competitor, or other person or entity in respect of any matter related to the Company (each hereafter referred to as a “Vendor/Supplier”).

IV. Professional Conduct

A. Dealings with Vendors/Suppliers

1. **Solicitation/Acceptance of Gifts:** Solicitation or acceptance of gifts, favors or the like (“Gifts”) from Vendors/Suppliers or from other persons who currently or who may, in the future, do business with the Company is prohibited. Solicitation of vendors for support of charitable activities or charitable causes supported by the employee or members of the employee’s family is not permitted.

Notwithstanding the policy, gifts received by employees of the Company which are valued at \$100 or less may be kept. Gifts in excess of such amount should be refused, if possible, by citing this Code of Ethics. Where it is impractical to return unsolicited gifts in excess of such amount, they should be turned over to the Human Resources Department. The term “gifts” includes merchandise, services, lavish entertainment, travel, use of real property (vacation homes, etc), and other tangible or intangible items.

2. Entertainment: Acceptance of *reasonable* entertainment (e.g., business lunches/dinners) in accordance with customary practice is permitted, but in no event should an employee accept personal travel or vacation arrangements or similar favors. Escorted attendance at sports or theatrical events or having business lunches/dinners involves an acceptable and normal business practice if kept within reasonable limits. Tickets to sports or theatrical events without accompanying escort from the giver must be approved by an Ethics Review Team member.

3. Selection of Vendors/Suppliers: Wherever practicable, Vendors/Suppliers shall be selected by fair and open competitive bids. The selection of a Vendor/Supplier must be based on quality, need, performance and cost. All purchases from Vendors/ Suppliers shall be in accordance with the Company’s purchasing policies. In dealing with Vendors/Suppliers, it is the responsibility of all employees to promote the best interests of the Company, within legal limits, through aggressive attention to opportunities and the obtaining of fair terms and treatment for the Company.

4. Improper Influence: Gifts or entertainment provided by Vendors/Suppliers shall not be accepted in exchange for Company resources and/or merchandise. No Gifts or entertainment shall be accepted with the understanding that the provider shall receive or continue to receive business from the Company. Vendors/Suppliers shall not be selected based upon the Gift giving and/or entertainment practices of the Vendor/Supplier.

B. Conflicts of Interest:

1. Definition: A conflict of interest exists in any situation in which the Company has an interest and the interest (personal or financial) of an employee *is or may* also be involved. A conflict of interest is deemed to exist whenever an employee is in a position, as a result of the nature or responsibilities of his or her employment with the Company, to further any personal or financial interest of the employee or a member of the employee’s family. ***Any situation which may be construed to be a conflict of interest should be avoided.*** If an employee believes he/she or another employee is involved in a conflict of interest or a potential conflict of interest, the employee must consult with a member of the Ethics Review Team who shall have authority to approve or disapprove of any such conflict of interest or potential conflict of interest.

2. Examples: Set forth below are four areas where conflicts may arise, although these examples are not a comprehensive list of possible conflicts of interest.

(i) Outside Business Activities/Interests: Acting as a director, officer, consultant, agent, employee or in some other capacity for a person or firm with whom the Company does business or with any competitor of the Company would constitute a conflict of interest. Family businesses or other businesses in which an employee participates as an owner, a partner, director, officer, employee, consultant or shareholder and which *may* create a conflict of interest and/or *may* interfere with the employee's duties to the Company must be disclosed in writing to the Ethics Review Team. The Ethics Review Team shall determine whether or not an outside business activity of interest creates a conflict of interest and/or interferes with the employee's job.

Under no circumstances shall an employee cause the Company to do business:

(a) with any business in which the employee or a member of the employee's family is involved; or

(b) with another person or business with which the employee, directly or indirectly, does business and in which the employee stands to personally gain, either directly or indirectly (*e.g.*, a Vendor/Supplier that sells products/services to the Company and also sells products/services to the employee or to another business in which the employee has an interest);

unless all facts are disclosed to the Ethics Review Team and the Ethics Review Team approves such business transactions in writing. The appearance of favoritism, potential for conflict and likelihood of discouraging other service/product providers in the future shall be considered carefully by the Company's Ethics Review Team before deciding to approve the transaction.

(ii) Investing in Vendors/Suppliers: No employee shall invest in any security (stocks, bonds, options, short sales, etc.) or lend money or otherwise invest in a Vendor/ Supplier, its parent company, or any subsidiaries, unless the aggregate of the amount invested constitutes not more than one percent (1%) of the outstanding debt or equity of the Vendor/Supplier.

Employees shall report in writing to the Ethics Review Team any current investments in Vendors/Suppliers exceeding the above threshold. The

Ethics Review Team will decide an appropriate course of action, not excluding the possibility of disposing of such investments. For the purposes of this paragraph, the terms “invest” or “investment” includes any investment personally owned or beneficially owned by family members, nominees, or others where the effect is that the individual employee derives any benefit from such investment.

(iii) Buying Merchandise and Other Tangible Property or Obtaining Services from Vendors/Suppliers for Personal Use: Employees may not purchase, for their own or another’s personal use, products/services from Vendors/Suppliers of the Company when the purchase would exploit or take advantage of the employee’s position in relation to the Company and/or the Vendor/Supplier. Such purchases typically occur at a price lower than the price that would be paid by persons not affiliated with the Company or similar customers of the Vendor (purchases “at cost”). Such purchases are discouraged, and may occur only with written consent of the Ethics Review Team. The request for any such purchases must be detailed in writing to the Ethics Review Team prior to ordering or receiving the products/services. The Ethics Review Team shall keep a record with full details of any such transaction for which approval is given to ensure such purchases are not disguised Gifts.

(iv) Outside Employment: Outside employment may create a conflict of interest and/or may interfere with the employee’s duties to the Company. All employees should be highly sensitive to the potential for conflict and/or interference if they accept outside employment. To ensure no violation of this provision, a discussion as to whether outside employment may interfere with an employee’s duties or create a conflict should be directed to the employee’s supervisor or to the Ethics Review Team when such outside employment is considered. An employee who is a Manager or above should not have any other employment or business interests without the prior written approval of their supervisor and the Ethics Review Team. The position of such an employee with the Company represents a full-time commitment to the Company.

C. Consultant: Before retaining a consultant on behalf of the Company, consideration should be given to whether competitive bids from prospective consultants should be solicited. Agreements by the Company with consultants, agents, and representatives shall clearly set forth the actual services to be performed, the basis for earning the fee involved and all other terms and conditions. Payments must be reasonable in amount and bear a reasonable relationship to the value of the services rendered. No employee shall knowingly permit such consultants, agents and representatives to take actions on behalf of the Company that would be in violation of this Code of Ethics.

D. Competition: The Company believes in fair and open competition. All employees are prohibited from entering into arrangements with competitors affecting pricing, marketing or labor policies.

E. Accurate Records: All assets, liabilities, expenses and transactions shall be recorded in the Company's regular books of account in accordance with Generally Accepted Accounting Principles consistently applied. No undisclosed or unrecorded fund or asset of the Company, its subsidiaries, or affiliates shall be established or maintained for any purpose. Documentation of all business transactions shall describe the pertinent events. No false or artificial entries shall be made in the books and records of the Company for any reason. No payment shall be approved or made with the intention or understanding that any part of such payment is to be used for any purpose other than that described by the document supporting the payment.

F. Public Filings and Communications: It is Pacific Sunwear's policy to provide full, fair, accurate, timely and understandable disclosure in all reports that it files with, or submits to, the Securities and Exchange Commission, as well as in all of its other public communications. It is the responsibility of all personnel involved in or responsible for the preparation of such reports and communications, including the Company's executive and financial officers, to use their best good faith efforts to ensure that all reports and communications meet the above standards. In addition, anyone who becomes aware of any material misstatement or omission in the Company's filings or other outside communications should contact the Ethics Review Team.

G. Conduct Outside the Company: In any way that may reflect on the Company, each employee of the Company is expected to adhere to acceptable ethical principles in matters of personal conduct and to exhibit a high degree of personal integrity at all times.

V. Special Limits on Employees

A. Independent Contractors: Current employees shall not be hired, retained or used as independent contractors by the Company. Any alterations to this policy require prior approval of the current employee's supervisor.

B. Employment of Relatives: The Company is cautious about hiring as full-time employees relatives of current full-time employees, and has adopted policies prohibiting the employment of relatives in the situations described below:

- Individuals may not be employed within another relative's "span of control" such that work responsibilities, salary or other career progress could be directly influenced by the relative.
- Relatives may not be employed in positions which the Company believes will involve a potential conflict of interest.

In a situation where two Company employees marry, or are otherwise similarly situated, so as to give rise to a violation of the spirit of this policy, the Company will, in

its sole discretion, undertake efforts to find another suitable position for one of the employees. Every employee is responsible for advising the Company of any change in his or her living arrangements or personal status that would implicate this policy.

VI. Honesty

Each employee must ensure that the highest level of honesty and integrity is maintained in the exercise of the employee's daily responsibilities. Examples of conduct that are considered to violate this standard include, but are not limited to:

- Knowingly issuing or approving a report or document containing incorrect or misstated data;
- Knowingly making false or inaccurate entries in the books and/or records of the Company;
- Knowingly making or authorizing any payment by the Company with the intention or understanding that all or any part of the payment is to be used for any purpose other than that described by the documents supporting the payment;
- Knowingly receiving shipments of merchandise, supplies, services or other items for use at the Company that are not charged to the proper department or location;
- Knowingly misstating inventory, accounts payable, cash capital expenditures or any balance sheet account;
- Knowingly misstating or omitting to state to the employee's supervisor information material to the business of the Company or the supervisor's understanding of the same;
- Knowingly making false or misleading statements, written or oral, to any supervisor, internal or external accountant or auditor with respect to the Company's books and records, financial statements or documents filed with the Securities and Exchange Commission;
- Deliberate disregard for policies or procedures in order to improve a result regardless of whether or not the effect is positive or negative upon the Company.

Obviously, all situations cannot be covered by a policy statement. Good judgment coupled with a high sense of personal integrity is the best policy. Where situations arise that appear "uncertain", the employee should consult with the Ethics Review Team for guidance.

VII. Confidentiality of Information and Policy Against Insider Trading

Except as required in carrying out the employee's duties in the normal and proper course of employment, and except as required by law, no employee during his or her employment or after he or she leaves the employ of the Company may use or disclose to others any "Confidential Information" relating to the Company, its subsidiaries and affiliates, or any of the Company's Vendors/Suppliers, regardless of the source of such information or the method of its acquisition. Violation may result in prosecution of the individual under any applicable civil or criminal statute. Employees should be guided by

the general principle that the Company considers Confidential Information any information that is neither officially or publicly disclosed nor is common knowledge and which might be useful to or desired by others. **“Confidential Information”** includes, without limitation, information regarding Company business plans and strategies, same store sales, capital investments, per capita spending, pricing and cost information, financial data and projections, marketing information, personnel information, critical sales data, vendor lists, systems, formulas, models, spreadsheets, techniques, and other types of confidential data that individuals come in contact with in the course of their employment with the Company unless such information has been publicly disclosed through lawful means. Individuals who violate this policy may be subjected to disciplinary action up to and including termination of employment. In addition, individuals who terminate their employment or who are terminated are bound to maintain the confidentiality of this material.

Use of material, non-public Confidential Information for trading shares of stock is specifically prohibited. The prohibition extends to not only trading in shares of the Company’s Common Stock, but also trading in securities of any other company with which the Company competes or conducts business. Under federal securities laws, it is unlawful for any person who, by virtue of his or her relationship with the Company, has access to material nonpublic information concerning the Company, to:

- buy or sell securities of the Company or any other entity to which the information may relate;
- disseminate the information, directly or indirectly, to friends, family or others (“tip”) who in turn trade on or misuse the information; or
- use the information in any other manner to achieve personal gain.

To use material, non-public Confidential Information for personal financial benefit or to tip others who might make an investment decision based on this information is not only unethical, but may also be a criminal offense. The restrictions of this policy also apply to all family members and others living in the household.

Under the securities laws, information is considered “material” if it could affect the market price of the securities of the Company or if a reasonable investor would attach importance to the information in deciding whether to buy, sell or hold the securities of the Company. Broadly speaking, information is material if it is likely to affect the market price of the stock, positively or negatively.

The Company believes that Confidential Information pertaining to personal health, performance evaluations, promotability, and compensation data also must be maintained in a confidential manner for the protection of individual privacy. Access to this type of information is restricted to individuals so authorized. In the case of performance, promotability, and salary data, this access is limited to employees responsible for such data or employees who are authorized or directed to inquire about, or

collect such data, such as the employee's supervisor, Officers, Human Resources and other authorized management personnel. As such, in order to ensure the ongoing confidentiality of this type of information, it is our policy and the obligation of each management employee to protect and preserve the confidentiality of these types of data. Confidential Information developed by an employee during the course of employment with Company resources is the property of the Company.

Individuals are also prohibited from talking to the press or being a source of information for the press unless they have been expressly authorized as a spokesperson by the Company. Any press inquiries should be directed to the Director of Investor Relations.

VIII. Authorized Use of Company Property

Company equipment and property should not be used for personal use or gain (other than incidental use of phones, copiers, etc.). Company computer, facsimile and other equipment and property shall not be used for the transmission of sexual, offensive, pornographic, racist and other socially offensive messages. Company property and equipment shall not be taken off of Company property for non-Company use.

With regard to the Company's computer systems, authorized Company personnel must have access to information stored on Company computers including the electronic mail system. This may include, but not be limited to, receiving business information, trouble shooting, preventing system misuse, assuring compliance with policies, conducting investigations, etc. All documents or other material processed or stored on the Company's computer equipment are Company property. As such, employees do not have an expectation of privacy with respect to documents and messages stored in Company files, disks, storage areas or electronic mail. Employee-owned computers on Company property are prohibited. Employee-owned computers used for Company business shall be made available for review and inspection, including information included therein, at the request of the Company. With regard to the Company's computer systems, the Company does not allow the use of unauthorized, pirated or unlicensed software on Company equipment.

IX. Competition and Fair Dealing

Company employees should strive to help the Company outperform the competition at every opportunity. This should be done honestly and fairly at all times. No employee should make unsupportable promises concerning the Company's products and services, or make disparaging or false statements or innuendos about competitors or former Company employees. The Company seeks competitive advantages through superior performance, but never through unethical or illegal business practices. Theft of proprietary information or possession and use of trade information without the owner's consent (or inducement of such disclosures by past or present employees of other companies) is prohibited. Each employee should endeavor to respect the rights of, and

deal fairly with, the Company's clients, suppliers, competitors and employees. No Company employee should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other intentional unfair practice.

X. Antitrust Compliance

The purpose of the antitrust laws of the United States is to provide a level playing field to economic competitors and to promote fair competition. As with all laws, the Company is dedicated to compliance with antitrust laws in all its activities. Accordingly, Company personnel may not under any circumstances or in any context enter into any anticompetitive understanding or agreement, whether express or implied, formal or informal, written or oral, with an actual or potential competitor. Examples of such agreements include, but are not limited to, fixing prices, bid-rigging, agreeing with competitors not to bid certain jobs, submitting false bids, sharing bid pricing with competitors, and exchanging sensitive data about potential customers.

XI. Discrimination and Harassment

The diversity of the Company's employees is a tremendous asset. The Company is committed to providing equal opportunity employment and any unlawful discrimination or harassment will not be tolerated. An extensive Company policy explaining equal opportunity employment and Company prohibitions against unlawful discrimination and harassment is available to all employees. If anyone believes he or she has been subjected to unlawful discrimination or harassment, immediate communication of the incident(s) should be made to the employee's supervisor, store manager, district manager, regional manager, or HR. The Company will take all concerns seriously and investigate the matter as dictated by the employee's description of the situation. Any corrective actions necessary will be taken at the discretion of management and in accordance with law and good business practices. *The Company will not retaliate, or tolerate retaliation, against any employee making a good faith communication of such concerns.*

XII. Health and Safety

The Company strives to provide each employee with a safe and healthy work environment. Each employee has responsibility for maintaining a safe and healthy workplace, following safety and health rules and practices, and reporting accidents, injuries, and unsafe equipment, practices or conditions. Violence and threatening behavior of any kind is not permitted. Employees must report to work in condition to perform their duties, free from the influence of illegal drugs or alcohol. The use of illegal drugs or consumption of alcohol in the workplace is forbidden.

XIII. Compliance With Standards and Practices

A. **Exceptions:** Any exception from the specific policies set forth in this Code of Ethics must have the prior written approval of the Ethics Review Team.

B. **Disclosure of Violations:** *All employees of the Company are responsible for bringing violations of the Code of Ethics to the attention of senior or corporate management through normal reporting channels or by reporting violations to the Ethics Review Team. Any good faith communication of violations will be kept confidential to the extent practicable. Concerns about accounting, internal accounting controls or auditing matters may be brought directly to the attention of the Audit Committee on a confidential or anonymous basis pursuant to Article II, Section B of this Code of Ethics. There will be no retaliation for making such a communication relating to the conduct of others. In addition, all Managers are responsible for taking corrective action when problems involving the Code of Ethics come to their attention.*

C. **Enforcement:** All executive and management personnel of the Company shall be responsible for the enforcement and compliance with this Code of Ethics. Such responsibilities shall include, but not be limited to, the periodic distribution and discussion of this Code of Ethics to employees under their supervision to ensure employee knowledge and compliance.

D. **Audit Procedures:** The Chief Executive Officer, Chief Financial Officer, or Audit Committee of the Board of Directors may, at their discretion, from time to time, establish and disseminate additional personnel policies and procedures or accounting and financial policies and procedures to monitor and to test compliance with this Code of Ethics.

E. **Certification:** Officers and all other management employees of the Company will be required, on an annual basis, to certify their compliance with the requirements of this Code of Ethics. Certification requires executing a Certificate of Compliance by the date indicated each year. Exceptions must be requested or approved within the same time frame. Failure to execute a compliance form or request an exception will be deemed refusal to comply and may result in disciplinary action up to and including termination.

F. **Sanctions/Corrective Actions:** If the Company finds that an employee who has received a copy of this Code of Ethics (or additional and/or related specific policies and procedures of the Company) later violates the Code, the employee shall be subject to appropriate and immediate disciplinary action. The corrective actions may include, without limitation, censure, demotion or re-assignment of the individual involved, suspension with or without pay or benefits or, where appropriate, dismissal and legal proceedings to recover the amount of any improper expenditures and any other losses that the Company may have incurred as a result of such violation. Violations of this Code of Ethics may also result in prosecution of the individual under any applicable criminal statutes.

G. **At Will Employment:** This Code of Ethics does not create any contract of employment or express or imply a promise that employment may be terminated only for

the reasons stated herein. Unless otherwise agreed to in writing by the Chief Executive Officer, Company employees are employed at will and may be terminated or resign at any time for any or no reason, with or without cause, and with or without prior notice.

H. Interpretation. All questions regarding the interpretation, scope, and application of the policies set forth in this Code shall be referred to the Company's Ethics Review Team.

I. Applicable Law. The Code is subject to all applicable law. Nothing in the Code is intended to require any action contrary to law. In the event that the Code conflicts with any law, employees must comply with the applicable law. Nothing in the Code is intended or will be considered (1) to amend the Certificate of Incorporation or By-laws of the Company, (2) to change the legal duties imposed upon officers or employees under state, federal and other applicable statutes, rules and regulations, (3) to expand the liabilities of officers or employees beyond applicable law, or (4) to affect any rights available to officers or employees under state and other applicable law or the Company's Articles of Incorporation or By-laws.

**2010 - CODE OF ETHICS
ACKNOWLEDGMENT FORM**

I have received and read the Code of Ethical Standards, Business Practices and Conduct (the “Code of Ethics”) dated March 2010, and I understand its contents. I agree to comply fully with the standards contained in the Code of Ethics and the Company’s related policies and procedures. I understand that I have an obligation to promptly report to the appropriate person or persons any suspected violations of the Code of Ethics.

Please PRINT CLEARLY

Printed Name

ADP Number

Signature

Date

Store Number/HQ Department