

**TRUE RELIGION APPAREL, INC.
CORPORATE GOVERNANCE GUIDELINES**

The Board of Directors (the “*Board*”) of True Religion Apparel, Inc. (the “*Company*”) has adopted these Corporate Governance Guidelines pursuant to the recommendations of the Nominating and Corporate Governance Committee to assist the Board in the exercise of its responsibilities to the Company and its stockholders. These guidelines are not intended to change or interpret any Federal or state law or regulation, including the General Corporation Law of the State of Delaware, or the Certificate of Incorporation or By-laws of the Company. Additionally, the Company also has adopted a Code of Conduct and charters for our Audit Committee, Nominating and Corporate Governance Committee and Compensation Committee, all of which are relevant to our corporate governance policies and guidelines. These Corporate Governance Guidelines are subject to modification from time to time by the Board pursuant to recommendations of the Nominating and Corporate Governance Committee.

I. Selection and Composition of the Board of Directors

Size of the Board

Our Bylaws provide that the Board shall consist of no less than three (3) members and no more than fifteen (15) members, with the exact number of members determined from time to time by a majority of the Board. The number of directors on the Board is currently set at five (5). Each of our directors stands for re-election at each annual meeting of shareholders.

Qualification Standards

The Board shall be responsible for nominating members for election to the Board and for filling vacancies on the Board that may occur between annual meetings of stockholders. The Nominating and Corporate Governance Committee is responsible for identifying, screening and recommending candidates to the Board for Board membership. In evaluating the suitability of individual Board members, the Board considers many factors, including issues of experience, wisdom, integrity, skills such as an understanding of the Company’s business environment, finance and marketing, educational and professional background, all in the context of an assessment of the perceived needs of the Board at that time. Nominees should also be willing to devote adequate time and effort to Board responsibilities. Exceptional candidates who do not meet all of these criteria may still be considered.

The Nominating and Corporate Governance Committee shall be responsible for assessing the appropriate balance of criteria required of Board members.

Independent Directors

The Board shall be comprised of a majority of directors who, in the business judgment of the Board, qualify as independent directors ("Independent Directors") under the listing standards of The Nasdaq Stock Market, Inc. ("Nasdaq"), and these corporate governance guidelines.

Each director's relationships with the Company (either directly or as a partner, stockholder or officer of an organization that has a relationship with the Company) shall be reviewed annually, and only those directors (i) who in the opinion of the Board have no relationship which would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and (ii) who otherwise meet the requirements of the applicable listing standards will be considered Independent Directors.

Directors Who Change Their Present Job Responsibility

The Board does not believe that directors who retire or change the position they held when they came on the Board should necessarily leave the Board. There should, however, be an opportunity for the Board, via the Nominating and Corporate Governance Committee, to review the continued appropriateness of Board membership under these circumstances.

Director Tenure

The Company has no maximum time or age limitation for service on the Board. While term limits could help ensure that there are fresh ideas and viewpoints available to the Board, they hold the disadvantage of losing the contribution of directors who have been able to develop, over a period of time, increasing insight into the Company and its operations and, therefore, provide an increasing contribution to the Board as a whole.

Membership on Other Boards.

Non-executive directors of the Board may serve as directors of other companies only to the extent such position does not conflict or interfere with such person's service as a director of the Company.

II. Board Meetings

Number of Meetings

The Board will hold at least four regular meetings a year. In addition to the regularly scheduled meetings, special meetings may be called from time to time as determined by the needs of the business. The Board meets whenever required by the business of the Company or whenever a meeting is properly called in accordance with the Company's bylaws.

Attendance at Meetings

Board members are expected to prepare for, attend and participate in meetings of the Board and committees for which they serve. It is the policy of the Board to encourage attendance by all directors at all Board meetings and at all committee meetings of which they are members.

Selection of Agenda Items

The Chairman of the Board, taking into account suggestions from other Board members, will establish the agenda for each Board meeting and distribute it in advance to the Board. Each Board member is free to suggest the inclusion of items on the agenda.

Board Materials Distributed in Advance.

Information and data that is relevant to the Board's understanding of the matters to be discussed at an upcoming Board meeting will be distributed in writing (where feasible) or electronically to all Board members in advance of the meeting. This will help facilitate the efficient use of time at Board meetings to deliberate and make decisions on key Company issues. Management will make every attempt to see that the material being distributed is as concise as possible while still providing sufficient information to make informed decisions. The Board acknowledges that certain items to be discussed at Board meetings are of an extreme sensitive nature and that the distribution of materials on these matters prior to Board meetings may not be appropriate.

Board Presentations.

As a general rule, presentations on specific subjects should be sent to the Board members in advance so that Board meeting time may be conserved and discussion time focused on questions that the Board has about the material. On those occasions in which the subject matter is too sensitive to put on paper, the presentation will be discussed at the meeting.

Separate Sessions of Independent Directors.

The Company's independent directors shall meet (without management present) regularly, but not less than once annually and at such other times as the Company's independent directors deem necessary or appropriate.

III. Responsibilities of Board Members

The basic responsibility of each director is to exercise their business judgment to act in what they reasonably believe to be in the best interests of the Company and its shareholders, and to perform their duties of care and loyalty. The Board is responsible for oversight of the business and affairs of the Company, determination of the the Company's mission, long-term strategy and objectives, oversight of management performance, monitoring adherence to the Company's standards and policies, and to ensure that the long term interests of the Company's shareholders are being served.

IV. Committees of the Board

Number and Names of Board Committees

The Company shall have the following standing committees: Audit, Nominating and Corporate Governance and Compensation. The purpose and responsibilities for each of these committees shall be outlined in committee charters adopted by the Board. After consultation with

the Nominating and Corporate Governance Committee, the Board may, from time to time, form a new committee, re-allocate responsibilities of one committee to another committee or disband a current committee depending on circumstances. In addition, the Board may determine to form ad hoc committees from time to time, and determine the composition and areas of competence of such committees.

Independence of Board Committees

Each of the Audit Committee, the Nominating and Corporate Governance Committee and the Compensation Committee shall be composed entirely of Independent Directors satisfying applicable legal, regulatory and stock exchange requirements necessary for an assignment to any such committee. The Nominating and Corporate Governance Committee and the Compensation Committee, may have as one of its members a “non-independent director” who is not a current officer or employee or a family member of a current officer or employee, for a period not to exceed two years due to exceptional and limited circumstances pursuant to the rules and regulations of Nasdaq. All other standing Board committees formed by the Board shall be chaired by Independent Directors, except where the Board, pursuant to the recommendation of the Nominating and Corporate Governance Committee, determines otherwise.

Assignment and Rotation of Committee Members.

The Nominating and Corporate Governance Committee shall annually review the Committee assignments and shall consider the rotation of the Chairman and members with a view toward balancing the benefits derived from continuity against the benefits derived from the diversity of experience and viewpoints of the various directors. After consultation with the Chairman of the Board, the Nominating and Corporate Governance Committee shall make recommendations to the Board regarding the assignment of Board members to various committees. After reviewing the Nominating and Corporate Governance Committee's recommendations, the Board shall be responsible for appointing the members to the committees on an annual basis. The Chairman of each committee may be appointed by the Board or the members of such committee, as provided in the charter of such committee.

With regard to the Chairman of the Nominating and Corporate Governance Committee, such position shall rotate at least once every three years.

Frequency and Length of Committee Meetings.

Each committee chairman, in consultation with committee members, will determine the frequency and length of the meetings of such committee in accordance with legal and regulatory requirements.

Committee Agendas.

The chairman of each committee, in consultation with the appropriate members of the committee and management, will develop such committee's agenda. The agendas and meeting minutes of the committees will be shared with the full Board and other Board members are welcome to attend committee meetings.

V. Access to Management and Independent Advisors

Board members have complete access to the Company's management, subject to reasonable time constraints. It is assumed that Board members will use judgment to be sure that this contact is not distracting to the business operation of the Company and that such contact, if in writing, be copied to the Chairman of the Board. Furthermore, the Board encourages the management to bring, from time to time, managers into Board and/or committee meetings who: (a) can provide additional insight into the items being discussed because of personal involvement in these areas, and/or (b) are managers with future potential that the senior management believes should be given exposure to the Board and its committees.

The Board and each committee thereof shall have the right at any time to retain independent outside financial, legal or other advisors. The Company shall provide appropriate funding, as determined by the Board or the applicable committee, for the payment of compensation to any such advisors.

VI. Director Compensation

The Board, with the recommendation of the Compensation Committee, is responsible for determining appropriate compensation for the Independent Directors, as well as compensation for serving on Board committees and serving as chair of a committee, and reviewing these compensation policies periodically as appropriate. Our management directors are not separately compensated for serving on the Board or on Board committees. All directors are reimbursed for expenses related to their attendance at Board and committee meetings.

VII. Director Orientation and Continuing Education

The Company encourages directors to participate in orientation and continuing education programs that will enhance their knowledge and experience on corporate governance matters and will pay reasonable tuition and attendance costs of such programs on a pre-approved basis.

VIII. Management Succession

The chief executive officer shall review succession planning and management development with the Board on an annual basis. The succession planning shall include the development by the Nominating and Corporate Governance Committee of policies and principles for selection of the chief executive officer, including succession in the event of an emergency or retirement.

IX. Direct Stockholder Communication with the Board

Stockholders may communicate with the Board of Directors by sending a letter to the Board of Directors of True Religion Apparel, Inc., c/o Office of Assistant Secretary, 2263 E. Vernon Avenue, Vernon, California 90058. Each communication must contain a clear notation indicating that it is a "Stockholder — Board Communication" or "Stockholder — Director Communication," and each communication must identify the author as a stockholder. The office of the Assistant Secretary will receive the correspondence and forward it to the Chairman of the Board or to any individual director or directors to whom the communication is directed, unless

the communication is unduly hostile, threatening, illegal, does not reasonably relate to us or our business, or is similarly inappropriate. The office of the Assistant Secretary has authority to discard any inappropriate communications or to take other appropriate actions with respect to any inappropriate communications.