

Code of Ethics



Introduction

Pep Boys has always believed that good ethics and good business go hand-in-hand. Our founders, Manny, Moe & Jack, built Pep Boys on the principle of "treating customers as we ourselves would like to be treated." Then and today, we strive for honest and straightforward dealings with our customers, suppliers, co-workers and security holders. It's the "center" of our brand personality. We're passionate, approachable, trustworthy, credible and helpful about cars. This Code of Ethics sets out general provisions that apply to all of Pep Boys' business dealings. Adherence to this Code will help to maintain the high ethical standards that we expect from all our associates.

Our Associates

1. Legal Compliance and Ethics

Pep Boys is committed to compliance with those laws and regulations that apply to our business activities.

Honesty, openness and courtesy is expected of all associates at all times in the performance of their duties. All associates must conduct themselves in an ethical manner in all dealings on behalf of Pep Boys. All associates are to provide our customers with extraordinary customer service, as outlined by our TRUST culture values and operating standards.

2. Equal Opportunity

Pep Boys views equal opportunity as an essential ingredient to our continuing success. We adhere to a strict policy of giving equal consideration in hiring, promotions and all other human resources related decisions without regard to race, color, sex, age, marital status, religion, national origin, disability or any other basis prohibited by law.

3. Health and Safety

Pep Boys seeks to provide a healthy, safe and clean working environment in compliance with all applicable laws, regulations and industry standards.

4. The Environment

As a responsible corporate citizen, Pep Boys is committed to preserving and protecting our natural resources. Our Environmental Compliance Department develops and implements environmental education and compliance programs to be followed by all of our associates and conducts periodic audits to ensure compliance.

5. Conflicts of Interest

Pep Boys' Conflict of Interest Policy (reproduced below) prohibits associates from engaging in any activity or holding any interest that adversely affects the conduct of Pep Boys business, involves the misuse of Pep Boys' position, information or resources or constitutes a potential source of discredit to Pep Boys. The policy was enacted to guide each associate in avoiding any activities or interests that create or might appear to create a Conflict of Interest. Such conflicts include any interests and activities that create a perception of personal gain or advantage by sacrificing loyalty, judgment, or responsibilities expected by our associates. Directors and management level associates

must periodically (and when circumstances dictate) confirm, in writing, their understanding of Pep Boys' Conflict of Interest Policy and disclose any and all facts that may involve possible violations of the policy using a proscribed form.

Conflicts of Interest

To be a successful member of the Pep Boys team, you need to devote your full attention and energy to your responsibilities. Therefore, it is important that you avoid situations in which other employment, interests or relationships might affect your ability to perform your job.

Generally speaking, any activity or interest that adversely affects the conduct of Pep Boys business, involves the misuse of Pep Boys' position, information or resources or constitutes a potential source of discredit to Pep Boys is a conflict of interest.

The following actual conflicts of interest are strictly prohibited:

- Accepting tips or gifts from customers. (Please explain to our customers that good customer service is part of your responsibilities. If a customer leaves money in the store or on Company premises, you must submit it to store management immediately for proper handling.)
- Using Pep Boys' property or personnel for personal reasons.

- Disclosing Pep Boys' confidential information to a third party or using such information for personal gain.
- Competing with Pep Boys. For example, diverting sales or services from Pep Boys by directing customers to your own or another's "shop" or purchasing parts or equipment from Pep Boys for resale.
- Accepting gifts, entertainment or gratuities from Pep Boys' suppliers or competitors.
- Working (with or without pay) for one of Pep Boys' competitors or suppliers.
- Having a financial interest in one of Pep Boys' competitors or suppliers, other than owning 1% or less of the publicly-traded securities of a company whose securities are traded through a national securities exchange (NYSE) or interdealer quotation system (Nasdaq National Market or SmallCap).
- Having a financial interest in property that is leased or sold to Pep Boys or that may benefit due to its proximity to a Pep Boys' property.
- Receiving preferential treatment (loans, discounts, dispute resolutions, etc.) due to your employment by Pep Boys (other than Pep Boys' sponsored programs).

A conflict of interest may also arise because a family member or friend has a relationship with a supplier or competitor or because a family member or friend receives preferential treatment from a supplier. You may not direct business to a supplier primarily because your family member or friend works for or has a financial interest in such supplier. You may not take any action that adversely affects Pep Boys because a supplier or a competitor employs one of your family members or friends.

It is impossible to identify every situation that might present a conflict of interest. We have provided the foregoing list to provide you with some examples of the most common situations. **IMPORTANT:** Each associate has a continuing responsibility to avoid conflicts of interest. Therefore, you must notify your manager and the Human Resources department immediately of any such situation that you believe might present a conflict of interest. You may also use the Alert Line (1-800-PEP-1213) to report (in confidence, if you wish) situations that you believe might present a conflict of interest. Reporting such situations will enable Pep Boys to take steps to ensure that its interests are protected and to determine if any further action is required.

6. Preventing Losses

To maintain our financial health, our associates take strong steps to minimize losses. Our Loss Prevention Department develops and implements policies and

procedures to be followed by all of our associates and conducts periodic audits to ensure compliance.

7. Information Security

Pep Boys recognizes information as a critical and valuable asset. In accordance with Pep Boys' Information Security Policies, all associates take appropriate measures to protect our information assets against accidental or unauthorized modification, disclosure or destruction, as well as, to ensure their reliability. Information assets are used only in pursuit of our business objectives in a professional, ethical and lawful manner.

8. Competition

Pep Boys is committed to free and open competition and competes vigorously in compliance with all anti-trust laws.

9. Public Communications

All disclosures made in documents filed with or submitted to the Securities and Exchange Commission or in other public communications are to be full, fair, accurate, timely and understandable. In all of Pep Boys'

advertising and marketing communications, untruths, concealment and overstatement is prohibited.

10. Disclosure/Financial

Controls

Pep Boys has adopted policies and procedures, including an internal audit function and a Corporate Accountability Committee, to ensure the maintenance of proper accounting methods in accordance with GAAP and the accuracy of financial and other business information used within the business or publicly disclosed.

11. Political Contributions

Pep Boys, as a company, does not make contributions to any political party and does not support any one political party at the expense of others.

12. Community Activities

Pep Boys encourages and supports the efforts of its associates to give leadership and service in the governmental, educational and social fabric of communities in which they live. Pep Boys recognizes its

responsibilities as a citizen of the communities in which it operates.

13. Media Relations

No associates are to discuss any matters relating to Pep Boys with representatives of the media unless specifically authorized to do so by the Corporate Communications Department. Any announcements or statements to the media or responses to questions from the media must be coordinated by the Corporate Communications Department.

14. Input from our

Associates; Non-Retaliation

We believe that open communications between our associates builds a strong and effective work environment. We have introduced numerous methods for our associates to voice their suggestions and concerns and to ask questions, including the Associate Service and Alert toll-free telephone lines. The discharge of, or other discrimination or retaliation against, any person who discloses improprieties via these or any other methods is strictly prohibited.

15. Application of the Code of Ethics

This Code of Ethics applies to all of Pep Boys' Directors, officers and employees (collectively, "associates"). Its purpose is to affirm Pep Boys' dedication to the highest standards of business conduct. In addition to his/her own behavior, each associate is also responsible to ensure the ethical business behavior of those associates under his/her control or direction. Failure to comply with the principles contained in this Code will result in disciplinary action that may include termination of employment and, where applicable, referral to public authorities for appropriate action. No Code of Ethics can address all specific situations. It is, therefore, each associate's responsibility to apply the principles set forth in this Code in a responsible fashion and with the exercise of good business judgment. Any questions arising under this Code should be addressed to your supervisor or the Human Resources Department.

Amendments to and waivers of this Code of Ethics will be posted promptly on our website. This Code of Ethics was last modified on April 23, 2004.