



Corporate Governance Guidelines

The following corporate governance guidelines (the "Guidelines") have been approved by the Board of Directors (the "Board") of rue21, inc. (the "Company") at the recommendation of the Board's Corporate Governance and Nominating Committee. Along with the charters of the Board committees (the "Committees"), applicable provisions of the Company's governing instruments, and the Delaware General Corporation Law, these Guidelines provide the foundation for the governance of the Company. The Board may review and amend these Guidelines from time to time as it deems necessary.

I. ROLE OF BOARD AND MANAGEMENT.

The role of the Board is to promote the long-term value and health of the Company in the best interests of the shareholders. In this regard, the Board provides management with strategic guidance, and also ensures that management adopts and implements procedures designed to promote both legal compliance and the highest standards of honesty, integrity, and ethics throughout the organization. The Board is elected by the Company's shareholders. The Company's day-to-day business operations are conducted and supervised by its management and employees, under the supervision of the Chief Executive Officer ("CEO"). The CEO speaks for the Company and reports to the Board. The directors exercise their business judgment and act in what they reasonably believe is the best interests of the Company and its shareholders.

II. RESPONSIBILITIES OF THE BOARD.

The Board has a variety of specific powers and duties, some of which may be delegated to the Committees, including:

- i. Providing general strategic guidance and oversight to the Company's management;
- ii. Reviewing, approving and monitoring major corporate actions and strategies;
- iii. Evaluating major risks facing the Company and ensuring that appropriate risk management and control procedures are in place;
- iv. Selecting and evaluating the CEO and Chairman of the Board and providing oversight to management succession planning;
- v. Providing counsel and oversight on the selection and evaluation of senior management;
- vi. Determining that procedures are in place designed to promote integrity and candor in the audit of the Company's financial statements and operations, and in all financial reporting and disclosure;
- vii. Recommending director candidates for election by shareholders;
- viii. Determining that procedures are in place to promote compliance with laws and regulations and setting an ethical "tone at the top"; and
- ix. Designing and assessing the effectiveness of its own governance practices and procedures.

The culture of the Board is such that the Board can operate swiftly and effectively in making key decisions when facing major challenges. The Board is informed, proactive, and vigilant in its oversight of the Company and protection of shareholder assets. Board and Committee meetings are conducted in an environment of trust, open dialogue, mutual respect, and constructive commentary.

III. BOARD MEMBERSHIP

Size of Board and Selection Process

The number of directors serving on the Board is fixed from time to time by resolution adopted by the affirmative vote of a majority of the directors then in office and generally will be small enough to encourage personal interaction and discussion but large enough to address the significant challenges and issues facing the Company. The directors are divided into three classes as nearly equal in size as practicable and designated Class I, Class II and Class III, with each class serving a term of three years.

The Corporate Governance and Nominating Committee is responsible for annually reviewing the qualifications and backgrounds of the individual directors, as well as the overall composition of and needs of the Board, and recommending to the Board director candidates for nomination and election at the annual meeting of shareholders. Based on such recommendations, the Board then proposes a slate of nominees to the shareholders for election as either Class I, Class II or Class III directors to the Board at each annual meeting of shareholders, in accordance with the provisions set forth in the Company's by-laws.

The CEO, members of the Corporate Governance and Nominating Committee, and other members of the Board are the primary sources for the identification of prospective nominees. The Corporate Governance and Nominating Committee is also authorized to retain search firms and/or other professional advisors for this purpose. The Corporate Governance and Nominating Committee may also consider prospective nominees identified by shareholders. Shareholders wishing to propose director nominees should submit their recommendations in writing to the attention of the Secretary of the Company in accordance with the procedures described in the Company's by-laws.

The Board may fill vacancies that arise between annual meetings of shareholders or newly created directorships.

Director Qualifications

In identifying candidates for membership on the Board, each of the Corporate Governance and Nominating Committee and the Board shall take into account all factors it considers appropriate, which may include (a) qualifications which will ultimately contribute to the creation of a Board composed of individuals with relevant career experience, diverse backgrounds and perspectives, including age, gender, culture, and race, who are (i) respected within the industry and the Company's markets, (ii) proven leaders in the communities in which the Company does business, (iii) experienced managers, (iv) visionaries for the future of the Company's business, (v) willing to act on and be accountable for Board decisions, (vi) able to provide wise, informed, and thoughtful counsel to top management on a range of issues, (vii) loyal, (viii) able to effectively handle crises and minimize risk, (ix) dedicated to sound corporate governance, and (x) collegial, and (b) individual qualifications such as strength of character, maturity of judgment, independence of thought, accounting and finance knowledge (including expertise that could qualify at least one director as an "audit committee financial expert" as that term is defined by the rules of the Securities and Exchange Commission (the "SEC") and as "financially sophisticated" as such term is used in the NASDAQ corporate governance rules), technical expertise, familiarity with the Company's business, industry, and competition, general business acumen, critical thinking, local or community ties, consideration of any actual or potential conflicts of interest posed by the proposed nominee's election as a director, and the proposed nominee's time available to devote to Board and Committee activities and to enhance his or her knowledge of the Company's business.

Independence of Directors

The Company's Board and Committee composition is subject to the corporate governance rules of NASDAQ and, in the case of the Audit Committee, additional independence requirements set forth in the Securities Exchange Act of 1934, as amended. Pursuant to these rules and regulations, a majority of the directors serving on the Board must be independent and the Company's Audit Committee, Compensation Committee and Corporate Governance and Nominating Committee must be composed entirely of independent directors, subject to limited exemptions set forth in the applicable rules and regulations, which the Board will be entitled to rely on as appropriate.

Each director will promptly inform the Chair of the Corporate Governance and Nominating Committee or the Chairman of the Board of any change in his or her circumstances which might compromise such director's independence or impact his or her ability to perform Board and Committee duties effectively. The Board encourages each director to frequently assess when such changed circumstances might compromise independence.

Conflicts of Interest

Each director will disclose any potential or perceived conflict of interest they may have to the Chair of the Corporate Governance and Nominating Committee as well as on any issue considered by the Board or the Committee on which they serve. If a director has a conflict of interest, he or she will not vote on the related matter and will not attempt to influence other directors on their votes on the matter.

Service on Boards and Other Commitments

The Corporate Governance and Nominating Committee will carefully review the prior commitments of each director candidate before recommending his or her appointment or nomination to join, or be elected to, the Board. Directors should advise the Chair of the Corporate Governance and Nominating Committee and the CEO prior to accepting an invitation to serve on any corporate board of directors, or with any government group and should keep them fully apprised of the committees of other public company boards on which they serve.

It is the Board's policy that any individual director should not serve on more than three public company boards (inclusive of the Company's Board), if the director is employed, or five public company boards (inclusive of the Company's Board), if the director is retired and no longer employed, unless otherwise expressly approved by the Board. Except in special circumstances and only after the Board has determined that such simultaneous service would not impair the ability to serve effectively on the Company's Audit Committee, no member of the Audit Committee shall serve on the audit committees of more than three public companies (inclusive of the Company's Audit Committee). For purposes of this policy, (i) service on the boards of multiple funds within a single family of funds shall be deemed service on one public company board, and (ii) service on multiple audit committees within a single family of funds shall be deemed as service on one public company audit committee.

IV. BOARD OPERATION AND MEETINGS.

Board Meetings.

The Board generally has at least four scheduled meetings a year, during which the directors review and discuss the Company's plans and prospects, current issues facing the Company, and management's reports on the Company's performance. One of these meetings will be scheduled in conjunction with the Company's annual meeting of shareholders. Special meetings shall be called as necessary.

The Chairman and Committee Chairs are responsible for conducting meetings and informal consultations in a manner that encourages informed, meaningful, and probing deliberations. Directors are expected to attend Board meetings and meetings of Committees on which they serve in person or by conference call. Directors are also expected to review all materials distributed prior to a meeting and to spend sufficient time preparing for each meeting in order to properly discharge their responsibilities. The decisions by the Board and its Committees are recorded in the minutes of their meetings.

Meetings of Independent Directors.

The independent members of the Board will have regularly scheduled executive sessions during the year at which only independent directors are present. During these sessions, the independent directors will, among other things, review CEO succession, performance, and compensation; compensation of other key executive officers; strategic issues for Board consideration; future Board agendas and the flow of information to directors; management progression and succession; and the Board's corporate governance matters. The independent directors shall choose a director to preside at executive sessions of the independent directors on a rotating basis.

Board and Committee Agendas.

The Chairman and each Committee Chair are responsible for setting the agendas for Board and Committee meetings, respectively, held during the year. The agendas and information relevant to the agendas of each meeting will be distributed to the directors or Committee members in writing or electronically in advance of the meeting. The CEO or, in the case of Committees, the Committee Chair, will determine the nature and extent of information that will be provided regularly to the directors or to the Committee members, as applicable. Directors and Committee members are entitled to make suggestions for agenda items, or additional pre-meeting materials, to the CEO or appropriate Committee Chair at any time.

Director Leadership

The offices of Chairman of the Board and Chief Executive Officer may at times be combined and at times separated. The Board will review its leadership structure and has discretion to combine or separate the positions as it deems appropriate and in the best interests of the Company and its shareholders. Whenever the Chairman of the Board is also the Chief Executive Officer, or any officer of the Company, a presiding director shall be chosen during meetings of the independent directors to: (i) preside at executive sessions of the independent directors; and (ii) serve as liaison between the Chairman and the independent directors.

V. CODE OF BUSINESS CONDUCT AND ETHICS.

The Company is committed to conducting business in accordance with the highest standards of ethics, integrity, and quality and has adopted a Code of Business Conduct and Ethics (the "Code") to promote ethical standards and deter wrongdoing. The Code addresses matters including: (i) customer respect; (ii) conflicts of interest, (iii) corporate opportunities, (iv) entertainment, gifts and gratuities, (v) compliance with laws, rules, and regulations, (vi) protection of Company brands; (vii) disclosures in governmental filings and other public communications and (viii) record retention. The Code applies to all directors, officers and employees of the Company. The Code requires all covered persons to avoid conflicts of interest that may be to the detriment of the Company. No waiver of the Code will be granted except by a vote of the Board or the Audit Committee, which will determine whether a waiver is appropriate and ensure that the waiver is accompanied by appropriate controls designed to protect the Company.

VI. COMMUNICATION WITH DIRECTORS.

Interested parties may contact an individual director, the Board or a Committee, by sending an email to ssiegal@rue21.com or by writing to the following address:

Board of Directors
rue21, Inc.
800 Commonwealth Drive, Suite 100
Warrendale, Pennsylvania 15086
Attention: Stacy Siegal, Vice President and General Counsel

Communications should specify the addressee(s) and the general topic of the communication. The Company will review and sort communications before forwarding them.

At times employees or shareholders may feel it is necessary to report a matter on a confidential basis. Any concerns about possible violations of the Code should be reported pursuant to the procedures outlined in the Code, which is available on the Company's website at www.rue21.com.

VII. ACCESS TO MANAGEMENT, EMPLOYEES AND INDEPENDENT ADVISORS.

Directors have full access to the Company's management and other employees. Directors may initiate any required meetings or contacts directly or through the Company's CEO, Secretary, or General Counsel. At the invitation of the Board or a Committee, members of management may attend Board or Committee meetings and make presentations. The Board and Committees have access to the Company's officers and employees and may retain independent legal, accounting or other consultants for advice without obtaining the approval of the Company in advance. The Company will pay the fees and expenses of such consultants.

VIII. BOARD COMMITTEES.

The Board has established the following three standing Committees to assist the Board in discharging its responsibilities: (i) the Audit Committee; (ii) the Compensation Committee; and (iii) the Corporate Governance and Nominating Committee. Each Committee has a written charter which is approved by the Board and describes the Committee's authority and responsibilities, qualifications for membership, procedures for appointment and removal and Committee operations and structure. Assignments to, and Chairs of, the Audit and Compensation Committees are recommended by the Corporate Governance and Nominating Committee and selected by the Board. The full Board elects the members and the Chair of the Corporate Governance and Nominating Committee. All Board members are welcome to attend any Committee meeting.

All Committees report their activities to the Board. Subject to applicable law and NASDAQ corporate governance rules, the Board may add new committees or eliminate existing Committees as it deems advisable. Additionally, each Committee may invite to its meetings any director, member of management of the Company and such other persons as it deems appropriate in order to carry out its responsibilities. Each Committee may also exclude from its meetings any persons it deems appropriate in order to carry out its responsibilities.

IX. BOARD COMPENSATION.

The Compensation Committee has responsibility for recommending to the Board compensation and benefits paid to non-management members of the Board, if any, including cash, equity-based awards and other compensation. In determining the non-management director compensation and benefits, if any, the Compensation Committee may seek advice from outside consultants and will consider (i) the amount that is adequate to compensate directors for the time and effort attending to their obligations on the Company's Board and Committees and (ii) the compensation and benefits offered by similarly situated retail companies to ensure that the compensation paid to the directors is reasonable and appropriate. The Compensation Committee will also consider issues raised with respect to a director's independence if compensation exceeds what is customary.

X. DIRECTOR ORIENTATION AND CONTINUING EDUCATION.

In conjunction with the Company's CEO and management, the Corporate Governance and Nominating Committee will be responsible for providing an orientation for new directors. This orientation will include familiarizing the directors with their responsibilities under applicable law and the rules of NASDAQ and briefing the directors on the Company's key policies and practices, strategic plans, financial performance and compliance programs. Members of senior management will also periodically provide directors with materials and update directors on subjects that would assist them in discharging their duties including new legal and regulatory developments relating to directors. Directors are encouraged to visit the Company's principal office in Warrendale, Pennsylvania and one or more of the Company's operations. The Corporate Governance and

Nominating Committee will also work with the CEO, management and other members of the Board to develop and/or recommend continuing education sessions or programs for directors that are practical and useful.

XI. ATTENDANCE AT THE ANNUAL MEETING.

The Board expects directors to attend the annual meetings of the Company's shareholders.

XII. MANAGEMENT PERFORMANCE EVALUATIONS AND SUCCESSION PLANS.

The Board is responsible for assuring that the Company has key management talent to pursue the Company's business plans and strategies. The Board will consider policies and procedures relating to management selection and performance reviews, as well as policies regarding succession in the event of an emergency or retirement of a key member of executive management.

XIII. ANNUAL PERFORMANCE EVALUATION.

The Corporate Governance and Nominating Committee is responsible for developing and leading an annual self-assessment of the Board's performance and working with the Chairs of each of the other Committees to design and coordinate the annual self-assessment of each such Committee. The Corporate Governance and Nominating Committee will report the results of such Board and Committee assessments to the full Board each year and make any appropriate recommendations to further enhance the Board's and/or applicable Committee's performance.

The Board, with the assistance of the Corporate Governance and Nominating Committee, will also review these Guidelines from time to time as necessary to determine whether any amendments are appropriate.

Last Revised February, 2012