

STAGE STORES, INC.
CODE OF ETHICS AND BUSINESS CONDUCT
(As of January 10, 2008)

INTRODUCTION

This Code of Ethics and Business Conduct (the "Code") is the basic set of policies and procedures governing the behavior of all directors, executive officers, and employees (each an "Associate" and collectively, the "Associates") of Stage Stores, Inc., and its subsidiaries and affiliates (collectively, the "Company").

It is the policy of the Company to adhere to the highest standards of business ethics in all of its business activities and practices. When Associates are engaged in any activity concerning the Company, its customers, its competitors, its suppliers, other Associates, its shareholders or the general public, they must maintain standards of uncompromising integrity and conduct themselves in a professional manner with a positive, supportive attitude about the Company.

Accordingly, for the mutual benefit of the Company and its Associates, the following policies and procedures have been developed. Associates are expected to understand and to comply with these policies and procedures.

Should you become aware of a breach or violation of this Code or any Company policy or procedure, you must report such actions to the supervisor in your area and/or the Company's Business Ethics Committee (the "Business Ethics Committee"). Any non-compliance with these policies and procedures may result in disciplinary action up to and including termination, as well as criminal or civil prosecution under applicable state or federal laws.

STANDARDS OF CONDUCT

All Company business will be conducted with honesty and integrity. No Associate shall engage in any activity related to Company business that is or gives the appearance of being illegal, unethical, inappropriate, or improper in any way.

If there are any questions related to this Code, they should be directed to the Business Ethics Committee.

The following summarizes activities that are not acceptable. The list is not meant to be all-inclusive. There may be other situations that could be considered as improper or unethical conduct.

- Stealing or unauthorized possession of Company money, merchandise, property or other assets
- Stealing from Associates or customers
- Negligence which results in damage to, or loss of, Company property, merchandise or cash
- Criminal activities, regardless of any connection with Company business
- Borrowing Company assets of any kind without prior approval of your immediate supervisor
- Abuse of discounts or unauthorized markdowns
- Falsification of Company books and records relating to sales, payroll, commissions, payments to governmental entities or officials, payments to agents, consultants, or representatives of the Company, contests, refunds, voids, signatures or authorizations or any other reporting related to the disposition of the Company's or an Associate's assets.
- Disclosing any confidential Company information to any unauthorized person, whether within or outside the Company
- Making false statements concerning the Company or its Associates, customers, vendors and suppliers,

- Possessing or using drugs or alcohol while at work, while conducting Company business elsewhere, or reporting to work or conducting Company business elsewhere under the influence of drugs or alcohol
- Possessing any firearms or other deadly weapons while on Company premises or while conducting Company business
- Accepting excessive gifts or gratuities from vendors, suppliers or others from any one person, company, vendor, supplier or entity since it could imply that it is the intent of such gifts or gratuities to wrongly or improperly influence a decision in their favor
- Failure to cooperate with investigations conducted by the Company's Loss Prevention Department or other Company officials
- Refusal to perform a reasonable job assignment which is not illegal, immoral, unethical or hazardous
- Discriminatory or disrespectful treatment, threats, harassment, abusive language, or other illegal or inappropriate behavior directed toward an Associate, customer, vendor or supplier

COMPLIANCE WITH THE LAW

The policy of the Company is one of strict compliance with all laws and regulations governing the conduct of Company business.

- All Associates are expected to have a working knowledge of permissible activities related to their work. If there are any questions regarding the legality of any action, an Associate should seek guidance from their supervisor, or, if necessary, from the Company officer responsible for the continuous review and interpretations of laws and regulations affecting Company operations, or from the Company's legal counsel.
- All Associates are required to conduct Company business in strict compliance with all laws and regulations, several of which are discussed below, regardless of the city, state, or country in which the Company operates.
- There may be laws, regulations and business practices in countries outside the United States which may differ from those in the United States. Associates must strictly comply with local customs, laws and regulations.
- As discussed in greater detail below, bribery or kickbacks, inside or outside the United States, are explicitly prohibited in all Company business transactions.

CONFIDENTIALITY

All Associates are expected to keep information concerning the Company's operations confidential and to avoid discussing any Company business with anyone outside the Company or outside the course of business, unless specifically authorized by the Company's senior management.

Associates are expected to keep their personal work information, including salaries, strictly confidential. Salaries may be discussed only with an Associate's direct supervisor or the Company's Human Resources Department. This includes not only information related to the Associate, but also to other Associates.

Associates are prohibited from sharing any company password with anyone for any reason. Associates who are asked to disclose their password must report the incident to Information Systems immediately. Associates must notify Information Systems of any suspected breach of any Company Information System.

ANTI-CORRUPTION POLICY

General Prohibition Of Improper Payments

Associates will deal with customers, suppliers, the governments of all jurisdictions in which it operates, as well as all other persons, in a straightforward and transparent manner. The Company strictly prohibits its Associates from influencing action, securing or directing business, or gaining any other advantage, by

giving or offering money, or other things of value, to any person located inside or outside the United States. Such conduct may result in an Associate's immediate termination from the Company, as well as potential criminal prosecution under federal and state anti-corruption laws.

Description of Anti-Corruption Laws

Commercial Bribery

In the U.S., a number of federal and state laws prohibit commercial bribery. For example, it is unlawful to pay anything of value as a commission or other compensation to an agent, representative, intermediary, or employee of another company, other than for legitimate services rendered in connection with the sale or purchase of goods or services. U.S. laws also prohibit engaging in a scheme to defraud another company of the honest and faithful services of its employees by giving such employees anything of value to influence their actions. Other countries have adopted similar commercial bribery statutes, and therefore, this Code strictly prohibits any and all commercial bribery by Associates regardless of geographic location or the laws of a particular jurisdiction.

Foreign Corrupt Practices Act

The Foreign Corrupt Practices Act ("FCPA") is one of many anti-corruption laws that Associates must adhere to. The FCPA prohibits, among other things, the giving or offering of money, or any other thing of value, directly or indirectly, to a Foreign Official for the purpose of obtaining or directing business, as well as for securing any other improper business advantage. This prohibition also extends to the payment or receipt of money, or anything else of value, to consultants, agents, representatives, or other intermediaries when the Associate knows or has reason to believe that some part of the payment, or thing of value, will be used as a bribe or otherwise to influence action or secure an improper business advantage.

"Foreign Official" means any officer or employee of a foreign government or any department, agency, or instrumentality thereof (which includes a government-owned or government-controlled state enterprise) or of a "public international organization," any person acting in an official capacity for or on behalf of a foreign government or government entity or of a public international organization, any foreign political party or party official, or any candidate for foreign political office.

Under a limited set of circumstances, it may be permissible under the Foreign Corrupt Practices Act to make facilitating payments, or provide gifts or entertainment, to a Foreign Official. Before taking such action, Associates are required to contact the Business Ethics Committee and obtain written approval.

A "facilitating payment" is a small payment to a Foreign Official to expedite or secure performance of a routine governmental action. Routine governmental actions are limited to ordinary, common, non-discretionary actions performed by a Foreign Official. For example, obtaining non-discretionary permits, licenses, or other official documents, obtaining entry or exit visas, providing police protection, and mail pick-up and delivery would likely be considered routine governmental actions.

Business gifts or entertainment of insubstantial value should only be provided to a Foreign Official if the gift or entertainment is: (1) directly related to either the promotion or explanation of the Company's products and services; (2) reasonable in light of customary gifts and entertainment; (3) provided for a purpose other than to induce a Foreign Official to misuse his/her official position; and (4) legal under the foreign country's written laws.

Improper Payments to Domestic Public Officials

Federal and state laws, as well as this Code, prohibit a broad range of improper payments to domestic public officials. A domestic public official means any officer (even if he/she has not assumed his/her duties), employee, or agent of any federal, state, or local government in the U.S.; a domestic public official also includes any candidate seeking to become an officer of a federal, state, or local government.

U.S. law prohibits (1) bribing a domestic public official, that is, offering or giving anything of value in exchange for an official act; (2) offering an illegal gratuity to a domestic public official, that is giving or offering anything of value because of the position of the domestic public official or unspecified action that he/she has previously performed or may perform at some future point; (3) supplementing the income of a domestic public official, that is, giving or offering anything of value to a public official without regard to the performance of an official act. In addition, each State has similar laws that prohibit bribing or making other types of improper payments to a domestic public official.

COMPETITIVE BIDDING INVOLVING GOVERNMENT ENTITIES

In addition, the Company frequently deals with governmental entities including school districts, counties, and cities, to provide these entities with the Company's exceptional products. Associates, and the Company's agents, representatives, and consultants, must abide by all rules and regulations associated with the process by which government contracts are procured. (i.e. Request for Proposal ("RFP" process)).

With regard to the RFP process, during the period between the RFP release date and the date of the contract award ("Silence Period"), Associates and/or Company agents are strictly prohibited from discussing or promoting the Company's proposal with **any** individual from the requesting governmental entity. The exceptions to the Silence Period are limited to inquiries, briefings, interviews, and presentations initiated or requested by the governmental entity.

Please also note that the Silence Period is not meant to preclude Associates or Company agents from discussing other matters with individuals from the requesting governmental entity. The Silence Period is intended to ensure a level playing field for the Company and its competitors with regard to the pending proposal.

CONFLICTS OF INTEREST

A conflict of interest is a divergence, or conflict, of the personal interest of an Associate, financial or other, and the interest of the Company.

All Associates shall ensure that they have no conflicts or interest, or appearances of conflicts of interest which can injure the Company. Guidelines apply to both Associates and their Immediate Family. As used in this Code, the term "Immediate Family" means an Associate's spouse, children, parents, siblings, mother-in-law, father-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law and anyone who resides in the Associate's home.

Neither an Associate nor their Immediate Family may have a personal financial interest or accept any payments whatsoever from the Company's competitors, suppliers, customers or those from whom the Company leases properties, unless previously approved in writing by the Business Ethics Committee.

Associates, including those who can commit Company funds, who are influential in determining how Company funds are expended, or who have authority to sell the Company's products, shall have no outside stock holdings or other investment that could create a potential conflict of interest. This would include ownership or other interest in enterprises that:

- SUPPLY the Company, directly or indirectly, with products or services
- BUY from the Company
- COMPETE with the Company

Exceptions include publicly traded mutual fund securities, or stock ownership in companies whose securities are publicly traded on a national securities exchange or otherwise widely traded, such ownership not to exceed 1% of a company's shares, unless prior approval is obtained from the Business Ethics Committee. These guidelines apply both to Associates and to their Immediate Families.

Examples of conflicts of interest by an Associate or their Immediate Families are as follows:

- Financial interest or ownership in any entity with which the Company competes or with which it does business
- Accepting payments, services, or loans not available to the general public, or rendering consulting services to persons or concerns dealing or contemplating dealing with the Company, or in competition with the Company
- Acting on behalf of, or advising a competitor, supplier, customer, lessor or lessee in dealings with the Company
- Active commitment of time devoted to the management of any other business which interferes with an Associate's normal work schedule or responsibility

An Associate may neither appropriate for their own benefit, nor divert to any other person or entity, a business or financial opportunity which the Associate knows, or reasonably could anticipate that the Company would have an interest in pursuing.

BUSINESS TRAVEL AND ENTERTAINMENT

Travel expense reimbursement is subject to the Associate providing accurate and complete documentation of the expense in accordance with the Company's Travel Policy and approval by management. Failure to comply with the Company's Travel Policy or misuse of Company travel funds may result in disciplinary action up to and including termination.

SOLICITATION AND CHARITABLE ACTIVITIES

Participation by Associates in civic or charitable activity is encouraged to the extent that such participation does not encroach significantly on the Associate's work time or impair their mental or physical ability to efficiently perform their duties with the Company.

These guidelines are to be followed:

- There will be no Associate related solicitation of any kind on Company premises during work time (i.e. Avon, Mary Kay or other business or charitable products)
- Third party solicitation or distribution of printed materials on Company premises is prohibited.
- Outside vendors are allowed on the premises by appointment only.

OUTSIDE EMPLOYMENT

The Company generally discourages outside employment by its salaried Associates. No outside employment of any kind, including consulting, will be approved which might subject the Company to criticism, establish a potential conflict of interest, or which will encroach upon reasonable work time, interfere with regular duties, or necessitate long hours which might adversely affect an Associate's working effectiveness. Becoming a compensated director or trustee of an outside organization requires the prior written approval of the Business Ethics Committee, with the exception of social, charitable, or religious organizations, residential cooperatives and condominiums and school boards.

GIFTS, LOANS AND ENTERTAINMENT

Associates are prohibited from directly or indirectly accepting gifts of cash or value from anyone having or seeking business with the Company, other than as described below.

Participation in business-related functions, including occasional reciprocal acceptance of meals is a normal and acceptable business practice. However, care should be exercised to make certain that these are necessary and that the value and frequency are not excessive under the circumstances.

Associates are prohibited from accepting vendor paid entertainment or other activities which are excessive, especially for vendor paid trips or visits to their facilities, unless such trip or activity furthers and is in the best interest of the Company and the Company's business and the Associate has prior written approval from an executive officer.

Examples of what excessive entertainment or activity is and is not acceptable:

- Vendor pays airfare, lodging, and meals for an Associate to visit their facilities, and also provides a trip to a hunting lodge. This is not acceptable since the vendor paid for the basic trip and the cost of the extra activity may be excessive.
- The Company pays for most, if not all, of the Associate's expenses. The vendor provides a meal and arranges for attendance at a regular season professional sports event. This is acceptable since the Company paid for most of the expenses of the trip and the additional activities would be of a relatively nominal value.

Associates are expected to use good judgment in determining what may be excessive entertainment. It is not possible to describe all examples of what is acceptable or excessive. If there are any questions related to the acceptance of extra-curricular activities paid by vendors, or assistance in determining what is "excessive" or "acceptable", Associates should direct these questions to and/or obtain prior written approval from their supervisor. Supervisors should direct questions and/or obtain approval from the Business Ethics Committee.

Nothing should be accepted which could impair or appear to impair an Associate's ability to perform their Company duties and to exercise their best business judgment in a fair and unbiased manner.

Associates may not personally benefit from any purchase of goods or services for the Company, except for goods and services that benefit all Associates or the Company as a whole.

Infrequent, nominal gifts from any single company, vendor, supplier or person may be accepted, provided that the Associate reports the gift or service to their supervisor and receives approval.

Acceptable gifts that are not viewed as excessive include:

- Flowers, fruit baskets, candy
- Novelty mementos (pens, logo planners, calendars, etc.)
- Occasional reciprocal meals
- Single bottles of liquor/wine
- Entertainment such as the theater or athletic event tickets

Prohibited gifts include, but are not limited to:

- Cash, checks, other negotiable instruments
- Hotel accommodations
- Airline or other travel tickets
- Free or discounted vendor merchandise

All gifts must be delivered to and accepted by Associates in their business offices or other normal work environment and are never to be sent to an Associate's home.

POLITICAL ACTIVITIES AND CONTRIBUTIONS

Because of the complexity of laws regulating Company political activities and contributions, it is the Company's policy to prohibit political contributions by the Company. No Associate has the authority to make or pledge political contributions for, or on behalf of, the Company. Prohibited political contributions

include cash, loan of Company personnel during paid working hours, purchase of tickets to fund raising activities, or payment for advertisements, printing or other campaign expenses.

Associates are encouraged to participate in political activities outside Company working hours and with their personal resources. However, any Associate wishing to become a candidate for public office, elective or appointive, must obtain prior written approval from the Business Ethics Committee.

USE OF PROPRIETARY, CONFIDENTIAL OR INSIDE INFORMATION

Until released to the public, unauthorized material information concerning Company business plans, financial information, successes or failures is considered “inside” information and is confidential. Disclosure of such information to an unauthorized Associate or to any other person or entity outside the Company violates this Code, the Company’s Insider Trading Policy, the Company’s Regulation FD Policy, the Company’s Securities Information Policy, applicable federal securities laws, and Securities and Exchange Commission rules and regulations.

In connection with trading of the Company’s securities, releasing material non-public information is a fraud not only against the Company, but also against members of the investing public, who might suffer by trading in the same market as the insider without the benefit of the confidential information which the insider possesses.

Particularly important are the “truth-in disclosure” and “anti-fraud” rules of the Securities and Exchange Commission which are primarily designed to protect the investing public. Under these rules, anyone who becomes aware of material non-public information is an “insider”. This includes not only Directors and executive officers, but also non-management Associates, their Immediate Families, and other persons outside the Company who become aware of material non-public information about the Company, directly or indirectly, whether from an Associate or otherwise. The rules prohibit insiders from trading in or recommending the Company’s securities while such inside information remains undisclosed to the general public. The rules apply to “material” non-public information. Under the federal securities laws, the term “material” is defined as information to which there is a substantial likelihood that a reasonable investor would attach importance in determining whether to buy or sell securities.

The Company’s compliance guidelines are as follows:

- Material non-public information may not be disclosed to anyone, except to persons within the Company whose positions require them to know, until the Company has publicly released the information.
- Associates or their Immediate Families may not place a purchase or sale order in the Company’s securities, including put or call options, if they become aware of material information concerning the Company which has not been publicly released (“Material Nonpublic Information”) and the public has had sufficient time to absorb the information, unless they have implemented a Rule 10b5-1 Trading Plan before becoming aware of the Material Nonpublic Information.
- Directors, Executive Officers, Senior Vice Presidents and Finance division officers may only trade the Company’s securities during specified Window Periods (including individuals with lock-up agreements, subsequent to the expiration of such agreements), unless they have implemented a Rule 10b5-1 Trading Plan before coming into possession of the material non-public information and before the closing of the Window Period. The period beginning with the third Saturday of the last fiscal four-week period of each of the Company’s first three fiscal quarters and the Saturday prior to the last weekend before Christmas with respect to the Company’s fourth fiscal quarter and in any event ending twenty-four (24) hours following the public disclosure of the financial results for that quarter is a particularly sensitive period of time for transactions in the Company’s securities. Accordingly, unless a person is exercising stock options under a Company stock option plan (but not selling the stock acquired), Associates or their Immediate Families who receive, or have access to, or otherwise become aware of, any Material Nonpublic Information must refrain from conducting transactions involving the purchase or sale of the Company’s securities other than during a period (a “Window Period”) indicated in green on the current Trading Window Calendar, as provided to

applicable Associates. The safest period for trading in the Company's securities, assuming the absence of awareness of Material Nonpublic Information, is probably during the first ten days of the Window Period.

- Window periods may be shortened or lengthened by the Company's Compliance Officer with appropriate notice to affected parties. Associates or their Immediate Families should not place orders for the purchase or sale of the securities of another corporation, the value of which is likely to be affected by actions of the Company of which the Associate or their Immediate Families are aware and which have not been publicly disclosed by the Company. For example, it would be a violation of the "anti-fraud rules" if an Associate or a member of their Immediate Family learned through Company sources of an action, pending or completed, with another company that had not been publicly disclosed and then bought stock in the other company because of the potential for increase in value of that company's stock.

Extremely severe criminal and civil sanctions against the Company and any involved Associate or member of their Immediate Family may result from violations of federal securities laws and Securities and Exchange Commission rules and regulations. Any infraction of the Company's policy of compliance will result in disciplinary action by the Company.

ANTI TRUST LAW COMPLIANCE

The Company believes in fair, lawful, and open competition and requires that its Associates must, at all times, comply with all applicable antitrust laws. Antitrust laws are complex and beyond the scope of this Code. Any activity with a competitor or a supplier in restraint of trade, such as price fixing, is illegal. Such activities as discriminatory pricing, terms, promotional allowances, services and facilities outside the normal course of business may violate antitrust laws. Volume discounts and other negotiating strategies conducted in the normal course of business do not constitute, by themselves, an antitrust law violation.

Extremely severe criminal and civil sanctions against the Company and any involved Associate and their supervisors may result from antitrust violations. Any infraction of the Company's policy of compliance will result in disciplinary action by the Company.

BOOKS AND RECORDS, RECORDING AND REPORTING INFORMATION

It is Company policy, as well as a requirement of law and generally accepted accounting principles, that the recording of the results of the Company's operations be maintained in books, records and accounts, which, in reasonable detail, accurately and fairly reflect the business transactions and disposition of assets of the Company. No Associate is to take or permit to be taken any action whereby the Company's books and accounts would not accurately, fairly and completely reflect the action taken. No false or misleading entries shall be made in any books or records of the Company for any reason, and no fund, asset or account of the Company may be established for any purpose unless such fund, asset or account is accurately reflected in the books and records of the Company.

Internal accounting controls must be sufficient to provide reasonable assurances that transactions are executed in accordance with appropriate management authorization; that transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain accountability for assets; that access to assets is permitted only in accordance with proper management authorization; and that the recorded accountability is compared with existing assets at reasonable intervals and differences, if any, are investigated.

All records, including employment and payroll, financial data, checks and payments, as well as other essential data, must be prepared with accuracy and care.

Dishonesty or carelessness in recording or reporting of information, either inside or outside the Company, is not only strictly prohibited, but could result in civil, or even criminal, liability for the Associate and the Company. This Code is intended to cover impropriety related to accounting, internal accounting controls, and non-accounting matters.

Examples of activities specifically prohibited by Company policy:

- No false or artificial information shall be recorded for any reason.
- Associates are prohibited from making false or misleading statements in connection with any audit or examination of the Company's financial statements and records, business operations, and compliance with laws or regulations.
- Associates are personally accountable for Company funds over which they have control. No payments shall be made, or invoice issued on behalf of the Company, with the intention or understanding that any part of such payment or receipt is to be used for any purpose other than that described in the supporting documents.
- No secret funds or unrecorded or undisclosed accounts shall be maintained or established for any purposes.
- Falsification of, or tampering with, any Company related records or documents including, but not limited to, reports, time records and/or applications is prohibited.

INFORMATION SYSTEMS POLICIES (INTERNET AND/OR EMAIL) (Full policy is located in Policy & Procedure Manual/Intranet)

The Company Internet and Email is to be used in a manner that is consistent with the Company's standards of business conduct and as part of the normal execution of an Associate's job responsibilities. All email messages are the property of the Company, and there are no private property rights, nor right to privacy in any such information of any Associate. Usage will be monitored for excessive or inappropriate activity. Violations of this policy can lead to revocation of system privileges and/or disciplinary action, including termination.

EQUAL OPPORTUNITY (Full policy is located in Policy & Procedure Manual/Intranet)

The Company fully supports the principle of equal opportunity in employment (EEO). Each of the Company's facilities and stores is committed to a policy of fair employment, including equal treatment in hiring, promotion, training, compensation, termination and disciplinary action. As part of carrying out this policy, the Company complies with all governmental regulations and procedures.

Federal law prohibits discrimination in employment on the basis of race, color, gender, age, religion, national origin or handicapped or veteran status. Discrimination is illegal and inappropriate and can expose the Company to substantial liability and unfavorable publicity. The Company requires that all Associates adhere to Equal Opportunity laws and related Company policies. Any Associate who believes they or any co-worker is being subjected to discrimination should report the alleged act immediately to their direct supervisor and/or the Company's Human Resource Department.

SUBSTANCE ABUSE (Full policy is located in Policy & Procedure Manual/Intranet)

The Company is committed to providing a safe, healthy and secure work environment, and all Associates are expected to help maintain an environment that is free from alcohol and drug abuse.

Associates are prohibited from using, possessing, manufacturing or transferring alcohol, drugs or other controlled substances on Company property or in Company vehicles. Misuse of prescription drugs is also considered to be a violation of this policy. Violations will result in removal from the work site and disciplinary action, up to including termination for the first violation.

Any Associate convicted of violating federal or state laws against the use, transfer or possession of illegal drugs or controlled substances on Company property, or in Company vehicles, or while conducting Company business is considered to have violated Company policy. Associates are required to report any such convictions to management within five days of the convictions and are subject to disciplinary action, up to and including termination.

FIREARMS (Full policy is located in Policy & Procedure Manual/Intranet)

Company policy specifically prohibits the possession of firearms or other deadly instruments on Company premises or vehicles, or during paid working hours, regardless of whether the possessor has permits or licenses. Any Associate in violation of this policy is subject to disciplinary action, up to and including termination.

NON- HARASSMENT (Full policy is located in Policy & Procedure Manual/Intranet)

Company policy prohibits any Associate, male or female, from engaging in any conduct which harasses (sexually or otherwise) another Associate or violates any laws or regulations related to harassment. Examples of harassment conduct include, but are not limited to, the following:

- Making unwelcome sexual advances or requests for sexual favors or other verbal or physical conduct of a sexual nature a condition of an Associate's continued employment
- Making submission to or rejections of such conduct the basis for employment decisions affecting the Associate
- Creating an intimidating, hostile or offensive working environment by such conduct

Supervisors and/or managers will not initiate or maintain romantic or overly close social relationships outside the scope of normal business activities, with any other associate in their same store or work unit who is under their supervision, either directly or indirectly. Even though such relationships may not constitute sexual harassment, they may suggest preferential treatment for the individual(s) involved and therefore should be avoided.

Any Associate who believes they or any co-worker is being subjected to any form of harassment should report the alleged act immediately to their direct supervisor and/or the Company's Human Resources Department. The Company will make every effort to keep all matters related to the investigation as confidential as possible and will not tolerate retaliation against any Associate alleging harassment.

POLICY REGARDING GENERAL BUSINESS CONDUCT, MAJOR EXPENDITURES AND REQUIRED LEGAL REVIEW

Associates who enter into contracts on the Company's behalf must have proper authorization, including legal review as required by the Company's Policy Regarding General Business Conduct, Major Expenditures and Required Legal Review, prior to the execution of any contract.

POLICY REGARDING MERCHANDISE PURCHASES FOR RESALE, GENERAL BUSINESS CONDUCT, TRADEMARKS, AND REQUIRED LEGAL REVIEW

Associates who enter into contracts or agreements related to the purchase of merchandise for resale must follow the requirements of the Company's Policy Regarding Merchandise Purchases for Resale, General Business Conduct, Trademarks, and Required Legal Review.

COMPLIANCE PROCEDURES

A copy of this Code shall be delivered to each new Associate at the time of their employment or other association with the Company and at the time of their promotion. Each designated key Associate (store manager and above) will sign a letter of certification acknowledging receipt and understanding of this Code. This certification letter will be kept in the Associate's personnel file.

At the beginning of each fiscal year, these key Associates will receive a certification letter outlining the major requirements of this Code. The Associate will sign the letter acknowledging their understanding and compliance with all requirements of this Code and return the certification letter to the Company's Human Resources Department for filing in the Associate's personnel file.

REPORTING OF VIOLATIONS

In General. The Company has strived to explain the basic principles of ethics and business conduct; however, it is not possible to cover the infinite variety of situations to which the policies apply. For this reason, the Company has established a Business Ethics Committee to advise and assist Associates on matters related to interpretation of business ethics. The Business Ethics Committee consists of the Senior Legal Counsel, the Senior Human Resources Officer, the Director of Associate Relations and the Chief Financial Officer of the Company.

Acts and practices which are in violation of this Code, including concerns regarding questionable accounting or auditing matters, may harm the reputation of the Company and its Associates; thus the individuals responsible for the management of the Company must be kept informed of any such violations. Concealment from management of any questionable or inappropriate conduct or violation of this Code may be considered by others as a signal that the Company's policies may be ignored. Such conduct will not be tolerated.

Duty to Report; Confidentiality. If an Associate is or becomes aware of any violation of this Code or any other Company policies by other Associates, it is the Associate's responsibility to report it. If the reporting person fears reprisals, this concern should be expressed at the time of the report. In such circumstances, the identity of the reporting person shall be kept in the strictest confidence. Retaliation against an Associate who has reported what they believe to be a violation of Company policy, ethics or any other part of this code is strictly prohibited. Any Company Associate guilty of such retaliation will be subject to disciplinary action, leading up to and including termination of their employment.

Reporting of Non Accounting Matters. Any complaints or concerns an Associate may have regarding non-accounting matters should be communicated to the Company officer in his or her area and/or the Business Ethics Committee. If the complaint or concern relates to the Company officer in the Associate's area it should be communicated to any of the following:

| | |
|-----------------------------------|---------------------|
| Senior Legal Counsel | 713-663-9813 |
| Chief Financial Officer | 713-663-9804 |
| Senior Human Resources Officer | 713-669-2868 |
| Director of Associate Relations | 713-669-2691 |
| Anonymous Ethics Hotline * | 888-633-6539 |

* The Anonymous Ethics Hotline (also referred to as "Key-Line") is maintained by an independent third party, and is available 24 hours a day, 7 days a week. If you feel that normal company communication channels are not appropriate, you are encouraged to anonymously report any suspected illegal activity or violation of this Code to the Anonymous Ethics Hotline.

If the complaint or concern relates to a member of the Business Ethics Committee, the matter should be communicated directly to Mr. Martin Stringer, outside general counsel, at 405-552-2284 or by email at martin.stringer@mcafeetaft.com.

Reporting of Accounting Matters. Any complaints or concerns an Associate may have regarding accounting, internal accounting controls or auditing matters should be communicated directly to the Company's Audit Committee. You should initiate this contact by calling Mr. Martin Stringer, outside general counsel, at 405-552-2284 or emailing him at martin.stringer@mcafeetaft.com.

CONSEQUENCES OF VIOLATIONS

In the event of violations of this Code or other Company policy, Associates may be subject to disciplinary action, up to and including termination.

**CODE OF ETHICS AND BUSINESS CONDUCT
ACKNOWLEDGEMENT**

I have read and understand the Code of Ethics and Business Conduct (the "Code") dated as of January 10, 2008, including but not limited to the section of the Code, "Reporting of Violations", which specifically refers to reporting any violation of others with regard to the Code and I understand the proper procedure for reporting of violations.

So long as I am an associate of Stage Stores, I will conform in all respects with the intent and spirit of the Code. Should I be in doubt as to whether I am in conformity, I will immediately disclose the facts to the appropriate Executive Officer or the Corporate Business Ethics Committee and take whatever action is necessary to comply with policy. As of this date, I have notified the Business Ethics Committee of any non-conformity with policy (If not, please detail any such non-conformity on an attachment to this statement.). I further agree that after my employment with the Company terminates, I will not disclose or use any inside or confidential information or trade secrets concerning, belonging to or developed by or for the Company.

Print Name (First Name, Initial, Last Name)

Associate Number

Date

Associate's Signature

Store Location Number
or Department

Please sign and return this page to Human Resources - Houston