

Code of Business Conduct and Ethics

The Talbots, Inc.

TALBOTS

Last Updated 05/22/12

**To all Associates, Officers and Members of the Board of Directors
From Trudy F. Sullivan, President and CEO**

Each one of us plays an important role in promoting and protecting the reputation of our Company. To that end, maintaining the highest level of honesty, business ethics and integrity is essential—in each meeting we conduct, through our interactions with customers or suppliers, in every contract we negotiate or strategy we implement. In an environment that is constantly changing, our commitment to honesty, business ethics and integrity will help assure our continued success as a company.

All associates must conduct themselves according to the guidelines described in this **Code of Business Conduct and Ethics** (“this Code”) and must avoid even the appearance of inappropriate conduct. We will provide this Code to and expect it to be followed by all associates.

This Code covers a wide range of business practices and procedures, but does not cover every issue that may arise. Its purpose is to set out basic principles and policies. This Code is designed to give you a clear and broad understanding of the conduct expected of every associate across all levels, divisions and brands—that is, to promote ethical and honest behavior and integrity in all matters, deter wrongdoing, and at all times maintain the confidence of our shareholders, our customers and the outside community in all situations within reasonable control. It also describes a few of the many laws and regulations that affect our Company, as well as internal reporting, compliance and accountability for adherence to this Code.

No code of business ethics and conduct can replace the thoughtful behavior of an ethical associate. The purpose of this Code is to guide you to recognize and deal with ethical issues, to provide mechanisms on reporting non-compliant conduct and to further foster a culture of honesty, integrity and accountability within our organization.

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To Report Suspected Violations of the Code

1-800-932-5378

The Reporting Helpline is staffed by a live operator from an outside company 24 hours a day, 7 days a week. Calls are confidential and may be made anonymously.

It is important to report all violations or suspected violations of the Code. If you suspect a violation, contact the Internal Audit Department, the Legal Department or the Human Resources Department, or, if you wish to report the matter on an anonymous basis, the Reporting Helpline. Be assured that the Company does not tolerate retaliation or reprisal against an associate for making good faith reports regarding violations or suspected violations of this Code.



CODE OF BUSINESS CONDUCT AND ETHICS

This Code of Business Conduct and Ethics (the “Code”) applies to all Talbots employees, officers and Board members (sometimes referred to collectively as “associates”). The Talbots, Inc. and each of its subsidiaries will be collectively referred to as the “Company” or “Talbots”.

ABOUT THE CODE

Your Responsibilities

The Company’s business and reputation are dependent upon the integrity and high ethical standards of each associate. You are responsible for reading, understanding and complying with this Code and the Company’s Rules of Conduct (a copy of which is attached to this Code as Exhibit A). You are also responsible for knowing and following the laws and policies that relate to your position and responsibilities. This Code is subject to change, as laws or Company practices change, and will be updated accordingly. You are responsible for regularly checking the Company’s website for revised versions of this Code and informing yourself of these changes.

Although this Code addresses a number of issues, it does not attempt to encompass all possible situations. When in doubt, seek guidance from the Internal Audit Department, the Legal Department or the Human Resources Department (see page 13 for contact information). In general, you should take the following approach to a new question or problem:

- Make sure you have all the facts
- Ask: What am I being asked to do?
- Clarify your role and your responsibilities: Am I authorized to do this?
- Ask: Is this the right thing to do? Is this legal?

Additional Information

The Company offers many resources for associates to contact. If you have any questions or doubt the propriety or legality of any activity in which you are engaging or are about to engage, you should speak to the Internal Audit Department, the Legal Department or the Human Resources Department **before proceeding** (see page 13 for contact information).

Discipline for Violations

Any associate who, in the opinion of the Company, violates any of the provisions of this Code shall be subject to disciplinary action, which may include a letter of reprimand, demotion, suspension, termination of employment and/or legal proceedings. Be aware that violations of this Code include not only personal violations, but also asking others to violate the Code, failing to report a known violation and failing to cooperate in a Code investigation. Additionally, when certain activities, investments and interests of an associate are prohibited by this Code, they include not only those in which an associate might personally engage, but also those in which an associate may be interested indirectly (e.g. through his or her spouse or other immediate family members).

Reporting Violations of this Code or the Law

Associates must, on a good faith basis, report or cause to be reported information they have relating to any of the following:

- a violation or suspected violation of this Code or the law;
- any improper, inaccurate or misleading information included or to be included in any Company public communication, SEC filing or financial statement;
- questionable accounting, auditing, financial reporting or internal controls;
- any suspected fraud or theft, or improper use of Company assets; and

- any claims of retaliation or change in employment status that might constitute retaliation against any person reporting any of the above matters.

Any of the above matters should be reported to the Internal Audit Department, the Legal Department or the Human Resources Department, or, if you wish to report the matter on an anonymous basis, to the Reporting Helpline (see page 13 for contact information). Each report will be thoroughly investigated.

If your report concerns questionable accounting, auditing, financial reporting or internal controls matters and in good faith you believe that management or the Company has not responded or will not respond in an appropriate manner or with appropriate action to the report or complaint, you may report directly to the Audit Committee of the Board of Directors by using the e-mail address provided in the “Company Resources” section on page 13. The Audit Committee has a central role in the investigation and resolution of complaints and issues raised by submissions which relate to these matters.

All associates have a responsibility to assist and cooperate in any investigation of any of the above matters, whether involving a report or information submitted by you or by anyone else. You must always be truthful and forthcoming during the course of these investigations. If you are contacted by external legal authorities, ***you must immediately contact the Legal Department.***

No Retaliation

The Company does not tolerate retaliation or reprisal against an associate for making good faith reports regarding violations or suspected violations of this Code or the law. To the extent possible, the Company will seek to protect the confidentiality or anonymity of anyone initiating a report or cooperating in any investigation. Retaliation, retribution or harassment against any associate making good faith reports is prohibited and is grounds for discipline, up to and including termination of the offending party. If you believe that you are the subject of retaliation or that your job status has been adversely affected as a result of reporting under this Code, you should contact the Legal Department.

Protected Activity under the National Labor Relations Act

Nothing in this Code of Business Conduct and Ethics limits an employee’s right to engage in protected activity under the National Labor Relations Act. Under the National Labor Relations Act, employees have the right to form, join or assist labor organizations; to choose representatives to bargain with the Company on your behalf; to act together with other employees for mutual benefit and protection; and to choose not to engage in any of these protected activities.

COMPLIANCE WITH THE LAW

You are obligated to comply with all federal, state and local laws, rules and regulations of the U.S. or the province and country in which you are located or where you are a guest. You should become generally aware of and understand the laws and regulations that affect your job performance, even if these laws and regulations are not listed below. If you have any questions about the laws and regulations that affect your job, you should contact the Legal Department for guidance.

While each and every law and regulation with which the Company must comply cannot be described, a few examples are listed below:

Export and Import Laws

Associates involved with importing or exporting goods among various countries must be knowledgeable about and comply with relevant legal requirements.

Anti-Boycott Laws

By law, the Company's associates and agents may not support or cooperate with an unsanctioned boycott of a country that is "friendly" to the United States. If you learn of a boycott of a country that is "friendly" to the United States, contact the Legal Department, as the Company may have an obligation to report such information to the U.S. government.

Wage and Hour and Other Labor Laws

All associates must fully comply with all applicable laws and regulations relating to the payment of wages, overtime, time off, prohibitions and limitations on the employment of minors, employment of aliens and related topics. The laws in this area are very complex, and they vary from state-to-state (and country-to-country). The Company has adopted policies to ensure its compliance with these laws and regulations. Generally, you should follow these guidelines:

- You must record all time worked exactly as it occurred.
- You must not allow a fellow worker to complete your time records for you.
- Associates must be given appropriate meal and rest breaks.

Antitrust Laws

Very complex antitrust laws prohibit making agreements with competitors or customers to limit competition or sharing information, such as pricing information, that may limit or restrict competition. To prove an antitrust violation, the government or private litigant does not have to demonstrate that the parties had a written agreement to limit or restrict competition. Violations can be inferred from the parties' conduct. Therefore, you should not have any contact, whether direct or through others, with any competitor about the pricing of our products, the timing or content of our sales events, or any aspect of the Company's channels of distribution.

Foreign Corrupt Practices Act

The Company will not authorize or condone any payment by an associate which is in the nature of an undisclosed commission, kickback or bribe to a third party for bestowing any special favor on the Company. Additionally, no payment may be made to any sales agent, consultant or other independent third party with the intent or understanding that any part of such payment is to be used for any purpose, or remitted to any other person or entity, other than as described by the invoice or document supporting the payment. These restrictions apply to all associates, regardless of their geographic location, because certain U.S. laws impose standards on the Company's conduct of its business throughout the world.

Securities Laws and Insider Trading

U.S. federal and state securities laws, the Securities and Exchange Commission ("SEC") and the New York Stock Exchange ("NYSE") impose laws, rules and regulations regarding the use and public

disclosure of corporate inside information (“nonpublic information”). The purpose of these regulations is to protect the interests of the Company, its shareholders and the investing public by providing them with timely, complete and accurate information about corporate developments which might affect the value of our stock. These laws, rules and regulations require the Company, its officers, directors, associates and agents to ensure that information about the Company is not used impermissibly in connection with the purchase and sale of our stock. Violations of securities laws can result in substantial civil and criminal prosecution as well as fines and penalties.

Insider trading is illegal, and includes such activities as buying or selling stock when you have material, nonpublic information about that company. The following principles address activities that raise concerns regarding insider trading and are therefore prohibited:

- You may not buy or sell Talbots stock at any time when you possess material, nonpublic information concerning the Company, or during any applicable “blackout period” (when trading in Talbots stock is prohibited) established by the Company from time to time.
- Associates trading in Talbots stock while in possession of material, nonpublic information concerning the Company or providing nonpublic information to others so that they may trade in Talbots stock is illegal and could result in civil and criminal prosecution and penalties.
- Material information is any information that could be considered important by a person in deciding whether to trade in a company’s stock. Examples include: information relating to sales, inventory, margins, earnings, significant proposed acquisitions, planned stock splits, proposed changes in dividends and other information that has the potential to affect the stock price of Talbots or another company. As a general rule, if the information is of the type which may impact the stock price of Talbots’ shares, it is probably material information.

Harassment and Discrimination

The Company is committed to providing equal employment opportunity to all associates and applicants for employment, without regard to an individual’s status in a protected class and with respect to all terms and conditions of employment. The Company is also committed to providing its associates with a work environment that is free from unlawful harassment, including sexual harassment. You are responsible for reading and complying with the Company’s Equal Opportunity and Anti-Harassment Policy, a copy of which is available on TalbotsNet.

Complaints to Government Agencies

Occasionally, an applicant, customer or current or former employee may file – or threaten to file – a complaint against the Company with the government. If you are notified about such a complaint, immediately call the Human Resources Department or the Legal Department. Neither your supervisor nor the Company are permitted to take any action against you for either making or reporting such a complaint. You must refer all questions or inquiries from outside attorneys or regulators to the Legal Department.

Health and Safety

The Company strives to provide each associate with a safe and healthy work environment. Each associate shares responsibility for maintaining a safe workplace by following safety and health rules and practices and immediately reporting accidents, injuries and unsafe equipment, practices or conditions.

Threats or acts of violence or intimidation made by associates or other representatives of the Company are prohibited. Associates must report to work and must perform their business activities for or on behalf of the Company in condition to perform their duties, free from the influence of illegal drugs or alcohol.

Competition and Fair Dealing

The Company seeks to outperform our competition fairly and honestly and seeks competitive advantages through superior performance, never through unethical or illegal business practices. Each associate should deal fairly with the Company’s customers, suppliers, competitors and other associates.

No associate should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other intentional unfair-dealing practice.

As we expect others to recognize the legal rights we have in our brands and designs, we respect the legal rights others have in their brands, designs, software, articles and other legally protected materials.

Social Responsibility

It is the Company's policy to conduct business ethically, in accordance with the principles set forth in this Code and in our Supplier Code of Conduct, and with respect for the environment in which we live and work. In selecting third party suppliers to produce our merchandise, we seek to work with companies that operate in a socially responsible manner, meet their legal obligations to their employees, and respect our Supplier Code of Conduct. We reserve the right to assess our suppliers' compliance with their legal obligations and our Supplier Code of Conduct, and to take whatever action is necessary to protect our business interests, including terminating business relationships and contracts with suppliers.

CONFLICTS OF INTEREST

A conflict of interest exists when a person's private interest interferes in any way with the interests of the Company. For example, an outside interest or relationship which would or could have an adverse effect on the Company (or on the associate's business judgment) constitutes an unacceptable conflict of interest, as does any dealing for personal profit or gain on the basis of inside knowledge or confidential information obtained in the course of employment. Associates must not engage in any business activity, employment or outside interest that interferes with their duties to the Company, divides their loyalty or creates an actual or apparent conflict of interest. All associates have a responsibility to act in accordance with the best interests of the Company.

The best policy is to avoid any direct or indirect business connection with the Company's customers, suppliers or competitors, except on behalf of the Company.

General Principles

The following principles address some activities that generally constitute conflicts of interest, and thus are prohibited:

Using Company Information for Personal Benefit

- Associates may not use a Company supplier for personal benefit, unless the supplier's product or service is available at the same cost to the general public.
- Personal exploitation of a corporate opportunity is prohibited, such as the purchase of property or investment in an enterprise in which the Company has an existing interest, or in which an associate has reason to believe the Company may have prospective interest, unless you obtain the prior written approval of Talbots COO and CFO or Executive Vice President, Real Estate, Legal, Store Planning & Design and Construction.
- Any other dealing for personal profit or gain based on inside knowledge or confidential information obtained in the course of employment concerning the business of the Company is prohibited, such as acquisitions, financial projects, new products or any other developments.

Outside Employment Opportunities

- Associates may not work simultaneously for (or affiliate in any capacity with) an actual or potential supplier, competitor or other third party with whom the Company has, or may reasonably expect to have, a business relationship, as an employee, officer, director, representative or in any other capacity, without approval from Talbots Vice President, Human Resources.
- Except as otherwise prohibited by the previous bullet-point, associates may engage in other employment opportunities, **but only if such opportunities do not interfere with the proper performance of that associate's duties and obligations to the Company.**

Financial Interests in Third Parties

- Associates and members of their family may not invest in any of the Company's actual or potential vendors, suppliers, competitors or other third parties with whom the Company has, or may reasonably expect to have, a business relationship, unless the investment: (1) is in a publicly traded security; (2) is on the same terms that are available to the general public, is in accordance with applicable securities laws and is not based on any inside information; (3) will not have substantial effect on the Company's performance; and (4) does not constitute 1% or more of any class of the company's stock.
 - The term "investing" includes investments in stocks, bonds, options and loans.
 - Exceptions may be made on a case-by-case basis by Talbots COO and CFO or Executive Vice President, Real Estate, Legal, Store Planning & Design and Construction to allow for investments or rights an associate acquired prior to the commencement of his or her employment at the Company.

- Associates may not compete with the Company (directly or indirectly).
- An associate may not have a financial interest in a transaction between the Company and a third party – even an indirect interest through, for example, a family member – unless you have disclosed it to and have obtained the prior written approval of Talbots COO and CFO or Executive Vice President, Real Estate, Legal, Store Planning & Design and Construction.

See “Protected Activity under the National Labor Relations Act” on page 2.

Gifts and Entertainment

The Company selects suppliers and vendors on merit, considering among other things, price, quality and reputation. In some situations, declining a gift may insult the giver, and it may be appropriate to accept a gift of nominal value. On the other hand, receipt of a gift can create a conflict of interest or the appearance of a conflict of interest. The following are some general guidelines regarding gifts and entertainment:

Gifts

- You must not solicit or accept (directly or indirectly) from any actual or potential supplier, vendor, competitor or other third party with whom the Company has, or may reasonably expect to have, a business relationship, any bribe, commission, kickback, gratuity or gift, except for personal, non-cash gifts of nominal value (defined as less than or equal to \$100.00 (USD)) or customary and normal entertainment.
 - You must advise your supervisor of **all** gifts received from such third parties.
 - If the gift is greater than \$100.00 (USD), you must also notify your Director; the Director will decide if the value of the gift is excessive and will determine the ultimate disposition.
 - The above rules also apply to prizes and gifts won or given at supplier-paid events.

Entertainment

- Associates may, with the knowledge of his or her Director, accept occasional meals or other forms of reasonable entertainment (such as invitations to a sporting event) from suppliers or vendors as a courtesy extended during the normal course of business, provided the entertainment is not offered to influence your business decisions.

Tough Topics

Q: One of our vendors offered me a gift (with a value of around \$200 (USD)). In her country, it is an insult to reject such a gift. What should I do?

A: Because the value of the gift exceeds \$100 (USD), you must notify your Director. In seeking this approval, you should explain that this type of gift is customary and rejection of such gift may be viewed as an insult. Your Director will then determine whether the gift may be accepted. Whether it can or cannot be, be sure to express gratitude for the gift on behalf of the Company.

You must comply with this policy on gifts and entertainment even if a gift or payment is prohibited by this Code but is otherwise allowed under the laws of a foreign country.

Solicitation

Solicitation by associates is prohibited during working time. This policy applies where either the solicitor or the individual being solicited is on working time and encompasses solicitation by associates for money, memberships, subscriptions, signatures, etc., on behalf of any person, group, society, organization, religious or charitable body, political body or similar association. Distribution of literature (including, without limitation, e-mails) by associates is prohibited in work areas at all times.

Solicitation by non-employees or distribution of literature by non-employees on Company premises is prohibited. It is the Company’s policy to limit access of the premises to associates and vendors; anyone else, except our express invitees, will be considered a trespasser.

Company Officers — Company Transactions

The Board of Directors or a designated committee of the Board must approve the CEO's direct or indirect financial interest in any transaction involving the Company. The CEO, Senior Vice President, Investor and Media Relations and the Legal Department must approve any direct or indirect financial interest of any of the Company's Executive Officers in any transaction involving the Company. Talbots COO and CFO and the Legal Department must approve any direct or indirect financial interest of any of the Company's Senior Vice Presidents or Vice President, Financial Planning and Analysis in any transaction involving the Company. Either Talbots COO and CFO or the Legal Department must approve any direct or indirect financial interest of any of the Company's other Vice Presidents in any transaction involving the Company.

Loans and Travel Advances

Loans from the Company to directors and executive officers of the Company are prohibited in accordance with applicable federal law. Talbots COO and CFO and Senior Vice President, Human Resources must approve any loan from the Company to other associates.

The Company may advance cash, reasonable in relation to the anticipated expenses, to associates in accordance with Company policy to cover reimbursable travel and similar expenses incurred while performing authorized activities for a business purpose on behalf of the Company.

COMPANY INFORMATION AND ASSETS

Protecting Company Information

All associates have an obligation to safeguard the Company's confidential information (see page 12 for a definition of "confidential information"), including information entrusted to the Company by its customers, vendors and suppliers. Associates must preserve confidential information even after their employment or other relationship with the Company ends. Do not disclose nonpublic information to anyone outside the Company, except when disclosure is required or appropriate for business purposes and appropriate steps have been taken, such as through the execution of a nondisclosure agreement, to prevent misuse of the information.

Media Requests

All inquiries from financial analysts or the media should be referred to Talbots Senior Vice President, Investor and Media Relations or Vice President, Public Relations.

Protecting Personal Data

The Company respects and values its associates' and customers' privacy, and we expect our associates to do the same. As an associate, it is your responsibility to respect the privacy of fellow associates and our customers. You should use and maintain personal data with care and respect, while guarding against inappropriate access and disclosure. You should not use any personal data for personal benefit or in any other inappropriate way.

Nothing in this Code of Business Conduct and Ethics is intended to limit an associate's right to communicate with employees or other regarding their wages, benefits or other terms and conditions of employment.

Protection and Proper Use of Company Assets

Company assets, including its proprietary information, are to be used to advance the Company's business. Associates should protect the Company's assets and ensure their efficient use. Theft, carelessness and waste have a direct impact on the Company's profitability. You should report immediately any suspected incident of fraud or theft.

Use of E-mail and Internet Services

E-mail messages, voice mail and computer information are considered Company property and associates should not have any expectation of privacy. Unless prohibited by law, the Company reserves the right to monitor, access and disclose this information as necessary for business purposes or as the Company otherwise deems appropriate.

The Company's e-mail system and Internet services are provided for work related purposes and not for personal matters. Incidental and occasional personal use is permitted, but is not permitted for any purpose inconsistent with this Code. Do not access, send or download any information that is illegal or could be insulting or offensive to another person, such as sexually explicit messages, cartoons or jokes, unwelcome propositions, ethnic or racial slurs or any other message that could be viewed as harassment.

Use good judgment, and do not access, send a message or store any information that you would not want to be seen or heard by other individuals. Violation of these policies may result in disciplinary actions up to and including termination of employment.

Online Forums

To avoid the actual and perceived improper use of Company information and to avoid any impression that statements are being made on behalf of the Company, unless approved by the Corporate Governance and Nominating Committee, no member of Company Leadership (as defined below) may make any posting to any non-Company-sponsored internet chat room, message board, web log (blog) or similar forum, concerning any matter involving the Company, its competitors or vendors, either under their name, anonymously, under a screen name or communicating through another person. Violation of this policy will be grounds for dismissal. For purposes of this paragraph, "Company Leadership" includes the Company's directors and executive officers.

COMPANY RECORDS

Disclosure, Financial Records and Accurate Record-Keeping

The Company requires honest, accurate and timely recording and reporting of information in order to make responsible business decisions and to comply with SEC and stock exchange disclosure obligations. All of the Company's books, records, accounts and financial statements—including time sheets, sales records, tax returns and expense reports—must be complete, accurate and in accordance with all applicable laws and the Company's system of internal controls.

Tips
Business records and communications, including e-mails, internal memos and reports, often become public, and so we should avoid exaggeration, derogatory remarks, guesswork or inappropriate characterizations of people and companies.

You must:

- comply with the Company's policies to ensure that all transactions are properly authorized;
- comply with all required accounting policies;
- correctly and accurately identify and record all assets, liabilities, income, expenses and revenues;
- respond fully and accurately to internal and external auditors;
- record and classify transactions in the appropriate accounting period and in the appropriate account and department;
- provide and disclose information concerning all Company transactions, assets and obligations that is truthful and accurate and does not omit a fact that would alter the public's understanding or perception of the information—unrecorded and other "off the books" agreements are not permitted; and
- support required estimates and accruals by appropriate documentation, based on good judgment.

You must not:

- make any knowingly false or misleading accounting entries;
- make any knowingly false or misleading statements to internal or external auditors or to the finance staff or knowingly conceal, omit or hold back information necessary to make the statements meaningful or truthful; or
- withhold information, books and records from internal or external auditors or from the finance staff.

Employment Records

The Company keeps employment records for all associates. The Human Resources Department maintains the *official* employment records and endeavors to ensure they are handled in a confidential manner. All internal and external requests for information from an associate's employment record (former or current) must be forwarded to the Human Resources Department. **Under no circumstances is a member of management/supervision allowed to respond to such inquiries.**

Retention of Records

Retain or discard records in accordance with the Company's policies on record retention. If you become aware of a threatened or pending litigation or governmental investigation, immediately consult with the Legal Department or Internal Audit Department about the retention of records.

POLITICAL AND CHARITABLE ACTIVITIES

Political Contributions and Activities

Company Participation

The Company and its associates must refrain from improper involvement in political activities. Payments or gifts to U.S. or foreign government officials are prohibited. No contributions or Company funds or services shall be made to political candidates or organizations, unless the contributions are legally permissible and in accordance with local custom and practice. All political contributions must have the prior written approval of Talbots Executive Vice President, Real Estate, Legal, Store Planning & Design and Construction.

Personal Participation

You are free to participate in personal political activities as you see fit. In doing so, however, you should make it clear that you are acting in your individual capacity and not on behalf of the Company. Also, as these are personal activities, they should not be taken up on Company time.

Lobbying

Lobbying is strictly governed by the laws of the United States and other countries. Lobbying is generally defined as contact with elected officials regarding legislative or regulatory issues impacting the Company. You should contact the Legal Department in advance of any planning lobbying activities on behalf of the Company. Further, the Legal Department must be consulted prior to contracting with any external lobbyist or lobbying firm.

Charitable Contributions and Activities

Company Participation

The Company will conduct itself as a responsible corporate citizen of the communities in which it operates and it will support selected civic, charitable and other activities, as appropriate. In order to participate in such activities and make contributions to charities in Talbots name, you must have prior written approval from the Chairperson of the Donations Committee.

Personal Participation

The Company seeks to support associates who participate in charitable events (*i.e.* walk-a-thons, bike-a-thons, etc.) sponsored by organizations that meet the Company's requirements for donations and contributions. If you would like to request donations for participating in a charitable event, you must present your request to the Donations Committee for review prior to the date of the event. The Donations Committee has established certain guidelines for approving and appropriating corporate donations and contributions.

Associates may serve as a director or trustee of a charity or other nonprofit organization. However, if an associate would like to serve as an employee of a charity or other nonprofit organization on your own time, you must obtain the prior written approval of Talbots Senior Vice President, Human Resources.

See "Protected Activity under the National Labor Relations Act" on page 2.

ADDITIONAL CONSIDERATIONS

Applicable Laws

If a law conflicts with the policies in this Code, you must comply with the law. However, if a local custom or policy conflicts with this Code, you must comply with this Code.

Definitions

“Confidential information” includes all non-public information that might be of use to competitors, or harmful to the Company or its customers, if disclosed. It also includes financial and technical data, sales and individual store performance, intellectual property (such as trade secrets and “know-how”), pricing, market data, databases, unpublished financials, plans for acquisitions/divestitures, new products, marketing campaigns, information about major contracts, suppliers, vendors, designs, expansion/contraction plans, financing transactions, major management changes before such changes are publicly announced and personal information about associates and customers that has not been disclosed or made available to the general public.

Nothing in this Code of Business Conduct and Ethics is intended to limit an associate’s right to communicate with employees or other regarding their wages, benefits or other terms and conditions of employment.

Interpretation

The Company’s interpretation of this Code shall be final.

Waivers

Only the Board of Directors or its designated committee can grant a waiver of this Code for executive officers and Board members. Such waivers may be granted only in instances in which the specific facts are consistent with this Code’s fundamental purpose of promoting integrity and ethical behavior on the part of each member of the Company. The Company will disclose such waiver to the extent required by applicable law or regulation.

For associates other than executive officers and Board members, only Talbots CEO, COO and CFO, Executive Vice President, Real Estate, Legal, Store Planning & Design and Construction or Senior Vice President, Human Resources can grant waivers from this Code.

This Code offers non-exclusive, general guidelines for ethical business conduct. The Code does not create any contractual rights of any kind between the Company and you or between the Company and third parties. The employment relationship between the Company and each associate is “at will,” and either the Company or the associate can terminate the employment relationship at any time and for any reason. This Code does not guarantee employment for any definite length of time.

COMPANY RESOURCES FOR GUIDANCE AND REPORTING

Finance Department	
Michael Scarpa, Chief Operating Officer, Chief Financial Officer and Treasurer (781) 741-7850 Michael.Scarpa@talbots.com	Brian P. Keaveney, Senior Director, External Reporting (781) 741-4201 Brian.Keaveney@talbots.com
Human Resources Department	
Kyle Polischuk, Vice President, Human Resources (212) 841-1944 Kyle.Polischuk@talbots.com	
Internal Audit Department	
Alicia Grasfeder, Director, Internal Audit (781) 741-4451 Alicia.Grasfeder@talbots.com	
Legal Department	
Richard T. O'Connell, Jr., Executive Vice President, Real Estate, Legal, Store Planning & Design and Construction (914) 934-8877 Dick.O'Connell@talbots.com	John L. Florio, Vice President, Senior Corporate Counsel (914) 934-8877 John.Florio@talbots.com
Mara D. Calame, Vice President, Senior Corporate Counsel (781) 741-7115 Mara.Calame@talbots.com	
Reporting Helpline	
Phone Number: 1-800-932-5378	
E-mail: (Audit Committee): auditcommittee@talbots.com	

Employment Standards

Introductory Period: Every associate must successfully complete a 90-day introductory period. Associates who do not perform satisfactorily at any time during or by the end of the 90-day introductory period may be terminated.

Attendance: All associates are expected to be regular in attendance and prompt in reporting to work on time as scheduled. An associate who will be out of work because of illness, bereavement, or another unforeseen reason must notify his or her supervisor prior to the scheduled time of work and/or as soon as the associate realizes that he or she will not be at work. An associate who does not report an absence from work, falsifies the reason for an absence, or is repeatedly absent or tardy will be subject to disciplinary action, up to and including termination.

Time Records: Each Salaried Non-Exempt and Hourly associate is responsible for recording/punching his or her actual hours worked and all meal periods on the time record/payroll system each day. An associate must never record/punch another associate's time(s). Falsification of time records or any other company document is grounds for disciplinary action, up to and including termination.

Associate Discount: Company associates are entitled to a discount privilege at Talbots. The discount is *for the associate's personal use and may not be used by or for others who are not eligible*.

- ◆ Legitimate discount purchases are those made for the associate's personal use, his or her spouse's personal use, a dependent (someone the associate currently claims on his or her income taxes) or as a bona fide gift.
- ◆ An associate may not purchase merchandise at full price and then return it later to be repurchased at a discounted price.
- ◆ Merchandise purchased at a discounted price may not be returned for an adjustment to a lower markdown price.
- ◆ The discount privilege is limited to merchandise currently available in a store's inventory, from a catalog or Talbots.com, but not until the first customer-in-hands date of a specific catalog.
- ◆ Special orders and/or inter-store transfers performed for the purpose of purchasing merchandise at a discount rate are violations of the discount privilege and grounds for immediate termination.
- ◆ An associate is not required by Policy or otherwise to purchase or wear Talbots clothing or accessories.

Rules of Conduct: To ensure the effective operation of our business, quality customer service and safe, pleasant working conditions, a high standard of personal and professional conduct is required of all associates at all times. The following actions will not be condoned or tolerated; violation of any of these rules may be cause for immediate termination:

Integrity & Judgment:

- ◆ Job abandonment, abandoning a work-station or job assignment, excessive absenteeism or unavailability for work without prior management or Company approval.
- ◆ Insubordination or refusal to take or follow reasonable direction from management.
- ◆ Dishonesty of any kind, falsification of information or records or being an accessory to such falsification (including, but not limited to, forgery, providing false information or omitting required information when applying for employment, entering time(s) on the time card/record for another associate, and falsifying time records).
- ◆ Violation of any public laws on the Company's premises or in the course of conducting Company business, including lewdness, vandalism, gambling or felonious acts.
- ◆ Unauthorized use (including misuse) of Company equipment, facilities, supplies, documents or systems (including electronic communication systems, such as e-mail, the internet, the intranet and phone systems). This includes using Company computers to access, send or download information that is illegal or could be insulting or offensive to another person, such as sexually explicit messages, cartoons or jokes, unwelcome propositions, ethnic or racial slurs or any other message that could be viewed as harassment.

- ◆ Unprofessional conduct (verbal and/or physical) or participation in any form of unlawful discriminating or harassing behavior toward another associate, an applicant, a customer, a vendor, or an invited guest of Talbots.
- ◆ Unauthorized manipulation and/or distribution of Company financial or inventory data.
- ◆ Maliciously false, reckless or malicious accusations against another associate, an applicant, a customer, a vendor or an invited guest of the Company.

Loss Prevention & Safety:

- ◆ Unauthorized concealment or removal of merchandise or Company property from Company premises.
- ◆ Tampering with, defacing, destroying, borrowing or taking the personal property of another associate or customer without their consent (including any unclaimed property, which must be turned in to management).
- ◆ Failure to turn in or report merchandise or lost articles, which have been removed from the Company's premises.
- ◆ Failure to pay a debt owed to the Company (including, but not limited to, writing a check to the Company for which the Company is unable to receive payment after standard in-house collection procedures and failing to pay Talbots credit card charges).
- ◆ Misuse of the associate discount by allowing an unauthorized individual to receive the associate discount or purchasing merchandise at a discount for an individual and subsequently receiving payment for that merchandise.
- ◆ Failure to comply with requests to store personal bags and packages appropriately in the work place and to allow one's bags or packages to be checked by management. (The Company reserves the right to check bags, briefcases, and purses that associates bring into any Company location, including stores).
- ◆ Wearing Company-owned merchandise for reasons other than either authorized modeling in a promotional event or trying on merchandise for fit with the express approval from the supervisor in charge.
- ◆ Any activity detrimental to the safety or security of associates, customers or Company assets (including, but not limited to physical violence, threats of violence, physical security infractions, defacing or destroying property belonging to the Company, a customer or another associate, and possession of firearms or other dangerous weapons on Company property or at Company-sponsored events).
- ◆ Negligent or intentional acts, omissions to act or recklessness resulting in damage to Company property, financial loss to the Company or injury to others.

Alcohol and Drugs:

- ◆ The manufacture, possession, use, sale, distribution, dispensation, receipt or transportation of any controlled substance, illegal drug or any related paraphernalia, while on Company premises or engaged in business activities for the Company.
- ◆ The consumption of alcoholic beverages while engaged in business activities (except moderate alcohol consumption at Company-sponsored events when authorized in advance by an authorized officer and at business-related meetings or social functions).
- ◆ Being "under the influence" of alcohol, illegal drugs or controlled substances (other than medically authorized prescription medications) in any detectable manner during business hours, or while engaged in business activities for or on behalf of the Company, whether or not they are consumed on Company premises, outside of work, or during working hours.

The list of Rules of Conduct is not meant to be all-inclusive and does not preclude the Company from taking disciplinary action, up to and including termination, for any reason it deems appropriate. These violations are not limited to Company property but also may include any situation in which an associate represents the Company or in which an associate may attend a Company-sponsored event (Company property, by definition, may include parking lots and surrounding premises).

Nothing herein limits an employee's right to engage in protected activity under the National Labor Relations Act. Under the National Labor Relations Act, employees have the right to form, join or assist labor organizations; to choose representatives to bargain with the Company on your behalf; to act together with other employees for mutual benefit and protection; and to choose not to engage in any of these protected activities.

Document History

Date	Action
2/1/2004	The Talbots, Inc. (“Company” or “Talbots”) adopted its Code of Business Conduct and Ethics (“Code”), which applies to all of the Company’s associates, officers and directors (collectively referred to as “associates”).
4/14/2008	<p>Talbots amended and restated the Code.</p> <p><i>Summary of Changes:</i> The Code was revised to (i) bring it in line with Company practices and policies that have changed since the Code was initially adopted, (ii) incorporate current corporate policies, and (iii) address new topics that the Company feels are appropriate in order to maintain high governance and reputational standards. Outlined below are certain of the substantive changes made to the Code:</p> <ul style="list-style-type: none"> • The provision relating to associates’ engaging in outside employment was modified to state that associates may not simultaneously work for third parties with whom the Company has, or may reasonably expect to have, a business relationship, without the requisite approval. • The provision relating to gifts and entertainment was modified to clarify the Company’s approval process. • The provision relating to approval for direct and indirect financial interests of the Company’s officers in transactions involving the Company was modified to create a tiered approval process. The Company’s Board of Directors or a designated committee of the Board must still approve the direct or indirect financial interest of the CEO or a director in a transaction involving the Company. • A provision was added to explain that the Company seeks to work with companies that operate in a socially responsible manner, meet their legal obligations to their employees and respect certain standards set forth by Talbots. • Clarifying language was added to emphasize associates’ responsibility to (i) protect the privacy of fellow associates and customers, (ii) guard personal data against inappropriate access and disclosure and (iii) refrain from using personal data for personal benefit or in any other inappropriate way. • A provision was added to prohibit the Company’s directors and executive officers from making any postings on any non-Company-sponsored online forums concerning any matter involving the Company, its competitors or vendors without obtaining the requisite approval. • A provision was added to set guidelines regarding political and charitable activities engaged in and political and charitable contributions made by associates on the Company’s behalf and the approval process for such activities and contributions.
12/15/2008	<p>Talbots amended and restated the Code and issued Addenda for associates in Canada, Hong Kong and India.</p> <p><i>Summary of Changes:</i> References to certain Company employees were updated to reflect organizational changes. As a result of these organizational changes, some positions listed in the Code have been eliminated and the titles for other positions have been changed. The provision relating to gifts was also modified as a result of these organizational changes.</p>

Date	Action
10/20/2009	<p>Talbots amended and restated the Code.</p> <p><i>Summary of Changes:</i> References to certain Company employees were updated to reflect organizational changes. As a result of these organizational changes, some positions listed in the Code have been eliminated and the titles for other positions have been changed. References to J. Jill were also removed as the J. Jill business has been sold.</p>
04/28/2010	<p>Talbots amended and restated the Code.</p> <p><i>Summary of Changes</i> Talbots amended and restated the Code to remove the referenced addenda for India and Hong Kong, as these offices closed in 2009. References to certain Company employees were updated to reflect organizational changes. As a result of these organizational changes, some positions listed in the Code have been eliminated and the titles for other positions have been changed.</p>
05/27/2010	<p>Talbots amended and restated the Code.</p> <p><i>Summary of Changes:</i> The Code was revised to (i) address new topics that the Company feels are appropriate in order to maintain high governance and reputational standards, and (ii) bring it in line with Company practices and policies that have changed since the Code was initially adopted. Outlined below are the substantive changes made to the Code:</p> <ul style="list-style-type: none"> • A provision was added to explain that the Code of Business Conduct and Ethics does not limit an employee's right to engage in protected activity under the National Labor Relations Act. • Clarifying language was added to emphasize that the Code of Business Conduct and Ethics does not limit an associate's right to communicate with employees or other regarding their wages, benefits or other terms and conditions of employment.
06/22/2010	<p>Talbots amended and restated the Code.</p> <p><i>Summary of Changes:</i> References to certain Company employees were updated to reflect an organizational change. As a result, one of the positions listed in the Code was replaced with a new individual.</p>
01/05/2012	<p>Talbots amended and restated the Code.</p> <p><i>Summary of Changes:</i> References to certain Company employees were updated to reflect an organizational change. As a result, one of the positions listed in the Code was replaced with a new individual.</p>
05/22/2012	<p>Talbots amended and restated the Code.</p> <p><i>Summary of Changes:</i> Two copies of the Rules of Conduct – Exhibit A were included in the Code and one copy has been removed.</p>