

**THE WET SEAL, INC.  
SUPPLEMENTAL POLICY  
CONCERNING TRADING  
IN COMPANY SECURITIES  
BY CERTAIN DESIGNATED PERSONS**

This policy supplements the Corporate Policy and Procedure on Prohibiting Insider Trading and Disclosure of Information of The Wet Seal, Inc. (the “*Company*”). This policy applies to certain designated persons. If you are subject to this policy, we will notify you and provide you with a copy of this policy. **After you have read this policy, please sign the Certification that is attached to this policy and return it to the Compliance Officer at the address indicated on the Certification.** You will also be asked to recertify your compliance with this policy annually.

**I. Persons subject to this policy**

This policy applies to

- each director of the Company
- each officer of the Company who has been designated by the board of directors as an “executive officer” for purposes of the reporting requirements and trading restrictions of Section 16 of the Securities Exchange Act of 1934, as amended (the “*Exchange Act*”), and
- any additional persons that the Company may from time to time designate as being subject to this policy because of their position with the Company and access to material nonpublic information.

We will notify you if you are subject to this policy. We refer to persons subject to this policy as “Designated Persons.”

If you are a Designated Person, then this policy also applies to your family members who reside with you, anyone else who resides with you and any other person or entity whose transactions in Company securities are directed by you or are subject to your influence or control. You are responsible for making sure that these other persons and entities comply with this policy.

**II. Additional trading restrictions that apply to Designated Persons**

If you are a Designated Person, you are subject to all of the requirements of our Corporate Policy and Procedure on Prohibiting Insider Trading and Unauthorized Disclosure of Information. In addition, you are subject to the following restrictions:

- **You may not trade during a blackout period.** You may not trade in Company securities during (i) any blackout period identified on the calendar<sup>1</sup> attached hereto or (ii) any special blackout period that the Compliance Officer may designate with the prior written approval of the Chief Executive Officer (or the Chairman of the Nominating and Corporate Governance Committee of the board of directors if the Chief Executive Officer is unavailable). You may not disclose to any outside third party that a special blackout period has been designated.
- **You may not trade during a trading window without prior approval.** During a period that is not a black out period, you may trade in Company securities only after obtaining the approval of the Compliance Officer. If you decide to engage in a transaction involving Company securities during a period that is not a black out period, you must notify the Compliance Officer in writing of the amount and nature of the proposed trade(s) at least two business days prior to the proposed transaction, and certify in writing that you are not in possession of material nonpublic information concerning the Company. You must not engage in the transaction unless and until the Compliance Officer provides his approval in writing. Any determination by the Compliance Officer to disapprove a proposed trade will require the concurrence of the Chief Executive Officer (or the Chairman of the Nominating and Corporate Governance Committee of the board of directors if the Chief Executive Officer is unavailable). The foregoing functions of the Compliance Officer will be undertaken by the Chief Executive Officer in the case of proposed trades by the Compliance Officer. Proposed trades by the Chief Executive Officer other than trades pursuant to an approved pre-arranged trading plan will require approval by (i) the Compliance Officer and (ii) the Chairman of the Nominating and Corporate Governance Committee of the board of directors. The existence of these approval procedures does not in any way obligate the Compliance Officer to approve any transaction.
- **You may not trade in puts or calls or engage in short sales with respect to Company securities.** Trading in “puts” and “calls” (publicly traded options to sell or buy stock) and engaging in short sales are often perceived as involving insider trading and they may focus your attention on the Company’s short-term performance rather than its long-term objectives. In addition, Section 16(c) of the Securities Exchange Act of 1934 prohibits officers and directors from engaging in short sales. Therefore, transactions in puts, calls and other derivative securities with respect to Company securities on an exchange or in any other organized market are prohibited by this policy, as are short sales of Company securities.
- **You may not engage in certain hedging transactions with respect to Company securities.** Certain forms of hedging transactions, such as zero-cost collars and forward sale contracts, allow a stockholder to lock in the value of his or her stock holdings, often in exchange for all or a portion of any future appreciation in the stock. The stockholder is then no longer exposed to the full risks of stock ownership and may no longer have the

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<sup>1</sup> This calendar should be distributed annually to the group along with any modifications to the calendar.

same objectives as the Company's other stockholders. Therefore, such hedging transactions are prohibited under this policy.

- **You may not hold Company securities in a margin account, and you may not, without prior approval, pledge Company securities as collateral for any other loan.** Because a broker is permitted to sell securities in a margin account if the customer fails to meet a margin call, the securities can be sold at a time when the customer is aware of material nonpublic information about the Company. Also, a foreclosure sale under any other loan could also occur at a time when the borrower has nonpublic information about us. Therefore, you may not hold Company securities in a margin account or pledge Company securities as collateral for a loan. An exception to this prohibition may be granted in the case of a non-margin loan where you are able to clearly demonstrate the financial ability to repay the loan without resorting to the pledged securities. A request for any such exception must be made to the Compliance Officer at least 10 days in advance of entering into the pledge agreement.
- **A director must own a minimum amount of common stock of the Company.** It is the policy of the board of directors that all directors hold a significant equity interest in the Company. Toward this end, each director must own, within three years from his or her election to the board of directors, common stock of the Company having a value equivalent to three (3) times the annual cash retainer fee paid to such director (inclusive of any committee attendance fees and chairman fees) (the "***Ownership Minimum***"). For continuing directors as of April 8, 2008, the date of adoption of the Corporate Governance Guidelines, such directors shall be required to achieve this level of ownership on or before April 8, 2011. The value of the common stock will be measured at the higher of (a) the purchase price, vesting price or historical cost basis or (b) the fair market value of the securities. In the case of restricted shares, the value of the restricted shares for purposes of clause (a) of the foregoing sentence shall be the fair market value of the restricted shares upon the date such shares vest. The shares of common stock that will be included in this calculation shall have no ownership or transfer restrictions other than restrictions arising from applicable securities laws. Until the Ownership Minimum has been satisfied, during each fiscal year of the Company, a director shall have the right to sell not more than 50% of the number of shares of the Company received as a restricted stock grant in the immediately preceding fiscal year ("***Free Shares***"). Any Free Shares that have not been sold in a given fiscal year may be sold in any subsequent fiscal year. Following the end of the respective phase in period, a director who does not own an amount of common stock of the Company equal to or in excess of the Ownership Minimum must promptly acquire the requisite number of shares of common stock to satisfy the Ownership Minimum. Each director's compliance with the foregoing guidelines will be evaluated by the board of directors annually.

### **III. Exceptions to this Policy**

The trading restrictions in this policy do not apply to those transactions under Company benefit plans that are not subject to the Corporate Policy and Procedure on Prohibiting Insider Trading and Unauthorized Disclosure of Information. Those transactions are discussed in that policy under the heading "Exceptions to this policy for certain transactions under Company

benefit plans.” The trading restrictions in this policy also do not apply to trades pursuant to an approved pre-arranged trading plan provided that you enter into the plan during a period that is not a black out period and the plan otherwise meets the conditions for such plans set forth in the Corporate Policy and Procedure on Prohibiting Insider Trading and Unauthorized Disclosure of Information.

In addition, specific exceptions to this policy may be made when the person requesting approval does not possess material non-public information, personal circumstances warrant the exception and the exception would not otherwise contravene the law or the purposes of this policy. Any request for an exception by a director or executive officer shall also require the pre-approval of the Nominating and Corporate Governance Committee of the board of directors, except in the case of the share ownership determination, which shall require the pre-approval of the board of directors.

#### **IV. Information about the Compliance Officer**

We have designated Steven H. Benrubi as the Compliance Officer for this policy. His telephone number is (949) 699-3947. If you have any questions about this policy, you should contact the Compliance Officer.

**CERTIFICATION**

I hereby acknowledge receipt of The Wet Seal, Inc. Supplemental Policy Concerning Trading in Company Securities by Certain Designated Persons and agree to abide by its terms and conditions.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date of Signature

Return this Certification to Steven H. Benrubi c/o The Wet Seal, Inc., 26972 Burbank, Foothill Ranch, California 92610.