



Code of Ethics and Business Conduct

Putting Values into Action

4.15 Code of Ethics & Business Conduct: Putting Values into Action

A Message from John Standley , President & Chief Executive Officer

Rite Aid's good name and reputation are the result of its associates' dedication and hard work. Together, we are responsible for preserving and enhancing this reputation, a task that is fundamental to our continued wellbeing.

Set forth in the following pages is Rite Aid's Code of Ethics and Business Conduct, which has been approved by its Board of Directors. The principles outlined in our Code have long been a standing tradition of the way we do business.

Our goal is to abide by the highest principles of ethics, honor, and respect for others. Not only do we expect our associates to conduct themselves in accordance with these guidelines, but our shareholders and regulatory agencies demand it.

We are not alone in our quest to maintain high ethical standards - similar standards apply to the companies with which Rite Aid does business in addition to all Rite Aid associates.

As a Rite Aid associate, you are expected to read the policies set forth in the Code and ensure that you understand and comply with them. If you have questions about this information, you should seek guidance from existing policies and procedures or speak to your supervisor, a member of senior management, the Senior Vice President of Human Resources, or the General Counsel.

The Code is not intended to provide answers to all questions that might arise; for that we must ultimately rely on each person's good sense of what is right, including a sense of when it is proper to seek guidance from others on the appropriate course of conduct.

In keeping with the Company's core value of being committed to the highest level of integrity in all we do, our Ethics Committee launched a new campaign to highlight ethically responsible behavior. The Committee created a canine mascot, HERB, whose initials stand for **H**ighlighting **E**thically **R**esponsible **B**ehavior. HERB will be a resource to support and encourage associates in making good ethical decisions. Associates may also ask questions anonymously and highlight associates who demonstrate integrity in all they do by emailing herb@riteaid.com.

We at Rite Aid are committed to providing the most competitive products and finest services for our customers. Adherence to the policies set forth in the Code will help us achieve this goal.

Thank you for doing your part to ensure that Rite Aid continues to realize its potential in both the business that we do and the way that we do business. . Our company's success depends on each associate conducting themselves in an ethical manner.

Scope	This policy applies to all associates who work from locations owned, leased, or used by Rite Aid and its subsidiaries, as well as members of the Board of Directors.
Effective date	This policy is effective immediately and supersedes all previous policies.
Policy owner	Senior Vice President, Human Resources
Violations of policy	Associates who violate this policy are subject to disciplinary action up to and including discharge.

4.15a Putting the Code of Ethics and Business Conduct to Work

About the Code of Ethics and Business Conduct

Rite Aid is committed to the highest standards of business conduct in its relationships with associates, customers, suppliers, stakeholders, and shareholders. This means conducting business in accordance with the spirit and letter of applicable laws and regulations. Rite Aid's Code of Ethics and Business Conduct, which applies to all associates, helps each associate in this endeavor by providing a statement of the fundamental principles and key policies and procedures that govern the conduct of the Company's business. However, it in no way provides associates with the assurance of continued employment with the Company. In addition, all associates, agents, consultants, independent contractors, representatives, members of the Board of Directors, and suppliers of Rite Aid are responsible for complying with all applicable laws and regulations.

Unless otherwise stated, the policies in this Code apply to all Rite Aid associates, Board members, and subsidiaries, regardless of the state or region in which they operate. The Code does not cover all Rite Aid policies or laws. Therefore, if a local law conflicts with a policy in this Code, associates must comply with the law. If a local custom or practice conflicts with a policy in this Code, associates must comply with the Code.

Meeting shared obligations

Each associate is responsible for knowing and understanding the policies and guidelines contained in the following pages. He/she also has an obligation to comply with the letter and spirit of the Code and all other Rite Aid policies, report violations of the Code and other improper conduct, and know when to ask for guidance when ethical questions and dilemmas are encountered. Associate actions should reflect Rite Aid's values, demonstrate ethical leadership, and promote a work environment that upholds the Company's reputation for integrity, ethical conduct, and trust.

The way that we do business is just as important as the business that we do.

4.15b Responsibility to Associates

Respecting one another

The way that associates treat each other and their work environment affects the way that they do their jobs. All associates want and deserve a work place where they are respected and appreciated. Everyone who works for the Company must contribute to the creation and maintenance of such an environment, regardless of their title or position.

Associate privacy

Rite Aid respects the privacy and dignity of all associates and will acquire and retain only the personal information that is necessary for the Company's effective operation or required by law. Access to such information is limited to only those associates who have an appropriate need to know and will comply with all applicable laws regarding the disclosure of personal information.

However, associates should have no expectation of privacy with respect to their workstations, including laptops, cell phones/PDAs, and other equipment provided by Rite Aid that may be used out of the confines of a traditional workstation. There may be times when an associate's workstation must be accessed for the safety of others or when otherwise deemed appropriate by Rite Aid management.

Equal employment opportunity and nondiscrimination

Rite Aid is an equal opportunity employer and is committed to cultivating a diverse work environment where individual differences are appreciated and respected. It is the Company's policy, through responsible management, to recruit, hire, train, and promote associates regardless of their race, color, religion, gender, , sexual orientation, gender identity, marital status, national origin, disability, age, genetic information (including genetic tests, counseling, or education and family history of diseases or disorders), military status, veteran status, or any other basis protected by state or federal law. In addition, Rite Aid does not tolerate discrimination against associates based on any of these bases and will make a reasonable accommodation for a known disability of an otherwise qualified applicant or associate, if the accommodation does not impose an undue hardship. Any requests for an accommodation should be made to your facility, store, or corporate manager or to your Human Resources Manager.

For further information regarding the Company's policy concerning equal employment opportunity and nondiscrimination, please refer to Policies 1.1 and 1.2.

Sexual and other forms of harassment

Sexual harassment (including harassment based on gender, pregnancy, childbirth, or related medical conditions) as well as harassment based on such factors as race, color, religion, gender, sexual orientation, gender identity, marital status, national origin, disability, age, genetic information (including genetic tests, counseling, or education and family history of diseases or disorders), military status, veteran's status, or any other basis protected by state or federal law is unacceptable and will not be tolerated. Harassment includes verbal, physical, and visual conduct that creates an intimidating, offensive, or hostile work environment or that interferes with work performance.

For further information regarding the Company's policy concerning harassment in the workplace, please refer to Policy 4.1.

Associate complaint resolution

If an associate believes that he/she has been subjected to harassment of any kind or any other type of unlawful discrimination, he/she should promptly report the incident to the supervisor or Human Resources Manager. Complaints of harassment, abuse, or discrimination will be investigated promptly and thoroughly and will be kept confidential to the extent possible.

For further information regarding the Company's policy concerning the associate complaint resolution process, please refer to Policy 4.9.

Environmental policies

All associates have an obligation to carry out Rite Aid activities in ways that preserve and promote a clean, safe, and healthy environment. Associates must strictly comply with the letter and spirit of applicable environmental laws and the public policies they represent.

The consequences of failing to adhere to environmental laws and policies could be serious. The Company, as well as individual associates, may be liable not only for the costs of cleaning up pollution, but also for significant civil and criminal penalties. Associates must make every effort to prevent violations from occurring, to report violations to the Risk Management department or the General Counsel, and to promptly correct any violations that occur despite the Company's best efforts.

Safety in the workplace

The safety and security of associates are of primary importance to the Company. Accordingly, associates are responsible for maintaining clean and orderly work facilities that are free from recognized hazards. They must also obey all safety statutes and regulations as well as Corporate safety policies, procedures, rules, and guidelines.

Safety in the workplace (continued)

Equipment must be operated in a safe manner, with all safety devices in place. Associates must wear personal protective equipment in areas where it is required. All injuries, no matter how minor, and violations of health and safety policies, laws, or regulations must be reported immediately to the associate's supervisor. In addition, health and safety information must be accurately recorded.

For further information regarding the Company's policy concerning safety in the workplace, please refer to Policy 2.2 and the *Retail Safety Handbook*.

Weapons and workplace violence

Associates may not carry weapons or explosives on Company time or on the Company's premises. Similarly, the Company will not tolerate any level of violence in the workplace or in any work-related setting. Violations of this policy must be referred to the associate's supervisor immediately.

For further information regarding the Company's policy concerning weapons and workplace violence, please refer to Policy 2.1.

Drugs and alcohol

Rite Aid is committed to maintaining high standards of safety, productivity, and reliability and to promoting good health for associates as well as customers.

To this end, the Company conducts post-offer pre-employment drug testing of some of its job candidates. Additionally, the Company requires post-accident testing, random testing for those who work in our distribution center drug cages, and testing for promotions into certain positions. Rite Aid also requires associates reasonably suspected of being under the influence of alcohol or drugs or otherwise in violation of this policy to submit to reasonable suspicion drug and/or alcohol testing as permitted by law in certain geographic locations. Rite Aid also maintains a strict policy prohibiting illegal drug activity and using alcohol while at work.

The purpose of these measures is to promote a safe and productive work environment and to prevent accidents, injuries, and property damage that may result from drug and/or alcohol abuse, the effects of which may persist long after the associate believes them to have worn off.

Rite Aid has a zero tolerance policy with respect to drug and/or alcohol-related policy violations. The Company will revise this policy as it deems appropriate and will enforce it in a manner consistent with applicable state and federal laws.

It is the associate's responsibility to determine, by inquiring of his/her medical provider or by reviewing a medication's label, whether prescription or over-the-counter drugs could impair his/her safe job performance. Associates must report before beginning work to their supervisor or manager the use of prescribed or over-the-counter medication when the use of such medication may affect their ability to safely perform assigned job duties.

**Drugs and
alcohol
(continued)**

It is the associate's responsibility to pursue treatment before the substance abuse concerns result in unsatisfactory performance, attendance problems, safety risks, and/or a violation of any policy. Rite Aid will support associates who voluntarily seek assistance with drug and alcohol dependency problems and offers associates access to an Employee Assistance Program (EAP) that can help evaluate and refer associates in need of assistance to appropriate educational and treatment resources. You can reach the EAP by calling 1-800-833-0453.

Substance abuse issues will not excuse an associate from discipline related to poor performance or violations of this or another Rite Aid policy, so associates are encouraged to seek assistance promptly, before their performance is affected.

For further information regarding the Company's policy concerning drugs and alcohol, please refer to Policy 4.7.

4.15c Responsibility to the Company

Conflicts of interest (outside employment and other activities)

To maintain the highest degree of integrity in the conduct of the Company's business and to maintain an associate's independent judgment, he/she must avoid any activity or personal interest that creates or appears to create a conflict between his/her interests and the interests of the Company.

A conflict of interest arises when the business, financial or other activity of an individual or spouse or immediate family member of such individual conflicts with the best interest of Rite Aid or when it adversely influences the proper discharge of an individual's obligations, duties, or responsibilities to Rite Aid. A conflict of interest arises whether or not such action occurred if the individual's action creates an unfavorable impression or gives implication or appearance of impropriety. .

Conflicts of interest include, **but are not limited to**, an associate making an investment that may affect his/her business decisions; an associate or spouse or immediate family member owning a significant financial interest in or being employed by an organization that is in competition with the Company; an associate or spouse or immediate family member owning a significant financial interest in or being employed by an organization that does or seeks to do business with Rite Aid. The Company requires proper disclosure and documented approval by the Senior Vice President, Human Resources, before an associate may engage in any of these activities.

A Pharmacist employed by Rite Aid must disclose if he/she is working for a competitor as defined by policy #POP.09.25. Furthermore, if you are employed by Rite Aid as a Pharmacist and also work for an outside temporary agency, you cannot work at a Rite Aid location or for a direct competitor through that agency. A Rite Aid District Manager, Pharmacy District Manager, or Pharmacist must not own or have an ownership interest (as a stockholder, sole proprietor, or partner) in a temporary agency.

Associates must be sensitive to issues of security, confidentiality, and conflicts of interest if their spouse, an immediate family member, or someone else that they are close to is a competitor or supplier of the Company or is employed by one. Whenever associates have doubts about a possible conflict, they should discuss the matter with their supervisor, Human Resources Manager, or the Senior Vice President, Human Resources, before taking any action.

For further information regarding the Company's policy concerning conflicts of interest, please refer to Policy 4.5.

Dealing with suppliers and others

Associates who make or are involved in making business decisions for the Company must do so using consistent and unbiased standards. Associates interacting with any person who has business dealings with Rite Aid (including suppliers, customers, competitors, contractors, and consultants) must conduct such activities in the best interest of the Company. Therefore, associates must not accept any gifts, entertainment, or gratuities that could influence or be perceived to influence their business decisions or be in a position to derive any direct or indirect benefit or interest from a party having business dealings with the Company.

Business courtesies

The type of business that Rite Aid does involves dealing with a wide range of suppliers, many of whom may consider it standard practice to provide gifts and entertainment as a gesture of appreciation. The giving or receiving of gifts or entertainment by any associate acting in his/her capacity as a Rite Aid associate or by members of an associate's immediate family can potentially be problematic because such acts may be construed as attempts to influence the performance of duties.

Receiving gifts

Associates and/or members of an associate's immediate family may not request or accept gifts in connection with Rite Aid business beyond that of a nominal or token value (**less than \$25**). This includes gifts, payments, consulting fees, loans, or other benefits of value received directly or indirectly from any existing or potential customer, supplier, or competitor. Gifts of a nominal or token value, motivated by commonly accepted business courtesies, may be accepted. However, any gift that could create or appear to create an obligation to the donor or influence the business relationship with the donor may not be accepted.

Associates may accept an occasional meal or outing with suppliers or customers if there is a valid business purpose involved. If an associate is asked to attend an overnight event with a vendor, he/she must obtain prior approval from his/her department's Executive/Senior Vice President. For any gift received over an estimated value of \$25, the associate is responsible to complete and abide by the procedures outlined on the Associate Gift Log found on the Portal.

Giving gifts

Associates may not furnish or offer to furnish any gifts, entertainment, meals, compensation, credits, or anything of value to a person who has business dealings with the Company (suppliers, purchasers, and competitors), except when authorized by the department's Vice President. If authorized, the item must be reasonable and proper under generally accepted business practices and ethics.

**Guarding
Company
assets**

Associates have a duty to safeguard Rite Aid assets, including the physical premises and equipment, records, customer information, and Company names and trademarks. Rite Aid assets should be used for Company business only. Without specific authorization, no associate may take, loan, sell, damage, or otherwise dispose of Rite Aid property or use this property for non-Rite Aid purposes. Associates must also take measures to ensure against theft, damage, and the misuse of Company property.

**Company books
and records**

Associates must ensure that all Company documents are completed accurately, truthfully, promptly and that, when applicable, they are properly authorized. Financial activities must be recorded in compliance with all applicable laws and accounting practices. The making of false or misleading entries, records, or documentation is strictly prohibited. Associates must never create a false or misleading report under the Company's name. In addition, all payments and established accounts must not be used for any purpose other than as described by its support documents.

**Document
retention**

Business messages should be retained for the period of time that it facilitates Company work by the user, but not longer than six months. However, associates may retain a business message longer than six months if it is still needed by them to execute their job responsibilities.

Business messages that qualify as an official Company record (provide evidence of the Company's organization, business functions, policies, decisions, procedures, operations, and internal or external transactions, and reflect the Company's intent to preserve such information) are to be maintained in separate folders, in electronic or paper form, and must be retained in accordance with Rite Aid's Record Management policy and procedures.

When notified by the Legal department that a hold has been placed on certain business messages, associates must suspend the established retention/destruction policy. Associates are not to destroy any email or SYSM messages that fall under the parameters outlined in the legal hold request (until the hold is lifted).

**Confidential
information and
trade secrets**

Associates may learn facts about the Company's business operations, plans, or "secrets of success" that are not known to the general public or to competitors. Customer lists, the terms offered or prices charged to customers and suppliers, and marketing or strategic plans are examples of confidential information and/or trade secrets. Similarly, associates may obtain information concerning possible transactions with other companies or receive confidential information concerning other companies, which the Company is under an obligation to maintain as confidential. Such information is to be treated as the confidential information of Rite Aid.

Confidential information and trade secrets (continued)

Associates who possess or have access to confidential information or trade secrets:

- ◆ Are not permitted to use the information for their own benefit or the benefit of persons outside the Company.
- ◆ Must guard against the disclosure of that information to people outside the Company. Associates should not discuss such matters with family members, business or social acquaintances, or in places where they may be overheard.
- ◆ Must ensure that all information is marked “confidential,” “proprietary,” or with a similar notation.
- ◆ Must maintain it under password protection or in a secure place and be under their direct supervision when in use.

Are not permitted to disclose it to other Rite Aid associates unless they need the information to carry out business responsibilities.

Confidentiality agreements are commonly used when Rite Aid must disclose confidential information to suppliers, consultants, or joint venture participants. Confidentiality agreements notify the person receiving the information that he/she must maintain the secrecy of such information or face the legal consequences. If, in doing business with persons not employed by the Company, associates foresee that they may need to disclose confidential information, they must call the Legal department to discuss the possibility of using a confidentiality agreement.

The obligation to treat information as confidential does not end when associates leave the Company. Associates must return all Rite Aid documents and other materials containing confidential information upon their separation from the Company and must not disclose this information to a new employer.

Trademarks

Rite Aid’s name and logo are examples of Company trademarks, which must be used properly. In addition to using trademarks appropriately, associates must also advise senior management or the Legal department of the inappropriate use of the Company’s trademarks. Similarly, the trademarks of third parties must not be used without first obtaining approval from the Legal department.

Copyright compliance

Books, articles, drawings, computer software, and other materials may be covered under copyright laws, regardless if they contain a copyright notice or not. It is a violation of these laws to make unauthorized copies of or derivative works based upon copyrighted materials. Both associates who engage in this practice and the Company may be subject to substantial civil and criminal penalties.

In addition, Rite Aid licenses the use of its computer software from outside companies. In most instances, copyright laws protect this computer software. As such, associates may not make, acquire, or use unauthorized copies of computer software. Questions concerning copyright laws should be directed to the Legal department.

Intellectual property rights of others

Associates may not infringe knowingly upon the intellectual property rights of others. If an associate uses the name, trademark, logo, or printed materials of another company, he/she must ensure that the use of these materials is done properly and with permission. In addition, associates may not disclose or be asked to disclose to Rite Aid the confidential, proprietary, or trade secret information of other companies, including former employers.

Computer and communication resources

Rite Aid's computer and communication resources, including computers, voicemail, and email, provide substantial benefits to associates. However, they also present significant security and liability risks. It is important that associates take all of the necessary measures to ensure the security of their computer systems and computer and voicemail passwords. If associates have a reason to believe that their password or the security of a Company computer or communication resource has been compromised, they must change their password immediately and report the incident to their manager and the Information Services department.

Associates must be aware that while using Rite Aid resources to send email or voicemail or to access Internet services, they are acting as a representative of the Company. At times, their use of these resources may reflect poorly on the Company, damaging its reputation and exposing associates and the Company to legal liability. All email, voicemail, and personal files stored on Rite Aid computers are the property of the Company and should be dedicated to business purposes. Therefore, associates should have no expectation of personal privacy in connection with these resources. In addition, the Company may review messages sent or received using Rite Aid's computer and communication resources, at its sole discretion.

Associates may not use Rite Aid resources in a way that is unlawful, disruptive, or offensive to others. While sending messages, associates should not transmit comments, language, images, or files that they would be embarrassed to have read by persons not intended to receive the message. Associates must remember that their "private" email messages are easily forwarded to a wide audience. In addition, associates may not use these resources in a wasteful manner. Unnecessarily transmitting messages drains computer resources and causes the receiver to put a lot of time and effort into sorting and reading through his/her email.

Use of computer and communication resources must be consistent with other Corporate policies, including those related to sexual harassment, privacy, copyrights, trademarks, trade secrets, and the intellectual property of others.

For further information regarding the Company's policy concerning computer and communication resources, please refer to Policy 5.1.

Insider trading

Associates are prohibited from insider trading (buying or selling Rite Aid securities when they are in possession of material, nonpublic information) and tipping (passing such information on to someone who may buy or sell securities).

This prohibition applies to Rite Aid securities and the securities of other companies if associates learn material, nonpublic information about them in the course of completing their duties for the Company.

Information is considered material if: a) there is a substantial likelihood that a reasonable investor would find the information important in determining whether to trade in a security; or b) the information, if made public, would likely affect the market price of a company's securities. Examples of material information include unannounced dividends, earnings, financial results, new or lost contracts or products, sales results, important personnel changes, business plans, possible mergers, acquisitions, divestitures or joint ventures, and important regulatory, judicial, and legislative actions.

Information is considered nonpublic unless it has been adequately disclosed to the public, which means that the information must be publicly disclosed and adequate time must have passed for the securities markets to digest the information. Adequate disclosure includes public filings with securities regulatory authorities and the issuance of press releases, which may include meetings with members of the press and the public. A delay of two (2) business days is generally considered a sufficient period for routine information to be absorbed by the market. A longer period of delay may be considered appropriate for more complex transactions.

Associates may not disclose inside information to anyone, including coworkers, unless the person receiving the information has a legitimate, business-related need to know. If an associate leaves Rite Aid, he/she must maintain the confidentiality of that information until it has been adequately disclosed to the public. If there is any question as to whether information regarding the Company or any other company Rite Aid has dealings with is material or has been adequately disclosed to the public, the Legal department must be contacted.

Responding to inquiries from the press and others

Rite Aid associates who are not official spokespersons of the Company may not speak with the press as a Rite Aid representative unless specifically authorized to do so. Requests for financial or other information about the Company from the media, the press, the financial community, or the public should be referred to the Corporate Communications department. Requests for information from regulators or the government should be referred to the Legal department.

For further information regarding the Company's policy concerning press and other inquiries, please refer to Policy 5.2.

4.15d Competing with Integrity

Success in the marketplace

To achieve a sustainable record of success, Rite Aid must depend on its reputation for quality, service, and integrity. The way associates deal with the Company's customers, competitors, and suppliers molds Rite Aid's reputation, builds long-term trust, and determines the Company's success. Rite Aid is committed to a policy of vigorous and lawful competition that is based on the merits of products and services. Associates must seek to maintain the trust of their customers, competitors, and suppliers by conducting business in a fair and ethical manner.

Antitrust laws

The Company's activities are subject to antitrust and trade regulation statutes, which govern how associates interact with competitors, customers, and suppliers. It is important for associates to know and understand these laws and regulations and to make sure that they are in full compliance with them. Some of the most serious antitrust offenses involve agreements between competitors to fix prices, to limit product and service availability, and to allocate customers, territories, and markets. Any such agreement, whether formal or informal, may be unlawful and is prohibited by the Company.

Associates must avoid unnecessarily involving themselves in situations from which unlawful agreements may be inferred. For that reason, contact with competitors should be kept to a minimum. Associates must notify the Legal department before participating in a meeting or event that brings competitors together. All contact with competitors should be conducted as if they were in the public view.

Failure to comply with antitrust laws could subject both the Company and the associates involved to criminal fines and jail terms. In addition, the Company may be subject to large civil penalties and treble damages. Associates must direct questions or concerns regarding antitrust laws and how they are applied to the Legal department.

Gathering competitive information

Associates may gather information about the marketplace, including information about Rite Aid's competitors and their products and services. However, there are limits to the ways that this information can be acquired and used, especially information concerning the Company's competitors. When gathering competitive information, associates must abide by the following guidelines:

Gathering competitive information (continued)

- ◆ Associates may gather information about Rite Aid's competitors from sources such as published articles, advertisements, brochures, other non-proprietary materials, surveys by consultants, and conversations with clients (as long as those conversations do not suggest that the Company is attempting to conspire with its competitors by using the customer as a messenger, by gathering information in breach of a client's nondisclosure agreement with a competitor, or through other wrongful means).
- ◆ Associates must never misrepresent the Company's identity when attempting to collect competitive information.
- ◆ Associates must never attempt to acquire a competitor's trade secrets or other proprietary information through unlawful means such as theft, spying, disclosures made by a competitor's past or present employee, or the breach of a competitor's nondisclosure agreement by a client or other person.
- ◆ If there is any indication that information obtained by an associate was not lawfully received by the party in possession, the associate must refuse to accept it. If an associate receives information that is anonymous or is marked confidential, he/she should contact the Legal department immediately.

The improper gathering or use of competitive information could subject associates and the Company to criminal and civil liability. When in doubt as to whether a source of information is proper, associates must contact the Legal department.

Product and service safety

It is essential to the Company to provide safe products and services that fulfill Rite Aid's responsibilities to the public, maintain a competitive position in the marketplace, and retain the confidence of our customers.

Truth in advertising

Associates must not make misstatements of fact or give misleading impressions in any advertisement, literature, or other public statements. All statements made in support of the Company's products and services must be true. Questions regarding whether an advertisement or other material meets the requirements of the Code should be directed to the General Counsel.

Truth in prescription billing

Rite Aid is committed to accuracy in billing for its services to government health programs as well as to private third party payers. All associates and other persons engaged by Rite Aid to provide pharmacy services or to prepare and submit claims for pharmacy services are expected to comply with all Federal health care program requirements, including the preparation and submission of accurate billings consistent with the requirements of Federal health care programs and with

**Truth in
prescription
billing
(continued)**

Rite Aid's Policies and Procedures regarding those programs and private payers.

Associates who fail to comply with Federal health care program requirements or with Rite Aid's Policies and Procedures face the possibility of disciplinary action up to and including discharge. They, as well as Rite Aid, also face the possibility of civil and criminal fines and other punishment (including imprisonment for individuals) for health care fraud. Anyone convicted of health care fraud also faces the possibility of being placed on the federal exclusion list, which will make them ineligible to participate in any manner in federally funded health care programs.

Rite Aid associates are also required to report any suspected violations of federal health care program requirements or of Rite Aid Policies and Procedure regarding those programs or billing to any third party payers. Associates may report suspected violations by calling the toll-free number 1-888-748-3225. All such reports will be maintained in confidence to the extent appropriate and no associate will be retaliated against for making the report. Associates who fail to report face the possibility of disciplinary action up to and including discharge.

4.15e Interacting with the Government

Prohibition of gifts to government officials and employees

The various branches and levels of government have laws that restrict the giving of gifts, including meals, entertainment, transportation, and lodging, to government officials and employees. Associates must obtain pre-approval from the Legal department before providing any gift, meal, or anything of value to a government official or employee.

Political contributions and activities

Laws of certain jurisdictions prohibit the use of Rite Aid funds, assets, services, or facilities on behalf of a political party or candidate. Payment of Company funds to any political party, candidate, or campaign may be made only if permitted under applicable law and approved in advance by the Legal department.

Associates will not be paid by Rite Aid for any time spent running for public office, serving as an elected official, or campaigning for a political candidate. Nor will the Company compensate or reimburse any associates for a political contribution that they intend to make or have made.

Lobbying activities

Laws of certain jurisdictions require registration and reporting by anyone who engages in a lobbying activity. Generally, lobbying includes: a) communicating with any member or employee of the legislative branch of government for the purpose of influencing legislation; b) communicating with certain government officials for the purpose of influencing government action; or c) engaging in research or other activities to support or prepare such communication.

So that the Company may comply with lobbying laws, associates must notify the Legal department before engaging in any activity on behalf of the Company that might be considered lobbying, as described above.

4.15f Implementation of the Code

Responsibilities

While each associate is individually responsible for putting the Code of Ethics and Business Conduct to work, he/she does not need to go it alone. Rite Aid has a number of resources, people, and processes in place to answer questions and guide associates through difficult decisions.

The Senior Vice President, Human Resources, reporting directly to the Company's President & Chief Executive Officer, has been designated the responsibility to oversee and monitor compliance with the Code. The Senior Vice President, Human Resources, will also report periodically to the Company's Audit Committee regarding the establishment, implementation, and enforcement of the Code and other program elements.

Sales agents, consultants, representatives, and suppliers are required to observe the same standards of conduct as Rite Aid associates when conducting business with or for Rite Aid. If suppliers and consultants for Rite Aid have questions, they should contact the Company's General Counsel.

Seeking guidance

This Code cannot provide definitive answers to all questions. Associates are encouraged to seek guidance when uncertain as to the appropriate course of conduct in adhering to the Company's high standards. In most instances, questions concerning the Code should be brought to the attention of the associate's supervisor, Human Resources Manager, or the Company's General Counsel.

Copies of the Code are available on the Company's Internet site, corporate intranet site, and the store portal and should be provided to persons or entities retained and authorized to act on behalf of Rite Aid in areas to which the Code is applicable.

Reporting violations

If associates know of or suspect a violation of applicable laws and regulations, the Code, or the Company's related policies, they must immediately report that information to their supervisor, a higher level of management, the individuals or offices identified in the section above, or the Company's hotline discussed below. No associate reporting a suspected violation will be subject to retaliation because of a good faith report.

The Company's hotline

Rite Aid has a 24-hour hotline, 1-888-RITE-CALL (1-888-748-3225), which can be used to report violations of the Code, applicable laws and regulations, and the Company's policies, including the theft of Corporate assets or other types of business abuse. All calls are kept confidential.

Investigations of violations

Reported violations will be promptly investigated and treated confidentially to the greatest extent possible. It is imperative that the associate reporting the violation not conduct a preliminary investigation of his/her own. Investigations of alleged violations may involve complex legal issues. Associates who act on their own may compromise the integrity of an investigation and adversely affect both themselves and the Company.

Discipline for violations

Rite Aid intends to use every reasonable effort to prevent the occurrence of conduct not in compliance with its Code of Ethics and Business Conduct and to halt any such conduct that may occur as soon as reasonably possible after its discovery. Associates who violate this Code and other Company policies and procedures may be subject to disciplinary action, up to and including discharge. In addition, disciplinary action, up to and including discharge, may be taken against anyone who directs or approves infractions or has knowledge of them and does not move promptly to correct them in accordance with the Company's policies.

Associate reminder

Ultimate responsibility to ensure that Rite Aid complies with the laws and ethical standards affecting its business rests on each of its associates. Associates must become familiar with and conduct themselves strictly in compliance with such laws and ethical standards as well as the Company's policies and guidelines pertaining to them. An annual Code of Ethics and Business Conduct sign-off is required at the beginning of each fiscal year for certain positions as deemed necessary by the Company.