

LINENS 'N THINGS, INC.

AUDIT COMMITTEE

CHARTER

The Audit Committee is appointed by the Board of Directors of Linens 'n Things, Inc. (the "Company") to assist the Board in the oversight of:

- the integrity of the financial statements of the Company as prepared by management and reviewed or audited by the external auditors
- the qualifications, independence and performance of the external auditor
- the internal audit function
- legal and regulatory compliance with respect to accounting, auditing, internal controls and financial reporting.

COMPOSITION AND MEETINGS

The Audit Committee shall consist of at least three (3) members of the Board of Directors. The members of the Audit Committee shall meet the independence, education and experience requirements of the New York Stock Exchange and applicable federal law. At least one member of the Audit Committee will qualify as an "audit committee financial expert" in accordance with applicable SEC rules.

The members of the Audit Committee are appointed by the Board of Directors. One of the members shall be appointed Audit Committee Chairperson. Audit Committee members may be replaced by the Board.

MEETINGS

- The Audit Committee shall hold meetings as it deems appropriate. Minutes of meetings will be prepared.
- The Audit Committee will, periodically, meet separately with management, with the internal auditors, and with the external auditor.

AUTHORITY

- The Audit Committee has authority to:
 - Exclusively appoint, replace, and establish the compensation and other engagement terms of the external auditor, which shall be funded by the Company, and oversee the performance of the external auditor.

- Coordinate the resolution of any accounting or auditing issues or disputes between management and the external auditor.
- Pre-approve the terms of all audit and permissible non-audit services to be provided by the external auditor.
- Obtain advice and assistance from outside legal counsel, accountants or others as the Audit Committee deems necessary to carry out its duties.
- Meet with Company officers, the external auditor, legal counsel or others as necessary to carry out its duties.
- Conduct investigations as necessary.
- The Company will fund all costs of the Audit Committee in carrying out its duties.
- The Audit Committee may, when appropriate, delegate authority to one or more of its members or to one or more subcommittees.

RESPONSIBILITIES

The Audit Committee shall:

Financial Statement and Disclosure Matters

- Discuss with management and with the external auditor the annual audited and quarterly unaudited financial statements, including management's discussion and analysis, and recommend to the Board whether the audited financial statements shall be included in the Company's Form 10-K.
- Discuss with management and the external auditor any significant changes in accounting principles, any significant issues as to internal controls, the Company's critical accounting estimates and policies, and the impact of any applicable alternative assumptions and significant estimates on the Company's annual financial statements.
- Discuss with the external auditor any audit problems or difficulties and management's responses.
- Generally discuss with management the types of information to be disclosed or presented in connection with (i) the Company's earnings press releases and (2) financial information and earnings guidance provided to analysts and rating agencies.
- Discuss with management the Company's major financial risk exposures, including interest rate risk and currency exchange risk, and discuss the Company's risk assessment and risk management guidelines and policies.

- Discuss with the external auditor the matters required to be discussed by Statement on Auditing Standards No. 61 relating to the conduct of the audit.
- Prepare all reports required to be prepared by the Audit Committee pursuant to applicable SEC or NYSE rules.

Oversight of the Company's Relationship with the External Auditor

- Review the experience and qualifications of the senior members of the external auditor team.
- Assess the independence of the external auditor and all relationships between the Company and the external auditor.
- Meet with the external auditor to discuss the planning and staffing of the audit.
- Obtain from the external auditor, at least annually, and review, the external auditor's internal quality control report and information required to be provided to the Audit Committee.
- Establish with management hiring policies for employees or former employees of the external auditor, consistent with SEC and NYSE requirements.
- Review the performance of the external auditor.
- The external auditor shall report directly to the Audit Committee.

Oversight of the Company's Internal Audit Function

- Review the functions and performance of the internal auditing personnel.
- Review any significant reports to management prepared by the internal audit personnel and management's responses.
- Review management's compliance with and the results of the reports and assessments of internal controls required by SEC rules concerning adequacy of internal controls.

Compliance Oversight Responsibilities

- Review with management compliance with applicable legal and regulatory requirements as it affects accounting, auditing, internal controls or financial reporting.
- Discuss with management and the external auditor any correspondence with regulators or governmental agencies brought to its attention which raise issues regarding the Company's financial statements or accounting policies.

- Review and, if appropriate, approve any material transactions between the Company and related parties.

Procedures For Employee And Other Third Party Complaints And Inquiries

- Establish procedures for:
 - the receipt, retention and treatment of any complaints received by the Company concerning accounting, internal controls, or auditing matters; and
 - the submission by any Company employee of any claims or concerns regarding questionable accounting or auditing matters.
- Coordinate with Company personnel to ensure any claims or other material communications concerning accounting, internal controls or auditing matters are brought to the attention of the Chairperson of the Audit Committee and, if appropriate, the full Audit Committee.

Other

- Provide regular reports to the Board.
- Review and reassess the adequacy of this charter annually and recommend any proposed changes to the Board for approval.
- Review annually the Audit Committee's own performance.