



**CHARTER OF THE NOMINATING AND
CORPORATE GOVERNANCE COMMITTEE
OF THE BOARD OF DIRECTORS OF
GOODY'S FAMILY CLOTHING, INC.**

I. Nominating and Corporate Governance Committee Purpose

The Nominating and Corporate Governance Committee of the Board of Directors of Goody's Family Clothing, Inc. (the "Company") is appointed by the Board of Directors to assist the Board of Directors by:

- identifying qualified individuals for membership on the Board of Directors;
- recommending to the Board of Directors the director nominees for the next annual meeting of shareholders; and
- providing oversight of the corporate governance affairs of the Board of Directors and the Company.

The Nominating and Corporate Governance Committee has the ability to retain, at the Company's expense, special legal or other consultants or experts it deems necessary in the performance of its duties and responsibilities under this Charter.

II. Nominating and Corporate Governance Committee Composition and Meetings.

The Nominating and Corporate Governance Committee shall be comprised of three or more directors as determined by the Board of Directors, who shall meet the requirements of listing standards applicable to the Company.

Nominating and Corporate Governance Committee members shall be appointed by the Board of Directors. If a Nominating and Corporate Governance Committee Chair is not designated or present, the members of the Nominating and Corporate Governance Committee may designate a Chair by majority vote of the Nominating and Corporate Governance Committee Membership.

The Nominating and Corporate Governance Committee will meet as often as circumstances require, but not less often than annually. The Nominating and Corporate Governance Committee Chair shall prepare and/or approve an agenda in advance of each meeting. The Nominating and Corporate Governance Committee may meet privately, or with management separately as often as is reasonably necessary, to discuss any matters within the purview of the Nominating and Corporate Governance Committee. Management may participate in at least a portion of each meeting of the Nominating and Corporate Governance Committee.

III. Nominating and Corporate Governance Committee Responsibilities and Duties.

1. Criteria for Nomination to the Board of Directors: Set general criteria for nomination to the Board of Directors. The general criteria for nomination to the Board of Directors shall be annexed to this Charter.



2. Evaluation of Candidates Nominated by Shareholders: Consider any candidates nominated by shareholders pursuant to procedures that may be adopted by the Nominating and Corporate Governance Committee from time to time.

3. Nomination of Directors: Annually consider the size, composition and needs of the Board of Directors and consider and recommend candidates for membership on the Board of Directors and recommend to the Board of Directors each year the director nominees for election at the next annual meeting of shareholders. Upon the recommendation of the Nominating and Corporate Governance Committee, the Board of Directors may elect a director to the Board of Directors during the course of the year to serve until the next annual meeting of shareholders.

4. Independence of Directors: Seek to provide that the majority of the members of the Board of Directors are independent directors and that each committee of the Board of Directors contains exclusively or, if appropriate, a majority of members that are independent to the extent required by law, applicable listing standards or the Company's charter or by-laws.

5. Other Committees of the Board of Directors: Annually review the advisability or need for any changes in the number, charters or titles of committees of the Board of Directors and, as appropriate, recommend to the Board of Directors any changes deemed appropriate by it, including, committee member appointments and removals, taking into account the qualifications for membership as set forth in the committee charters, applicable listing standards and the Company's charter and by-laws.

6. Oversight of Corporate Governance Matters: Oversee the corporate governance affairs of the Company, and review the corporate governance practices and policies of the Company annually and make recommendations for changes that in its judgment are appropriate.

7. Succession Planning: Review with such frequency as it deems appropriate with the Chairman/CEO, the succession plan relating to the position of Chairman/CEO and other executive officers.

8. Board Performance: Manage the process by which the Board of Directors assesses its own performance, including reporting the results thereof to the Board of Directors.

9. Report to Board of Directors: Maintain minutes of meetings and report Nominating and Corporate Governance Committee actions to the Board of Directors on a regular basis.

10. Other Activities: Perform any other activities consistent with this Charter, the Company's charter, by-laws and governing law, as the Nominating and Corporate Governance Committee or the Board of Directors deems necessary or appropriate.



ANNEX TO
NOMINATING AND CORPORATE GOVERNANCE COMMITTEE CHARTER

Criteria for Nomination to Board of Directors

The following criteria for nomination to the Board have been approved by the Nominating and Corporate Governance Committee on March 16, 2004. These criteria may be modified by the Nominating and Corporate Governance Committee at any time.

In considering candidates for nomination as director, the Nominating and Corporate Governance Committee will consider whether the candidate:

1. has achieved significant independent accomplishments;
2. has demonstrated an ability to lead and/or evaluate people;
3. will have a view toward the best interests of the Company and its shareholders as a whole (as contrasted with candidates who may pursue the best interests of particular shareholders or groups of shareholders);
4. will afford the Board diversity of background, experience, or skills;
5. possesses financial and business expertise so as to discharge committee duties as necessary; and
6. has experience and skills that will enable him or her to fully perform the role of a director of the Company.

The foregoing list of considerations is not meant to be exhaustive, and the Nominating and Corporate Governance Committee may also consider such other factors as it determines is relevant. Further, candidates need not satisfy all of the foregoing criteria so long as overall the Nominating and Corporate Governance Committee determines that nomination to the Board is appropriate.