

ENESCO GROUP, INC.
CORPORATE GOVERNANCE GUIDELINES
(effective April 11, 2006)

Vision and Mission

Enesco Group, Inc. (“Enesco”), through global leadership in the design and marketing of quality branded gift, collectible and decorative properties, strives to be recognized as the pre-eminent company in the gift and collectibles industry. To this end, Enesco’s mission is to build a collection of highly successful businesses focused on giftware, collectible and home décor products, sold to multiple channels of distribution, while providing forward thinking business solutions for our customers.

Board of Directors

Enesco’s board of directors’ (each, a “Director” and collectively, the “Board”) primary responsibility is to effectively govern Enesco’s business and maximize shareholder value. Notwithstanding its primary objective, the Board may consider the interests of constituencies other than Enesco’s shareholders (such as Enesco’s associates, suppliers, creditors, customers and communities upon which they have an impact). Each Director will, in discharging his/her duties, act in good faith, with loyalty to Enesco, and exercise the care of a prudent person. The Board may, in discharging its duties, rely on the advice and information provided to the Board by Enesco’s senior executives, its outside advisors, its auditors, and other qualified experts.

Number of Directors

The Board should be of a size which permits the proper fulfillment of its duties with sufficient membership to provide a blend of the desired outside experiences. The size of the Board will be determined by the Board and will consist of up to 10 members.

Independence of Directors

At least a majority of the members of the Board must: (1) be free of any relationship that, in the opinion of the Board, would interfere with his or her individual exercise of independent judgment; (2) meet the director’s independence requirements established by the New York Stock Exchange (“NYSE”); (3) not have been an Enesco employee within the three-year period prior to their appointment; (4) not have received any compensation from Enesco, other than director and committee fees and pension or other forms of deferred compensation for prior service within the three-year period prior to their appointment; and (5) otherwise satisfy any applicable state and federal laws and regulations relating to director independence requirements for public companies (collectively, the “Independent Directors”).

Selection of Directors

The Nominating and Governance Committee is responsible for identifying qualified Director candidates in light of anticipated resignations, retirements and the Board's overall composition. The Nominating and Governance Committee determines whether any outside positions or affiliations of a Director may interfere with such Director's duties and responsibilities. The Nominating and Governance Committee administers the Board's policy on change in principal employment of a current Director. The Nominating and Governance Committee is authorized to engage an outside search firm(s), as necessary, to assist with the identification and interviewing of prospective candidates for the Board.

Qualifications of Directors

The criteria used by the Nominating and Governance Committee in selecting new Directors, which criteria have been approved by the Board, include, but are not limited to, independence, integrity, sound judgment, record of proven accomplishments as at least a general manager with responsibility for business profit and loss, willingness to take the time necessary to gain a strong understanding of Enesco's business, and compatibility with Enesco's business and other Directors. The Nominating and Governance Committee recommends to the Board each year a slate of Directors for submission to Enesco's shareholders for election at the annual meeting of shareholders.

Voting for Directors

In an uncontested election, any nominee for director who receives a greater number of votes "withheld" from his or her election than votes "for" such election (a "Majority Withheld Vote") is required to promptly tender his or her resignation following certification of the shareholder vote.

The Nominating and Governance Committee, giving due consideration to the best interests of the Company and its shareholders, is required to evaluate the relevant facts and circumstances, including whether the underlying cause(s) of the Majority Withheld Vote can be cured, and shall make a decision after the election, on whether to accept the tendered resignation and make a recommendation to the Board with respect to any such letter of resignation. The independent directors of the Board are required to take action with respect to this recommendation and to publicly disclose its decision and decision-making process. Any director who tenders a letter of resignation pursuant to this provision shall not participate in the Committee's or the Board's decision.

Evaluation of Board Performance

The Nominating and Governance Committee will lead the Board in an annual performance evaluation of the Board, its members, and the Board committees. The evaluation will focus on the Board's performance as a "total" Board and to a smaller degree on the performance of individual Directors. The evaluation will be viewed from the standpoint of the Board's many constituencies focusing on both results and the ethics and process for achieving results.

Board Meetings

Directors are expected to attend Board meetings and meetings of committees and subcommittees on which they serve, and to spend the time needed and to meet as frequently as necessary to properly discharge their responsibilities. Information and materials that are important to the Board's understanding of the business to be conducted at a Board or committee meeting should be distributed to the Directors at least one week prior to the meeting in order to provide ample time for review. The chairman of the Board (the "Chairman") and the chief executive officer of Enesco (the "CEO") will establish a calendar of standard agenda items to be discussed at each meeting scheduled to be held over the course of the ensuing year and establish the agenda for each Board meeting, after first seeking input from each Director.

Routine meetings of the Independent Directors will be scheduled from time to time to discuss the performance of Enesco and, following such meetings, the Independent Directors will brief the CEO and other executive officers, where appropriate, regarding the substance of such meetings. Additional meetings of the Independent Directors should be held as required, both in person and via telephone conference.

Communications to Third Parties

The CEO and the CEO's delegates are the only persons authorized to make communications to third parties regarding Enesco's affairs. Generally, Directors are not authorized to make communications to third parties regarding Enesco's affairs, unless required by law, as part of a CEO succession plan and/or after prior discussion with the CEO.

Board Committees

The standing committees of the Board are the Audit Committee, the Human Resources and Compensation Committee, and the Nominating and Governance Committee. The key roles of the various committees of the Board may be summarized as follows:

The Audit Committee (1) hires, supervises and ensures the soundness of Enesco's audit and Enesco's relationship with its independent accountants, and (2) provides the Board, Enesco's independent accountants and its internal auditors with direct, non-management access to each other on a regular basis.

The Human Resources and Compensation Committee: (1) oversees the general compensation policy of Enesco and makes recommendations to the Directors (and approves, if required by applicable tax laws) regarding the compensation arrangements for the Directors and the officers of Enesco; (2) reviews and acts on recommendations from the CEO regarding the awarding of stock options to Enesco employees; (3) administers Enesco's long term incentive plan(s) and Non-Employee Director Stock Option Plan; and (4) prepares an annual evaluation of the CEO, reviews such evaluation with the Directors, discusses such evaluation with the CEO, and determines the CEO's compensation based on such evaluation.

The Nominating and Governance Committee is responsible for: (1) all aspects of the Director selection process; (2) providing the Board with annual recommendations related to (a) committee memberships of the Board, and (b) individuals to be considered for corporate officer positions,

including the position of CEO; (3) leading the Board in an annual performance evaluation of the Board, its members, the Board committees, and Enesco's management; and (4) oversight of Enesco's Corporate Governance Guidelines and Code of Business Conduct and Ethics.

The membership of the each committee will consist of at least three members. All members of the committees are, and will be, Independent Directors. Membership will be reviewed and rotation considered at least every 2-3 years. The Nominating and Governance Committee will recommend to the Board a slate of members of the Board committees for approval by the Board on an annual basis. In making such recommendations, the Nominating and Governance Committee will consider the qualifications required for each committee, along with the practice of rotating committee memberships every 2-3 years. Committee members may be removed by the Board if a committee member misses more than 25% of a committee's meetings in any calendar year or no longer qualifies for membership due to such Director's failure to satisfy the independence criteria set forth in the committee charter or such other criteria determined by the Board in its reasonable discretion.

Each committee will have its own written charter which will comply with the applicable NYSE standards, and other applicable laws, rules and regulations. The charters will set forth the mission and responsibilities of the committees as well as qualifications for committee membership, procedures for committee member appointment and removal, committee structure and operations and reporting to the Board. Each committee will review and reassess the adequacy of its charter on an annual basis and affirm that each committee member satisfies the independence criteria, if applicable, and other qualifications set forth in its charter.

Each committee will meet with such frequency and at such intervals as it will determine is necessary to carry out its duties and responsibilities. The Board will appoint one committee member as chairperson. The chairperson will be responsible for leadership of the committee, including approving the agenda, presiding over the meetings, making committee assignments and reporting to the Board. The chairperson will also maintain regular liaison with the CEO and each committee will report its activities to the Board on an annual basis.

Each committee is authorized to retain independent advisors to the extent it deems necessary or appropriate and will have sole authority to retain and terminate the services of any independent advisors and sole authority to review and approve any fees paid to any independent advisors; provided, that each committee will keep the Board advised as to the nature and extent of such outside services. Enesco will provide for appropriate funding, as determined by the committee, for payment of compensation to any outside advisors.

Each committee will conduct an annual evaluation of the committee's and each of its committee member's performance and address any issues identified in the evaluation.

Each committee will set guidelines for committee member education and orientation.

Each committee is authorized to confer with Enesco's management and other employees to the extent it may deem necessary or appropriate to fulfill its duties.

Management Responsibilities to Board

Management will foster a cooperative, open relationship with the Board which is fully receptive to counsel and suggestions regarding the overall direction of Enesco's business. Management will provide sufficient amounts of relevant information in a timely fashion to enable the Board (individually and collectively) to fulfill its duties and will provide management's best interpretation of what the provided information portends. Management will provide direct access to those Enesco associates who perform a critical corporate function. Such access should be scheduled via the CEO except for special Audit Committee matters. Management will introduce the Directors to Enesco officers, associates and operations as well as presenting the Directors with effective written material. Management will assist in continually striving to improve the working process of the Board. Management will answer, to the best of its ability, questions posed by the Directors. Management will provide to the Directors all communications by management to the investing public (such as annual reports, proxy statements, prospectuses, interim earnings releases, speeches to analysts and pertinent press releases).

Board Responsibilities to Management

The Directors will spend a sufficient amount of time to enable them to gain a firm overview of Enesco's business and an informed judgment on its more important affairs and transactions. The Directors will express their views on the quality, quantity and timeliness of the information they receive from management to the extent that they regard it as not being entirely satisfactory or complete and will not be reluctant to seek additional information in such cases. The Directors will be available to the CEO and President of Enesco on an ad hoc basis for advice and counsel. The Directors will serve as source of feedback for management concerning perceptions of Enesco by the external world. The Directors will confine their activities to those consistent with their role as Directors and not allow themselves to drift into the role of attempting to "manage" Enesco. Except for special Audit Committee matters, committee secretaries or any special procedures established by the Nominating and Governance Committee, generally all associate contacts with the Independent Directors should be scheduled via the CEO. Similarly, Independent Directors should schedule routine business discussions with associates via the CEO. The Nominating and Governance Committee will establish procedures pursuant to which interested parties may communicate directly with the non-management members of the Board.

Director Compensation

The Human Resources and Compensation Committee will review annually and make recommendations to the Directors regarding the form and amount of compensation for the Directors. The Board must take into consideration, when determining Director compensation, the impact of the form and amount of compensation and the independence of the Director. Directors who are employees of Enesco or any of its subsidiaries or affiliates will not receive any compensation for their services as Directors.

Director Orientation and Continuing Education

Enesco will provide an orientation program for new Directors and a continuing education program for all Directors as established by the Nominating and Governance Committee. These programs may include presentations by senior management on Enesco's strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its Code of Business Conduct and Ethics, its management structure, its executive officers, and its internal and independent auditors. All Directors are invited to participate in the orientation and continuing education programs.

CEO Performance

The Human Resources and Compensation Committee, as provided in its charter, will review and approve annual corporate goals and objectives relevant to the CEO's compensation, evaluate the CEO's performance in relation to those goals and objectives and set the CEO's compensation level based on this evaluation, including any award of stock options or other long-term incentive award(s) to the CEO. In determining the long-term incentive award(s) granted to the CEO, the Human Resources and Compensation Committee will consider Enesco's performance and relative shareholder return, the value of similar incentive awards to CEOs at comparable companies, and any awards given to the CEO in past years.

Succession Planning

The Nominating and Governance Committee will review and recommend to the Board succession plans for the Directors, the CEO, and executive management and review and recommend appropriate changes. The succession plan for the CEO should include policies and principles for CEO selection and policies regarding succession in the event of an emergency or the retirement of the CEO.

Standard of Business Conduct and Ethics

Enesco has adopted a Standard of Business Conduct and Ethics that, among other things, addresses: (1) conflicts of interest; (2) corporate opportunities; (3) confidentiality of information; (4) fair dealing with Enesco's employees, customers, suppliers and competitors; (5) protection and proper use of Enesco's assets; (6) compliance with laws, rules and regulations, including insider trading laws; and (7) encouraging the reporting of any illegal or unethical behavior. The Nominating and Governance Committee will oversee Enesco's Standard of Business Conduct and Ethics and also insure that any waivers of compliance with the Standard of Business Conduct and Ethics are properly disclosed.

Insider Transactions

Enesco employees and Directors are prohibited from trading in the stock or other securities of Enesco while in possession of material, nonpublic information about Enesco. In addition, Enesco employees and Directors are prohibited from recommending, "tipping" or suggesting that anyone else buy or sell stock or other securities of Enesco on the basis of material, nonpublic information. Except during designated "windows" for trading and after consultation with Enesco's General Counsel, Enesco prohibits transactions in company stock by employees and

Directors (except in connection with the routine administration of employee stock option and other equity compensation programs, such as Enesco's 401(K) plans.) Directors and executive officers may not trade shares of Enesco common stock they receive under any of Enesco's equity programs during an administrative "blackout" period affecting Enesco's 401(k) plan or pension plan pursuant to which a majority of Enesco's employees are restricted from trading shares of Enesco common stock or transferring funds into or out of Enesco common stock fund, subject to any legal or regulatory restrictions.

Equity Compensation Plans

All equity compensation plans and material revisions thereto will be submitted to shareholders for approval, unless approval is not required by the NYSE. Any repricings of stock options will require shareholder approval.

Transactions with Directors

To the extent transactions, including brokerage services, banking services, insurance services and other financial services between Enesco and any Director or family member of a Director are not otherwise specifically prohibited under these Corporate Governance Guidelines or other policies of Enesco, such transactions should be made in the ordinary course of business and on substantially the same terms as those prevailing at the time for comparable transactions with non-affiliates.

Loans to Directors and Executive Officers

Enesco will not make any personal loans to Directors or executive officers or immediate family members of Directors or executive officers.

Disclosure of Conflicts of Interest

Enesco requires that employees and Directors disclose any situations that reasonably would be expected to give rise to a conflict of interests. All conflicts of interest, or something that others could reasonably perceive as a conflict of interest, must be reported to a supervisor or Enesco's General Counsel. The supervisor and Enesco's General Counsel will work to determine whether a conflict of interest exists and, if so, how best to address it.

Investments

No Enesco employee or Director may have a significant financial interest (ownership or otherwise) in any company that is a customer, supplier or competitor of Enesco. A "significant financial interest" means (i) ownership of greater than 1% of the equity of a customer, supplier or competitor or (ii) an investment in a customer, supplier or competitor that represents more than 5% of the total assets of the employee or Director.

Indemnification

Enesco provides reasonable directors' and officers' liability insurance for the Directors and will indemnify the Directors to the fullest extent permitted by law and Enesco's certificate of incorporation and by-laws.

Certification Requirements

The CEO will certify to the NYSE each year that he or she is not aware of any violation by Enesco of NYSE corporate governance listing standards and will promptly notify the NYSE in writing after any executive officer of Enesco becomes aware of any material non-compliance with any applicable provisions of Section 303A of NYSE corporate governance listing standards.