

BURLINGTON COAT FACTORY WAREHOUSE CORPORATION CORPORATE GOVERNANCE GUIDELINES

The Board of Directors of the Burlington Coat Factory Warehouse Corporation (the “Company”) has adopted these Corporate Governance Guidelines (the “Guidelines”) to reflect the principles by which the Company operates. The Board will review these Guidelines from time to time and make such changes as it deems necessary and appropriate.

Role of the Board of Directors

The Board of Directors, whose members are elected by the stockholders, is the ultimate decision making body of the Company, except with respect to matters reserved to the stockholders. The business and affairs of the Company shall be managed by or under the direction of the Board of Directors. The core responsibility of the Board of Directors is to exercise their fiduciary duty to act in the best interest of the Company and its stockholders. In discharging that obligation, the Directors should be entitled to rely on the honesty and integrity of the Company’s senior management and its outside advisors and auditors. The Board selects and oversees the members of senior management, to whom the Board delegates the authority and responsibility for the conduct of day-to-day operations of the Company.

Composition and Structure of the Board of Directors

1. Number of Directors. The Board of Directors is currently composed of seven (7) Directors. While the Board need not adhere to a fixed number of Directors, the Articles of Incorporation specify that the Board should be comprised of no fewer than three (3) Directors. The exact number of Directors shall be determined from time to time by resolution adopted by the affirmative vote of a majority of the entire Board of Directors.
2. Filling vacancies on the Board. Any vacancy on the Board of Directors that results from an increase in the number of Directors may be filled with an individual selected by a majority of the Board of Directors then in office. Any other vacancy occurring in the Board of Directors may be filled with an individual selected by a majority of the Directors then in office, although there may be less than a quorum, or by a sole remaining director. The composition of the Board should encompass a broad range of skills, expertise, industry knowledge, and diversity of opinion relevant to the Company’s business. The Board should be composed of a mix of both independent and non-independent directors, and is not required to be composed of a majority of independent directors based on the controlled company exemption provided under Section 303A of the New York Stock Exchange, Inc. (“NYSE”) listing standards.

Director Qualification Standards

1. Substantive Qualification Standards. The Board is responsible for establishing the general criteria to be used in identifying potential candidates. The Board is also responsible for selecting candidates for Board membership to be voted on by stockholders at the stockholder's annual meeting. The Board selects Director candidates who represent a mix of backgrounds and experiences that will enhance the quality of the Board's deliberations and decisions. The Board will review and discuss all recommendations for Director candidates and determine the slate of Director nominees to be presented to stockholders for election. Director nominees must satisfy the requirements of Section 303A of the New York Stock Exchange listing standards.

2. Affirmative Determination of Independence by the Board. For a Director to be considered independent under the NYSE rules, the Board must affirmatively determine that such Director does not have any direct or indirect material relationship with the Company. The Board has established the standards, based on Section 303A of the NYSE listing standards, to assist in determining director independence. If these standards are not met and the Board still makes the determination that the Director is independent, the Company must specifically disclose the basis for such determination in its annual proxy statement.

3. Independence Standards. A Director will not be considered independent if, within the last three years: (i) a Director was employed, or a member of the Director's immediate family was employed, as an executive officer of the Company or a subsidiary; (ii) a Director, or a member of the Director's immediate family, received more than \$100,000 per year in direct compensation from the Company, other than Director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service); (iii) a Director is affiliated with or employed by, or whose immediate family member is affiliated with or employed in a professional capacity by, a present or former internal or external auditor of the Company; (iv) a Director, or a member of the Director's immediate family, is employed as an executive officer of another business entity where any of the Company's present executives serve on that business entity's compensation committee; and (v) a Director is an executive officer or an employee, or whose immediate family member is an executive officer, of a business entity that makes payments to, or receives payments from the Company for property or services in an amount which, in any single fiscal year, exceeds the greater of \$1 million or 2% of such other business entity's consolidated gross revenues.

The following commercial or charitable relationships will not be considered material relationships that would impair a Director's independence: (i) if a Director is an executive officer of another business enterprise that conducts business with the Company and the annual sales to, or purchases from, the Company are less than two percent (2%) of the annual revenues of that business entity he or she serves as an executive officer; (ii) if a Director is an executive officer of another business entity which is indebted to the Company, or to which the Company is indebted to, and the total amount of either party's

indebtedness to the other is less than two percent (2%) of the total consolidated assets of the business entity he or she serves as an executive officer; and (iii) if a Director serves as an officer, Director or trustee of a charitable organization, and the Company's discretionary charitable contributions to the organization are less than two percent (2%) of that organization's total annual charitable receipts. The Board will annually review all commercial and charitable relationships of Directors to determine if the Director meets the categorical independence tests. Determinations of whether Directors meet these independence standards will be made public annually prior to their standing for re-election to the Board.

For relationships not described above or otherwise not covered in the above examples, a majority of the Directors, after considering all of the relevant circumstances, may make a determination whether or not such relationship is material and whether the Director may therefore be considered independent under the NYSE rules. The Board shall explain the basis of any such determinations of independence in the annual proxy statement.

4. Director Tenure. Each Director shall be elected at the stockholder's annual meeting for a one-year term. There is no limit on the number of one-year terms a Director may serve.

5. Limit on the Number of Board Memberships. A Director must notify the Board chairman in the event of acceptance of a directorship with another company. With the exception of Audit Committee members, there shall be no predetermined limitation on the number of other public company boards on which a Director may serve. Audit Committee members may not serve on more than a total of three public company boards.

6. Changes in Director Occupation. Any Director whose principal occupation substantially changes following his or her initial election should promptly notify the Board of such change. The Board shall, after consultation with the CEO, recommend whether such change in status disqualifies the Director from serving on the Board.

7. Conflict of Interest. Each Director has the responsibility to advise the Corporate Secretary and the Board of any affiliation with publicly or privately held commercial enterprises that may create a potential conflict of interest, potential embarrassment to the Company or possible inconsistency with the Company's policies or values. The Board of Directors, after consultation with counsel, will determine whether an actual conflict of interest exists. The Board will take appropriate steps to identify such potential conflicts to ensure that all Directors voting on an issue are disinterested with respect to that issue.

Director Responsibilities

1. Board Meetings and Director Attendance. The Board shall meet a minimum of 4 times per year, and more frequently if deemed necessary to diligently carry out its duties. The meetings will usually consist of committee meetings and a meeting of the full Board. Consistent with Director duties and responsibilities, Directors are expected to devote

enough time to reviewing the agenda and appropriate materials in advance and to regularly attend Board meetings. The agenda for each meeting will be prepared by the office of the Corporate Secretary. Any Director may recommend the inclusion of specific agenda items. Management will seek to provide to all Directors an agenda and appropriate materials in advance of meetings, although the Board recognizes that this will not always be consistent with the timing of transactions and the operations of the business and that in certain cases it may not be possible.

2. Non-management Director Executive Sessions. Non-management Directors shall have regularly scheduled Executive Sessions at least four times each year without members of management present to discuss such topics as the non-management Directors determine. If the group of non-management Directors includes Directors who are not independent, based on other independence criteria, then at least one Executive Session per year must be held with only independent Directors. If one Director is selected to preside at the Executive Sessions, that Director's name must be disclosed in the annual proxy statement.

3. Ethics. The Board expects its Directors, officers and other employees to act ethically at all times and to acknowledge adherence to the Company's Code of Business Conduct and Ethics (the "Code), and if applicable, to the Code of Ethics for the Chief Executive Officer and Senior Financial Officers. Directors shall promptly notify the CEO and Corporate Secretary if any actual or potential conflict of interest arises between the Director and the Company. Any waiver of the Code for Directors and executive officers may be granted only by a Board committee delegated such responsibility, or in the absence thereof, by the full Board of Directors, and shall be promptly disclosed to stockholders. Waivers will generally not be granted except in unusual circumstances. Directors are expected to avoid any action, position or interest that conflicts with the interest of the Company, or that gives the appearance of a conflict. If a significant conflict of interest exists the Director must recuse himself or herself from any Board discussion or decision affecting their personal, business, or professional interests.

4. Evaluation of Board Performance. The Board of Directors should conduct an annual self-evaluation to determine whether the Board and each Board committee are functioning effectively.

5. Director Access to Management and Independent Advisors. The Board is empowered to have full access to the Company's management. It is assumed that Directors will use judgment to be sure that any contact they make with management is not distracting to the business operation of the Company. Directors are expected to become sufficiently familiar with the Company's executive officers in order to offer personal feedback on their performance. In addition, the Board or any of its committees may retain counsel, experts, or consultants as appropriate, and at the expense of the Company, in order to carry out its duties.

6. Director Compensation. In order to avoid questions of director independence, director compensation shall not be excessive. Additionally, substantial charitable contributions

shall not be made to organizations in which a Director is affiliated, nor shall consulting contracts be granted to organizations in which a Director is affiliated. Director compensation and the applicability of these general principles shall be reviewed from time-to-time.

7. Director Orientation and Continuing Education. The Board and management will provide new Directors an orientation of the Company to assist the new Director in becoming familiar with the Company's vision, strategic direction, core values, including ethics, financial matters, corporate governance practices and other key policies and practices through a review of background material, meetings with senior management and visits to the Company's facilities. The Board also recognizes the importance of continuing education for its Directors and advocates the continued education and training to ensure Directors are familiar with the latest developments in corporate governance issues.

8. Management Succession. The Board of Directors has determined that in the event the current Chief Executive Officer is no longer able or willing to serve as CEO, the duties of the CEO would be administered by an Office of the Chief Executive, comprised jointly of the Chief Operating Officer, Executive Merchandise Manager, and the General Merchandise Manager.

Board Committees

1. A substantial portion of the Board's oversight and governance responsibilities are carried out by Board committees. All directors, whether members of a committee or not, are invited to make suggestions to the committees for additions to the agenda for their committee meetings or to request that an item from a committee agenda be considered by the Board. Each committee will provide a periodic report of their activities to the Board. Currently, the only standing Board committees are the Audit Committee, the Stock Incentive Committee and the Executive Committee. The Company is not required to have a nominating committee or a compensation committee based on the controlled company exemption provided for by Section 303A.02 of the NYSE listing standards.

2. Committee meetings. Directors are expected to regularly attend the meeting of each committee of which they are a member.

3. Audit Committee. The Audit Committee is responsible for assisting in the Board's oversight of: (i) the integrity of the Company's financial statements; (ii) compliance with legal and regulatory requirements; (iii) the independent auditor's qualifications, independence and performance; and (iv) the performance of the Company's internal auditor. The Audit Committee will also prepare the Audit Committee report for the annual proxy statement.

Timely Disclosure of Reportable Events

The Company has implemented disclosure controls and procedures to assure that its public disclosures are timely, compliant and otherwise full, fair, accurate and understandable. Directors, executive officers, vice presidents and department heads are responsible for immediately bringing to the attention of the legal department matters on which they or members of their department may be working to the extent that may constitute reportable events required to be disclosed in a current report on Form 8-K in order to facilitate timely filing with the Securities and Exchange Commission. Events reportable on Form 8-K in general must be reported within four (4) business days of their occurrence. A list of reportable transactions and events that must be included on Form 8-K is attached as Appendix A and will be updated as Form 8-K requirements are amended from time to time. In addition, Directors, executive officers, vice presidents and department heads are responsible for bringing to the attention of the Disclosure Committee matters which may call for disclosure in the Company's periodic reports on Form 10-Q and Form 10-K.

Chief Executive Officer Certification

The CEO must certify to the NYSE each year that he/she is not aware of any violation by the Company of NYSE corporate governance listing standards. Both this certification to the NYSE and any CEO/CAO certifications required to be filed with the Securities and Exchange Commission (the "SEC") regarding the quality of the Company's public disclosures must be disclosed in the Company's annual report on Form 10-K filed with the SEC. Additionally, the CEO must promptly notify the NYSE in writing after any executive officer of the Company becomes aware of any material non-compliance with any applicable portion of Section 303A of the NYSE listing standards.