



**CORPORATE GOVERNANCE GUIDELINES
HD SUPPLY HOLDINGS, INC.**

(Effective November 20, 2015)

The Board of Directors (the “Board”) of HD Supply Holdings, Inc., a Delaware corporation (the “Company”), has approved the following guidelines as a general framework to assist the Board in carrying out its responsibility for the business and affairs of the Company to be managed by or under the direction of the Board and in furtherance of its continuing effort to enhance its corporate governance. The Board and the Nominating and Corporate Governance Committee will review and amend these guidelines as they deem necessary and appropriate.

I. The Board of Directors

Board and Director Responsibilities

The business and affairs of the Company will be managed under the direction of the Board. Each director will act in what he or she reasonably believes to be in the best interests of the Company and its stockholders, and must exercise his or her business judgment.

Each director, will, in the performance of such director’s duties, be fully protected in relying in good faith upon the records of the Company and upon such information, opinions, reports or statements presented to the Company by any of the Company’s officers or associates, or Committees of the Board, or by any other person as to matters such director reasonably believes are within such other person’s professional or expert competence and who has been selected with reasonable care by or on behalf of the Company.

As a condition of service, each director will maintain the confidential nature of all Board deliberations and discussions and any non-public information about the Company.

Director Qualification Standards

The Board has a majority of “independent” directors who satisfy the independence requirements of the Nasdaq Stock Market relating to directors. No director will be deemed independent unless the Board has made an affirmative determination that such director has no relationship which would interfere with the exercise of independent judgment in carrying out the responsibility of a director.

Size and Classification of the Board

The Board currently consists of eight directors, which number may be modified by resolution adopted from time to time by the Board. The Nominating and Corporate Governance Committee will periodically review the size of the Board and recommend any proposed changes to the Board.

The Board shall be divided into three classes, as nearly equal in number as possible, whose members will serve three year terms expiring in successive years, as provided in the Company’s certificate of incorporation.

Board Leadership

As part of its annual self-evaluation process, the Board evaluates whether the Board leadership structure provides the optimal structure for the Company. The Board has no policy with respect to the separation of the offices of Chairman of the Board and Chief Executive Officer. The Board believes that it is important to retain its flexibility to allocate the responsibilities of the offices of the Chairman of the Board and Chief Executive Officer in any way that is in the best interests of the Company at a given point in time.

A Chairman of the Board will be elected by the Board from among its members to preside at all meetings of the Board of Directors and meetings of stockholders at which he or she is present, unless such responsibility is delegated to another person, and as provided in the Company's Bylaws. The Chairman of the Board also will:

1. facilitate Board and management understanding of, and respect for the boundaries between, the respective responsibilities of the Board and management;
2. consult with the Chief Executive Officer on matters relating to management effectiveness and Board performance;
3. advise the Chief Executive Officer on the quality, quantity, and timeliness of information provided by management to the Board;
4. facilitate communication and information flow between the Board and management, although each director is free at any time to communicate directly with the Chairman of the Board and other members of management;
5. facilitate communication among directors and management on developments occurring between Board meetings;
6. set the agendas for meetings of the Board and determine the need for special meetings of the Board, considering input from the other directors;
7. coordinate with Board committee chairpersons to provide information to the full Board with respect to the management of risks that their respective Board committees are overseeing so that the Board can view the Company's risks on a fully integrated basis;
8. coordinate with Board committee chairpersons to obtain copies of agendas for meetings of Board committees and suggest additional agenda items as he or she deems appropriate;
9. assist the Nominating and Corporate Governance Committee chairperson with respect to the recruitment, selection and orientation of new Board members and committee composition;
10. in conjunction with the Nominating and Corporate Governance Committee, oversee the evaluation processes of the Board as a whole, the Board committees, and individual directors;
11. meet with any director who is not adequately performing his or her duties as a member of the Board or any Board committee;
12. in conjunction with the Compensation Committee chairperson, establish the specific performance criteria, goals and objectives of the Chief Executive Officer, monitor the Chief Executive Officer's performance against those objectives, and coordinate and chair the annual Board performance review of the Chief Executive Officer;
13. in conjunction with the Compensation Committee, lead the Board's review of the succession plan for the Chief Executive Officer and other key senior executives;
14. recommend to the Board, as he or she deems appropriate, the retention of consultants and outside advisors who report directly to the Board on Board matters (as opposed to Committee consultants);
15. address charges of management misconduct, as he or she deems appropriate; and
16. carry out such other duties as requested by the Board, depending on need and circumstances.

In the event that the positions of Chairman of the Board and Chief Executive Officer are held by the same person, then the independent directors of the Board shall elect a Lead Director. After consultation with the Chairman of the Board, who shall individually discuss with each director such director's preferences for appointment as Lead Director, the Nominating and Corporate Governance Committee may recommend one or

more of the independent directors as candidates for appointment as Lead Director. The Lead Director shall be independent and shall be elected by a majority of the independent directors of the Board. The Lead Director may, but need not be, the chairperson of a Board committee. Unless otherwise determined by a majority of the independent directors, the Lead Director shall serve for a one-year period, or until his or her earlier termination of service on the Board. A director may be elected as Lead Director for more than one term in succession. Upon election, the Lead Director, not the Chairman of the Board, will:

1. facilitate Board and management understanding of, and respect for the boundaries between, the respective responsibilities of the Board and management;
2. consult with the Chief Executive Officer on matters relating to management effectiveness and Board performance;
3. advise the Chief Executive Officer on the quality, quantity, and timeliness of information provided by management to the Board;
4. facilitate communication and information flow between the Board and management, although each director is free at any time to communicate directly with the Chairman and other members of management;
5. recommend to the Board, as he or she deems appropriate, the retention of consultants and outside advisors who report directly to the Board on Board matters (as opposed to Committee consultants);
6. in conjunction with the Compensation Committee chairperson, establish the specific performance criteria, goals and objectives of the Chief Executive Officer, monitor the Chief Executive Officer's performance against those objectives, and coordinate and chair the annual Board performance review of the Chief Executive Officer;
7. in conjunction with the Compensation Committee, lead the Board's review of the succession plan for the Chief Executive Officer and other key senior executives;
8. address charges of management misconduct, as he or she deems appropriate.

In addition, the Lead Director will:

1. preside at Board meetings in the absence of, or upon the request of, the Chairman;
2. preside at, and set agendas for, executive sessions and other meetings of the independent directors;
3. have discretion to add items to the Board meeting agenda without consulting the Chairman;
4. have authority to call special Board meetings and approve the type of information to be provided to directors for such meetings;
5. approve Board meeting schedules to provide sufficient time for discussion of all agenda items, as he or she deems appropriate;
6. have authority to call meetings of the independent directors as he or she deems appropriate so that they have adequate opportunities to meet to discuss issues without management present;
7. advise and consult with the Chairman on matters related to corporate governance, Board performance, and other Board concerns;
8. be available for consultation and communication with major shareholders, as requested by management;
9. review conflict of interest issues with respect to the Board as they may arise and assist in optimizing the effectiveness of the Board and its operation independent of management; and
10. carry out such other duties as requested by the Board, depending on need and circumstances.

In the absence of an independent Chairman, and if no Lead Director has been appointed or if the Lead Director also is not present, the Nominating and Corporate Governance Committee chairperson shall preside over executive sessions and other meetings of the independent directors.

The Board believes that management speaks for the Company. Directors may from time to time meet or otherwise communicate with various constituencies that are involved with the Company, but it is expected that directors would do this with the knowledge, and at the request, of management.

The duties of the Chairman of the Board and Lead Director may be modified by the Board as it deems appropriate.

Board Membership Criteria

The Nominating and Corporate Governance Committee will recommend to the Board appropriate criteria for the selection of new directors based on the strategic needs of the Company and the Board, and shall periodically review the criteria adopted by the Board and, if deemed desirable, recommend to the Board changes to such criteria.

The Board seeks members from diverse professional backgrounds who combine a broad spectrum of experience and expertise with a reputation for integrity. Individuals will be considered for nomination to the Board based on their business and professional experience, judgment, diversity, age, skills and background. Directors should plan to make a significant time commitment to the Company.

Selection of New Director Candidates

The Board will select new director candidates based on the recommendations of the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee will identify and recommend to the Board candidates the Committee believes are qualified and suitable to become members of the Board consistent with criteria for selection of new directors adopted from time to time by the Board, and recommend to the Board the nominees to stand for election as directors at each annual meeting of stockholders or, if applicable, at any special meeting of stockholders.

Term Limits

There are no established term limits for service on the Board.

Director Retirement

Directors are required to retire from the Board when they reach the age of 75; a Director elected to the Board prior to his or her 75th birthday may continue to serve until the annual stockholders meeting coincident with or next following his or her 75th birthday. However, the full Board may nominate candidates age 75 or over for what it considers special circumstances.

Directors who Cease to be Independent

An independent director who ceases to qualify as such after the election to the Board will be required to tender a resignation as a director promptly to the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee will consider the tendered resignation and recommend to the Board whether to accept or reject the resignation.

Limitation on Number of Boards a Director May Serve

Directors will advise the Chairman of the Board and the Chairman of the Nominating and Corporate Governance Committee in advance of accepting an invitation to serve on another public company board. If a director serves on more than four other public company boards (for the avoidance of doubt, a public company is a company with publicly traded equity), the Board will determine whether such simultaneous service impairs

the director's ability to serve effectively on the Board. Service on boards and committees of other organizations should be consistent with the conflict of interest policy set forth in the Company's Code of Business Conduct and Ethics. If a member of the Company's Audit Committee serves on more than two other public company audit committees, the Board will determine whether such simultaneous service impairs the director's ability to serve effectively on the Company's Audit Committee.

Director Orientation and Continuing Education

All new directors will participate in an orientation program shortly after they are elected to the Board. Orientation will include presentations by senior management to familiarize the directors with the Company's business and operations, its financial condition, its policies and procedures, its principal officers, internal and independent auditors, and the duties and responsibilities of its directors.

The Board will request that management make presentations from time to time as necessary to ensure that the Board is aware of important business, legal and other developments affecting the company.

In addition, newly elected and existing directors are strongly encouraged to attend continuing education programs sponsored by third parties to better understand their responsibilities and duties.

Ethics and Conflicts of Interest

The Company expects all directors, officers and associates to act ethically and adhere to the Company's Codes of Business Conduct and Ethics and, if applicable, the Company's Code of Ethics for Senior Executive and Financial Officers. Copies of the codes are available on the corporate governance section of our investor relations website at <http://ir.hdsupply.com/governance.cfm>. In addition to complying with the Code of Business Conduct and Ethics and all other applicable company policies, including the Related Person Transaction Policy, directors shall promptly inform the Chairman of the Board or the chair of Audit Committee if an actual or potential conflict of interest arises. Directors shall recuse themselves from any discussion or decision involving another firm or company with which the director is affiliated or other matters with respect to which the director has a personal conflict. The Company shall not, directly or indirectly, extend or maintain credit, arrange for or renew an extension of credit in the form of a personal loan to or for any director or executive officer.

Board Access to Management and Associates

Directors will have complete access to management and associates of the Company. Executive officers and other members of senior management are expected to be present at Board meetings at the invitation of the Board. The Board encourages the attendance of officers in addition to executive officers at Board meetings when matters within their areas of responsibility are discussed.

Board Access to Independent Advisors

Directors will have complete access, as necessary and appropriate, to the Company's outside advisors. If appropriate, directors may retain independent legal, financial or other advisors.

Director Compensation

All directors of the Company who are not simultaneously employed as officers by the Company will be compensated for their services as a director in accordance with the Company's Board-approved director compensation policy. Any associate of the Company who is elected a director of the Company will not receive any compensation or participation in director benefit programs for his or her services as a director of the Company.

The Compensation Committee will periodically review the compensation of the Company's directors, committee chairpersons, and committee members, and make recommendations to the Board with respect thereto. The Board will be responsible for setting the form and amount of director compensation and for establishing any stock ownership guidelines for directors. When recommending to the Board levels of compensation for non-employee directors, the Compensation Committee shall consider the compensation levels at companies that serve as the Company's benchmarks for executive compensation and shall engage independent compensation consultants, as appropriate.

The compensation program shall be consistent with any applicable requirements of the Nasdaq Stock Market for independent directors. Independent directors may not receive, directly or indirectly, any consulting, advisory or other compensatory fees from the Company.

Majority Voting Policy

It is the Board's policy that any nominee for Director who receives a greater number of votes "withheld" from his or her election than votes "for" his or her election (a "Majority Withheld Vote") in an election of Directors that is not a contested election is expected to tender to the Board his or her resignation as a Director promptly following the certification of the election results. For purposes of this policy, a "contested" election is an election in which the number of nominees for Director exceeds the number of Directors to be elected. Neither abstentions nor broker non-votes will be deemed to be votes for or withheld from a Director's election for purposes of this policy.

The Nominating and Corporate Governance Committee will consider each resignation tendered under this policy and recommend to the Board whether to accept or reject it. The Board will act on each tendered resignation, taking into account the Nominating and Corporate Governance Committee's recommendation, at its next regularly scheduled Board meeting following the certification of the election results. The Nominating and Corporate Governance Committee in making its recommendation, and the Board in making its decision, may consider any factors or other information that it considers appropriate, including, without limitation, the reasons (if any) given by shareholders as to why they withheld their votes, the qualifications of the tendering Director, his or her contributions to the Board and the Company, and the results of the most recent evaluation of the tendering Director's performance by the Nominating and Corporate Governance Committee and other Board members. The Board will promptly disclose publicly (1) its decision whether to accept or reject the Director's tendered resignation and (2) if rejected by the Board, the Board's reasons for rejecting the tendered resignation.

Any Director who tenders his or her resignation pursuant to this policy will not participate in the Nominating and Corporate Governance Committee recommendation or Board action regarding whether to accept or reject the tendered resignation. If, however, each member of the Nominating and Corporate Governance Committee received a Majority Withheld Vote in the same election, then the Board will appoint a committee comprised solely of independent Directors who did not receive a Majority Withheld Vote in that election to consider each tendered resignation and recommend to the Board of Directors whether to accept or reject it.

If a Director's tendered resignation is rejected by the Board, the Director will continue to serve for the remainder of his or her term and until his or her successor is duly elected, or his or her earlier death, resignation or removal.

If a Director's tendered resignation is accepted by the Board, then the Board, in its sole discretion, may fill any resulting vacancy or may decrease the number of Directors comprising the Board, in each case pursuant to the provisions of and to the extent permitted by the Company's By-Laws.

The Board will consider as candidates for nomination for election or re-election to the Board, or to fill vacancies and new directorships on the Board, only those individuals who agree to tender, promptly following

their election, re-election or appointment, an irrevocable resignation that will be effective upon (i) the occurrence of a Majority Withheld Vote for that Director and (ii) acceptance of the tendered resignation by the Board.

The Board may at any time in its sole discretion supplement or amend any provision of this policy in any respect, repeal the policy in whole or part or adopt a new policy relating to Director elections with such terms as the Board determines in its sole discretion to be appropriate. The Board will have the exclusive power and authority to administer this policy, including, without limitation, the right and power to interpret the provisions of this policy and to make all determinations deemed necessary or advisable for the administration of this policy, including, without limitation, any determination as to whether any election of Directors is contested. All such actions, interpretations and determinations that are done or made by the Board in good faith will be final, conclusive and binding.

II. Board Meetings

Number of Meetings; Attendance of Directors at Board Meetings

The Board will have a minimum of four meetings per year and will otherwise meet as frequently as necessary to carry out its responsibilities. Directors are expected regularly to attend meetings of the Board and the Committees of which they are members, and to spend the time and effort needed to properly discharge their responsibilities, including by keeping themselves informed about the business and operations of the Company.

Selection of Agenda Items for Board Meeting

The Chairman of the Board, in consultation with the Chief Executive Officer (or if the positions of Chairman and Chief Executive Officer are held by the same person, the Chief Executive Officer, in consultation with the Lead Director), will establish the agenda for each Board meeting. Individual Board members are encouraged to suggest agenda items. Agendas for Board meetings shall be flexible enough so that unexpected developments can be discussed at Board meetings. The Board reviews the Company's financial performance on a regular basis at Board meetings and through periodic updates. The Board will review the Company's long-term strategic plans and the principal issues (especially financial, accounting and risk management issues) that the Company is facing or will face in the future during at least one Board meeting each year.

Board Materials Distributed in Advance

The Company will distribute appropriate written information and background materials pertaining to Board and Committee meetings in advance of those meetings. A director is expected to review all distributed materials prior to any Board or Committee meeting that such director attends.

Executive Sessions

The Chairman of the Board (or the independent Lead Director if the positions of Chairman and Chief Executive Officer are held by the same person), and the full board separately have authority to require the board to meet in executive sessions outside the presence of management. The independent directors will meet at regularly scheduled executive sessions without management not less frequently than twice per year. The Chairman of the Board (or the independent Lead Director if the positions of Chairman and Chief Executive Officer are held by the same person), or the presiding director, as applicable, shall act as chair at such meetings. In the absence of an independent Chairman, and if no Lead Director has been appointed or if the Lead Director also is not present, the Nominating and Corporate Governance Committee chairperson shall preside over executive sessions and other meetings of the independent directors.

III. Board Committees

Committees of the Board

There are currently three Board Committees: Audit Committee, Compensation Committee, and Nominating and Corporate Governance Committee. The Board may from time to time establish other committees, including standing or special committees, subject to the provisions of the Company's By-Laws and Delaware General Corporation Law. The Board may, by resolution, at any time deemed desirable, discontinue any standing or special committee, subject to the requirements of the By-Laws, applicable law and Nasdaq Stock Market requirements.

Assignment of Committee Members

Committee assignments will be made by the Board based upon recommendations of the Nominating and Corporate Governance Committee. Committee assignments and designation of Committee chairpersons will endeavor to match the director's skills and expertise with the Committee's function and needs. The Board believes experience and continuity are more important than rotation. Board members and chairpersons should be rotated only if rotation is likely to increase Committee performance.

Frequency of Committee Meetings

Each Committee will establish its own rules or procedures, which will be consistent with the provisions of the Delaware General Corporation Law, the By-Laws, any resolutions of the Board governing such Committee and their respective Charters. Each Committee will meet as provided by such rules and their respective Charters.

Committee Agenda

The Chairperson of each Committee, in consultation with the other Committee members, will determine the Committee's agenda prior to a meeting, giving consideration to management recommendations.

Audit Committee

The Audit Committee's duties and responsibilities will be set forth in the Audit Committee Charter and include all of the responsibilities of an audit committee under the Nasdaq Stock Market and Securities and Exchange Commission rules and such other matters as may from time to time be delegated to the Audit Committee by the Board. Each member of the Audit Committee satisfies the independence and other requirements of the Nasdaq Stock Market and the Securities and Exchange Commission relating to directors and Audit Committee members.

Compensation Committee

The Compensation Committee's duties and responsibilities will be set forth in the Compensation Committee Charter and include all of the responsibilities of a compensation committee under the Nasdaq Stock Market rules and such other matters as may from time to time be delegated to the Compensation Committee by the Board. Each member of the Compensation Committee satisfies the independence and other requirements of the Nasdaq Stock Market and the Securities and Exchange Commission relating to directors and Compensation Committee members.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee's duties and responsibilities will be set forth in the Nominating and Corporate Governance Committee Charter and include such responsibilities as have been and as may from time to time be delegated to the Nominating and Corporate Governance Committee by

the Board. Each member of the Nominating and Corporate Governance Committee satisfies the independence and other requirements of the Nasdaq Stock Market and the Securities and Exchange Commission relating to directors.

IV. Leadership Planning and Evaluation Succession Planning

Every year, the Chairman of the Board (or if the positions of Chairman and Chief Executive Officer are held by the same person, the independent Lead Director) in conjunction with the Compensation Committee, will lead the Board's review of the succession plan for the Chief Executive Officer and other key senior executives.

Assessing the Board's Performance

The Board will conduct an annual self-evaluation in order to determine whether it and its Committees are functioning effectively. The Nominating and Corporate Governance Committee will establish procedures to oversee the Board's annual self-evaluation. The assessment will focus on the Board's contributions to the Company and specifically focus on areas in which the Board or management believes that the Board or any of its Committees could improve. This process will also include annual self-assessments by the Audit Committee, the Compensation Committee, and the Nominating and Corporate Governance Committee, relying on a review process similar to that used by the Board, with performance criteria for each such Committee established on the basis of its Charter.

Board Interaction with Interested Parties, the Press, Clients, Etc.

The Chief Executive Officer and, as appropriate, designated members of senior management and certain other personnel, speak for the Company. Individual directors may, on occasion and with the knowledge of management, meet or otherwise communicate with interested parties. Absent unusual circumstances or as contemplated by the Committee Charters, such communications will be made only at the request of management.

All interested parties, including but not limited to stockholders, who wish to contact the Company's directors may do so in accordance with the Company's Board of Directors Communication Policy.

V. Confidential Voting Policy

No proxy, ballot or voting tabulation which identifies the vote of an individual shareholder of the Company on any matter submitted for a vote of shareholders at any meeting of shareholders of the Company will be disclosed to the directors, officers or employees of the Company and its affiliates ("Management") or to third parties, other than the Company's independent proxy solicitor, independent proxy tabulator and independent inspector of election, except: (i) as necessary to meet applicable legal requirements, to assert or defend claims for or against the Company, or to resolve legal claims and disputes regarding ballots, proxy forms or votes, or the accuracy of any vote tabulation; (ii) in a contested proxy solicitation; or (iii) if the individual shareholder makes a written comment on the proxy card or otherwise communicates or authorizes disclosure of his or her vote to Management.

The inspector of election will be an independent third party who will be asked to certify: (i) the outcome of the vote; (ii) his or her knowledge of the proxy tabulation process and the confidential voting policy; and (iii) that he or she is not aware of any violations of the confidential voting policy.

Information as to which shareholders have not voted and periodic status reports on the aggregate votes on matters will continue to be available to Management.

Confidential voting applies to individual shareholders, and not to the Company's corporate and institutional shareholders.