

**The Bon-Ton Stores, Inc.  
Executive Committee Charter**

This Charter has been adopted by the Board of Directors (the "Board") of The Bon-Ton Stores, Inc. (the "Company") to govern its Executive Committee (the "Committee"), which shall have the authority, responsibility and specific powers described below.

**Purposes.** The Committee's purposes are:

**Organization.** The Committee shall be composed of two or more members, each of whom shall be appointed and removed by the Board. A member of the Committee shall be selected by the Board to serve as the Committee's chairperson. The Committee may delegate its authority to a subcommittee comprised solely of its members. The Chief Executive Officer of the Company shall be permitted to attend meetings but may not vote on matters before the Committee.

**Meetings.** The Committee shall conduct a minimum of six meetings per year or more if deemed appropriate by the chairperson or a majority of its members. The Committee shall make regular reports to the Board.

**Responsibilities.** In carrying out its purposes, the Committee shall:

1. Propose Board agenda for the year and refine prior to each meeting.
2. Keep the other Board members informed on pertinent issues that arise between quarterly board meetings.
3. Act as a sounding board to the CEO where appropriate.
4. Review, evaluate, and provide recommendations to the Board regarding CEO and management succession plans and management development plans. These issues shall be reviewed by the Committee at least twice per year. If the Committee is aware that the departure or retirement of the CEO is imminent, CEO succession shall be discussed by the Committee monthly at its regularly scheduled meetings.
  - a. The Committee shall review and discuss an annual report on organizational effectiveness, which report shall be prepared under the direction of the CEO
  - b. The Committee shall review significant organizational changes, key appointments or executive terminations proposed by the CEO.
  - c. The Committee shall review on an on-going basis succession planning and management development programs for the CEO and executive officers for appropriate utilization of management resources and, as appropriate, the Committee shall report to the Board thereon.

5. Evaluate the performance and contribution of each incumbent director to determine whether re-nomination is appropriate.
6. When necessary act on behalf of the Board to approve management action. The Board will be informed and the action ratified.
7. The Board has delegated to the Executive Committee responsibility as follows:
  - a. The acquisition of equity interests in, or assets of, other entities, provided the purchase price, including any debt assumption, does not exceed \$10 million;
  - b. The acquisition of any interest in real estate, provided the purchase price, including any debt assumption, and the anticipated construction or renovation costs do not exceed \$10 million;
  - c. The entry into a lease or operating agreement provided the present value of any minimum rent obligation during the initial term of any lease shall not exceed \$10 million; and
  - d. The sale or disposition of any assets provided the aggregate value, as determined by the Executive Committee, shall not exceed \$3 million.

Note: The Board will be informed in advance of these actions and any analysis will be provided.