



## GOVERNANCE AND NOMINATING 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 Governance and Nominating Committee (the "Committee"), which shall have the authority, responsibility and specific powers described below.

### Purposes

The Committee's purposes are (a) to identify individuals qualified to become members of the Board and select, or recommend that the Board select, (i) director nominees for the next annual meeting of stockholders, and (ii) directors to fill any vacancies in the Board, (b) to select, or recommend that the Board select, directors to serve on the committees of the Board, and (c) to provide an annual report to the Board which shall include the results of the Committee's annual evaluation of its performance and of the performance of each director, and the Company's compliance with corporate governance requirements, all in accordance with applicable laws or regulations of governmental authorities, applicable rules of the Nasdaq National Market ("Nasdaq") and/or any other securities market or stock exchange where the Company's securities are from time to time listed (collectively, "Applicable Requirements").

### Organization

The Committee shall be composed of two or more members, each of whom shall satisfy any Applicable Requirements, including, if the Company does not avail itself of the "controlled company" exception under applicable Nasdaq rules, the independence requirements of Nasdaq from time to time in effect and applicable to the Company. The Chief Executive Officer of the Company shall be permitted to serve on the Committee.

Committee members 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.

### Meetings

The Committee shall conduct a minimum of one meeting per year, or more if deemed appropriate by its chairperson or a majority of its members. The Committee shall make regular reports to the Board.

### Responsibilities

In carrying out its obligations, the Committee shall be concerned that the members of the Board possess the requisite qualities and meet the criteria established by the Committee for directors. The Committee shall:

1. Establish criteria which potential Board members should possess, taking into consideration the strength and weaknesses of the members of the then current Board.
2. Evaluate from time to time the appropriate size of the Board and recommend any increase or decrease with respect thereto.
3. Evaluate the performance and contribution of each incumbent director to determine whether renomination is appropriate.
4. Establish processes for developing candidates for Board membership and the conducting of searches for Board candidates.
5. Assist in the selection of candidates for Board membership.
6. Review the qualifications and backgrounds of Board candidates.
7. Assist in the recruiting of Board candidates.
8. Make recommendations to the entire Board concerning membership of each of the committees of the Board.
9. Review the agenda and content of each meeting of the Board to assure appropriate focus and that corporate governance issues are properly addressed.

### Criteria for Selecting New Directors

The Committee hereby adopts a process for identifying and evaluating nominees for director, including nominees recommended by security holders, such that, in the minimum, such nominees possess a background that includes a solid education, sufficient business, professional or academic experience and the requisite reputation, character, integrity, skills, judgment and temperament and such other relevant characteristics, which, in the Committee's view, have prepared him or her

for dealing with the multi-faceted financial, business and other issues that confront a Board of Directors of a corporation with the size, complexity, reputation and success of the Company. In addition, the Committee shall consider all applicable statutory, regulatory, case law and Nasdaq requirements with regard thereto, including when appropriate those applicable to membership on any committee of the Board. The Committee shall establish, and, to the extent required by Applicable Requirements, publish in the Company's proxy statement or elsewhere as required, specific, minimum qualifications that must be met by any nominee to be selected or recommended by the Committee and the specific qualities or skills that the Committee may determine from time to time to be necessary for one or more of the Company's directors to possess.