



CORPORATE GOVERNANCE GUIDELINES

Approved February 2019

Introduction

The Board of Directors (the "Board") of The Children's Place Retail Stores, Inc. (the "Company") has developed corporate governance policies and practices to document and communicate its responsibilities to stockholders. These guidelines help ensure that the Board continues to have the necessary authority and practices in place to review and evaluate the Company's business operations and to make decisions that are independent of the Company's management.

The guidelines are subject to future refinement or changes as the Board may find necessary or advisable for the Company in order to achieve these objectives.

Role of the Board

The role of the Board is to oversee the business, assets, affairs and performance of the Company in the best interests of its stockholders and other stakeholders. The Board focuses its activities on the key requirements of the Company, such as corporate strategy, evaluation of the senior executives of the Company, succession planning and the Company's business practices. The Board also oversees management's assessment and mitigation of major risks facing the Company.

Board Composition and Selection; Independent Directors

1. **Board Size.** The Board currently believes between seven and nine members is an appropriate size based on the Company's present circumstances. The Board periodically evaluates whether a larger or smaller slate of directors would be preferable.
2. **Selection of Board Members.** The Company's stockholders elect Board members annually, except for Board action to fill vacancies, in accordance with the provisions of our certificate of incorporation and bylaws. The Nominating and Corporate Governance Committee is responsible for recommending to the Board director candidates for nomination and election. The Nominating and Corporate Governance Committee annually reviews with the Board the applicable skills and characteristics required of Board nominees in the context of current Board composition and

Company circumstances. In making its recommendations to the Board, the Nominating and Corporate Governance Committee considers, among other things, the qualifications of individual director candidates in light of the Board Membership Criteria described below. The Nominating and Corporate Governance Committee may use a variety of sources, including executive search firms and stockholder recommendations, to identify director candidates. The Nominating and Corporate Governance Committee may retain search firms and, if retained, approves payment of their fees.

The Nominating and Corporate Governance Committee will consider candidates recommended by stockholders. The Nominating and Corporate Governance Committee shall have a policy that there will be no differences in the manner in which it evaluates nominees recommended by stockholders and nominees recommended by the Nominating and Corporate Governance Committee or Company management, except that no specific process shall be mandated with respect to the nomination of any individuals who have previously served on the Board. Stockholders wishing to suggest director candidates should submit their suggestions in writing to the attention of the Corporate Secretary of the Company, providing the candidate's name and qualifications for service as a Board member, a document signed by the candidate indicating the candidate's willingness to serve, if elected, and evidence of the stockholder's ownership of Company stock. A stockholder wishing to formally nominate a candidate must do so by following the procedures described in Article I, Section 6(j) of the Company's Bylaws.

The Board nominates director candidates for election by the stockholders and fills any Board vacancies that occur between stockholder elections pursuant to the Company's Bylaws.

- 3. Board Membership Criteria.** The Nominating and Corporate Governance Committee works with the Board on an annual basis to determine the appropriate characteristics, skills, and experience for the Board as a whole and its individual members with the objective of having a Board with diverse backgrounds and experience. Characteristics expected of all directors include independence, integrity, high personal and professional ethics, sound business judgment, and the ability and willingness to commit sufficient time to the Board. In evaluating the suitability of individual Board members, the Board takes into account many factors, including general understanding of marketing, finance, and other disciplines relevant to the success of a large publicly traded company in today's business environment; understanding of the Company's business and technology; educational and professional background; personal accomplishment; and gender, age, and ethnic diversity. The Board evaluates each individual in the context of the Board as a whole, with the objective of recommending a group that can best perpetuate the success of the Company's business and represent stockholder interests through the exercise of sound judgment, using its diversity of experience. In determining whether to recommend a nominee or a director for election or re-election, the Nominating and Corporate Governance Committee considers the factors it deems

relevant, including the director's past attendance at meetings, participation in and contributions to the activities of the Board and its committees, interaction with members of management and the Board, and the results of the annual Board self-evaluation and evaluation of individual directors (including such nominee's or director's contributions, effectiveness, experiences, background and skillsets). The Nominating and Corporate Governance Committee utilizes the contribution and effectiveness assessment to inform its succession planning and utilizes the experience, background and skillset inventory to identify possible refreshment needs in order to align the composition of the Board with the Company's strategic objectives and initiatives.

4. **Board Composition – Mix of Management and Independent Directors.** The Board intends that, except during periods of temporary vacancies, a substantial majority of its directors will be independent. The Board has determined that an independent director is one who the Board affirmatively determines has no material relationship with the Company (either directly or as a partner, stockholder or officer of an organization that has a relationship with the Company) and is considered independent under the listing standards of the Nasdaq Stock Market and under the rules and regulations promulgated by the Securities and Exchange Commission, as they may from time to time be amended. The Board will also consider all other relevant facts and circumstances bearing on independence.
5. **Term Limits.** The Board does not believe it should limit the number of terms for which an individual may serve as a director. Directors who have served on the Board for an extended period of time are able to provide valuable insight into the operations and future of the Company based on their experience with and understanding of the Company's history, policies, and objectives. The Board believes that, as an alternative to term limits, it can ensure that the Board continues to evolve and adopt new viewpoints through the evaluation and nomination process described in these guidelines.
6. **Election of Directors.** As provided in Article Five of the Company's Amended and Restated Certificate of Incorporation, in an uncontested election directors will be elected by the vote of the majority of the votes cast. A "majority of votes cast" means that the number of votes cast "for" the election of the nominee exceeds 50% of the total number of votes cast "for" or "against" the election of that nominee. In a contested election, directors will be elected by the vote of a plurality of the votes cast. A "contested" election means an election at which the number of nominees for election as director is greater than the number of directors to be elected.

In the event of an uncontested election, a nominee that fails to receive a majority of the votes cast by the stockholders in respect of his or her election should promptly offer to tender his or her resignation from the Board and any Board committees on which he or she serves. The Nominating and Corporate Governance Committee will then evaluate and make a recommendation to the Board as to whether to accept or reject the tendered resignation or take other action. The Board shall act on the tendered resignation, taking into account the recommendation of the Nominating and

Corporate Governance Committee, and shall publicly disclose its decision and rationale within 90 days from the date of certification of the election results. The Nominating and Corporate Governance Committee, in making its recommendation, and the Board, in making its decision, may each consider any factors or other information that it considers appropriate or relevant. The director who offers to tender his or her resignation in accordance with the foregoing provisions shall not participate in the recommendation of the Nominating and Corporate Governance Committee or the decision of the Board of Directors with respect to the acceptance or rejection of his or her resignation.

7. **Resignation.** Any director may resign at any time by giving notice in writing or by electronic transmission to the Chairman of the Board, the President or the Secretary of the Company or such other officer of the Company as the Board shall designate from time to time. Such resignation shall take effect upon receipt thereof or at any later time specified therein; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.
8. **Directors with Significant Position Changes.** The Board requires any director who experiences any of the following changes to promptly notify the Nominating and Corporate Governance Committee and seek the Committee's approval:
 - i. Accepts a directorship or ceases being a director, in either case, of a publicly traded company, or
 - ii. Materially changes his or her employment or position.

The foregoing notice and approval shall be applicable whether the change is voluntary or involuntary, whether the change occurs within the same organization or to another organization, and if the director leaves employment/position without taking on new employment/position. If practical, notice shall be given and approval shall be sought prior to a change.

In the event that the director fails to provide notice or to obtain approval from the Nominating and Corporate Governance Committee, then the director shall offer to resign from the Board. The Nominating and Corporate Governance Committee will then evaluate whether the Committee will recommend that the Board accept the resignation offer or whether the Committee will determine to reject the resignation offer, including based on a review of whether the individual continues to satisfy the Board's membership criteria in light of his or her new status. If the Nominating and Corporate Governance Committee determines that the offer to resign should be rejected, no further action will be required and the offer to resign will be deemed rejected. If the Committee determines to recommend to the Board the acceptance of the offer to resign, it will do so.

9. **Selection of CEO and Chairman; Lead Independent Director.** The Board selects the Company's CEO and Chairman in the manner that it determines to be in the best interests of the Company's stockholders. The Board does not have a policy as to whether the Chairman should be an independent director, an affiliated director, or a member of management. When the Chairman is an affiliated director or a member of Company management, the independent directors shall and otherwise may, from time to time, select an independent director to act as the Lead Independent Director of the Board, with responsibility for coordinating the activities of the other independent directors and for performing the duties specified in these guidelines, including but not limited to (i) presiding at all meetings of the Board at which the Chairman is not present, including executive sessions of the independent directors, (ii) serving as liaison between the Chairman and the independent directors, (iii) approving information sent to the Board, (iv) approving meeting agendas for the Board, and (v) approving meeting schedules to assure that there is sufficient time for discussion, and such other duties as are assigned from time to time by the Board.
10. **Other Boards and Committees.** Without specific approval from the Board, (i) no director may serve on more than four (4) public company boards (including the Company's Board), (ii) directors who also serve as CEOs or in equivalent positions of other companies shall not serve on more than two public company boards, including the Company's Board, in addition to their employer's board, and (iii) the Company's CEO shall not serve on more than one public company board in addition to the Company's board. In calculating service on a public company board, service on a board of a parent and its substantially owned subsidiary counts as service on a single board. The Nominating and Corporate Governance Committee and the Board will take into account the nature of and time involved in a director's service on other boards in evaluating the suitability of individual directors and making its recommendations to Company stockholders. Service on boards and/or committees of other organizations should be consistent with the Company's conflict of interest policies.

Board Meetings; Involvement of Senior Management and Independent Advisors

11. **Board Meetings – Frequency.** The Board will generally hold at least four regularly scheduled meetings per year and will hold additional special meetings as necessary. Each director is expected to attend both scheduled and special meetings.
12. **Board Meetings – Agenda.** The Chairman of the Board, if the Chairman is an independent director, or otherwise the Chairman and the Lead Independent Director, and the CEO will set the agenda for each Board meeting, taking into account suggestions from other members of the Board. The agenda for each Board meeting will be distributed in advance to each director.
13. **Advance Distribution of Materials.** All information relevant to the Board's understanding of matters to be discussed at an upcoming Board meeting should be distributed in writing or electronically to all members in advance, whenever feasible

and appropriate. Each director is expected to review this information in advance of the meeting to facilitate the efficient use of meeting time. The Board recognizes that certain items to be discussed at Board meetings are of an extremely sensitive nature and that the distribution of materials on these matters prior to Board meetings may not be appropriate.

14. **Access to Associates.** The Board should have access to Company associates to ensure that directors can ask all questions and glean all information necessary to fulfill their duties. The Board may specify a protocol for making such inquiries. Management is encouraged to invite Company personnel to any Board meeting at which their presence and expertise would help the Board have a full understanding of matters being considered.
15. **Access to Independent Advisors.** The Board and its committees have the right at any time to retain independent outside auditors and financial, legal, or other advisors. The Company will provide appropriate funding, as determined by the Board or any committee, to compensate those independent outside auditors or advisors, as well as to cover the ordinary administrative expenses incurred by the Board and its committees in carrying out their duties.
16. **Executive Sessions of Independent Directors.** The independent directors of the Company will meet regularly in executive session, i.e., without management present—at least quarterly each fiscal year, or as close to quarterly as is reasonably practicable. Executive sessions of the independent directors will be called and chaired by the Chairman of the Board, if the Chairman is an independent director, or otherwise by the Lead Independent Director. These executive session discussions may include such topics as the independent directors determine.

Communications with Stockholders

17. **Stockholder Communications to the Board.** Stockholders may contact an individual director, the Board as a group, or a specified Board committee or group, including the independent directors as a group, by the following means:

- **Mail:**
Board of Directors
c/o Corporate Secretary
The Children's Place Retail Stores, Inc.
500 Plaza Drive
Secaucus, New Jersey 07094
- **E-mail:** childrensplaceboard@childrensplace.com

Each communication should specify the applicable addressee or addressees to be contacted as well as the general topic of the communication. The Company will initially receive and process communications before forwarding them to the addressee.

Communications also may be referred to other departments within the Company. The Company generally will not forward to the Directors a stockholder communication that it determines to be primarily commercial in nature, that relates to an improper or irrelevant topic, that requests information about the Company that is generally available (which will instead be forwarded to the Company's Investor Relations department) or that is unrelated to the stockholder's ownership of the Company's stock.

- 18. Attendance at Annual Stockholder Meeting.** Each director is expected to attend the Company's annual meeting of stockholders.

Succession Planning; Performance Evaluation

- 19. CEO Evaluation.** At least once each year, the Chairman of the Board, if the Chairman is an independent director, or otherwise the Lead Independent Director shall lead the independent directors in establishing annual goals and objectives for the CEO and shall evaluate the CEO's performance against prior established goals and objectives and such other criteria as determined by the independent directors. Following a preliminary assessment by the independent directors, the Compensation Committee shall assist the independent directors in establishing annual goals and objectives for the CEO and shall recommend compensation of the CEO to the independent directors for approval. The Chairman of the Board, if the Chairman is an independent director, or otherwise the Lead Independent Director shall communicate the results of the evaluation to the CEO.

- 20. Succession Planning.** The Chairman of the Board, if the Chairman is an independent director, or otherwise the Lead Independent Director, shall lead the Board in conducting a formal review of CEO and senior management succession planning. Succession planning may be reviewed more frequently by the Board as it deems warranted.

- 21. Board and Committee Self-Evaluation.** The Nominating and Corporate Governance Committee is responsible for conducting an annual evaluation of the performance of the Board and each of its members. Evaluation results are reported to the Board in the case of the evaluation of the Board, and are reported to each director in the case of the evaluation of members of the Board. The Nominating and Corporate Governance Committee's report should generally include an assessment of the Board's compliance with the principles set forth in these guidelines, as well as identification of areas in which the Board could improve its performance.

Compensation

- 22. Board Compensation Review.** Non-employee directors shall receive reasonable compensation for their services as such. Directors who are employees of the Company or any of its subsidiaries shall receive no additional compensation for serving as directors. Generally, the Board believes that the level of director compensation should be based on time spent carrying out Board and committee

responsibilities and be competitive with comparable companies. The Compensation Committee should determine the form and amount of Director compensation by conducting an annual review of Director compensation, taking into account how the Company's director compensation practices compare with those of comparable corporations.

Committees

23. Number and Type of Committees. The Board shall have at all times an Audit Committee, a Compensation Committee, and a Nominating and Corporate Governance Committee, each of which shall have its own charter. The Board may add new committees or remove existing committees as it deems advisable in the fulfillment of its responsibilities. Each committee will perform its duties as assigned by the Board in compliance with the Company's charter and bylaws and the Committee's charter. Committee duties may be described briefly as follows:

- **Audit Committee.** The Audit Committee provides assistance to the Board in fulfilling its oversight responsibility relating to the accounting and financial reporting processes of the Company and the independent audits of the Company's financial statements, the systems of internal accounting and financial controls, the internal audit function, the assessment of financial risk, and the legal compliance and ethics programs as established by management and the Board.
- **Compensation Committee.** The Compensation Committee oversees the compensation of the Company's executive officers to ensure alignment with the Company's strategy and performance and assists the Board in determining the compensation of the CEO, the adoption of policies that govern the Company's compensation and benefit programs, assessing the risk, if any, arising from the Company's compensation policies and practices, and planning for executive officer development.
- **Nominating and Corporate Governance Committee.** The Governance and Nominating Committee provides assistance to the Board with respect to matters relating to the composition and membership of the Board and the Board's governance responsibilities.

24. Composition of Committees; Committee Chairpersons. The Audit, Compensation and Nominating and Corporate Governance Committees shall consist solely of independent directors. The Board is responsible for the appointment of committee members and committee chairpersons according to criteria that it determines to be in the best interest of the Company and its stockholders. The full Board considers periodic rotation of committee members and chairs, taking into account the desirability of rotation of committee members and chair, the benefits of continuity and experience, and applicable legal, regulatory and stock exchange listing requirements.

25. Committee Meetings and Agenda. The chairperson of each committee is responsible for developing, together with relevant Company managers, the committee's general agenda and objectives and for setting the specific agenda for committee meetings. The chairperson and committee members will determine the frequency and length of committee meetings consistent with the committee's charter.

Miscellaneous

26. Director Orientation and Continuing Education. Company management shall provide new directors with an orientation in order to familiarize them with the Company's businesses, strategies, and policies and to assist new directors in developing the skills and knowledge required for their service. In addition, in order to facilitate the directors' fulfillment of their responsibilities regarding continuing education and to enhance each director's knowledge of the Company, it is appropriate for management to provide directors with material that explains the Company's business operations and comparisons of the Company with its major competitors, access to continuing education programs, and periodic visits to stores and company facilities.

27. Confidentiality. Each director has an obligation to the Company and his or her fellow directors to protect the integrity of the decision-making process of the Board. This obligation includes maintaining in confidence non-public information made available to a director and the confidentiality of Board deliberations, limiting public comment on Company or Board matters to comments specifically requested by management or authorized by the Board and assuring that any potential conflicts of interest on the part of a director are properly addressed. In furtherance of the foregoing:

- The deliberations of the Board (including its committees) are intended to be confidential and decisions about the timing and manner of announcement of the Board's actions are the prerogative of the Board. The views on matters concerning the business and affairs of the Company expressed by a director should not be disclosed by a director beyond the Board members and those members of management or others invited to participate in the Board's deliberations on a matter, except as required for the performance of a director's duties or as required by law.
- Management, in particular the Company's executive officers, speaks for the Company with the shareholders, investors, employees, customers, suppliers, the press and other constituencies. In general, the Chairman of the Board speaks for the Board. Individual directors may, from time to time at the request of management or the Board, meet or otherwise communicate with various constituencies. If comments from the Board are appropriate, however, they should, in most circumstances, come from the Chairman unless otherwise directed by the Board.

28. Policy Statement on Option Repricing. The Company will not, without stockholder approval, amend any stock option to reduce the exercise price (except for appropriate adjustments in the case of a stock split or similar change in capitalization), or offer to exchange outstanding stock options for options having a lower exercise price, or offer to exchange options having an exercise price above the current market price for cash, restricted stock or other consideration.

Review of Governance Guidelines. The policies and practices memorialized in these guidelines have developed over a period of years. The Nominating and Corporate Governance Committee expects to review these guidelines at least annually, as appropriate.