

BED BATH & BEYOND INC.
CORPORATE GOVERNANCE GUIDELINES

May 2017

A. **BOARD COMPOSITION**

1. **Separation of the Positions of Chairman and Chief Executive Officer**

The Board's general policy, based on experience, is that the positions of Chairman of the Board and Chief Executive Officer should be held by separate persons. The Board may, at its discretion, appoint Co-Chairmen, each of whom may exercise the full powers and authorities of the office of Chairman.

2. **Size of the Board**

The Board determines the number of directors in accordance with the Corporation's By-laws. The Board periodically reviews the appropriate size of the Board. The Board currently has ten (10) members.

3. **Mix of Inside and Independent Directors**

The Board shall at all times have a majority of Independent Directors. The Board also believes that it is useful and appropriate to have the Chairman (or, if applicable, Co-Chairmen) and the Chief Executive Officer as directors.

4. **Board Definition of Independence**

The Corporation defines an "Independent Director" in accordance with the applicable NASDAQ Stock Market Rule. The Board is also responsible for making an affirmative determination that each Independent Director has no other relationship with the Corporation or its affiliates (in addition to those specified in the applicable NASDAQ Stock Market Rule) that would impair his or her independence.

5. **Lead Director**

The Board has an Independent Director designated as the Lead Director, who:

- presides at all executive sessions of the Independent Directors;
- has the authority to call meetings of the Independent Directors;
- acts as a liaison between the members of the Board and management;

- functions as secretary of the Board (including proposal and maintenance of Board agendas and schedules for meetings);
- arranges for Board committee functions and acts as secretary of all Board Committees, other than when another Independent Director acts in such capacity;
- receives communications from the Corporation's shareholders as set forth in Section F below; and
- is available for consultation with the Corporation's shareholders as appropriate.

The general authority and responsibilities of the Lead Director are established by the Board.

6. **Board Membership Criteria**

The Board has adopted a policy regarding specific, minimum qualifications for potential directors. These factors, and others as considered useful by the Board and the Nominating and Corporate Governance Committee, are reviewed in the context of an assessment of the perceived needs of the Board at a particular point in time.

Board members are expected to prepare for, attend, and participate in all Board and applicable Committee meetings. Each Board member is expected to ensure that other existing and planned future commitments do not materially interfere with the member's service as a director. These other commitments will be considered by the Nominating and Corporate Governance Committee and the Board when reviewing Board candidates.

7. **Selection of New Director Candidates**

The Board has adopted a policy regarding the process for identifying and evaluating director nominees, including nominees recommended by the Corporation's shareholders. The Nominating and Corporate Governance Committee may request that other members of the Board and members of management participate in the process as appropriate. Through this process, the Committee identifies individuals qualified to become Board members and considers, evaluates and recommends for the Board's selection nominees to fill positions on the Board. The Board shall give due consideration to the Committee's recommendation in selecting the slate of directors to stand for election by the Corporation's shareholders.

8. **Board Compensation**

Directors who are not also officers or employees of the Corporation receive compensation, in an amount determined by the Board, for their service on the Board, and are reimbursed for their reasonable expenses. Directors who are officers or employees of the Corporation will not be paid for Board membership

in addition to their regular compensation. Independent Directors may not receive consulting, advisory or other compensatory fees from the Corporation in addition to their Board compensation.

B. RESPONSIBILITIES OF THE BOARD OF DIRECTORS

1. Primary Responsibilities

The primary responsibilities of the Board are oversight, counseling and direction of the management of the Corporation in the interest and for the benefit of the Corporation's shareholders.

The Board has delegated to the Chairman (or Co-Chairmen) and the Chief Executive Officer, working with the other executive officers of the Corporation, the authority and responsibility for managing the business of the Corporation in a manner consistent with the standards and practices of the Corporation, and in accordance with any specific plans, instructions or directions of the Board. The Chairman (or Co-Chairmen), the Chief Executive Officer and other members of management are responsible for seeking the advice and, in appropriate situations, the approval of the Board with respect to extraordinary actions to be undertaken by the Corporation.

2. Risk Oversight

As part of its oversight responsibility, the Board receives at least annually a report on the material risks facing the Corporation, which risks are identified through the Corporation's Enterprise Risk Management ("ERM") process. This report is presented to the Board by a committee of key executives representing legal, compliance, finance and internal audit, and results from a formal process where members of the committee meet with executives of each principal business function to identify and assess the significant risks in each such business function's areas of responsibility. The committee then analyzes with those executives what risk mitigation efforts are or should be in place to eliminate or reduce such risks to acceptable levels, where possible, and then engages on these matters with the full Board. In the annual ERM report, areas of risk and mitigation efforts reviewed with the full Board in furtherance of its oversight responsibilities generally include: general business risks, such as economic forces, competition and weather; employment-related risks, such as recruitment and retention, succession, labor costs and associate relations; data security risks with respect to Corporation, associate and customer data; compliance risks associated with the range of legal, accounting, tax, and financial reporting systems under which the Corporation operates; supply chain risks, including disruption arising from political instability or labor disturbances, supplier financial stability and legal compliance; and compliance with a variety of product, labor, social, and environmental standards. The Board is updated on certain risks more frequently than annually, upon request or as developments warrant.

The ERM process and report to the Board also informs the more detailed Risk Factor disclosure in the Corporation's annual report on Form 10-K, filed with the Securities & Exchange Commission.

3. **Policy of Ethical Standards for Business Conduct**

Members of the Board shall act at all times in accordance with the requirements of the Corporation's Policy of Ethical Standards for Business Conduct, which shall be applicable to each director in connection with his or her activities relating to the Corporation. This obligation shall at all times include, without limitation, adherence to the Corporation's policies with respect to conflicts of interest, confidentiality, protection of the Corporation's assets, ethical conduct in business dealings and respect for and compliance with applicable law. Any waiver of the requirements of the Policy of Ethical Standards for Business Conduct with respect to any individual director shall be reported to, and be subject to the approval of, the Board.

4. **Service on Other Boards**

The Board believes that directors should limit the number of boards of other public companies on which they serve in order to ensure their effectiveness as a board member and avoid conflicts of interest. The Chairman (or, if applicable, Co-Chairmen) and the Chief Executive Officer of the Corporation should not serve on more than two other public company boards in addition to serving on the Board, while non-executive directors should not serve on more than four other public company boards in addition to serving on the Board.

Directors should advise the Chairman (or, if applicable, the Co-Chairmen) and the Lead Director and the Nominating and Corporate Governance Committee in advance of accepting an invitation to serve on another public company board in order to evaluate whether the new directorship adversely impacts the director's Board service, including whether the directorship creates any potential conflicts of interest. The Nominating and Corporate Governance Committee will consider the commitments of a director or candidate to other board memberships in assessing the individual's suitability for election or reelection to the Board.

C. **BOARD MEETINGS AND MATERIALS**

1. **Scheduling and Selection of Agenda Items for Board Meetings**

Board meetings are scheduled in advance, typically every quarter. In addition to regularly scheduled meetings, additional Board meetings may be called upon appropriate notice at any time to address specific needs of the Corporation. The Board may also take action from time to time by unanimous written consent.

The Lead Director shall propose and maintain the agenda and schedule for each Board meeting, in consultation with the Chairman (or Co-Chairmen) and the

Chief Executive Officer. Each director may propose the inclusion of items on the agenda, request the presence of or a report by any member of the Corporation's management, or at any Board meeting raise subjects that are not on the agenda for that meeting.

2. **Access to Officers and Employees**

Each member of the Board shall have complete access to contact and meet with any officer or employee of the Corporation.

3. **Executive Sessions of Independent Directors**

The Board's policy is to have separate, regularly-scheduled executive sessions for the Independent Directors at least twice a year in conjunction with regularly-scheduled Board meetings. The Lead Director will preside at the executive sessions, has the authority to call meetings of the Independent Directors and shall bear such further responsibilities as the Independent Directors as a whole may designate from time to time.

4. **Assessing Board and Committee Performance**

The Board and its Committees shall conduct a self-assessment at least annually to determine whether the Board and its Committees are functioning effectively. The Board has delegated to the Nominating and Corporate Governance Committee, using such resources or methods as it determines, the responsibility to facilitate this self-assessment and report the results thereof to the Board.

D. **BOARD COMMITTEES**

1. **Number of Committees**

The Board, by resolution adopted by a majority of the entire Board, may designate committees consisting of one or more directors. The current Committees are: the Audit Committee, the Nominating and Corporate Governance Committee, the Compensation Committee for the Corporation's Chairman (or, if applicable, Co-Chairmen), Chief Executive Officer, other executive officers and such other key executives as the Committee shall determine, and the Incentive Compensation Committee for Non-Senior Persons for all other eligible recipients under the Corporation's equity-compensation plans. There may, from time to time, be occasions on which the Board may want to form a new committee or disband a current committee depending upon the circumstances. The Audit Committee, the Nominating and Corporate Governance Committee and the Compensation Committee shall be comprised entirely of Independent Directors.

The Audit Committee, the Nominating and Corporate Governance Committee and the Compensation Committee have written charters, approved by the Board, each of which describes the Committee's general authority and responsibilities.

The Audit Committee oversees the Corporation's accounting and financial reporting processes and the audits of the Corporation's financial statements; and reviews the financial reports and other financial information provided by the Corporation to the public. In addition, the Audit Committee is directly responsible for the appointment, retention, compensation and oversight of the Corporation's outside auditor.

The Nominating and Corporate Governance Committee reviews certain policies regarding the nomination of directors and recommends any changes in such policies to the Board for its approval; identifies individuals qualified to become directors; evaluates and recommends for the Board's selection nominees to fill positions on the Board; reviews all shareholder proposals submitted to the Corporation and the timeliness of the submission thereof and recommends to the Board appropriate action on each such proposal; and recommends changes in the Corporation's corporate governance policies (including these Corporate Governance Guidelines) to the Board for its approval.

The Compensation Committee considers and determines all matters relating to the compensation of the Chairman (or, if applicable, Co-Chairmen), the Chief Executive Officer, other executive officers and such other key executives as the Committee shall determine; and administers and functions as the committee that is authorized to make grants and awards of equity compensation to executive officers and such other key executives as the Committee shall determine under the Corporation's equity-compensation plans.

The Incentive Compensation Committee for Non-Senior Persons administers and functions as the committee that is authorized to make grants and awards of equity compensation to eligible recipients under the Corporation's equity-compensation plans other than executive officers or Directors of the Corporation or any other key executives as may be determined by the Board or the Compensation Committee.

2. **Committee Assignments**

The members of each Committee are appointed and may be replaced by the Board. Unless a Committee chair is elected by the full Board, the members of each Committee may designate a chair by majority vote of the full Committee membership.

3. **Committee Meetings**

Each Committee meets at such times and with such frequency as the Committee deems appropriate to meet its responsibilities. Committees may ask members of

management or others to attend meetings and provide pertinent information as necessary. Committees are required to report to the Board from time to time, as requested by the Board, or as the Committee deems appropriate.

E. **RECOVERY OF INCENTIVE COMPENSATION**

It is the Board's policy that the Corporation will, to the extent permitted by applicable law, seek reimbursement with respect to incentive compensation paid or awarded to a Named Executive Officer (as defined under Item 402(a)(3) of SEC Regulation S-K) after February 28, 2009 where (i) the payment or award (or the vesting of such award) was predicated upon the achievement of financial results, which financial results were the product of fraudulent activity or that were subsequently the subject of a material negative restatement, (ii) in the Board's view such Executive engaged in fraud or conduct known by the Executive to be in violation of SEC rules and regulations or Corporation policy that caused or that otherwise makes such Executive personally responsible for the fraudulent activity or the need for the restatement, and (iii) a lower payment or award would have been made to such Executive (or lesser or no vesting would have occurred with respect to such award) based upon the restated financial results or the financial results that would have pertained absent such fraudulent activity. In each such instance, the Board will seek to recover such portion of such Executive's incentive compensation for the relevant period as the Board deems appropriate after a review of any factors or information it considers appropriate or relevant. Generally, this review would include consideration of:

- the Board's view of what incentive compensation would have been paid or awarded to the Executive had the financial results been properly reported;
- the nature of the events that led to the improper reporting of financial results;
- the conduct of the Executive in connection with the events relating to the improper reporting;
- whether the assertion of a claim against the Executive could prejudice the Corporation's overall interests; whether other penalties or punishments are being imposed on the Executive, including by third parties such as regulators or other authorities; and the tax treatment of the recovery and related matters; and
- any other facts and circumstances that the Board deems relevant.

Where incentive compensation covered by this policy above consists of an equity award, including circumstances where vesting with respect to such equity award is predicated on the achievement of financial results as aforesaid, the Board shall take such action as it deems appropriate consistent with the foregoing principles, including, where appropriate, seeking to the extent described above the cancellation of stock or option awards or reimbursement of gains realized on the exercise of stock options or the sale of shares.

F. **POLICY ON EXECUTIVE SEVERANCE AGREEMENTS**

It is the Board's policy that the Corporation will not enter into any new employment agreement or severance agreement with an executive officer (as defined by Rule 3b-7 under the Securities Exchange Act of 1934) that provides for severance benefits exceeding 2.99 times the sum of the executive's base salary plus non-equity incentive plan payment or other annual non-equity bonus or award, without seeking shareholder ratification of the agreement. "Severance benefits" shall mean:

- payments in connection with the termination of the executive's employment (including payments in lieu of medical and other benefits);
- payments for any consulting services in connection with the termination of the executive's employment;
- payments made as consideration for an agreement not to compete with the Corporation;
- payments in connection with the termination of the executive's employment in excess of, or outside of, the terms of a plan or policy; and
- payments to offset tax liability in respect of any of the foregoing.

The determination of all such severance benefits shall be the estimated present value of any such payments or awards. For the avoidance of doubt, notwithstanding anything to the contrary herein the term "severance benefits" will not include (i) payments under the Corporation's retirement plans and agreements based on amounts contributed or accrued by or on behalf of the employee or the Corporation to or under any such plans or agreements, including any amounts earned, or deemed earned, on the amounts contributed or accrued to or under any such plan or agreement; (ii) payments of salary, bonus or other incentive compensation, vacation pay, benefits or other amounts, that in any case are accrued at the time of termination or that are otherwise attributable to the period preceding the date of termination; (iii) the value of accelerated vesting of any outstanding equity awards; (iv) payments or benefits that are generally available to similarly situated management employees; (v) payments upon death or disability; or (vi) any payments that the Board or any committee thereof determines in good faith to be a reasonable settlement of any claim made against the Corporation or fair consideration for future services to the Corporation.

This Policy shall be interpreted and construed by the Compensation Committee, and shall be reviewed no less than annually by such Committee.

G. **RESTRICTIONS ON HEDGING AND PLEDGING**

1. **Hedging Transactions**

The Board believes that it is important to align the interests of the directors and executive officers with those of the Corporation's shareholders and considers it inappropriate for directors and executive officers of the Corporation to engage in speculative transactions in the Corporation's securities. Accordingly, directors and executive officers of the Corporation are prohibited from engaging in hedging or monetization transactions with respect to the Corporation's securities, including through the use of financial instruments such as exchange funds, prepaid variable forwards, equity swaps, puts, calls, collars, forwards and other derivative instruments, or through the establishment of a short position in the Corporation's securities.

2. **Pledging Transactions**

Securities held in a margin account as collateral for a margin loan may be sold by the broker without the customer's consent if the customer fails to meet a margin call. Similarly, securities pledged as collateral for a loan may be sold in foreclosure if the borrower defaults on the loan. Because a margin sale or foreclosure sale may occur at a time when the pledgor is aware of material nonpublic information or otherwise not permitted to trade in the Corporation's securities, except as otherwise permitted below, directors and executive officers of the Corporation are prohibited from holding the Corporation's securities in a margin account or otherwise pledging the Corporation's securities as collateral for a loan. This anti-pledging policy shall not prohibit a pledge where a person covered by this policy wishes to pledge the Corporation's securities as collateral for a loan and certifies to the Corporation's General Counsel his or her financial capacity to repay the loan without resort to the pledged securities. Any person seeking an exception from this policy (other than as permitted in the immediately preceding sentence hereof) must submit a request for pre-approval to the Board prior to the contemplated transaction. Any securities of the Corporation that are pledged will not be counted towards meeting the requirements of the Corporation's stock ownership guidelines.

H. **SHAREHOLDER COMMUNICATIONS WITH THE BOARD**

The Board welcomes communications from the Corporation's shareholders. Shareholders may send communications to the Board, or to any particular director, to the following address: Lead Director, c/o General Counsel, Bed Bath & Beyond Inc., 650 Liberty Avenue, Union, New Jersey 07083. Shareholders should indicate clearly the director or directors to whom the communication is being sent so that each communication may be forwarded directly to the appropriate director(s).