

Compensation Committee Procedures for Equity Grants

It was recalled that the Board of Directors had determined that setting a fixed annual grant date for all option and restricted stock awards was best practices, and had consequently determined that annual grants for all employees should be made on a fixed date (May 10, or the next trading date if May 10 is not a trading date, except that the grant date for employees of Christmas Tree Shops would be June 10 or the next trading date). It was noted that in light of the adoption of a fixed annual grant date as best practices, certain conforming revisions would be appropriate to the Recommendations for Improvements in Stock Option/Restricted Share Process approved by the Board on October 9, 2006, and the implementation plan with respect to such recommendations subsequently approved by the Board. It was noted that both the original recommendation and subsequent implementation plan contemplated revisions over time, and that the Compensation Committee was authorized to approve such revisions. The Committee then approved the following revisions to the annual grant process for the Compensation Committee:

- Annual grants shall be made on a fixed date, set as far in advance as is reasonably practicable, which the Compensation Committee believes to be best practices for stock option and restricted stock awards.
- Until further action by the Compensation Committee or Board of Directors, such fixed date shall be May 10 of each year (or the next succeeding trading day if May 10 is not a trading day), except that such fixed date for employees of Christmas Tree Shops shall be June 10 (or such next succeeding trading day if June 10 is not a trading day).

- In light of the adoption of a fixed date for all annual grants by the Compensation Committee, any Committee meeting authorizing such grants shall be held on or before the May 10 (or any subsequent) grant date.
- All option grants shall be made with an exercise price not less than 100% of the fair market value of the Company's common stock on the fixed grant date; conversions of restricted share grants made in dollars shall be done on the same basis.
- Lists with names of grantees, grant amounts and other option terms shall be complete at the date of the meeting of the Compensation Committee at which grants are approved.
- Such lists shall be completed with grant prices promptly after the fixed grant date, and signed and dated by Compensation Committee members.
- Except as aforesaid, the Recommendations for Improvements and implementation plan relating to the Compensation Committee annual grant process previously approved by the Board of Directors shall remain unchanged.

It was subsequently determined that employees of buybuy BABY and World Market would be treated in the same manner as those of Christmas Tree Shops, with an annual grant date of June 10 (or such next succeeding trading day if June 10 is not a trading day), until further action by the Compensation Committee or Board of Directors.