



HUMAN RESOURCES AND COMPENSATION 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 Human Resources and Compensation Committee (the "Committee"), which shall have authority, responsibility and specific powers described below.

PURPOSES

The Committee's purposes are to:

- I. Discharge the responsibilities of the Board relating to the compensation of the Company's Executive Chairman, Chief Executive Officer (the "CEO"), the other Named Executive Officers, each of the other executives who directly report to the CEO, and any other executive officers as defined in the Exchange Act of 1934 (all of whom are referred to collectively in this Charter as the "Key Executive Group" or "Key Executives"), in accordance with the provisions of this Charter.
- II. Review, evaluate and, as appropriate in accordance with the provisions of this Charter, determine or provide recommendations to the Board, regarding adoption, modification or termination of the plans, policies and programs relating to the compensation of the Key Executive Group.
- III. Provide oversight with respect to the general compensation policies of the Company.
- IV. Provide oversight for major benefits programs and approvals where required.
- V. Administer the Company's cash bonus, equity award and other compensation plans in accordance with their provisions and subject to the direction of the Board, consistent with the terms of such plans and applicable law and/or regulations.
- VI. Produce an annual report with respect to the Compensation Discussion and Analysis section required to be included in the Company's proxy statement relating to the annual meeting of shareholders.
- VII. Provide oversight on the Company's succession planning process, excluding direct succession for the CEO.
- VIII. Provide oversight on termination policies/arrangements.
- IX. Review and approve the Company's Compensation Philosophy Statement.
- X. Review and approve the job description of the CEO.
- XI. In those instances where shareholder approval of Committee actions is required by applicable law or regulation of governmental authorities or applicable rules of the Nasdaq National Market ("Nasdaq"), submit such actions to the Company's shareholders for approval.

ORGANIZATION

- I. The Committee shall consist of the number of members fixed from time to time by the Board, but shall at all times consist of not less than three members.
- II. The Committee shall have a chairperson (the "Chair") who shall be appointed by the Board. The Chair shall appoint a person, who need not be a member of the Committee, to take minutes of meetings. The senior Human Resources executive of the Company shall assist the Committee with its responsibilities as requested by the Chair. The Committee may delegate its authority to a subcommittee comprised solely of one or more of its members.
- III. Each member of the Committee shall be a member of the Board who satisfies any applicable requirements, including any "independence" requirements of Nasdaq from time to time in effect and applicable to the Company. In addition, each member of the Committee shall satisfy the requirements to be treated as a non-employee director and as an outside director as set forth in Rule 16b-3 under the Securities Exchange Act of 1934, as amended, and applicable IRS regulations promulgated under Section 162(m) of the Internal Revenue Code of 1986, as amended, so that the Committee may approve certain matters as required by such rules and laws.

- IV. Committee members shall be appointed and removed by the Board.
- V. The Committee may invite guests to attend its meetings (or portions of its meetings), including the Executive Chair, CEO, other appropriate executives and any Director of the Company. These invited guests may not vote on matters before the Committee nor, if applicable, be present for the Committee's deliberations or votes concerning any aspects of their own compensation.
- VI. The Committee shall meet at least two times per year, either in person or by conference call, and at other times as required. The Committee shall meet, as needed, in executive session. The Committee will make regular reports to the Board.
- VII. The Committee shall have the authority to retain and/or terminate any compensation consultant to assist the Committee in carrying out its responsibilities. The Committee shall also have the authority to obtain advice and assistance from internal or external legal, accounting or other advisors. In each case, the Committee shall have the authority to approve the fees and other terms applicable to the engagement of each such consultant but this will be done with the knowledge of the Governance and Nominating Committee. The Committee may select a compensation consultant, legal counsel (other than in-house counsel) or other adviser only after taking into consideration the following factors, as well as any other factors identified by Nasdaq: (1) the provision of other services to the Company by the person that employs the compensation consultant, legal counsel or other adviser; (2) the amount of fees received from the Company by the person that employs the compensation consultant, legal counsel or other adviser, as a percentage of the total revenue of the person that employs the compensation consultant, legal counsel or other adviser; (3) the policies and procedures of the person that employs the compensation consultant, legal counsel or other adviser that are designed to prevent conflicts of interest; (4) any business or personal relationship of the compensation consultant, legal counsel or other adviser with a member of the Committee; (5) any stock of the Company owned by the compensation consultant, legal counsel or other adviser; and (6) any business or personal relationship of the compensation consultant, legal counsel, other adviser or the person employing the adviser with an executive officer of the Company. Nothing herein shall require any compensation consultant, legal counsel or other adviser to be independent, only that the Committee consider the independence factors enumerated above before selecting, or receiving advice from, such a compensation adviser.

RESPONSIBILITIES

I. Executive Compensation

1. The Committee shall annually review, determine and, as it deems appropriate, advise the Board of Directors, concerning the Company's goals and objectives relevant to the compensation of the Key Executive Group and other associates.
2. For the CEO and Executive Chair. The Committee shall:
 - Lead the Board process to:
 - Annually determine the criteria for evaluating their respective performance.
 - Annually evaluate their respective performance under these criteria.
 - Determine, consistent with applicable law and the applicable plans, the performance goals and metrics for any bonus and/or equity grant to be treated as performance-based compensation under Section 162(m) of the Internal Revenue Code, which determinations shall not be subject to the approval of the Board of Directors.
 - Determine the amount, form and terms of other components of their respective compensation packages, based on their individual performance evaluations conducted by the Committee and other factors as the Committee deems relevant.
 - Communicate the evaluation and compensation package to each executive.
3. For Others Key Executives: The Committee shall:
 - Annually review and approve the criteria presented by the CEO for evaluating the performance of each such Key Executive.
 - Annually review and approve the performance evaluation of each such Key Executive as presented by the CEO.
 - Determine, consistent with applicable law and the applicable plans, the performance goals and metrics for any bonus and/or equity grant to be treated as performance-based compensation under Section 162(m) of the Internal Revenue Code, which determinations shall not be subject to the approval of the Board of

Directors.

- Review and approve the amount, form and terms of other components of their respective compensation packages as presented by the CEO, based on their individual performance evaluations and other factors as the Committee deems relevant.

The CEO of the Company may be present at Committee meetings during which such compensation matters for these Key Executives is under review and consideration, but may not vote.

4. For All Key Executives:

- The components of their compensation packages may include, but shall not be limited to the following:
 - Annual base salary
 - Annual bonus opportunity
 - Long-term incentive opportunity
 - Provisions of any employment agreement, severance arrangement or change in control agreement
 - Special or supplemental benefits
 - In determining whether to approve the amount, form and terms of the above compensation components, the Committee shall consider each Key Executive's performance in light of corporate goals and objectives relevant to such executive, the Company's financial performance, shareholder return, the long-term incentive awards given to the executive in prior years, competitive market data pertaining to executive compensation at comparable companies, and such other factors as the Committee shall deem relevant.
 - The Committee's final determination of performance goals and metrics for any bonus and/or equity grant to be treated as performance-based compensation under Section 162(m) of the Internal Revenue Code shall occur only after all other discretionary variables have been resolved (e.g., if applicable, the final Board Plan and base salary).
 - Input from other members of the Board may be solicited with respect to any or all compensation components, but the final determination will be made by the HRCC, not subject to the approval of the Board of Directors. This shall apply to all components of compensation, including but not limited to determinations concerning performance goals and metrics for a bonus and/or equity grant to be treated as performance-based compensation under Section 162(m) of the Internal Revenue Code.
5. The Committee shall review, approve and recommend to the Board the adoption, modification or termination of all incentive compensation plans and equity based plans for the Company. These plans shall be subject to the approval of the Company's shareholders in those instances in which shareholder approval is required by applicable laws or regulations of governmental authorities or applicable rules of the stock exchanges where the Company's securities are from time to time listed.
6. The Committee shall administer the Company's long term incentive plans and will act in accordance with the terms of the respective plans and applicable requirements.
7. The Committee shall review, approve and recommend to the Board the Stock Ownership Guidelines Policy, and will administer the Policy and act in accordance with its terms.
8. The Committee will oversee annually the Company Retirement Plans, including the Retirement Contribution Plan, CPS Pension Plan, Supplemental Executive Retirement Plan (SERP) and the Deferred Compensation Plan, and report annually to the Board thereon.
9. The Committee shall be responsible for reviewing and discussing with management the Compensation Discussion and Analysis ("CD&A") required to be included in the Company's proxy statement relating to its annual meeting of shareholders, and for making a recommendation to the Board regarding inclusion of the CD&A in the proxy statement. Further, the Committee shall be responsible for producing a report with respect to such matters to be included in the proxy statement.

II. **Organization Structure of the Company**

1. The CEO is responsible for the organizational structure of the Company's management and shall present to the Committee a report on organizational effectiveness.

2. The Committee will be advised of any significant organizational changes, key appointments or executive terminations proposed by the CEO and will report to the Board thereon.
3. The CEO is responsible for succession planning and shall present to the Committee appropriate plans and updates.
4. The Committee will have oversight responsibility for the succession planning process, excluding direct succession for the CEO.

III. **Benefits**

1. The Committee will provide oversight for major benefit programs and approvals where required.

IV. **Review of Charter**

The Committee shall annually review and assess the adequacy of this Charter and, upon the completion of such review, recommend any proposed changes to the Board for approval.

V. **Evaluation of Committee's Performance**

The Committee shall annually review its own performance and report to the Board the conclusions of the Committee resulting from such review.

Last revised: November 1, 2013

Board Approved 11/18/13