

Burlington Stores, Inc.  
Form DEF 14A  
April 05, 2019  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**SCHEDULE 14A**  
**Proxy Statement Pursuant to Section 14(a) of the**  
**Securities Exchange Act of 1934**  
**(Amendment No. )**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

**BURLINGTON STORES, INC.**

**(Name of Registrant as Specified In Its Charter)**

**(Name of Person(s) Filing Proxy Statement, if other than the Registrant)**

Payment of Filing Fee (Check the appropriate box):

No fee required

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11

- (1) Title of each class of securities to which transaction applies:
  
  
  
  
  
  
  
  
  
  
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Fee paid previously with preliminary materials.

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- (2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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**Burlington Stores, Inc.**  
**2006 Route 130 North**  
**Burlington, New Jersey 08016**

April 5, 2019

Dear Burlington Stockholder:

You are cordially invited to attend the 2019 Annual Meeting of Stockholders of Burlington Stores, Inc., which will be held at the company's corporate offices located at 1830 Route 130 North, Burlington, New Jersey 08016 on May 22, 2019 at 8:00 a.m. Eastern Time. All holders of shares of our outstanding common stock as of the close of business on March 28, 2019 are entitled to vote at the meeting. Details of the business to be conducted at the meeting are given in the notice of 2019 Annual Meeting of Stockholders and the Proxy Statement, which are included on the following pages.

Your vote is important. Whether or not you plan to attend the annual meeting, please vote as soon as possible. As an alternative to voting in person at the annual meeting, you may vote via the internet, by telephone or, if you received a paper proxy card in the mail, by mailing the completed proxy card. Voting by any of these methods will ensure you have a say on the important issues to be voted on at the annual meeting.

We appreciate your support of Burlington Stores, Inc.

*Thomas A. Kingsbury*

*Chairman, President and Chief Executive Officer*

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**BURLINGTON STORES, INC.**

**NOTICE OF 2019 ANNUAL MEETING OF STOCKHOLDERS**

**To Be Held On May 22, 2019**

**Date:**

May 22, 2019

**Time:**

8:00 a.m. (Eastern Time)

**Location:**

Burlington Stores, Inc.

1830 Route 130 North

Burlington, New Jersey  
08016

**Record Date:**

March 28, 2019

**Items of Business**

1. To elect the three directors nominated by Burlington Stores, Inc.'s Board of Directors and named in the accompanying Proxy Statement;
2. To ratify the appointment of Deloitte & Touche LLP as Burlington Stores, Inc.'s independent registered certified public accounting firm for the fiscal year ending February 1, 2020;
3. To obtain non-binding advisory approval of the compensation of Burlington Stores, Inc.'s named executive officers; and
4. To consider any other business properly brought before the meeting.

***The Board of Directors of Burlington Stores, Inc. unanimously recommends a vote FOR each director nominee named in Proposal 1 and FOR Proposals 2 and 3.***

Whether or not you plan to attend the annual meeting, please vote as soon as possible. As an alternative to voting in

person at the annual meeting, you may vote via the internet, by telephone or, if you receive a paper proxy card in the mail, by mailing a completed proxy card. For detailed information regarding voting instructions, please refer to the question entitled "How do I vote?" on page 7 of the Proxy Statement.

BY ORDER OF THE BOARD OF DIRECTORS

*Karen Leu, Senior Vice President, General*

*Counsel and Corporate Secretary*

Burlington, New Jersey

April 5, 2019

**Important notice regarding the availability of proxy materials for the  
2019 Annual Meeting of Stockholders to be held on May 22, 2019:**

This Notice of Annual Meeting, the accompanying Proxy Statement, and our Annual Report on Form 10-K for the fiscal year ended February 2, 2019 are all available at <http://www.astproxyportal.com/ast/18550/>

**YOUR VOTE IS IMPORTANT**

**PLEASE VOTE BY INTERNET OR TELEPHONE OR**

**SIGN, DATE, & RETURN YOUR PROXY CARD**

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Burlington Stores, Inc. 2019 Proxy Statement

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*This summary highlights information about Burlington Stores, Inc. (referred to in this Proxy Statement as we, us, our, Burlington or the Company), our Board of Directors (the Board or the Board of Directors) and our upcoming 2019 Annual Meeting of Stockholders (the Annual Meeting) contained elsewhere in this Proxy Statement. This summary does not contain all of the information you should consider, and you should read the entire Proxy Statement carefully before voting.*

**Annual Meeting Information**

<b>Date and Time:</b>	Wednesday, May 22, 2019 8:00 a.m. Eastern Time
<b>Place:</b>	Burlington Stores, Inc.  1830 Route 130 North  Burlington, New Jersey 08016
<b>Record Date:</b>	March 28, 2019

**Voting Matters and Board Recommendations**

The Board of Directors recommends that you vote as follows on each proposal:

<b>Voting Matter</b>	<b>Board's Recommendation</b>	<b>Page Reference</b>
Proposal 1: Election of Three Directors Nominated by the Board and Named in this Proxy Statement	FOR each director nominee	10
Proposal 2: Ratification of Appointment of Deloitte & Touche LLP as the Company's Independent Registered	FOR	32

Certified Public Accounting Firm for the fiscal  
year ending February 1, 2020

Proposal 3:	Non-Binding Advisory Approval of the Compensation of the Company's Named Executive Officers	FOR	35
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## Company Overview

Headquartered in New Jersey, we are a nationally recognized off-price retailer with revenues of \$6.6 billion for the fiscal year ended February 2, 2019 (fiscal 2018). We are a Fortune 500 company and our common stock is traded on the New York Stock Exchange under the ticker symbol BURL. We operated 675 stores as of the end of fiscal 2018, inclusive of our internet store, in 45 states and

Puerto Rico, principally under the name Burlington Stores. Our stores offer an extensive selection of in-season, fashion-focused merchandise at up to 60% off other retailers' prices every day, including women's ready-to-wear apparel, menswear, youth apparel, baby, beauty, footwear, accessories, home, toys and coats. As we continue to expand, we remain focused on the implementation of our three

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**PROXY STATEMENT SUMMARY**

long-term growth strategies under the oversight of our Board of Directors:

Driving Comparable Store Sales Growth

Expanding, Modernizing and Optimizing Our Store Fleet

Enhancing Operating Margins

These strategies, which are more fully discussed in our Annual Report on Form 10-K for Fiscal 2018 (the Fiscal 2018 10-K ) are designed to drive long-term value for our stockholders and maintain a sustainable competitive advantage.

**Select Fiscal 2018 Company Performance Highlights**

Strong execution of our long-term growth strategies resulted in solid performance for fiscal 2018. Highlights of fiscal 2018 performance compared with our fiscal year ended February 3, 2018 ( fiscal 2017 ) include the following:

We generated total revenues of \$6,668.5 million compared with \$6,110.0 million in fiscal 2017

Net sales improved \$558.3 million to \$6,643.1 million (inclusive of a 3.2% comparable store sales increase)

We generated net income of \$414.7 million compared with \$384.9 million in fiscal 2017, and earnings per share amounted to \$6.04 per share compared with \$5.48 per share in fiscal 2017

Adjusted Net Income was \$6.44 per share compared with \$5.77 per share in fiscal 2017

Adjusted EBITDA improved \$96.1 million to \$792.2 million

Adjusted EBIT improved \$82.1 million to \$600.4 million

We opened 46 net new stores

As a result of our cash flow from operations and disciplined capital allocation, we were also able to return value to our stockholders during fiscal 2018 through \$218.7 million in share repurchases.

Information regarding how we calculate Adjusted Net Income (which is divided by our fully diluted weighted average shares outstanding for fiscal 2018 of 68,679 thousand to arrive at Adjusted Net Income per Share), Adjusted EBITDA and Adjusted EBIT, and a reconciliation of those non-GAAP financial measures to the most directly comparable GAAP financial measure, is contained in the section of our Fiscal 2018 10-K entitled Key Performance Measures beginning on page 32.

## **Governance Highlights**

Our Board believes that good corporate governance accompanies and greatly aids our long-term business success. The Corporate Governance section beginning on page 18 describes our corporate governance framework and commitment, which includes the following highlights:

Lead Independent Director

8 out of 9 directors are independent

3 out of 9 directors are female

Each director attended at least 85% of the meetings of the Board and of the committees of which such director was a member during fiscal 2018.

67% of the Board has served for less than 6 years

Majority voting and director resignation policy for directors in uncontested elections

Majority of director compensation paid in stock

Pay-for-performance philosophy

Annual Board, director and committee self- evaluations

No unequal voting rights

Robust CEO, executive and non-employee director stock ownership guidelines

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## PROXY STATEMENT SUMMARY

**Board of Directors**

The following table provides summary information about our directors. Additional information about each director's background and experience can be found beginning on page 11.

Name	Primary or Former Occupation	Age	Director		Committee Memberships <sup>(1)</sup>		
			Since	Independent	AC	CC	NCGC
Thomas A. Kingsbury	President and Chief Executive Officer, Burlington Stores, Inc. <i>Chairman of the Board of Directors</i>	66	2008				
Ted English	Executive Chairman, Bob's Discount Furniture	65	2016				
Jordan Hitch	Former Managing Director, Bain Capital	52	2006				
John J. Mahoney	Retired Vice Chairman, Staples, Inc.  <i>Lead Independent Director</i>	67	2013			C	
William P. McNamara	Retired President, Macy's Reinvent Strategies Macy's, Inc.	68	2014				
Jessica Rodriguez	President and Chief Operating Officer of UCI Networks and Chief Marketing Officer of Univision Communications Inc.	46	2018				
Laura J. Sen	Former Non-Executive Chairman and Chief Executive Officer, BJ's Wholesale Club, Inc.	62	2018				
Paul J. Sullivan	Retired Partner, PricewaterhouseCoopers LLP	71	2012			C	
Mary Ann Tocio	Retired President and Chief Operating Officer, Bright Horizons Family Solutions, Inc.	70	2015				C

(1) NCGC = Nominating and Corporate Governance Committee; CC = Compensation Committee; AC = Audit Committee; C= Chair





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**PROXY STATEMENT SUMMARY**

**Board Composition Highlights**

The Board has taken a thoughtful and deliberate approach to Board composition to ensure that our directors have the backgrounds, talents, skills, character, diversity, and expertise sufficient to provide sound and prudent guidance with respect to our operations and interests. Some of the key features of our Board composition are as follows:

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**Executive Compensation Program Highlights**

Our objective is to have an executive compensation program that will allow us to attract and retain executive officers of a caliber and level of experience necessary to effectively manage our business and to motivate those executive officers to drive stockholder value, consistent with our Core Values as described on page 27. In fiscal 2018, approximately 86% of the target annual compensation for our Chief Executive Officer (the CEO), and approximately 75% of the average target annual compensation for our named executive officers other than our CEO, was at-risk.

Significant features of our executive compensation program include:

Alignment of pay with Company financial performance

Balance short-term and long-term incentives

Annual stockholder say on pay votes

Compensation Committee uses independent consultant

Annual compensation risk assessment

Independent Compensation Committee

Stock ownership guidelines

Limits on annual incentive award payments

Compensation recoupment policy

Regular review of share utilization

- × No excise tax gross-ups
  
- × No stock options granted below fair market value
  
- × No option repricing without stockholder approval
  
- × No hedging or pledging of Company stock by executive officers or directors
  
- × No automatic single-trigger change in control vesting in post-2015 equity awards
  
- × No pension plans or SERPs
  
- × No guaranteed bonuses or salary increases
  
- × No change in control severance arrangements
  
- × No evergreen provision or reload options in 2013 equity incentive plan

Please see the Compensation Discussion and Analysis beginning on page 39 for an overview of our executive compensation program together with a description of the material factors underlying the decisions that resulted in the fiscal 2018 compensation provided to our named executive officers (the NEOs) identified below.

#### Named Executive Officers

Thomas A. Kingsbury	Chairman, President and Chief Executive Officer
Marc Katz	Chief Financial Officer/Principal
Fred Hand	Chief Customer Officer/Principal
Jennifer Vecchio	Chief Merchandising Officer/Principal
Joyce Manning Magrini	Executive Vice President Human Resources

#### Key Change for Fiscal 2019: Performance Share Units

As further described on page 55, beginning with the fiscal 2019 annual equity awards, our NEOs will receive performance stock units (PSUs), with vesting based on the achievement of pre-established goals linked to our performance.



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**2019 Proxy Statement**

This Proxy Statement and the accompanying materials are being made available to stockholders of Burlington Stores, Inc. beginning on or about April 5, 2019. In this Proxy Statement, you will find information on the matters to be presented at the Annual Meeting and information to assist you in voting your shares.

**About the Annual Meeting**

**Who is soliciting my vote?**

The Board is soliciting your vote at the Annual Meeting.

**What will I be voting on?**

You will be voting on:

Election of the three directors nominated by the Board and named in this Proxy Statement (Proposal 1);

Ratification of the appointment of Deloitte & Touche LLP as our independent registered certified public accounting firm for the fiscal year ending February 1, 2020 ( fiscal 2019 ) (Proposal 2);

Non-binding advisory approval of the compensation of our NEOs (Proposal 3); and

Any other business that may properly come before the Annual Meeting.

**What are the Board of Directors voting recommendations?**

The Board recommends that you vote:

**FOR** each of the three directors nominated by the Board and named in this Proxy Statement (Proposal 1);

**FOR** the ratification of the appointment of Deloitte & Touche LLP as our independent registered certified public accounting firm for the fiscal year ending February 1, 2020 (Proposal 2); and

**FOR** the non-binding advisory approval of the compensation of our NEOs (Proposal 3).

**Who is entitled to vote?**

All stockholders who owned the Company's common stock at the close of business on the record date, March 28, 2019, are entitled to attend and vote at the Annual Meeting.

**How many votes do I have?**

You will have one vote on each matter for every share of the Company's common stock you owned on the record date.

**How many votes can be cast by all stockholders?**

Each share of the Company's common stock is entitled to one vote. There is no cumulative voting. On the record date, the Company had 66,424,433 shares of common stock outstanding and entitled to vote.

**How many shares must be present to hold the Annual Meeting?**

A majority of the outstanding shares of the Company's common stock must be present or represented by proxy at the Annual Meeting in order to have a quorum. If the persons present or represented by proxy at the Annual Meeting constitute the holders of less than a majority of the outstanding shares of common stock as of the record date, the Annual Meeting may be adjourned to a subsequent date for the purpose of obtaining a quorum.

Shares are counted as present at the Annual Meeting if stockholders are present and vote in person or if a proxy card has been properly submitted by or on behalf of a stockholder. Abstentions and broker non-votes are counted for purposes of determining the presence of a quorum. A broker non-vote occurs when a bank, broker or other nominee holding shares for a beneficial owner submits a proxy for the Annual Meeting without voting on a particular proposal because the bank, broker or other nominee has not received instructions from the beneficial owner and does not have discretionary voting power with respect to that proposal. A bank, broker or other nominee may exercise its discretionary voting power with respect to the ratification of the appointment of Deloitte & Touche LLP as our independent registered certified public

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**2019 PROXY STATEMENT**

accounting firm for the fiscal year ending February 1, 2020 (Proposal 2), but does not have discretion to vote with respect to the election of directors (Proposal 1) or the non-binding advisory approval of the compensation of our NEOs (Proposal 3).

**How many votes are required to elect directors and approve the other proposals?**

Our Amended and Restated Bylaws (the Amended Bylaws ) require that, in an uncontested election, each director will be elected by a majority of the votes cast by the shares present in person or represented by proxy at the Annual Meeting and entitled to vote in the election of such director such that the number of shares voted for a director nominee must exceed the number of shares voted against that director nominee (Proposal 1). Please see page 18 for a further description of our majority vote standard for the election of directors. Proposals 2 and 3 require the approval of the holders of a majority of votes present in person or represented by proxy at the Annual Meeting and entitled to vote on the proposal. Abstentions have no effect on the determination of whether a director nominee has received the requisite amount of votes cast, but will have the same effect as a vote against Proposal 2 and Proposal 3. Broker non-votes have no effect on the determination of whether a director nominee or Proposal 2 or Proposal 3 has received the requisite amount of votes cast.

**Why did I receive a one-page notice in the mail regarding the internet availability of proxy materials instead of a full set of proxy materials?**

We are pleased to take advantage of the Securities and Exchange Commission (the SEC ) rules that allow issuers to furnish proxy materials to their stockholders on the internet. We believe these rules allow us to provide our stockholders with the information they need while lowering the costs of delivery and reducing the environmental impact of our Annual Meeting. Consequently, most stockholders will not receive paper copies of our proxy materials. We will instead send these stockholders a Notice of Internet Availability of Proxy Materials, which indicates how our stockholders may: (i) access their proxy materials and vote their proxies over the internet or by telephone; or (ii) make a request to receive a printed set of proxy materials by mail.

**How do I vote?**

*Registered Holders*

If you are a registered holder (meaning your shares are registered in your name with our transfer agent, American Stock Transfer & Trust Company, LLC), then you may vote either in person at the Annual Meeting or by proxy. If you decide to vote by proxy, you may vote via the internet, by telephone or by mail, and your shares will be voted at the Annual Meeting in the manner you direct. For those stockholders who receive a Notice of Internet Availability of Proxy Materials, the Notice provides information on how to access your online proxy card and vote via the internet or how to vote by telephone or receive a paper proxy card to vote by mail. Internet and telephone voting facilities for stockholders of record will close at 11:59 p.m. Eastern Time on May 21, 2019.

In the event that you return a signed proxy card on which no directions are specified, your shares will be voted as the Board recommends.

*Beneficial Holders*

If, like most stockholders, you are a beneficial owner of shares held in street name (meaning a broker, trustee, bank, or other nominee holds shares on your behalf), you may vote in person at the Annual Meeting only if you obtain a legal proxy from the nominee that holds your shares and present it to the inspector of elections with your ballot at the Annual Meeting. Alternatively, you may provide instructions to the nominee that holds your shares to vote by completing, signing and returning the voting instruction form that the nominee provides to you, or by using the voting arrangements described on the voting instruction form, the Notice of Internet Availability of Proxy Materials or other materials that the nominee provides to you.

If you do not provide voting instructions to your nominee, this results in a broker non-vote and the nominee will not vote your shares on the election of directors (Proposal 1) or the non-binding advisory approval of the compensation of our NEOs (Proposal 3), but your nominee may exercise its discretionary voting power with respect to the ratification of the appointment of Deloitte & Touche LLP as our independent registered certified public accounting firm for the fiscal year ending February 1, 2020 (Proposal 2) and register your shares as being present at the Annual Meeting for purposes of determining a quorum.



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**2019 PROXY STATEMENT**

**What does it mean if I receive more than one notice, proxy or voting instruction card?**

It means that your shares may be registered differently or held in more than one account. Please provide voting instructions for all notices, proxy and voting instruction cards you receive. Certain banks, brokers and other nominees have procedures in place to discontinue duplicate mailings upon a stockholder's request. You should contact your bank, broker or other nominee for more information.

**Can I change my vote after I execute my proxy?**

You may revoke or change a previously delivered proxy at any time before the Annual Meeting by delivering another proxy with a later date, by voting again via the internet or by telephone, or by delivering written notice of revocation of your proxy to our Secretary at our principal executive offices before the beginning of the Annual Meeting. You may also revoke your proxy by attending the Annual Meeting and voting in person, although attendance at the Annual Meeting will not, by itself, revoke a valid proxy that was previously delivered. If you hold shares in street name, you must contact the nominee that holds the shares on your behalf to revoke any prior voting instructions. You also may revoke any prior voting instructions by voting in person at the Annual Meeting if you obtain a legal proxy as described above.

**Will my vote be kept confidential?**

Yes. The Company's policy is that all proxy or voting instruction cards, ballots and vote tabulations which identify the vote of an individual stockholder are to be kept secret unless required by law. Your vote will be disclosed to Burlington or its agents only:

to allow the independent election inspectors to certify the results of the vote;

if there is a proxy contest involving us; or

if you make a written comment on your proxy or voting instruction card or ballot.

**Who pays for this proxy solicitation?**

We will bear the entire cost of this solicitation of proxies, including the preparation, assembly, printing and mailing of the Notice of Internet Availability of Proxy Materials, this Proxy Statement, the proxy and any additional solicitation material that we may provide

to stockholders. Copies of solicitation material will be provided to brokerage firms, fiduciaries, custodians and other nominees holding shares in their names that are beneficially owned by others so that they may forward the solicitation material to such beneficial owners. We have hired Innisfree M&A Incorporated (Innisfree), a proxy solicitation firm, to assist in soliciting proxies for an estimated fee of \$15,000 plus reimbursement of reasonable expenses. Further, the original solicitation of proxies by mail and through the internet may be supplemented by solicitation by mail, email, facsimile, personal interview or telephone and other means by our directors, officers and employees. No additional

compensation will be paid to these individuals for any such services.

**Who can I contact with questions?**

If you have any questions or need assistance voting, please contact Innisfree. Stockholders may call toll free at 1-888-750-5834. Banks and brokers may call collect at 1-212-750-5833.

**Who are the proxyholders and how were they selected?**

The proxyholders are Thomas A. Kingsbury, John Crimmins and Karen Leu, each of whom was selected by our Board of Directors and is an officer of the Company. The proxyholders will vote all proxies, or record an abstention, in accordance with the directions on the proxy. If no direction is given, the shares will be voted as recommended by our Board of Directors.

**Are there any stockholder proposals this year?**

No stockholder proposals are included in this Proxy Statement, and we have not received notice of any stockholder proposals to be raised at the Annual Meeting.

**Could other matters be decided at the Annual Meeting?**

We do not know of any other matters that will be considered at the Annual Meeting. If any matter other than those described in this Proxy Statement arises at the Annual Meeting, the proxies will be voted at the discretion of the proxy holders.

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**2019 PROXY STATEMENT**

**How do I attend the Annual Meeting?**

Admission to the Annual Meeting is limited to the Company's stockholders or their proxy holders. Each stockholder will be asked to present proof of stock ownership and a valid, government-issued photo identification, such as a driver's license, before being admitted to the Annual Meeting. Proof of stock ownership may consist of the top portion of the proxy card or, if shares are held in the name of a bank, broker or other nominee, an account statement or letter from the nominee indicating that the individual beneficially owned shares of the Company's common stock on the record date for the Annual Meeting.

**Where and when will I be able to find the voting results?**

You can find the official results of the voting at the Annual Meeting in our Current Report on Form 8-K that we will file with the SEC within four business days after the Annual Meeting. If the official results are not available at that time, we will provide preliminary voting results in the Form 8-K and will provide the final results in an amendment to the Form 8-K as soon as they become available.

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**Proposal No. 1 Election of Directors**

**Overview of Our Board Structure**

The Board currently consists of nine members divided into three classes equal in size (designated Class I, Class II and Class III), with one class being elected each year for a three-year term. Each director's term continues until his or her successor shall have been duly elected and qualified, or until his or her earlier death, resignation, removal or retirement.

Tricia Patrick resigned from the Board effective June 29, 2018. Effective as of the same date, the Board appointed Laura J. Sen as a Class III member of the Board to fill the vacancy created by Ms. Patrick's departure. In addition, effective October 1, 2018, the Board increased its size to nine members and appointed Jessica Rodriguez as a Class II member of the Board.

At the Annual Meeting, stockholders will consider the election of three directors for terms ending in 2022. The Board, upon the recommendation of the Nominating and Corporate Governance Committee, has nominated John J. Mahoney, Laura J. Sen and Paul J. Sullivan, each a current Class III director, for election to the Board. In the event any nominee is unable or declines to serve as a director at the time of the Annual Meeting, the proxies will be voted for a substitute nominee, if any, who may be designated by the Board of Directors to fill the vacancy. As of the date of this Proxy Statement, the Board of Directors is not aware that any nominee is unable or will decline to serve as a director.

In determining whether to nominate each of the current Class III directors for another term, the Board considered the factors discussed below under the caption entitled "Selecting Nominees to the Board of Directors," and concluded that each of the current directors standing for election or re-election possesses unique experiences, qualifications, attributes and skills that will enable each of them to guide the Company in the best interests of its stockholders. There are no family relationships among directors and executive officers of the Company. Proxies may not be voted for a greater number of persons than the three nominees named in this Proxy Statement.

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**PROPOSAL NO. 1 ELECTION OF DIRECTORS**

**Nominees for Election at Annual Meeting**

The following sets forth the name, age (as of March 28, 2019) and information regarding the business experience and qualifications of each of the Class III nominees whose terms are expiring at the Annual Meeting:

**John J. Mahoney**

**Age:** 67

**Director since:** 2013

**Committee Membership:**

Compensation (Chair)

**Background:**

Mr. Mahoney joined our Board of Directors in December 2013 and currently serves as our Lead Independent Director. Mr. Mahoney is also the Chair of our Compensation Committee. Mr. Mahoney is a member of the board of directors of Bloomin' Brands, Inc., Chico's FAS and The Michaels Companies, Inc. Previously, Mr. Mahoney served on the Boards of Directors of Advo, Inc. from 2001 to 2007, Tweeter Home Entertainment Group, Inc. from 2004 to 2007 and Zipcar, Inc. from 2010 to 2012. Mr. Mahoney was Vice Chairman of Staples, Inc. from January 2006 until his retirement in July 2012. While at Staples, Mr. Mahoney was Chief Financial Officer from September 1996 to January 2012, Executive Vice President, Chief Administrative Officer and Chief Financial Officer from October 1997 to January 2006 and Executive Vice President and Chief Financial Officer from September 1996 to October 1997. Before joining Staples, Mr. Mahoney was a partner with the accounting firm of Ernst & Young LLP where he worked for 20 years, including service in the firm's National Office Accounting and Auditing group. Mr. Mahoney is a certified public accountant.

**Key Qualifications:**

Mr. Mahoney possesses valuable financial expertise, including substantial experience in corporate finance and accounting, and extensive experience providing audit and financial reporting services to numerous organizations.

**Laura J. Sen**

**Age:** 62

**Director since:** 2018

**Committee Membership:**

Audit

**Background:**

Ms. Sen joined our Board of Directors in June 2018 and currently serves on our Audit Committee. Ms. Sen is a member of the board of directors of Massachusetts Mutual Life Insurance Company and the Massachusetts Port Authority. Ms. Sen previously served as a director of BJ's Wholesale Club, Inc., EMC Corporation, rue21, inc., Abington Savings Bank and the Federal Reserve Bank of Boston. Ms. Sen served as the Non-Executive Chairman of the Board of Directors of BJ's Wholesale Club, Inc., a membership-only warehouse chain, from January 2016 through April 2018 and was its Chief Executive Officer from February 2009 through January 2016. Ms. Sen served as BJ's Chief Operating Officer from January 2008 through February 2009. Ms. Sen also served as BJ's Executive Vice President of Merchandising and Logistics from January 2007 through January 2008, and held the same position from 1997 to March 2003. From March 2003 to December 2006, Ms. Sen was the Principal of Sen Retail Consulting, advising companies in the retail sector in the areas of merchandising and logistics.

**Key Qualifications:**

Ms. Sen has played key roles in growing BJ's from an early stage business to a Fortune 500 company. With nearly 30 years of experience in the retail industry, Ms. Sen brings an exceptional leadership record, deep operating experience and financial expertise to the Board.

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**PROPOSAL NO. 1 ELECTION OF DIRECTORS**

**Paul J. Sullivan**

**Age:** 71

**Director since:** 2012

**Committee Membership:**

Audit (Chair)

**Background:**

Mr. Sullivan joined our Board of Directors in November 2012 and is the Chair of our Audit Committee. Mr. Sullivan was a partner at PricewaterhouseCoopers LLP from 1983 until his retirement in July 2009. At PricewaterhouseCoopers LLP, Mr. Sullivan was a member of the Board of Partners, Chair of the Finance Committee, and a member of the Management Evaluation and Compensation, Admissions and Strategy Committees. Mr. Sullivan is a certified public accountant.

**Key Qualifications:**

Mr. Sullivan possesses valuable financial expertise, including substantial experience in corporate finance and accounting and extensive experience providing audit and financial reporting services to numerous organizations.

***Recommendation of the Board of Directors***

**The Board unanimously recommends that you vote FOR the election of John J. Mahoney, Laura J. Sen and Paul J. Sullivan.**

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**PROPOSAL NO. 1 ELECTION OF DIRECTORS**

**Directors Continuing in Office**

The following sets forth the name, age (as of March 28, 2019) and information regarding the business experience and qualifications of each of the directors who will continue in office after the Annual Meeting:

*Class I Directors Terms Expiring at the 2020 Annual Meeting*

**Ted English**

**Age:** 65

**Director since:** 2016

**Committee Membership:**

Audit

Compensation

**Background**

Mr. English joined our Board of Directors in November 2016 and currently serves on our Audit Committee and Compensation Committee. Mr. English has been the Executive Chairman of the board of directors of Bob's Discount Furniture since March 2016 and was its Chief Executive Officer from 2006 until his appointment as Executive Chairman. Prior to joining Bob's Discount Furniture, Mr. English was TJX's Chief Executive Officer from 2000 (and President from 1999) to 2005. Mr. English was Chairman of The Marmaxx Group between 2000 and 2004, and held various other executive and merchandising positions with TJX from 1983 to 1999. In addition to Burlington Stores, Inc. and Bob's Discount Furniture, Mr. English serves on the board of directors of Rue La La, an e-commerce destination connecting world-class brands with next generation shoppers. He previously was a director of BJ's Wholesale Club, Inc. Mr. English also serves on the Board of Trustees of various funds within the multi-affiliate structure of Natixis Global Asset Management, a global asset management firm.

**Key Qualifications:**

Mr. English's long career in retail, including off-price retail, has given him broad experience in large retail chain management. Mr. English also has significant leadership experience, including service as the chief executive of both a premier discount home furnishings company and a leading off-price retailer of apparel and home fashions.

**Jordan Hitch**

**Age:** 52

**Director since:** 2006

**Committee Membership:**

Nominating and Corporate Governance

**Background:**

Mr. Hitch joined our Board of Directors in April 2006 and currently serves on our Nominating and Corporate Governance Committee. Mr. Hitch was formerly a Managing Director at Bain Capital and left the firm after 18 years in 2015. Mr. Hitch served as a Senior Advisor to Bain Capital, a private investment firm, following his departure from the firm through the end of 2017. He is currently an active personal investor across a wide range of early stage companies. Mr. Hitch is also a member of the board of directors of Bright Horizons Family Solutions. Prior to joining Bain Capital, Mr. Hitch was a consultant at Bain & Company where he worked in the financial services, healthcare and utility industries.

**Key Qualifications:**

Mr. Hitch has substantial experience investing in retail companies and possesses valuable financial expertise, including significant experience with capital markets transactions and investments in both public and private companies.

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**PROPOSAL NO. 1 ELECTION OF DIRECTORS**

**Mary Ann Tocio**

**Age:** 70

**Director since:** 2015

**Committee Membership:**

Nominating and Corporate Governance (Chair)

Compensation

**Background:**

Ms. Tocio joined our Board of Directors in December 2015 and currently is Chair of our Nominating and Corporate Governance Committee and a member of our Compensation Committee. She retired from Bright Horizons Family Solutions, Inc., an employer-sponsored child care provider, in July 2015 after 23 years with that company, most recently as its President and Chief Operating Officer. Prior to Bright Horizons, Ms. Tocio held several positions with Wellesley Medical Management, Inc. (Health Stop), including Senior Vice President of Operations. Ms. Tocio is a member of the board of directors of Bright Horizons and Civitas Solutions, and is a Governing Trustee of the Dana Farber Cancer Institute. Ms. Tocio was a member of the board of directors of Mac-Gray Corporation from 2006 to 2013.

**Key Qualifications:**

Ms. Tocio has significant leadership and operational experience, including expertise managing growing organizations, as well as substantial public company board experience.

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**PROPOSAL NO. 1 ELECTION OF DIRECTORS**

*Class II Directors Terms Expiring at the 2021 Annual Meeting*

**Thomas A. Kingsbury**

**Age:** 66

**Director since:** 2008

**Committee Membership:**

None

**Background**

Mr. Kingsbury has served as our President and CEO, and on our Board of Directors, since December 2008. Mr. Kingsbury was appointed Chairman of the Board in May 2014. Prior to joining us, Mr. Kingsbury was Senior Executive Vice President Information Services, E-Commerce, Marketing and Business Development of Kohl's Corporation from August 2006 to December 2008. Prior to joining Kohl's, Mr. Kingsbury held various management positions with The May Department Stores Company, an operator of department store chains, commencing in 1976 and as President and Chief Executive Officer of the Filene's division commencing in February 2000. Mr. Kingsbury currently serves as a member of the board of directors of Tractor Supply Company.

**Key Qualifications:**

Mr. Kingsbury's day-to-day leadership and experience as our President and CEO gives him unique insights into our challenges, opportunities and operations.

**William P. McNamara**

**Age:** 68

**Director since:** 2014

**Committee Membership:**

Nominating and Corporate Governance

**Background:**

Mr. McNamara joined our Board of Directors in September 2014 and currently serves on our Nominating and Corporate Governance Committee. Mr. McNamara has over 30 years of retail experience with two prominent department stores, Macy's/Federated and The May Department Stores Company. Mr. McNamara began his career at Filene's, a division of May Department Stores, rising through the ranks of the merchandising organization. In 1998, Mr. McNamara was promoted to President of the May Merchandising Company to lead all brand merchandising and product development. In 2000, he was promoted to Vice Chairman of May Department Stores Company where he had direct responsibility for all of its department store divisions. In 2005, upon completion of the merger between Federated and May, he became Chairman and Chief Executive Officer of the company's Midwest division. In 2008, Mr. McNamara became President of Macy's Reinvent Strategies and served in that capacity until his retirement in 2009.

**Key Qualifications:**

Mr. McNamara's long career in retail has given him broad experience in large retail chain management, including merchandising and product development.

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**PROPOSAL NO. 1 ELECTION OF DIRECTORS**

**Jessica Rodriguez**

**Age:** 46

**Director since:** 2018

**Committee Membership:**

Nominating and Corporate Governance

**Background**

Ms. Rodriguez joined our Board of Directors in October 2018 and currently serves on our Nominating and Corporate Governance Committee. Ms. Rodriguez has served as President and Chief Operating Officer of UCI Networks since January 2018 and, since 2014, as Chief Marketing Officer for Univision Communications Inc. (UCI), the leading media company serving Hispanic America. As President and Chief Operating Officer of UCI Networks, Ms. Rodriguez oversees the daily operations of UCI's television networks and plays an integral role in developing and executing the networks' strategies. As Chief Marketing Officer of UCI, Ms. Rodriguez oversees research, consumer branding and messaging, corporate marketing, branding initiatives and campaigns, and branding analytics, among other functions. Prior to her current roles at Univision, Ms. Rodriguez served as Executive Vice President of Program Scheduling & Promotions Officer from 2012 through 2014 and as Senior Vice President of Program Scheduling & Promotions, Cable Networks, from 2011 through 2012. Ms. Rodriguez served in various other positions with Univision from 2001 through 2011.

**Key Qualifications:**

Ms. Rodriguez has extensive operational and marketing experience, and brings a deep understanding of the needs of consumers.

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**Executive Officers of the Company**

Set forth below is the name, age (as of March 28, 2019) and certain information regarding each of our executive officers, other than Mr. Kingsbury, whose biographical information is presented above.

**Fred Hand**

**Chief Customer Officer/Principal**

Mr. Hand, 55, has served as our Chief Customer Officer/Principal since January 2017 and is responsible for managing our stores, real estate and marketing organizations. From the commencement of his employment with us in February 2008 through January 2017, Mr. Hand served as our Executive Vice President of Stores. Prior to joining us, Mr. Hand served as Senior Vice President, Group Director of Stores of Macy's, Inc. from March 2006 to February 2008. From 2001 to 2006, Mr. Hand served as Senior Vice President, Stores and Visual Merchandising of Filene's Department Stores. Mr. Hand held various other positions at The May Department Stores Company from 1991 to 2001, including Area Manager, General Manager, and Regional Vice President.

**Marc Katz**

**Chief Financial Officer/Principal**

Mr. Katz, 54, has served as our Chief Financial Officer/Principal since January 2017 and is responsible for managing our finance, legal, information technology and supply chain organizations. From January 2015 through January 2017, Mr. Katz served as our Executive Vice President and Chief Financial Officer. From April 2011 through January 2015, Mr. Katz served as our Executive Vice President, Merchandising Support and Information Technology. From December 2009 through April 2011, Mr. Katz served as our Executive Vice President of Merchandise Planning and Allocation. From the commencement of his employment with us in July 2008 through December 2009, Mr. Katz served as our Executive Vice President and Chief Accounting Officer. Prior to joining us, Mr. Katz served as Executive Vice President and Chief Financial Officer of A.C. Moore Arts & Crafts, Inc., a specialty retailer of arts, crafts and floral merchandise, from September 2006 to June 2008. Prior to his employment with A.C. Moore, Mr. Katz held various positions with Foot Locker, Inc., a specialty retailer of athletic footwear, apparel and related items, from June 1997 to September 2006 including most recently as Senior Vice President and Chief Information Officer from

mid-2002 to September 2006. Prior to his employment with Foot Locker, Mr. Katz served for eight years in various financial positions at The May Department Stores Company.

### **Jennifer Vecchio**

#### **Chief Merchandising Officer/Principal**

Ms. Vecchio, 53, has served as our Chief Merchandising Officer/Principal since January 2017 and is responsible for managing our merchandising and planning and allocation organizations. From the commencement of her employment with us in May 2015 through January 2017, Ms. Vecchio served as our Executive Vice President and Chief Merchandising Officer. Prior to May 2015 and since January 2014, Ms. Vecchio provided consulting services to our merchandising organization. From 1997 to June 2011, Ms. Vecchio held various positions in the merchandising organization of Ross Stores, most recently serving as Executive Vice President of Merchandising Mens/Kids from December 2009 through June 2011 and as Senior Vice President/GMM from February 2005 through December 2009 with various areas of responsibilities including Mens, Kids, Shoes, Lingerie and Hosiery. From 1988 through 1997, Ms. Vecchio held various positions in the merchandising organization of Macy's.

### **Joyce Manning Magrini**

#### **Executive Vice President Human Resources**

Ms. Magrini, 64, has served as our Executive Vice President Human Resources since November 2009. Prior to joining us, Ms. Magrini served as Executive Vice President Administration of Finlay Jewelry since June 2005. From March 1999 to June 2005, Ms. Magrini served as Senior Vice President of Human Resources of Finlay Jewelry and from January 1995 to February 1999, Ms. Magrini was Vice President of Human Resources of Finlay Jewelry. Ms. Magrini held various human resources and customer service management positions at Macy's from 1978 through December 1994.



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### **Corporate Governance**

The Board is committed to strong corporate governance because it promotes the long-term interests of stockholders, enhances Board and management accountability and helps build public trust in the Company. The Board has adopted policies and processes that foster effective Board oversight of critical matters such as strategy and risk management. The Board and its committees review our major governance documents, policies and processes regularly in the context of current corporate governance trends, regulatory changes and recognized best practices. Below is an overview of our corporate governance structure and processes, including key aspects of our Board operations.

### **Corporate Governance Guidelines**

The Board has developed and adopted Corporate Governance Guidelines (the Guidelines) to assist the Board in the exercise of its responsibilities and to best serve the interests of the Company and its stockholders. The Guidelines cover matters including selection and composition of the Board; criteria for director independence; director compensation and performance evaluations; the operation, structure and meetings of the Board and the committees of the Board; and other matters relating to our corporate

governance. The Guidelines also describe the Company's stock ownership guidelines and compensation clawback policy. The Guidelines are available in the Investor Relations section of our corporate website, which can be accessed at [www.burlingtoninvestors.com](http://www.burlingtoninvestors.com), under Governance Governance Overview. The information contained on our website does not constitute a part of this Proxy Statement.

### **Majority Vote Standard for Election of Directors**

The Board approved an amendment to the Amended Bylaws in February 2018 to require that, in an uncontested election, each director will be elected by a majority of the votes cast by the shares present in person or represented by proxy at the Annual Meeting and entitled to vote in the election of such director, such that the number of shares voted for a director nominee must exceed the number of shares voted against that director nominee. A plurality voting standard remains applicable to any contested election. A contested election is one in which (i) the Secretary of the Company received notice that a stockholder has nominated or intends to nominate a person for election to the Board

pursuant to the requirements of the Amended Bylaws and (ii) such nomination was not withdrawn by the stockholder on or prior to the tenth day before the mailing of the notice of the meeting. In connection with the approval of the amendment, the Board also approved changes to the Guidelines such that, following any election of directors other than a contested election of directors, any incumbent director who was a nominee and who did not receive a majority of the votes cast by the shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors must promptly tender

his or her offer of resignation to the Board for consideration by the Board.

The revised Guidelines further provide that a recommendation on whether or not to accept such a resignation offer will then be made by the Nominating and Corporate Governance Committee or, if each member of the Nominating and Corporate Governance Committee did not receive the required majority vote or the Nominating and Corporate Governance Committee is otherwise unable to act, a majority of the Board will appoint a special committee of independent directors for the purpose of making a recommendation to the Board (the committee with authority to act is referred to as Nominating Committee ). If no independent directors received the required majority vote, the Guidelines require that the Board act on the resignation offer. Within 60 days following certification of the stockholder vote, the Nominating Committee will consider the resignation offer and recommend to the Board the action to be taken. Absent a compelling reason for the director to remain on the Board, as determined by the Board in its business judgment, the Board will accept the resignation offer. Any director who tenders his or her resignation will not participate in

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**CORPORATE GOVERNANCE**

the Nominating Committee recommendation or Board action regarding whether to accept the resignation offer. The Board will determine whether to accept the resignation offer and publicly disclose the decision and

the reasons for the decision, by a press release, a filing with the SEC or other broadly disseminated means of communication, within 90 days following certification of the stockholder vote.

**Board Leadership Structure**

Thomas A. Kingsbury, the Company's President and CEO, serves as Chairman of the Board, having been appointed to that position by the Board in May 2014. The Board believes Mr. Kingsbury is best situated to serve as Chairman because he is the director most familiar with our business and most capable of effectively identifying strategic priorities and leading the discussion and execution of strategy. Moreover, our Chief Executive Officer is able to effectively communicate Board strategy to the other members of management and efficiently implement Board directives.

The Guidelines provide that the Board retains discretion to combine or separate the offices of Chairman and CEO. Such a determination would be made depending on what is in the best interest of the Company in light of all circumstances. In the event that the Chairman is not an independent director, the Guidelines provide that the Board will appoint an independent director to serve in a lead capacity (the Lead Independent Director) to coordinate the activities of the other independent directors. The Lead Independent Director is appointed by the independent directors annually to a one-year term (which may be renewed), and serves until such earlier time as he or she ceases to be a director, resigns as Lead Independent Director, is replaced as Lead Independent Director by a majority of the independent directors, or the Board elects an independent Chairman. The independent directors have appointed John J. Mahoney as the Lead Independent Director for a term expiring in March 2020. Mr. Mahoney has served as the Lead Independent Director since March 2016.

The Lead Independent Director's responsibilities include:

Presiding over executive sessions of the independent directors.

Presiding at meetings of the Board in the absence of, or upon the request of, the Chairman.

Serving as a liaison and supplemental channel of communication between the Chairman and the independent directors.

Providing input on information sent to the Board.

Providing input on agendas for meetings of the Board.

Reviewing meeting schedules to assure there is sufficient time for discussion of all agenda items.

Communicating to the CEO the annual performance evaluation made by the non-management directors. The Lead Independent Director also has the authority to call meetings of the independent directors and, if appropriate, be available for consultation and direct communication with major stockholders. If the Lead Independent Director is not present at any meeting of the Board, a majority of the independent directors present shall select a non-employee, independent director to act as Lead Independent Director for the purpose and duration of such meeting.

The Board believes that its current leadership structure is appropriate and meets the Company's current needs. The Board periodically reviews its leadership structure to ensure that it continues to meet the Board's needs.

### **Board's Role in Risk Oversight**

While the Board is ultimately responsible for risk oversight, the Board has delegated to the Audit Committee the primary responsibility for oversight of our risk assessment and management process. The Audit Committee reviews periodic assessments from the Company's ongoing enterprise risk management process that is designed to identify potential events that

may affect the achievement of the Company's objectives or have a material adverse effect on the Company. In addition, the head of the Company's internal audit function regularly reports to the Audit Committee. The head of the internal audit function, the Chief Financial Officer and representatives from Deloitte & Touche LLP, our independent registered

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### **CORPORATE GOVERNANCE**

certified public accounting firm, regularly meet in private sessions with the Audit Committee.

Our management is responsible for day-to-day risk management. This includes identifying, evaluating and addressing potential risks that may exist at the enterprise, strategic, reputational, financial, operational, compliance and reporting levels.

Our Board committees also consider and address risk as they perform their respective committee responsibilities. For example, the Compensation Committee considers the risks to our business associated with our compensation policies and

practices. Additionally, the Audit Committee considers, among other risks, those risks related to data protection and cybersecurity, receiving regular reports on these matters from senior members of our information technology and internal audit departments. All committees report to the full Board as appropriate, including when a matter rises to the level of a material or enterprise-level risk.

The Board believes that the work undertaken by the committees of the Board, together with the work of the Company's management, enables the Board of Directors to effectively oversee the Company's management of risk.

### **Strategic Planning**

Our Board has significant oversight of our corporate strategy and long-range operating plans. Acting as a full Board and through each independent Board committee, the Board is fully engaged in the Company's strategic planning process. Setting the strategic course of the Company involves a high level of constructive engagement between management and the Board. Management develops and prioritizes strategic plans on an annual basis. Management then reviews these strategic plans with the Board during an annual board strategy meeting, along with the Company's challenges, industry dynamics and other factors.

Management provides the Board with updates throughout the year regarding the implementation and results of the Company's strategic plans, as well as frequent updates regarding the Company's financial performance. In addition, Mr. Kingsbury communicates regularly with the Board on important business opportunities and developments. As a result, the Board has substantial oversight of the development and implementation of the Company's strategic plans, and the Board is able to effectively monitor the Company's progress with respect to the strategic goals and objectives.

## Independent Directors

Under the Guidelines, our Board will determine the independence of a director according to the definitions of independent director included in the pertinent listing standards of the New York Stock Exchange ( NYSE ) and other relevant laws, rules and regulations. The Board evaluates any relationships of each director and nominee, as well as any member of his or her immediate family, with the Company and makes an affirmative determination whether or not such director or nominee is independent.

Under the standards set forth in the NYSE s Listed Company Manual, the Board must affirmatively determine that a director does not have any material relationship with the Company in order for such director to be deemed independent. Moreover, a director cannot be deemed independent if, among other things:

the director is, or has been within the last three years, an employee of the Company, or an immediate family member is, or has been within the last three years, an executive officer of the Company;

the director has received, or has an immediate family member who received, during any 12-month period within the last three years, more than \$120,000 in direct compensation from the Company, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service);

(1) the director or an immediate family member is a current partner of a firm that is the Company s internal or external auditor, (2) the director is a current employee of such a firm, (3) the director has an immediate family member who is a current employee of such a firm and personally works on the Company s audit, or (4) the director or an immediate family member was within the last three years a

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partner or employee of such firm and personally worked on the Company's audit within that time;

the director or an immediate family member is, or has been within the last three years, employed as an executive officer of another company where any of the Company's present executive officers at the same time serve or served on that company's compensation committee; or

the director is a current employee, or an immediate family member is a current executive officer, of a company that has made payments to, or received payments from, the Company for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million or 2% of the other company's consolidated gross revenues.

The Board has affirmatively determined that (i) each of our directors other than Mr. Kingsbury, our Chairman, President and CEO, is independent under the criteria

established by the NYSE for director independence; (ii) Ms. Sen and Messrs. Sullivan and English meet the additional independence requirements of the NYSE and the SEC applicable to Audit Committee members; and (iii) Ms. Tocio and Messrs. Mahoney and English meet the additional independence requirements of the NYSE and the SEC applicable to Compensation Committee members. In making its determination with respect to Ms. Rodriguez, the Board considered her roles as President and Chief Operating Officer of UCI Networks and as Chief Marketing Officer for Univision Communications Inc., as we have advertised on Univision for many years. After reviewing the transactions and our business relationship with Univision, the Board determined that Ms. Rodriguez does not have a direct or indirect material interest in the transactions and that our business relationship with Univision (which predates Ms. Rodriguez's election to the Board) does not impair her independence.

**Meeting Attendance**

During fiscal 2018, the Board held six meetings. Each director attended at least 85% of the meetings of the Board and of the committees of which such director was a member during this period.

We invite all incumbent directors, as well as all nominees for election as director, to attend the Annual Meeting, but we do not have a formal attendance requirement. Seven of the eight directors then in office attended our 2018 annual meeting of stockholders.

## **Executive Sessions**

Our independent directors meet in separate executive sessions without management during regularly scheduled Board meetings to review matters concerning the relationship of the Board with

management and such other matters as deemed appropriate. The Lead Independent Director presides over executive sessions of the independent directors.

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### **CORPORATE GOVERNANCE**

#### **Communications with the Board of Directors**

Stockholders and other interested parties may communicate directly with the Board, the independent directors as a group or specified individual directors by writing to such individual or group care of our Secretary at the following address: Burlington Stores, Inc., 2006 Route 130 North, Burlington, New Jersey 08016. Our Secretary will forward all correspondence to the relevant group or individual.

In addition, the Audit Committee has adopted a policy to ensure that procedures are in place for the receipt, retention and treatment of complaints or concerns regarding accounting, financial reporting, internal accounting controls or auditing matters of the

Company, and stockholders and others can communicate complaints regarding these matters by email ([BSIsubmissions@burlington.com](mailto:BSIsubmissions@burlington.com)) or by writing to the Chair of the Audit Committee care of our Secretary at the address set forth in the immediately preceding paragraph. Employees who have complaints may, rather than submitting such complaints directly to the Chair of the Audit Committee, submit them confidentially and anonymously by contacting our ethics and compliance hotline, which is maintained by a third party, by telephone (1-877-371-0680) or via the internet (<https://secure.ethicspoint.com/domain/media/en/gui/60673/index.html>).

#### **Stock Ownership Guidelines**

We have a long-standing approach of compensating our executive officers and our non-employee directors in part with stock awards. We believe that retention of a meaningful amount of the Company's stock encourages a long-term perspective and further aligns the interests of our CEO, the officers directly reporting to our CEO and our non-employee directors with those of our stockholders. The Compensation Committee has adopted stock ownership guidelines for our executive officers and non-employee directors. The stock ownership guidelines provide that (i) the CEO should own shares of our common stock with a value equal to or exceeding six times his or her then-current base salary; (ii) the officers directly reporting to our CEO should own shares of our common stock with a value equal to or exceeding three times his or her then-current base salary; and (iii) non-employee directors should own shares of our common stock with a value equal to or exceeding four times the annual base cash

retainer paid to non-employee directors. Stock ownership includes shares owned directly or held in trust by the individual, as well as unvested restricted stock. It does not include shares that an individual has the right to acquire through unexercised stock options.

Until the required ownership level is reached, all persons subject to the stock ownership guidelines will be required to retain 50% of the shares of common stock underlying equity grants received from us after giving effect to any tax withholding obligations arising from the vesting or exercise of such grants.

As of the end of fiscal 2018, Mr. Kingsbury, each officer directly reporting to Mr. Kingsbury and each non-employee director owned shares in excess of the applicable stock ownership guidelines or was in compliance with the retention requirement described above.

## **Director Orientation**

Director education about the Company and our industry is an on-going process, which begins when a director joins the Board. Upon joining the Board, new directors are provided with an orientation about the Company, including our business, strategy and governance. During the orientation process, new directors have a series of meetings with executives responsible for each

of our business units to develop relationships and gain an understanding of the Company's operations, strategies, challenges and opportunities. Based on input from our directors, we believe that the orientation process provides new directors with a strong foundation in our business and accelerates their ability to fully engage in Board deliberations.

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**CORPORATE GOVERNANCE**

**Board and Committee Evaluations**

The Guidelines provide that the Board and each of its committees should conduct an annual self-evaluation of its overall performance and effectiveness. As part of this process, which is overseen by the Nominating and Corporate Governance Committee, each director completes, on an annual basis, detailed questionnaires relating to the Board and individual directors, as well as any committees on which he or she serves. The questionnaires seek answers to questions based on numerical ratings and also seek qualitative comments on each question and any other general comments.

The results of the assessments are compiled anonymously, and the average numerical response and any qualitative responses to each question are reviewed by the Nominating and Corporate Governance Committee (as it relates to the Board, individual directors and all committees) and each other committee (as it relates to such committee). Matters requiring follow-up are addressed by the Lead Independent Director, the Chair of the Nominating and Corporate Governance Committee or the Chairs of the Audit or Compensation Committee, as appropriate.

**Selecting Nominees to the Board of Directors**

**Identification of Director Nominees**

The Board is responsible for nominating candidates for election as directors by our stockholders and filling vacancies on the Board, in each case based on the recommendation of the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee identifies nominees by first evaluating the current members of the Board willing to continue in service. Current members of the Board with skills and experience that are relevant to our business and who are willing to continue in service are considered for re-nomination. If any member of the Board does not wish to continue in service, if the Board decides not to re-nominate a member for re-election or if the Board elects to increase the size of the Board by adding a new member, the Nominating and Corporate Governance Committee will then identify the desired skills and experience of a new nominee. The Nominating and Corporate Governance Committee may, in its discretion, also engage a consultant or search firm to assist in identifying qualified individuals.

As set forth in the Guidelines, it is the policy of our Board that directors should possess the highest personal and professional ethics, integrity and values, and be committed to representing the long-term interests of our stockholders. It is also the policy of the Board that the composition of the Board and its committees adheres to the standards of independence required by the NYSE and applicable law and reflect a range of talents, ages, skills, character, diversity, and expertise sufficient to provide sound and prudent guidance with respect to the operations and interests of the Company.

In 2018, the Nominating and Corporate Governance Committee undertook a broad and extensive search for one or more new directors. As part of the search process, the Nominating and Corporate Governance Committee engaged a professional search firm to assist it in identifying highly qualified candidates that also support our philosophy on diversity summarized below. After considering many candidates referred by the search firm and from other sources, including our directors, the Board appointed Laura J. Sen to the Board in June 2018 and appointed Jessica Rodriguez to the Board in October 2018, which added valuable retail, marketing and public company expertise and also enhanced the gender and ethnic diversity of our Board.

### **Diversity and Board Tenure**

The Company is committed to creating a diverse and inclusive work environment where everyone is respected and valued. A workforce that understands our diverse customer base helps ensure that our products and message are relevant in every community where we do business. The Board's philosophy on diversity mirrors the Company's philosophy. In connection with the selection of nominees for director, the Nominating and Corporate Governance Committee strives to identify and recruit high-caliber individuals whose diverse talents, perspectives, experiences and backgrounds would preserve and enhance the inclusive environment in which the Board currently functions.

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### CORPORATE GOVERNANCE

The Board also aims to maintain an appropriate balance of tenure across our directors. The charts below reflect the gender composition and board tenure of our current directors.

### Consideration of Skills and Expertise

Below we identify and describe the key skills and expertise that the Nominating and Corporate Governance Committee considers in concluding a director is qualified to serve on the Board. The experiences, qualifications, attributes and skills that the Board considered in the nomination of our directors are reflected in their individual biographies beginning on page 11.

*Leadership Experience:* Directors with experience in significant senior leadership positions with large organizations over an extended period provide us with special insights. Strong leaders bring vision, strategic agility, diverse and global perspectives and broad business insight to the Company. These individuals demonstrate a practical understanding of how large organizations operate, including the importance of succession planning, talent management and how employee and executive compensation is set. They possess skills for managing change and growth and demonstrate a practical understanding of organizations, operations, processes, strategy, risk management and methods to drive growth.

*Broad-Based Business Expertise:* Such expertise provides a depth of experience from which to draw on in evaluating issues, deliberating, decision-making, and making business judgments.

*Finance Experience:* An understanding of finance and related reporting processes is important for directors. We measure our operating and strategic performance by reference to financial goals, including for purposes of executive compensation. In addition, accurate financial reporting is critical to our success. Directors who are financially literate are better able to analyze our financial statements, capital structure and complex financial transactions, and ensure the effective oversight of our financial measures and internal control processes.

*Industry Experience:* Industry experience gives directors a practical understanding of developing, implementing, and assessing our merchandising and customer engagement strategies.

*Sales and Marketing Experience:* Directors with experience in dealing with consumers, particularly in the areas of marketing, marketing-related technology, advertising or otherwise selling products or services to consumers, provide us with valuable insights. They understand consumer needs and are experienced in identifying and developing marketing campaigns that might resonate with consumers, the use of technology and emerging and non-traditional marketing media (such as social networking and e-commerce), and identifying potential changes in

consumer trends and buying habits.

*Information Technology and Security Experience:* This experience is relevant given the importance of technology to the retail marketplace and the importance of protecting both our and our customers' information.

*Public Company Board Experience:* Directors who have experience on other public company boards develop an understanding of corporate governance trends affecting public companies and the extensive and complex oversight responsibilities associated with the role of a public company director. They also bring to the Company an understanding of different business processes, challenges and strategies.

*Business Development / Mergers and Acquisitions Experience:* This experience is important because it helps in assessing potential growth opportunities.

Collectively, the composition of our Board reflects a wide range of viewpoints, backgrounds and experience.

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**CORPORATE GOVERNANCE**

**Outside Board Policy**

Our directors must be able to dedicate the time necessary for the diligent performance of their duties, including preparing for and attending Board and committee meetings. In this respect, the number of other public company boards our directors may join are generally limited to ensure that a director is not over-

boarded. The Guidelines provide that directors who are public company chief executive officers should not serve on the boards of more than two other public companies. In addition, the Board believes that no director should serve on more than four other boards of public companies in addition to our Board.

**Director Candidates Recommended by Stockholders**

The Nominating and Corporate Governance Committee will consider and evaluate persons recommended by stockholders in the same manner as it considers and evaluates other potential directors.

**Board Refreshment**

The Board and the Nominating and Corporate Governance Committee frequently assess the composition of the Board and seek to strike a balance between the knowledge and understanding of our business that comes from longer-term service on the Board with the fresh ideas and perspective that can come from adding new members. The Board has determined that neither director term limits nor a mandatory retirement age is required to strike this balance. While term limits or a mandatory retirement age could help ensure that there are new viewpoints available to the Board, they hold the disadvantage of losing the contribution of directors who over time have developed increasing insight into us and our operations, and therefore provide an increasing contribution to the Board as a whole.

As an alternative to term limits or a mandatory retirement age, the Board believes it can continue to evolve and adopt new viewpoints through the annual evaluation process and the process for nominating director candidates. In that regard, the Nominating and Corporate Governance Committee and the Board consider each member's length of service and openness to new ideas when determining the appropriate slate of candidates to recommend for nomination. The Nominating and Corporate Governance Committee and the Board believe it is important for the Board to be refreshed by adding new directors from time to time and, as further described above, the Board appointed Laura J. Sen to the Board in June 2018 and appointed Jessica Rodriguez to the Board in October 2018.

Currently, six of our directors, or 67% of the Board, have served for less than six years.

### **Code of Conduct and Code of Ethics**

We have adopted a written code of conduct (the Code of Conduct), which applies to all of our directors, officers and other employees, including our principal executive officer, principal financial officer, principal accounting officer and controller. The Code of Conduct establishes policies and practices that address many issues, including the health, wellness and safety of our associates; unacceptable workplace conduct and harassment and discrimination; business ethics; product safety; and compliance with anti-bribery laws. As set forth in the Code of Conduct, we will not tolerate any retaliation against one of our associates who, in good faith, asks questions, makes reports of possible

violations of the Code of Conduct or company policies or assists in an investigation of suspected wrongdoing. To the greatest extent possible, all reports are responded to in a way that protects the privacy of everyone involved.

In addition to the Code of Conduct, we have also adopted a written Code of Ethics for the Chief Executive Officer and Senior Financial Officers (the Code of Ethics), which applies to our principal executive officer, principal financial officer, principal accounting officer, controller and other designated members of our management. Copies of each code are



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**CORPORATE GOVERNANCE**

available in the Investor Relations section of our corporate website, which can be accessed at [www.burlingtoninvestors.com](http://www.burlingtoninvestors.com), under Governance Governance Overview. We will provide any person, without charge, upon request, a copy of our Code of Conduct or Code of Ethics. Such requests should be made in writing to the attention of our Secretary at the following address: Burlington Stores, Inc., 2006 Route 130 North, Burlington, New Jersey 08016. We intend to

satisfy any disclosure requirement under Item 5.05 of Form 8-K regarding an amendment to, or waiver from, a provision of the Code of Conduct or the Code of Ethics that applies to our principal executive officer, principal financial officer, principal accounting officer or controller by posting such information in the Investor Relations section of our corporate website, which can be accessed at [www.burlingtoninvestors.com](http://www.burlingtoninvestors.com), under Governance Governance Overview.

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**CORPORATE GOVERNANCE**

**Culture and Corporate Social Responsibility**

**Culture**

At Burlington, we have a shared commitment to behaving and conducting our business ethically and with integrity. We live by our Core Values:

Developing Trust and Respect among all members of the Burlington community. The way we do business is equally as important as the results we achieve. We have a shared commitment to conduct business ethically, and treat customers, business partners, and each other with trust and respect.

Building Strong Teams and Partnerships through collaborative work. Through collaborative teamwork, we solve complex business challenges together.

Driving Business Results by taking ownership and pride in Burlington, and getting things done well. We hold ourselves and each other accountable for our business success and have a shared sense of ownership to achieve our company goals.

Adherence to our Core Values is part of the annual performance evaluation of our leaders.

*Our Environment.* We understand that a successful business is one that manages its impacts and acts as a responsible steward of the environment. Today's environmental challenges from climate change to pollution to resource scarcity mean that all companies should prioritize sustainability, and at Burlington, we are doing our part. Our programs ensure we address impacts inside and outside our walls, allowing us to grow in harmony within the communities where we operate.

*Our Supply Chain.* Our commitment to environmental, social and governance (ESG) issues extends beyond our direct operations, as we factor ESG considerations into our global supply chain. Issues such as human rights, environmental impacts and responsible sourcing all inform how we manage the suppliers we use to stock our facilities and stores. To ensure ESG is a core part of our business, we must employ a resilient, responsible and sustainable supply chain.

*Our Associates.* Attracting, developing, and retaining top talent is one of our primary growth strategies because we know that our success depends on cultivating an engaged and motivated workforce. Our goal is to create an environment where associates are focused on driving results and everyone feels welcome and empowered to build a career.

With our Core Values vital to our efforts, we strive to cultivate an environment where every associate feels valued, respected, and included. Associates are given an opportunity to share their perspectives by participating in our annual associate engagement survey, which we have conducted since 2011. This is one of the most important activities in our organization as it provides valuable feedback and helps us understand where we are succeeding and where we have opportunities to improve. The results of the annual survey are reviewed with our Board.

### **Corporate Social Responsibility**

Our commitment to corporate responsibility is outlined in the Corporate Responsibility section of our corporate website, which can be accessed at [www.burlingtoninvestors.com](http://www.burlingtoninvestors.com). At the core of our efforts, which our Nominating and Corporate Governance Committee oversees, are the following five pillars:

*Our Community.* Burlington is a caring company that gives back to its local and global community through established philanthropic programs that reflect the values of our team and rapid response efforts to unexpected disasters. In 2018 alone, we raised more than \$9.9 million and donated goods and services to numerous non-profit organizations.

*Our Governance and Ethics.* Having a strong standard of ethical business practices and governance systems is key to our success as a business. These standards serve as a foundation for all of our operations, from how risk is managed, to how employees treat one another, to accountability structures within the top levels of the organization. Our commitment to being a caring company means ensuring we hold ourselves to the highest standards in all realms, and that we always challenge ourselves to see how we can do better.

**Table of Contents****Board Committees**

We have three standing committees: the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee. The Board is responsible for the appointment of committee members and committee chairs, taking into account the preferences of individual members and the recommendations of the Nominating and Corporate Governance Committee and of the Chairman. Pursuant to the Guidelines, the Board considers the rotation of committee membership and chairs at appropriate intervals, although the Board does not believe that rotation should be mandated as a policy.

Each standing committee has a written charter approved by the Board. A copy of each charter is available in the Investor Relations section of our corporate website, which can be accessed at [www.burlingtoninvestors.com](http://www.burlingtoninvestors.com), under Governance Governance Overview. The members of each standing committee, as of the date of this Proxy Statement, are identified in the following table:

<b>Director</b>	<b>Audit Committee</b>	<b>Compensation Committee</b>	<b>Nominating and Corporate Governance Committee</b>
Ted English			
Jordan Hitch			
John J. Mahoney		Chair	
William P. McNamara			
Jessica Rodriguez			
Laura J. Sen			
Paul J. Sullivan	Chair		
Mary Ann Tocio			Chair

**Audit Committee**

The purpose of the Audit Committee, as set forth in the Audit Committee charter, is primarily to assist the Board in fulfilling its oversight responsibility relating to:

the integrity of the Company's financial statements and its financial reporting process;

**Number of Meetings held in fiscal 2018:**

9

**Members:**

Paul J. Sullivan (Chair)

the systems of internal accounting and financial controls;

Ted English

Laura J. Sen

the performance of the Company's internal audit function and independent auditor;

the independent auditor's qualifications and independence; and

the Company's compliance with legal and regulatory requirements.

The Audit Committee additionally provides oversight of the Company's ethics and compliance program.

Effective as of June 29, 2018, Laura J. Sen replaced Tricia Patrick on the Audit Committee in connection with Ms. Sen's appointment to the Board and Ms. Patrick's resignation from the Board.

Each member of the Audit Committee has been determined by our Board of Directors to be an audit committee financial expert within the meaning of Item 407 of Regulation S-K promulgated under the Exchange Act, and each of them meet the requirements for financial literacy under applicable rules and regulations.

**Table of Contents****BOARD COMMITTEES****Compensation Committee**

As set forth in its charter, the Compensation Committee's primary purpose and responsibilities are to:

review and approve corporate goals and objectives relevant to the CEO's compensation, evaluate the CEO's performance according to these goals and objectives and determine and approve the CEO's compensation based on this evaluation;

approve total compensation for executive officers, including oversight of all related executive benefit plans;

recommend to the Board for approval total compensation for the members of the Board;

oversee the Company's general incentive compensation plans and equity-based plans; and

produce a compensation committee report on executive compensation, as required by the SEC to be included in the Company's annual proxy statement or Annual Report on Form 10-K filed with the SEC.

For additional description of the Compensation Committee's processes and procedures for consideration and determination of executive officer compensation, see the section below entitled "Compensation Discussion and Analysis."

**Number of Meetings held in fiscal 2018:**

6

**Members:**

John J. Mahoney (Chair)

Ted English

Mary Ann Tocio

## Nominating and Corporate Governance Committee

As set forth in its charter, the Nominating and Corporate Governance Committee's primary purpose and responsibilities are to:

develop and recommend qualification standards and other criteria for selecting new directors,  
identify individuals qualified to become Board members consistent with qualification standards and other criteria approved by the Board and recommend to the Board such individuals as nominees to the Board for its approval;

oversee evaluations of the Board and the Board committees; and

oversee matters of corporate governance.

Jessica Rodriguez was appointed to the Nominating and Corporate Governance Committee effective as of October 1, 2018, the date of her appointment to the Board.

### Number of Meetings held in fiscal 2018:

4

### Members:

Mary Ann Tocio (Chair)

Jordan Hitch

William P. McNamara

Jessica Rodriguez

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**Director Compensation**

**Cash Retainers and Stock Awards**

Each independent, non-management director receives compensation for his or her service as a director, which consists of an annual cash retainer (payable in equal quarterly installments and pro-rated for partial quarters) and an annual award of equity (pro-rated for new directors based on the date service on the Board commences) to further align the interests of our independent, non-management directors with our stockholders. The Burlington Stores, Inc. 2013 Omnibus Incentive Plan, as amended and restated May 17, 2017 (the 2013 Incentive Plan ), includes a limitation of \$450,000 on awards under the plan or other payments that may be made to a non-employee director during any fiscal year, provided that the maximum aggregate dollar value of awards under the 2013 Incentive Plan or other payments to a non-employee director serving as Chairman of the Board may be up to 200% of such limitation.

Directors who are Company employees do not receive directors' fees or equity grants based on their Board service. All directors, however, are entitled to receive reimbursement for out-of-pocket expenses incurred in connection with their service on the Board. Compensation provided to Mr. Kingsbury in his capacity as an executive officer is provided in the Fiscal 2018 Summary Compensation Table below. The Compensation Committee has the responsibility for recommending to the Board compensation for our independent, non-management directors and conducts periodic reviews to evaluate the reasonableness of our director compensation program in relation to peer companies.

In February 2018, the Board, upon the recommendation of the Compensation Committee and following the completion of a competitive market analysis by Meridian Compensation Partners LLC ( Meridian ), the Compensation Committee's independent consultant, made the following changes to our director compensation program, in each case to help competitively position our director compensation with the median director compensation of the peer companies used for purposes of evaluating the competitiveness of our executive compensation

program, as described in the Compensation Discussion and Analysis section below:

increased the market value of the annual grants of restricted stock to be made to our independent, non-management directors to \$150,000 (from \$100,000), with such grants vesting 100% on the first anniversary of the grant date;

increased the annual base cash retainer of our independent, non-management directors to \$80,000 per year (from \$50,000); and

increased the additional cash retainers for the Chair of the Audit Committee and the Chair of the Compensation Committee to \$25,000 per year and \$20,000 per year, respectively (from \$20,000 per year and \$15,000 per year, respectively).

Accordingly, for fiscal 2018, our independent, non-management directors received the following compensation:



A base cash retainer of \$80,000;

An additional cash retainer of \$25,000 for the Chair of the Audit Committee;

An additional cash retainer of \$20,000 for the Chair of the Compensation Committee;

An additional cash retainer of \$15,000 for the Chair of the Nominating and Corporate Governance Committee;

An additional cash retainer of \$10,000 for non-Chair members of each of the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee;

An additional cash retainer of \$30,000 for the Lead Independent Director; and

A grant of restricted stock with a market value at the time of grant of \$150,000, made following the Company's 2018 annual meeting of stockholders to directors then in office and made (on a pro-rata basis) to directors who thereafter joined the Board on the date Board service commenced.

Shares of restricted stock granted to our independent, non-management directors during fiscal 2018 vest on

Table of Contents**DIRECTOR COMPENSATION**

May 17, 2019 if the director remains on the Board through such vesting date. With respect to the fiscal 2018 restricted stock grants, all unvested shares of restricted stock will remain unvested following a change in control of the Company; provided, however, that 100% of such shares will vest if the recipient loses his or her directorship following the change in control

and prior to the vesting date, other than as a result of the director's voluntary resignation. Each director has the right to vote shares of restricted stock but cannot dispose of them until such shares have vested, subject to such director's compliance with our stock ownership guidelines, which are described in more detail above.

**Fiscal 2018 Director Compensation**

The table below summarizes the compensation paid to our independent, non-management directors for fiscal 2018.

Name	Fees Earned or Paid in Cash \$(1)	Stock Awards \$(2)	Non-Equity Nonqualified Incentive Plan Compensation		Change in Pension Value and Deferred Compensation Earnings \$(3)	All Other Compensation \$(3)	Total (\$)
			Option Award (\$)	Plan Compensation (\$)			
Ted English	98,599	150,023					248,622
Jordan Hitch	88,599	150,023					238,622
John J. Mahoney	128,365	150,023					278,388
William P. McNamara	88,599	150,023					238,622
Tricia Patrick	34,451	150,023				112,500(3)	296,974
Jessica Rodriguez	30,907	93,727					124,634
Laura J. Sen	54,148	132,466					186,614
Paul J. Sullivan	103,365	150,023					253,388
Mary Ann Tocio	103,599	150,023					253,622

(1) Represents each director's annual fee as compensation for services as a director and each director's annual fee as compensation for such director's services as a committee member, as applicable, in each case for the period of fiscal 2018 for which he or she served as a director or on the applicable committee. Ms. Patrick resigned from the Board effective as of June 29, 2018. Ms. Sen joined the Board and the Audit Committee effective as of June 29, 2018 and Ms. Rodriguez joined the Board and the Nominating and Corporate Governance Committee effective as of October 1, 2018.

(2) Amounts shown represent the aggregate grant date fair value of awards of restricted stock. The amounts shown were calculated in accordance with FASB ASC Topic 718. Each then-serving independent, non-management director was granted an award of 1,069 shares of restricted stock pursuant to the 2013 Incentive Plan on May 17, 2018, the first business day following our 2018 annual meeting of stockholders. The shares granted to each director have a grant date fair value per share of \$140.34, such amount representing the closing price of our common stock on the grant date in accordance with the terms of the 2013 Incentive Plan. Ms. Sen was granted a pro rata annual equity award of 880 shares of restricted stock on June 29, 2018 upon joining the Board. Ms. Rodriguez was granted a pro rata annual equity award of 588 shares of restricted stock on October 1, 2018 upon joining the Board. The shares granted to Mr. Sen and Ms. Rodriguez have a grant date fair value per share of \$150.53 and \$159.40, respectively. As of February 2, 2019, each independent, non-management director serving during fiscal 2018 had the following number of shares of unvested restricted stock outstanding: Mr. English 2,227; Mr. Hitch 2,430; Mr. Mahoney 2,430; Mr. McNamara 2,430; Ms. Patrick 0; Ms. Rodriguez 588; Ms. Sen 880; Mr. Sullivan 2,430; and Ms. Tocio 2,430.

(3) Ms. Patrick agreed to provide consulting services for a period of one year following her resignation from the Board. The fees in this table reflect the quarterly consulting fees paid in fiscal 2018. On February 20, 2019, the Board determined that future equity grants to directors will be in the form of restricted stock units (RSUs). Such RSUs will fully vest on the first anniversary of the grant date, subject to the director's continued service on the Board. The RSUs will vest on a pro-rata basis in the event that a director voluntarily resigns from the Board on an earlier date. These changes were approved by the Board on February 20, 2019 upon the recommendation of the Compensation Committee and following the completion of a competitive market analysis by Meridian, in each case to help competitively position our director compensation with the peer companies used for purposes of executive compensation.

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**Proposal No. 2 Ratification of Independent Registered Certified Public Accounting Firm**

**General**

As described in its charter, the Audit Committee is directly responsible for the appointment, retention and termination, evaluation, compensation, review and oversight of the work of any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company, and each such registered public accounting firm must report directly to the Audit Committee.

As part of its auditor engagement process, the Audit Committee periodically considers whether to rotate its registered public accounting firm. Deloitte & Touche LLP ( Deloitte ) has been the independent registered certified accounting firm of the Company since 1983. For fiscal 2019, the Audit Committee has again selected Deloitte as the Company's independent registered certified public accounting firm to audit our financial statements. Deloitte rotates its lead audit engagement partner every five years; the Audit Committee interviews proposed candidates and selects the lead audit engagement partner.

In engaging Deloitte for fiscal 2019, the Audit Committee conducted an evaluation and selection process that included the following:

Deloitte's performance during fiscal 2018 and in previous fiscal years, including the quality of Deloitte's services, the sufficiency of Deloitte's resources, Deloitte's communications skills and Deloitte's independence and objectivity;

Management's assessment of the services Deloitte provided in fiscal 2018;

Deloitte's tenure as the Company's independent registered public accounting firm and its related depth of understanding the Company's business, operations and systems, as well as accounting policies and practices;

Deloitte's approach and plan for the audit of our financial statements and the effectiveness of our internal control over financial reporting;

Deloitte's expertise and experience in the retail industry;

The experience, professional qualifications and education of the Deloitte engagement team;

A review of Deloitte's independence program and the processes it uses to maintain independence;

The scope of Deloitte's internal quality control program and the results of its most recent quality control reviews, including reviews by the Public Company Accounting Oversight Board and Deloitte's peers;

A review of Deloitte's recent legal or regulatory issues that may impact its ability to provide services to us;

The appropriateness of Deloitte's fees for its professional services; and

The relative benefits, challenges, overall advisability and potential impact of selecting a different registered public accounting firm.

After thoroughly considering the criteria set forth above, the Audit Committee and the Board believe that the continued retention of Deloitte as the Company's independent registered certified public accounting firm is in the best interests of the Company and its stockholders. Although not required, the Board believes that it is a sound corporate governance practice to seek stockholder ratification of Deloitte's appointment. In the event the stockholders do not ratify the appointment, the Audit Committee will reconsider this appointment. Even if the appointment is ratified, the Audit Committee, in its discretion, may direct the appointment of a different independent registered certified public accounting firm at any time during the year if the Audit Committee determines that such a change would be in our and our stockholders' best interests.

Representatives of Deloitte are expected to be present at the Annual Meeting and will have the opportunity to make a statement if they desire to do so. Those representatives will also be available to respond to appropriate questions.

**Table of Contents****PROPOSAL NO. 2 RATIFICATION OF  
INDEPENDENT****REGISTERED CERTIFIED PUBLIC  
ACCOUNTING FIRM****Principal Accountant Fees and Services**

The following table sets forth the aggregate fees for services rendered by Deloitte, our independent registered certified public accounting firm, during fiscal 2018 and fiscal 2017:

	2018	2017
Audit Fees(1)	\$ 1,338,952	\$ 1,640,500
Audit-Related Fees(2)	\$ 20,374	\$ 48,028
Tax Fees(3)	\$ 131,842	\$ 198,630
All Other Fees		
Total	\$ 1,491,168	\$ 1,887,158

(1) Audit Fees represents fees associated with the audit of the Company's Consolidated Financial Statements included in its Annual Report on Form 10-K and the review of the Company's quarterly Condensed Consolidated Financial Statements included in its Quarterly Report on Form 10-Q that are customary under the standards of the Public Company Accounting Oversight Board (United States) and statutory audits.

(2) Audit-Related Fees represents fees for other attestation services on accounting standards or transactions.

(3) Tax Fees represents fees incurred in connection with a strategic tax review, the filing of tax returns, and other tax consulting services.

**Policy on Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services of Independent Registered Certified Public Accounting Firm**

In accordance with its charter, the Audit Committee must pre-approve all audit and permissible non-audit services. The Audit Committee has pre-approved up to \$100,000 in services provided by Deloitte for tax consulting services on an annual basis. Additionally, the Audit Committee has delegated authority to its Chair, Mr. Sullivan, to pre-approve Deloitte's services without consultation with the full Audit Committee, provided Mr. Sullivan presents pre-approval

decisions to the full Committee at its next scheduled meeting. The Audit Committee reviews on at least a quarterly basis the services provided to date by Deloitte and the fees incurred for those services. In its review of any non-audit service fees, the Audit Committee will consider, among other things, the possible effect of the performance of such services on the independence of Deloitte. All services provided by Deloitte during fiscal 2018 and fiscal 2017 were pre-approved by the Audit Committee or by Mr. Sullivan pursuant to the delegation described above.

***Recommendation of the Board of Directors and the Audit Committee***

**The Board of Directors and the Audit Committee unanimously recommend that the stockholders vote FOR the ratification of the appointment of Deloitte to serve as our independent registered certified public accounting firm for the fiscal year ending February 1, 2020.**

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**Audit Committee Report**

The Audit Committee has reviewed and discussed with Burlington's management and Deloitte & Touche LLP the audited consolidated financial statements of Burlington contained in Burlington's Annual Report on Form 10-K for the 2018 fiscal year. The Audit Committee has also discussed with Deloitte & Touche LLP the matters required to be discussed pursuant to applicable requirements of the Public Company Accounting Oversight Board and the SEC.

The Audit Committee has received and reviewed the written disclosures and the letter from Deloitte & Touche LLP required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communication with the Audit Committee concerning independence and has discussed with Deloitte & Touche LLP its independence from Burlington.

Based on the review and discussions referred to above, the Audit Committee recommended to the Board of Directors that the audited consolidated financial statements be included in Burlington Stores, Inc.'s Annual Report on Form 10-K for fiscal 2018 for filing with the SEC.

**Submitted by the Audit Committee**

Paul J. Sullivan, *Chair*

Ted English

Laura J. Sen

*The preceding Audit Committee Report does not constitute soliciting material and shall not be deemed to be filed, incorporated by reference into or part of any filing made by us (including any future filings) under the Securities Act of 1933, as amended (the Securities Act), or the Securities Exchange Act of 1934, as amended (the Exchange Act), notwithstanding any general statement contained in any such filing incorporating this report by reference, except to the extent we incorporate such report by specific reference.*



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**Proposal No. 3 Advisory Vote on Executive Compensation**

**General**

We are providing our stockholders with the opportunity to vote to approve, on a non-binding, advisory basis, the compensation of our NEOs as disclosed in this Proxy Statement in accordance with Section 14A of the Exchange Act and the related rules of the SEC. This vote is commonly referred to as a say on pay vote.

Under the Exchange Act, stockholders must have the opportunity to cast an advisory vote on whether the say on pay vote should be held every year, every other year, or every three years (or to abstain). After becoming a public company in October 2013, we held a say on frequency vote at our 2014 Annual Meeting of Stockholders. In accordance with the advisory vote of our stockholders at that meeting, the Board determined that we will hold a say on pay vote every year until the next required say on frequency vote is held at our 2020 Annual Meeting of Stockholders, or until our Board of Directors otherwise determines that a different frequency for holding say on pay votes is in the best interests of our stockholders.

The Compensation Discussion and Analysis beginning on page 39 and the compensation tables and narrative discussion beginning on page 59 of this Proxy Statement describe our executive compensation program and the compensation of our NEOs for fiscal 2018. The Board is asking our stockholders to cast a non-binding, advisory vote indicating their approval of that compensation by voting **FOR** the following resolution:

**RESOLVED**, that the stockholders of Burlington Stores, Inc. **APPROVE**, on an advisory basis, the compensation paid to its named executive officers, as disclosed pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the Compensation Discussion and Analysis, compensation tables and narrative discussion.

As described in detail in the Compensation Discussion and Analysis, our objective is to have a compensation program that will allow us to attract and retain

executive officers of a caliber and level of experience necessary to effectively manage our business and to motivate those executive officers to drive stockholder value, consistent with our Core Values.

The Compensation Committee regularly reviews our executive compensation program to evaluate whether compensation is closely tied to aspects of our performance that our executive officers can impact and that are likely to have an impact on stockholder value. We believe that our performance demonstrates the effectiveness of our compensation program.

The vote on this say on pay proposal is advisory, which means that the vote will not be binding on us. Nevertheless, our Compensation Committee values the opinions expressed by our stockholders and will review and consider the

results of the vote on this proposal in connection with its regular evaluations of our executive compensation program. As noted on page 46 in the Compensation Discussion and Analysis, the Compensation Committee considered our 2018 vote results, and we engaged a number of our stockholders to seek feedback regarding our executive compensation and corporate governance programs. The Compensation Discussion and Analysis includes a description of design changes to our fiscal 2019 compensation program that respond to some of the feedback we received. Specifically, we will include a metric-based component (with pre-established goals linked to the Company's performance) in our Long-Term Incentive Program beginning in fiscal 2019.

The advisory vote serves as an additional tool to guide the Compensation Committee and the Board in designing an executive compensation program (i) to further align our executive officers' interests with the interests of the Company and our stockholders, and (ii) that is consistent with our commitment to strong corporate governance.

***Recommendation of the Board of Directors***

**The Board of Directors unanimously recommends that the stockholders vote FOR the advisory approval of the compensation of our named executive officers.**

**Table of Contents****Ownership of Securities**

The following table describes the beneficial ownership of the Company's common stock as of March 28, 2019 by each person known to us to beneficially own more than 5% of the Company's common stock, each director, each named executive officer in the Summary Compensation Table and all current directors and executive officers as a group. The beneficial ownership percentages reflected in the table below are based on 66,424,433 shares of our common stock outstanding as of March 28, 2019.

<b>NAME OF BENEFICIAL OWNER(1)</b>	<b>AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP</b>	<b>PERCENT OF COMMON STOCK OUTSTANDING</b>
T. Rowe Price Associates, Inc.(2)	8,591,215	12.93%
The Vanguard Group(3)	6,226,807	9.37%
FMR LLC(4)	4,758,378	7.16%
BlackRock, Inc.(5)	3,907,084	5.88%
Thomas A. Kingsbury(6)	784,503	1.17%
Marc Katz(7)	125,633	*
Fred Hand(8)	122,202	*
Jennifer Vecchio(9)	134,570	*
Joyce Manning Magrini(10)	40,930	*
Ted English(11)	3,469	*
Jordan Hitch(12)	5,907	*
John J. Mahoney(12)	10,411	*
William P. McNamara(12)	7,685	*
Jessica Rodriguez(13)	588	*
Laura J. Sen(14)	880	*
Paul J. Sullivan(12)	4,152	*
Mary Ann Tocio(12)	6,481	*
Executive Officers and Directors as a Group (13 persons)(15)	1,247,411	1.86%

\* Less than 1%

(1) A beneficial owner of a security is determined in accordance with Rule 13d-3 under the Exchange Act and generally means any person who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise, has or shares: voting power, which includes the power to vote, or to direct the voting of, such security; and/or investment power, which includes the power to dispose, or to direct the disposition, of such security. Unless otherwise indicated, each person named in the table above has sole voting and investment power, or shares voting and investment power with his or her spouse (as applicable), with respect to all shares of stock listed as owned by that person. Shares issuable upon the exercise of options exercisable on March 28, 2019 or within 60 days thereafter are considered outstanding and to be beneficially owned by the person holding such

options for the purpose of computing such person's percentage beneficial ownership, but are not deemed outstanding for the purposes of computing the percentage of beneficial ownership of any other person.

(2) Based on information set forth in a Schedule 13G/A filed with the SEC on February 14, 2019 by T. Rowe Price Associates, Inc. ( TRP ) reporting that, as of December 31, 2018, TRP has beneficial ownership as to, and sole power to dispose or direct the disposition of, all such shares of common stock, and has sole power to vote or direct the vote of 2,229,701 shares of common stock. The number of shares held by TRP may have changed subsequent to December 31, 2018. The address of TRP is 100 East Pratt Street, Baltimore, Maryland 21202.

(3) Based on information set forth in a Schedule 13G/A filed with the SEC on February 11, 2019 by The Vanguard Group ( TVG ) reporting that, as of December 31, 2018, (i) TVG has sole power to vote or direct the vote of 52,990 shares of common stock, shared power to vote or direct the vote of 14,258 shares of common stock, sole power to dispose or direct the disposition of 6,164,328 shares of common stock and shared power to dispose or direct the disposition of 62,479 shares of common stock; (ii) Vanguard Fiduciary Trust Company, a wholly-owned

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**Table of Contents****OWNERSHIP OF SECURITIES**

subsidiary of TVG, is the beneficial owner of 30,242 shares of common stock as a result of its serving as investment manager of collective trust accounts; and (iii) Vanguard Investments Australia, Ltd., a wholly-owned subsidiary of TVG, is the beneficial owner of 54,985 shares of common stock as a result of its serving as investment manager of Australian investment offerings. The number of shares held by the foregoing reporting persons may have changed subsequent to December 31, 2018. The address of TVG is 100 Vanguard Boulevard, Malvern, Pennsylvania 19355.

- (4) Based on information set forth in a Schedule 13G filed with the SEC on February 13, 2019 by FMR LLC reporting that, as of December 31, 2018, (i) FMR LLC, a parent holding company, has sole power to vote or direct the vote of 697,058 shares of common stock, sole power to dispose or direct the disposition of all 4,758,378 shares of common stock, and no shared voting or dispositive power; and (ii) Abigail P. Johnson, a Director, the Chairman, and the Chief Executive Officer of FMR LLC, has sole power to dispose or direct the disposition of all 4,758,378 shares of common stock, no shared dispositive power, and no sole or shared voting power. According to the Schedule 13G, members of the Johnson family, including Abigail P. Johnson, are the predominant owners, directly or through trusts, of Series B voting common shares of FMR LLC, representing 49% of the voting power of FMR LLC. Further according to the Schedule 13G, (i) the Johnson family group and all other Series B shareholders have entered into a shareholders voting agreement under which all Series B voting common shares will be voted in accordance with the majority vote of Series B voting common shares; (ii) through their ownership of voting common shares and the execution of the shareholders voting agreement, members of the Johnson family may be deemed, under the Investment Company Act of 1940, to form a controlling group with respect to FMR LLC; (iii) neither FMR LLC nor Abigail P. Johnson has the sole power to vote or direct the voting of the shares owned directly by the various investment companies registered under the Investment Company Act of 1940 (the Fidelity Funds ) advised by Fidelity Management & Research Company, a wholly owned subsidiary of FMR LLC ( FMR Co ), which power resides with the Fidelity Funds Boards of Trustees; and (iv) FMR Co carries out the voting of the shares under written guidelines established by the Fidelity Funds Boards of Trustees. The number of shares held by the foregoing reporting persons may have changed subsequent to December 31, 2018. The address of FMR is 245 Summer Street, Boston, Massachusetts 02210.
- (5) Based on information set forth in a Schedule 13G filed by BlackRock, Inc. ( Blackrock ) with the SEC on February 8, 2019, reporting beneficial ownership as of December 31, 2018. BlackRock is the parent of several subsidiaries that directly hold the shares listed in the table. Of the shares listed in the table, BlackRock has sole power to vote or direct the vote of 3,493,686 shares of common stock and sole power to dispose or direct the disposition of all 3,907,084 shares of common stock. The number of shares held by Blackrock may have changed subsequent to December 31, 2018. The address of BlackRock is 55 East 52<sup>nd</sup> Street, New York, New York 10055.
- (6) Includes (i) 498,045 shares of common stock that can be acquired upon the exercise of options exercisable on March 28, 2019 or within 60 days thereafter; and (ii) 232,227 shares of common stock underlying unvested restricted stock awards.
- (7) Includes (i) 36,979 shares of common stock that can be acquired upon the exercise of options exercisable on March 28, 2019 or within 60 days thereafter; and (ii) 39,045 shares of common stock underlying unvested

restricted stock awards.

(8) Includes (i) 67,406 shares of common stock that can be acquired upon the exercise of options exercisable on March 28, 2019 or within 60 days thereafter; and (ii) 39,045 shares of common stock underlying unvested restricted stock awards.

(9) Includes (i) 90,110 shares of common stock that can be acquired upon the exercise of options exercisable on March 28, 2019 or within 60 days thereafter; and (ii) 23,634 shares of common stock underlying unvested restricted stock awards.

(10) Includes (i) 34,022 shares of common stock that can be acquired upon the exercise of options exercisable on March 28, 2019 or within 60 days thereafter; and (ii) 2,720 shares of common stock underlying unvested restricted stock awards.

(11) Includes 2,227 shares of common stock underlying unvested restricted stock awards.

(12) Includes 2,430 shares of common stock underlying unvested restricted stock awards.

(13) Reflects 588 shares of common stock underlying unvested restricted stock awards.

(14) Reflects 880 shares of common stock underlying unvested restricted stock awards.

(15) Includes our current directors (Ms. Rodriguez, Ms. Sen and Ms. Tocio and Messrs. Kingsbury, English, Hitch, Mahoney, McNamara and Sullivan) and our current executive officers (Ms. Vecchio and Ms. Magrini and Messrs. Kingsbury, Katz and Hand).

### **Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Exchange Act requires a company's officers and directors and persons who own more than 10% of a company's common stock to file reports of ownership and changes in ownership with the SEC. These persons are required to provide us with copies of all Section 16(a) forms that they file. Based solely on our review of these forms and written representations from our executive officers, directors and chief accounting officer, we believe that our executive officers, directors and chief accounting officer timely complied with all Section 16(a) filing requirements during fiscal 2018.

**Table of Contents****OWNERSHIP OF SECURITIES****Securities Authorized for Issuance Under Equity Compensation Plans**

The 2013 Incentive Plan was adopted in connection with our initial public offering in 2013 (the "IPO") and amended and restated effective May 17, 2017. Securities have been issued under both the 2006 Management Incentive Plan (the "2006 Incentive Plan") (through the termination of such plan in April 2016) and the 2013 Incentive Plan. The following table presents aggregated information regarding the 2006 Incentive Plan and the 2013 Incentive Plan at February 2, 2019:

<b>PLAN CATEGORY</b>	<b>(A) NUMBER OF SECURITIES TO BE ISSUED UPON EXERCISE OF OUTSTANDING OPTIONS, WARRANTS AND RIGHTS</b>	<b>(B) WEIGHTED-AVERAGE EXERCISE PRICE OF OUTSTANDING OPTIONS, WARRANTS AND RIGHTS</b>	<b>(C) NUMBER OF SECURITIES REMAINING AVAILABLE FOR FUTURE ISSUANCE UNDER EQUITY COMPENSATION PLANS (EXCLUDING SECURITIES REFLECTED IN COLUMN (A))</b>
Equity Compensation Plans Approved by Security Holders	2,337,316	\$ 64.48	4,228,635
Equity Compensation Plans Not Approved by Security Holders	N/A	N/A	N/A
<b>Total</b>	<b>2,337,316</b>	<b>\$ 64.48</b>	<b>4,228,635</b>

For additional information concerning our equity compensation plans, see Note 12 (entitled "Stock-Based Compensation") to our Consolidated Financial Statements included in our Fiscal 2018 10-K.

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**Executive Compensation**

**Compensation Discussion and Analysis**

**Executive Summary**

At Burlington, we live by our Core Values:

Developing Trust and Respect among all members of the Burlington community.

Building Strong Teams and Partnerships through collaborative work.

Driving Business Results by taking ownership and pride in Burlington, and getting things done well. By conducting our business in accordance with our Core Values, we strive to ensure that Burlington provides value for our stockholders and rewarding careers for our employees. We seek to attract and develop the most talented people in retail. We believe that our executive compensation program reflects our Core Values, and promotes the achievement of specific

annual and long-term goals by our executive management team, further aligning our executives' interests with those of our stockholders.

This Compensation Discussion and Analysis provides an overview of our executive compensation program together with a description of the material factors underlying the decisions that resulted in the compensation provided to our principal executive officer, our principal financial officer and our three other most highly compensated executive officers serving as of fiscal 2018 year end. These individuals are referred to collectively as our NEOs.

The following table identifies our NEOs, as well as the positions held by such individuals as of the last day of fiscal 2018:

<b>Name</b>	<b>Title</b>
Thomas A. Kingsbury	Chairman, President and Chief Executive Officer
Marc Katz	Chief Financial Officer/Principal



Fred Hand	Chief Customer Officer/Principal
Jennifer Vecchio	Chief Merchandising Officer/Principal
Joyce Manning Magrini	Executive Vice President Human Resources

The specific amounts paid or payable to our NEOs are disclosed in the tables and narratives following this Compensation Discussion and Analysis. The following discussion cross-references tabular and narrative disclosures where appropriate.

### **Select Fiscal 2018 Business Performance Highlights**

For fiscal 2018, we continued to focus on the execution of our three stated long-term growth strategies. These strategies are designed to drive long-term value for our stockholders and maintain a sustainable competitive advantage:

Driving Comparable Store Sales Growth

Expanding, Modernizing and Optimizing Our Store Fleet

Enhancing Operating Margins

Strong execution of our long-term growth strategies resulted in solid performance for fiscal 2018. Highlights of fiscal 2018 performance compared with fiscal 2017 include the following:

We generated total revenues of \$6,668.5 million compared with \$6,110.0 million in fiscal 2017

Net sales improved \$558.3 million to \$6,643.1 million (inclusive of a 3.2% comparable store sales increase)

We generated net income of \$414.7 million compared with \$384.9 million in fiscal 2017, and earnings per share amounted to \$6.04 per share compared with \$5.48 per share in fiscal 2017

Adjusted Net Income was \$6.44 per share compared with \$5.77 per share in fiscal 2017

Adjusted EBITDA improved \$96.1 million to \$792.2 million

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**EXECUTIVE COMPENSATION**

Adjusted EBIT improved \$82.1 million to \$600.4 million

We opened 46 net new stores

A reconciliation of Adjusted Net Income (which is divided by our fully diluted weighted average shares outstanding for fiscal 2018 of 68,679 thousand to arrive at Adjusted Net Income per Share), Adjusted EBITDA and Adjusted EBIT to the most directly comparable GAAP financial measure (i.e., disclosure regarding how the Company calculates each such measure from its audited financial statements) is contained in the section of our Fiscal 2018 10-K entitled **Key Performance Measures** beginning on page 32.

As a result of our cash flow from operations and capital allocation plan, we were also able to return value to our stockholders during fiscal 2018 through \$218.7 million in share repurchases.

**Long-Term Performance and Stockholder Value Creation**

The following graphs illustrate our strong performance over the last three years:

**Net Sales (\$M)**

**Adjusted Earnings Per Share**

**Adjusted EBITDA (\$M)**

We believe that our financial results have resulted in our delivery of significant long-term stockholder value, reflected through our cumulative stockholder return of 572% since the beginning of fiscal 2014 compared to the cumulative stockholder returns of 52% and 142% for the Standard & Poor's (S&P) 500 Index and the S&P Retailing Index, respectively, over the same period.



**Table of Contents****EXECUTIVE COMPENSATION**

Company /Index	Base Period		Indexed Returns for Fiscal Years Ended			
	February 1, 2014	January 31, 2015	January 30, 2016	January 28, 2017	February 3, 2018	February 2, 2019
Burlington Stores, Inc.	\$100.00	\$195.04	\$210.05	\$316.30	\$452.50	\$671.89
S&P 500 Index	\$100.00	\$111.92	\$108.84	\$128.73	\$154.95	\$151.83
S&P Retailing Index	\$100.00	\$118.75	\$137.22	\$160.95	\$225.15	\$241.71

This graph assumes an initial investment of \$100 and assumes the reinvestment of dividends, if any. Such returns are based on historical results and are not intended to suggest future performance.

**Compensation Philosophy and Guiding Principles**

Our objective is to have a compensation program that will allow us to attract and retain executive officers of a caliber and level of experience necessary to effectively manage our business and to motivate those executive officers to drive stockholder value, consistent with our Core Values.

To achieve that objective, the Compensation Committee of our Board (the Committee) utilizes the following guiding principles:

*Clear alignment of compensation received to the financial outcomes of the business.* A majority of NEO compensation should be at-risk and vary with the performance outcomes of stockholders.

*Engage high-performing executive talent through compelling compensation opportunities.* The value and structure of compensation provided should assist in the attraction and retention of key executive talent and high-performance may be targeted above market medians.

*Foster growth and motivation through a simplified approach to compensation design.* Complex compensation designs can lead to confusion and stifle motivation. Compensation arrangements should maximize simplicity and focus on broad performance factors.

*Cultivate ownership of our vision and strategic direction through sound compensation policies and structure that reinforce desired behaviors.* Policies and structure should support strong corporate governance and drive ownership culture among executives.

The Committee reviews our executive compensation program on an ongoing basis, including our compensation philosophy and guiding principles.

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**EXECUTIVE COMPENSATION**

*Target Compensation Mix*

A significant portion of the targeted annual compensation for our NEOs is performance-based and/or subject to forfeiture ( at-risk ). For fiscal 2018, performance-based compensation was comprised of annual cash incentives, which reward annual performance measured against pre-established performance objectives linked to the Company's internal operating plan, and stock options, which are inherently performance-based, as any future realizable value is dependent on stock price appreciation following the grant date.

At-risk compensation was delivered through annual cash incentives, stock options and restricted stock awards. Restricted stock is considered by the Committee to be at-risk due to the subsequent vesting period and the realizable value of the awards being dependent on our future stock price performance. The Committee promotes a pay-for-performance philosophy and alignment between the interests of our NEOs and our stockholders by linking pay to our operating and stock price performance. As further described on page 55, beginning with the fiscal 2019 annual equity awards, our NEOs will receive performance stock units (PSUs), with vesting based on the achievement of pre-established goals linked to our performance.

The chart below illustrates Mr. Kingsbury's target annual compensation mix for fiscal 2018. As reflected in the chart, approximately 70% of total target annual compensation was performance-based and approximately 86% of the total target annual compensation for Mr. Kingsbury was at-risk.

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**EXECUTIVE COMPENSATION**

The chart below illustrates the average fiscal 2018 target annual compensation mix for our NEOs other than Mr. Kingsbury. As reflected in the chart, approximately 63% of the average total target annual compensation was performance-based and approximately 75% of the average total target annual compensation for our NEOs other than Mr. Kingsbury was at-risk.

*CEO Compensation and Cumulative Stockholder Return*

The chart below illustrates Mr. Kingsbury's compensation (as set forth in the Summary Compensation Table for the applicable year) and the cumulative return to stockholders from the beginning of fiscal 2014, the first full year following our IPO, through the end of fiscal 2018. We believe the chart illustrates the strong correlation between CEO pay and the returns we are delivering to our stockholders, which are described in more detail above.

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**EXECUTIVE COMPENSATION**

**Executive Compensation Highlights**

We are proud of our accomplishments in fiscal 2018. In addition to our strong financial performance, we took steps to strengthen our long-term executive succession planning. We also took action to further align our executive compensation program with the long-term interests of our stockholders.

*Annual Incentive Plan Drives Strong Financial Performance*

The performance metrics under our Annual Incentive Plan are Adjusted Net Income Per Share, which amounted to \$6.03 per share for fiscal 2018 (compared with a target of \$5.72 per share), and Comparable Store Sales Percentage, which amounted to 3.2% for fiscal 2018 (compared with a target of 3.75%). Based on these results, each of our NEOs earned an award under the Annual Incentive Plan for fiscal 2018 equal to 109.42% of such NEO's applicable target award. The payout under our Annual Incentive Plan for fiscal 2018 is described more fully under the caption below entitled Annual Incentive Awards.

*Strengthened Executive Succession Planning*

The Committee and the Board have taken several actions in recent years to facilitate long-term succession planning, accommodate our recent and projected growth, and recognize key executives who have made significant contributions to the Company's success and retention. As further discussed on page 47, the Board has focused on CEO succession planning in fiscal 2018. The Board created a sub-committee, comprised of the members of the Committee, and has focused on overseeing the succession planning process, including the engagement of third-party advisors.

*Further Alignment of Executive Compensation Program with Stockholder Interests*

The Committee routinely evaluates and considers the type of awards granted under our Long-Term Incentive Program (LTIP). In February 2019, the Committee revised the LTIP design by approving that a significant portion of the LTIP awards made to our NEOs will be granted in the form of performance stock units (PSUs), with vesting based on pre-established goals linked to our performance beginning with the fiscal 2019 LTIP awards. These changes to our LTIP are described more fully under the caption below entitled Performance Share Units.

During fiscal 2018, we repurchased \$218.7 million of our common stock, continuing a share repurchase program that offsets the dilutive effect of our equity compensation. On August 15, 2018, the Board authorized the repurchase of up to an additional \$300 million of common stock.

As described above under the caption entitled Stock Ownership Guidelines, in February 2018, the Committee increased the existing stock ownership guideline for our CEO and adopted stock ownership guidelines for the officers directly reporting to our CEO. These stock ownership guidelines provide that (i) our CEO should own



shares of our common stock with a value equal to or exceeding six times his or her then-current base salary (increased from four times base salary); and (ii) each officer directly reporting to our CEO should own shares of our common stock with a value equal to or exceeding three times his or her then-current base salary.

**Table of Contents****EXECUTIVE COMPENSATION****Key Features of Our Executive Compensation Program**

The Company's executive compensation program includes key features that we believe further align the interests of our NEOs with our stockholders.

<b>What We Do</b>	
<b>Align Pay with Company Financial Performance</b>	The compensation program for our NEOs is designed to align pay with actual Company results. Annual incentive awards, as well as PSUs awards to be made in fiscal 2019 to the NEOs, are based on the achievement of pre-established goals linked to our performance.
<b>Balance Short-Term and Long-Term Incentives</b>	Our compensation program is designed to provide an appropriate balance of short-term and long-term incentives.
<b>Say on Pay Frequency</b>	Our Board elected to have our executive compensation program considered by stockholders annually through our say on pay vote (see Proposal 3).
<b>Compensation Consultant</b>	The Committee directly engages an independent compensation consultant.
<b>Annual Compensation Risk Assessment</b>	The Committee conducts a risk assessment of our compensation program on an annual basis. Based on that assessment, the Committee concluded that our compensation policies and practices do not encourage behaviors that could create material risk for the Company.
<b>Independent Compensation Committee</b>	The Board has determined that each member of the Committee is independent under the criteria established by the NYSE for director independence and meets the additional independence requirements of the NYSE applicable to Committee members.
<b>Stock Ownership Guidelines</b>	We have stock ownership guidelines which provide that (i) our CEO should own shares of our common stock valued at a 6x multiple of annual base salary; (ii) each officer directly reporting to our CEO should own shares of our common stock valued at a 3x multiple of annual base salary; and (iii) our non-employee directors should own shares of our common stock valued at a 4x multiple of annual base cash retainer.
<b>Award Limits</b>	Annual Incentive Plan payouts for our NEOs, as well as PSUs awards to be made in fiscal 2019, are subject to limits on maximum payout.
<b>Compensation Recoupment Policy</b>	We have a compensation recoupment policy which provides that the Committee may require relinquishment of previously awarded equity-based compensation and/or repayment of previously paid incentive cash compensation in the event of a financial restatement or significant financial harm to the Company arising out of willful actions or gross negligence by any officer of the Company.
<b>Regularly Review Share Utilization</b>	Management and the Committee periodically evaluate overhang levels (dilutive impact of equity compensation on our stockholders) and annual run rates (the aggregate shares awarded as a percentage of total outstanding shares) to assess alignment with our compensation program and market practices.

**What We Don't Do**

<b>No Excise Tax Gross-Ups</b>	×	In the event of a change in control, none of our NEOs are entitled to a tax gross-up of any excise taxes imposed.
<b>No Stock Options Granted Below Fair Market Value</b>	×	We do not set the exercise price of stock options at less than 100% of the fair market value of our common stock on the date of grant.
<b>No Repricing Without Stockholder Approval</b>	×	The 2013 Incentive Plan prohibits amendments that would decrease the minimum option price of any stock option or SAR or award any stock option or SAR in replacement of a canceled stock option or SAR with a higher exercise price than the replacement award, in either case without stockholder approval.
<b>No Hedging or Pledging of Company Stock</b>	×	Our directors and executive officers are prohibited from engaging in pledging or hedging activities involving Company securities.
<b>No Automatic Single-Trigger Vesting</b>	×	In the event of a change in control, our grants of stock options (from and after December 2015) and restricted stock contain a double trigger meaning that both a change in control and qualifying termination of employment must occur for automatic vesting.
<b>No Pension Plans or SERPs</b>	×	We do not sponsor any qualified or non-qualified defined benefit plans or supplemental executive retirement plans (SERPs).
<b>No Guaranteed Bonuses or Salary Increases</b>	×	We do not guarantee salary increases or provide guaranteed bonuses to any of our executive officers.
<b>No Change in Control Severance Arrangements</b>	×	We have no severance arrangements specific to a change in control.
<b>No Evergreen Provision or Reload Options in 2013 Incentive Plan</b>	×	The 2013 Incentive Plan does not provide for automatic share additions during its term nor does it provide for the ability to grant reload options.

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**EXECUTIVE COMPENSATION**

**2018 Stockholder Say on Pay Vote and Stockholder Outreach**

We view a continuing, constructive dialogue with our stockholders as important to keeping us informed on stockholder views regarding executive compensation and corporate governance. Our approach to engagement is detailed in the chart below.

Our stockholder outreach efforts undertaken in connection with the Annual Meeting included engaging a number of our stockholders, collectively representing approximately 40% of our outstanding shares. The stockholders that we reached out to either arranged for individual discussions with us, directly provided us with feedback or informed us that a meeting was not necessary.

Stockholders supported our 2018 say on pay vote, with approximately 86% of votes cast in favor. The purpose of our outreach efforts following that vote was to seek feedback regarding our executive compensation and corporate governance programs. Our engagement team was comprised of leaders from our investor relations and legal departments, as well as our lead independent director, as appropriate. Given the commitment of the entire Board to understanding the perspectives of our stockholders and to considering direct stockholder feedback, we believe that such engagement keeps our Board informed of stockholders' priorities and allows the Board to address stockholder feedback effectively.

In the course of the outreach process, we listened to and considered the suggestions of our stockholders to further enhance our executive compensation and corporate governance programs. We heard from some of our stockholders, as well as proxy advisory services, that we should include equity awards in our LTIP that

vest on the basis of metrics with pre-established performance goals.

In response to this feedback, and in order to create a stronger and more visible link between executive pay and Company performance and further align our executives' interests with those of our stockholders, the Committee, based on input and analysis from Meridian, revised the LTIP in February 2019 such that a significant portion of the fiscal 2019 LTIP awards made to our NEOs will be in the form of PSUs, with vesting based on pre-established performance goals. Additional details regarding our LTIP program is included below.

The Committee recognizes that pay practices continue to evolve, and the Committee intends to continue to refine our executive compensation program in its ongoing effort to design an executive compensation program that supports long-term stockholder value creation and our company culture.

**Leadership Succession and Management Development**

The Board and the Committee recognize that retention of highly-qualified leadership talent is critical to our continued strong performance and to successful succession planning. The Board (or a special committee of directors appointed by the Board) is responsible for the succession planning of the CEO, including succession in the event of an

emergency, and periodically reviews the succession plan and identifies potential successors for the CEO.

The CEO reviews succession planning and management development for executive vice presidents and officers above that level (other than the CEO) with the Committee and/or the Board on an annual basis. As part of this process, succession candidates for senior leadership positions are considered, taking into account demonstrated performance, leadership qualities and potential to take on more complex responsibilities, and various factors are reviewed, including: the potential retention risk regarding incumbent senior executives and the identified succession candidates; the competitive landscape for executive talent; the specific succession planning time horizon for each senior executive position; and the extent of disruption likely to be caused by unplanned attrition. The Board is focused on managing the succession process to appropriately address leadership succession while protecting the

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**EXECUTIVE COMPENSATION**

interests of our stockholders. The Board believes that it is in the best interests of the Company and its stockholders to stage the succession of its leadership team properly so that the Board is able to undertake a thoughtful and deliberate approach to succession planning and to support an orderly transition to new leadership. More broadly, the Board and the Committee are regularly updated on key talent indicators for the overall workforce, including diversity, recruiting and development programs.

We operate in a highly competitive industry and, due to our strong performance, our senior executives are recognized as leaders with backgrounds, depth of experience and management skill sets that are attractive to competitors. The Committee believes that these executives have visibility as high-performing leaders and may be presented with other career opportunities from time to time. If the Committee believes it to be necessary, it will take appropriate compensation actions to reinforce succession planning. Such actions are designed to (i) motivate the executive to forego outside career opportunities; (ii) generate value for the recipient only if he or she remains employed by us for the period of time deemed optimal for succession planning purposes; (iii) ensure a smooth transition of senior executives in key leadership positions; and/or (iv) provide for transition periods that will guard against competitive harm to us at the time of

a key executive's departure. The Committee considers succession-related actions within the context of our commitment to align pay and performance.

Effective as of the beginning of fiscal 2017, Ms. Vecchio was promoted to Chief Merchandising Officer/Principal, Mr. Katz was promoted to Chief Financial Officer/Principal and Mr. Hand was promoted to Chief Customer Officer/Principal. These promotions were designed to secure our future leadership for the long-term by facilitating the development of a strong line of succession candidates to support an orderly CEO transition, an effort which we commenced in 2014. At that time, the most critical point identified by the Board in the succession process was to secure the services of Mr. Kingsbury and assure leadership stability so that we are in a position to achieve an orderly CEO transition.

The Board has focused on CEO succession planning in fiscal 2018. The Board created a sub-committee, comprised of the members of the Committee, and has focused on overseeing the succession planning process, including the engagement of third-party advisors.

**Process for Setting Executive Officer Compensation**

*Role of the Compensation Committee*

The Committee is tasked with discharging our Board's responsibilities related to oversight of the compensation of our NEOs, including the design and implementation of our executive compensation program, and designing our executive compensation program so that it is aligned with our corporate objectives. Each member of the Committee is independent under the listing standards of the NYSE.

The Committee makes decisions regarding salaries, annual incentive awards and long-term equity incentives for our NEOs. The Committee is also responsible for reviewing and approving corporate goals and objectives relevant to the compensation of our NEOs. The Committee, in conjunction with the CEO's evaluation of our other NEOs, evaluates the performance of such officers in light of those goals and objectives. The independent directors, in consultation with the Committee, evaluate the performance of our CEO. In determining the overall level of executive compensation and

establishing the design and mix of its specific elements, the Committee considers various quantitative and qualitative factors, such as Company performance; individual executive performance and responsibilities; market data; competitiveness and peer practices; its experience with the existing compensation program; results of our advisory votes on executive compensation and other stockholder feedback; recruitment, retention and succession planning; contractual obligations; promotions; organizational changes; relocations; and transitional roles.

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The Committee maintains an annual cycle of executive compensation actions and addresses special actions in connection with management changes; employment agreements and executive benefits; and other Committee charter responsibilities. The Committee reviews and approves elements of compensation for our NEOs on the schedule below:

<b>By the beginning of the fiscal year</b>	Review and approve peer group changes (if any) for new fiscal year
<b>By the end of the first fiscal quarter</b>	Establish award opportunities and goals for Annual Incentive Plan and, beginning with the fiscal 2019 LTIP awards, PSUs
	Grant LTIP awards
	Approve salary adjustments
<b>After the fiscal year-end</b>	Certify performance results for completed performance cycle for Annual Incentive Plan and, beginning with the fiscal 2019 LTIP awards, PSUs

***Role of Independent Compensation Consultant***

The Committee engages an independent consultant to assist in its deliberations and decision-making regarding executive compensation. The Committee's consultant provides current market research and analyses against which executive compensation programs and proposals can be evaluated, including a review of competitive market trends and design practices, a review of the Company's peer group, and market benchmarking. The Committee has sole authority to retain and terminate its consultant and sole authority to approve the fees and other terms of the engagement of its consultant.

Meridian served as the Committee's independent compensation consultant in fiscal 2018. Meridian reports directly to the Committee and, in addition to performing the services described above, assists the Committee on director compensation matters. Meridian did not work for the Company's management in any capacity in fiscal 2018. The Committee assessed the

independence of Meridian from management in accordance with SEC rules and the listing standards of the NYSE and concluded that the work of Meridian did not raise any conflict of interest in connection with its service as independent consultant to the Committee.

As part of the Committee's responsibility to review the extent to which our compensation policies and practices may encourage employees to take risks that could have a material adverse effect on us, the Committee directed Meridian to complete a comprehensive review of our compensation policies and practices and reviewed it with the Committee. As described below under the caption entitled "Compensation-Related Risk" on page 58, upon receiving Meridian's



assessment, the Committee concluded that our compensation policies and practices do not encourage behaviors that could create material risk for the Company.

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**EXECUTIVE COMPENSATION**

*Role of Peer Companies and Benchmarking*

The Committee used the compensation peer group set forth below to evaluate fiscal 2018 compensation decisions, which was the same peer group used to evaluate fiscal 2017 compensation decisions:

Abercrombie & Fitch Co.

American Eagle Outfitters, Inc.

Ascena Retail Group, Inc.

Big Lots, Inc.

Chico's FAS, Inc.

Dick's Sporting Goods, Inc.

Dillard's, Inc.

DSW Inc.

Foot Locker, Inc.

Tailored Brands, Inc.

The Michaels Companies, Inc.

Ross Stores, Inc.

ULTA Salon, Cosmetics & Fragrances, Inc.

Urban Outfitters, Inc.

Williams-Sonoma, Inc.

The Committee reviews the companies included in the peer group on an annual basis and in so doing considers information provided by the Committee's independent consultant and management. The Committee determined that the above group was an appropriate peer group based on criteria that included the following: annual revenues; company performance; industry/business; similar customer demographics and competition for talent.

The median trailing twelve month revenue for the peer group is \$5.3 billion (versus \$6.7 billion for Burlington) and the median trailing 20-trading-day average market cap as of March 15, 2019 was \$2.2 billion (versus \$10.6 billion for Burlington).

The Committee believes that an appropriate peer group is a key element of the Company's compensation program in order to provide meaningful comparisons to market compensation levels. The Committee will consider comparative compensation data of the companies in our peer group, as well as quality retail-specific surveys, as a frame of reference in assessing the competitiveness of our executive compensation levels and opportunities, and in determining the individual components of compensation, compensation practices, and the relative proportions of each component of compensation.

The Committee will review market 50<sup>th</sup> percentile total compensation and target each executive within a reasonable range of the market based upon its assessment of a variety of factors, including those discussed under the caption above entitled "Role of the Compensation Committee." Actual pay delivered will vary above or below this level based on Company performance.

While the Committee considers relevant market pay practices when setting executive compensation, it does not believe it is appropriate to establish compensation levels based only on such practices. The Compensation Committee believes that compensation decisions are complex and require a deliberate review of Company performance and peer compensation levels.

*Role of Management*

Our CEO makes compensation recommendations for executive officers other than himself. These recommendations are based on annual performance reviews completed by the CEO for each executive officer. The Committee considers these performance reviews and recommendations, among other factors, in establishing base salaries and making other compensation decisions for our NEOs. Our NEOs do not play a role in their own compensation determinations.

The Committee meets in executive session (without the presence of any management director) from time to time and invites executive officers to attend other portions of its meetings. In addition, members of our management team keep informed of developments in

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compensation and benefits matters and participate in the gathering and presentation of data related to these matters as requested by the Committee. Management periodically makes recommendations to the Committee regarding the design and implementation of our executive compensation program.

**Internal Pay Relationships**

Our compensation philosophy reflects the importance of offering a competitive target compensation package to our NEOs. The differences in pay between the NEOs relative to each other as well as the CEO are based on various factors, including market differences for the particular job, job responsibilities and scope, and adjustments for individual experience and performance, rather than a pre-determined ratio or multiple.

**Elements of Our Executive Compensation and Benefits Programs**

We provide annual compensation to our NEOs primarily through a combination of:

Base salary;  
Annual cash incentives; and

Long-term equity incentives

We also provide our NEOs with retirement (401(k) Plan), health and welfare benefits, and limited perquisites.

The portion of annual executive compensation devoted to each of the elements of pay is driven by our principles and objectives as well as each NEO's role and strategic value to the organization as further described in the table below. The Committee occasionally grants other types of awards in special circumstances to reward superior past performance or support recruitment, succession planning, and retention objectives.

<b>Element of Pay</b>	<b>Designed to Reward</b>	<b>Alignment with Objectives</b>
<b>Base Salary</b>	Experience, knowledge in industry, duties, scope of responsibility and individual performance.	Provides a minimum, fixed level of cash compensation to attract and retain talented executives who can continue to improve our overall performance.
<b>Annual Cash Incentives</b>	Success in achieving or exceeding specific annual performance goals and objectives using metrics approved by the Committee and that it believes are appropriate measures of operational and financial performance.	Motivates executives to achieve specific performance goals and objectives.
<b>Long-Term Equity Incentives</b>	Attainment of Company performance over time, stockholder value creation and success in long-term growth and development.	Aligns the executives' interests with long-term stockholder interests in order to increase overall stockholder value.

Potentially the largest pay component, which provides an opportunity for significant compensation following strong Company performance, enabling us to attract and retain talented executives.

The Committee believes that we can meet the objectives of our executive compensation program by achieving a balance among these elements that is competitive with our industry peers and creates appropriate incentives for our NEOs. Actual annual compensation levels are a function of both corporate and individual performance as described under each compensation element below. In making compensation determinations, the Committee considers, among other

things, the competitiveness of compensation both in terms of individual pay elements and the aggregate compensation package.

### *Base Salary*

Our goal is to provide our NEOs with base salaries that are appropriate and commensurate with position, experience and performance. Base salaries are

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reviewed by the Committee annually and at the time of promotion or other change in responsibilities. Generally, in making a determination of whether to make base salary adjustments, the Committee considers the following factors:

individual performance;

experience with us and industry knowledge;

duties and scope of responsibilities;

competitive market compensation paid by other companies for similar positions; and  
annual performance reviews completed by the chief executive officer.

In addition, the Committee considers internal pay equity within our organization and, when reviewing the base salaries of our NEOs, their current aggregate compensation. The Committee reviewed the base salaries of each of the NEOs following the end of fiscal 2017 and, pursuant to its review, increased the then-current base salaries of each of our NEOs as follows effective in April 2018:

<b>Named Executive Officer</b>	<b>Base Salary Adjustment</b>	<b>Base Salary Adjustment</b>	<b>Resulting Base Salary</b>
Thomas A. Kingsbury	3.0%	\$ 39,000	\$ 1,339,000
Marc Katz	2.5%	\$ 18,750	\$ 768,750
Fred Hand	2.5%	\$ 18,750	\$ 768,750
Jennifer Vecchio	2.5%	\$ 19,375	\$ 794,375
Joyce Manning	2.5%	\$ 12,500	\$ 512,500

***Annual Incentive Awards******2018 Annual Incentive Plan***

Annual incentive awards are an important part of the overall compensation we pay our NEOs. Unlike base salary, which is fixed, annual incentive awards are paid only if specified performance levels are achieved. The Committee believes that annual incentive awards encourage our NEOs to focus on specific short-term business and financial goals, without sacrificing our

long-term objectives. The Committee recognizes the importance of achieving an appropriate balance between supporting the Company's objective of rewarding executives for strong performance over the short-term and

establishing realistic targets that continue to motivate and retain executives. As a result, our Annual Incentive Plan provides for measurable, rigorous performance targets that are designed to be achievable but challenge our executives to drive business results that produce stockholder value.

Under our Annual Incentive Plan, the Committee approves each NEO's annual incentive target, which is expressed as a percentage of his or her base salary in effect at the end of the fiscal year. The annual incentive target, applicable base salary and target award (equal to the annual incentive target multiplied by the NEO's applicable base salary) for each of our NEOs under our 2018 Annual Incentive Plan is set out below. The fiscal 2018 target opportunities for the NEOs as a percentage of base salary did not change from the target opportunities established for fiscal 2017.

Named Executive Officer	Annual Incentive	Base Salary At End	Target
	Target	of Fiscal 2018	Award
Thomas A. Kingsbury	150%	\$ 1,339,000	\$ 2,008,500
Marc Katz	100%	\$ 768,750	\$ 768,750
Fred Hand	100%	\$ 768,750	\$ 768,750
Jennifer Vecchio	100%	\$ 794,375	\$ 794,375
Joyce Manning	75%	\$ 512,500	\$ 384,375

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As described below, each NEO's annual incentive award is based on our achievement of the following two performance goals: (i) Adjusted Net Income Per Share ( ANI Per Share ) and (ii) Comparable Store Sales Percentage ( Comp Sales Percentage ). The Committee believes that these metrics closely align our NEOs' interests with our stockholders' interests. The Committee believes that ANI Per Share is an appropriate and primary indicator to our stockholders of overall business health, and its inclusion as a performance goal achieves our desire to use a measure of profitability that drives stockholder value creating behaviors. The second measure, Comp Sales Percentage (a growth metric comparing, and requiring improvement over, last year's performance), focuses our executives on both strengthening our core business and driving revenue growth.

Adjusted Net Income per Share is defined as Adjusted Net Income (net income (loss) for the period, exclusive of the following items, if applicable: (i) net favorable lease amortization; (ii) costs related to debt amendments; (iii) stock option modification expense; (iv) loss on extinguishment of debt; (v) impairment charges; and (vi) other unusual, non-recurring or extraordinary expenses, losses, charges or gains, all of which are tax effected to arrive at Adjusted Net Income) divided by the fully diluted weighted average

shares outstanding. Fully diluted weighted average shares outstanding starts with basic shares outstanding and adds back any potentially dilutive securities outstanding during the period. Fully diluted weighted average shares outstanding is equal to basic shares outstanding if the Company is in an Adjusted Net Loss position.

In Note 11 (entitled Net Income Per Share ) to our February 2, 2019 Consolidated Financial Statements, we disclose the calculation of net income per diluted share, the most directly comparable GAAP financial measure to Adjusted Net Income per Share, from our audited financial statements. A reconciliation of Adjusted Net Income to the most directly comparable GAAP financial measure (i.e., disclosure regarding how the Company calculates each such measure from its audited financial statements) is contained in the section of our Fiscal 2018 10-K entitled Key Performance Measures beginning on page 32.

Comp Sales Percentage is the percentage growth in Comparable Store Sales (defined as sales of those stores, including online sales, commencing on the first day of the fiscal month one year after the end of their grand opening activities, which normally conclude within the first two months of operations) over the previous fiscal year.

The Weighting Percentage for each measure is as follows:

<b>Measure</b>	<b>Weighting Percentage</b>
ANI Per Share	50%
Comp Sales Percentage	50%

Based on the Company's achievement of the performance goals, each NEO's award may range from 0% to no more than 300% of their target award. ANI Per Share attainment and Comp Sales Percentage attainment are measured separately, and achievement of the ANI Per Share component is not required in order to qualify for the Comp Sales



Percentage component (and vice versa).

In March 2018, the Committee established \$5.72 (excluding the impact of the accounting change for stock-based compensation) as the target ANI Per Share for fiscal 2018.

The Committee also established Percentage of Target ANI Per Share Attainment levels and related ANI Per Share Payout Percentages with respect to the threshold, target and maximum performance levels applicable for fiscal 2018. Each NEO's actual ANI Per Share Payout Percentage is determined through interpolation based on the table below and the percentage of the Target ANI Per Share that we attain. The ANI Per Share Payout Percentage is capped at 300%.

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<b>Percentage of Target ANI</b>	<b>ANI Per Share</b>
<b>Per Share Attainment</b>	<b>Payout Percentage</b>
150%	300%
125%	200%
106.25%	125%
100%	100%
94.3%	75%
88.5%	50%
Less than 88.5%	0%

In March 2018, the Committee established 3.75% as the Comp Sales Percentage target. The Committee also established Comp Sales Percentages and related Comp Sales Payout Percentages with respect to the threshold, target and maximum performance levels applicable for fiscal 2018. Each NEO's actual Comp Sales Payout Percentage is determined through interpolation based on the table below and the actual Comp Sales Percentage that we attain. The Comp Sales Payout Percentage is capped at 300%.

<b>Comp Sales Percentage</b>	<b>Comp Sales Payout Percentage</b>
0.00%	0%
1.88%	75%
3.75%	100%
4.75%	125%
5.75%	150%
6.75%	175%
7.75%	200%
8.75%	225%
9.75%	250%
10.75%	275%
11.75%	300%

Awards made to NEOs under our Annual Incentive Plan are equal to the sum of (A) + (B), where:

(A) is the amount equal to the product of: (i) the ANI Per Share Payout Percentage, times (ii) the ANI Per Share Weighting Percentage, times (iii) the NEO's Target Award; and

(B) is the amount equal to the product of: (x) the Comp Sales Payout Percentage, times (y) the Comp Sales Percentage Weighting Percentage, times (z) the NEO's Target Award.

Notwithstanding this formula, the Committee has absolute discretion to reduce, or eliminate entirely, any award. In exercising its discretion to reduce the amount of an award, the Committee may take into account the NEO's individual performance rating.

Following the conclusion of fiscal 2018, the Committee assessed whether and to what extent the performance goals for the year were met. Our performance in fiscal 2018 with respect to the performance goals was as follows:

<b>Metric</b>	<b>Actual</b>	<b>Percentage of Target <sup>(1)</sup></b>	<b>Payout Percentage</b>
ANI Per Share	\$ 6.03	106.5%	126%
Comp Sales Percentage	3.2%	85.6%	92.8%

(1) In determining Percentage of Target ANI Per Share Attainment, the Committee, consistent with the historical design of the annual incentive program, excluded from actual performance and target performance the accrual of amounts for payment under the Annual Incentive Plan for the performance period.

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In addition, each NEO received a performance rating of at least Meets Expectations. In making these determinations, the independent directors, in consultation with the Committee, reviewed Mr. Kingsbury's personal performance in fiscal 2018, and Mr. Kingsbury reviewed personal performance in fiscal 2018 with respect to the other NEOs.

Based on Company and individual performance, the Committee did not exercise discretion to reduce any award. Accordingly, our NEOs earned the following awards under the Annual Incentive Plan for fiscal 2018, which were calculated in accordance with the formula set forth above:

<b>Named Executive Officer</b>	<b>Award</b>
Thomas A. Kingsbury	\$ 2,197,701
Marc Katz	\$ 841,166
Fred Hand	\$ 841,166
Jennifer Vecchio	\$ 869,205
Joyce Manning	\$ 420,583

The range of potential payouts under the Annual Incentive Plan for each of our NEOs is presented below in the Fiscal 2018 Grants of Plan-Based Awards Table. The actual Annual Incentive Plan awards earned by each NEO in fiscal 2018 are also reported below in the Fiscal 2018 Summary Compensation Table.

*Long-Term Incentives*

The Committee believes that long-term incentives are a component of compensation that helps us to attract, retain and motivate our NEOs. These incentives also align the financial rewards paid to our NEOs with our long-term performance, thereby encouraging our NEOs to focus on long-term goals. We grant long-term incentives to our NEOs under the 2013 Incentive Plan, which was adopted in connection with our IPO and amended and restated effective May 17, 2017. Under the 2013 Incentive Plan, the Committee is authorized to grant a variety of awards, including restricted stock or

stock options to purchase our common stock. More details about the stock options and restricted stock granted to our NEOs are set out in the tables that follow this discussion.

In fiscal 2014, the Committee developed our LTIP whereby our NEOs may be eligible to receive a grant of Company equity with a target value equal to a percentage of their annual base salary (which we refer to as the equity incentive percentage) each year. The LTIP is designed to promote achievement of corporate goals, encourage the growth of stockholder value, enable participation in our long-term growth and profitability and serve as an incentive for continued employment. In setting the value of our equity incentive compensation for executives, the Committee's determinations are informed by assessments conducted by Meridian, peer group market data and alignment with our compensation philosophy.

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For fiscal 2018, the Committee approved each NEO's equity incentive percentage target (expressed as a percentage of his or her base salary) as set forth in the below table. The fiscal 2018 LTI targets for the NEOs as a percentage of base salary did not change from the LTI targets established for fiscal 2017.

<b>Named Executive Officer</b>	<b>Equity Incentive Percentage Target</b>	<b>Target LTI Value</b>
Thomas A. Kingsbury	450%	\$6,025,500
Marc Katz	225%	\$1,729,688
Fred Hand	225%	\$1,729,688
Jennifer Vecchio	225%	\$1,787,344
Joyce Manning	125%	\$ 640,625

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For fiscal 2018, seventy-five percent (75%) of each NEO's target LTI value was allocated to stock options and twenty-five percent (25%) of each NEO's target LTI value was allocated to restricted stock.

*Fiscal 2018 Long-Term Incentive Award Mix for NEOs*

The grant of stock options supports the Committee's philosophy that stock price appreciation should be a significant determinant of the economic return received by our executives from equity compensation. Each NEO realizes value from stock options only to the extent our share price is greater than the option exercise price (which is set at our share price on the date of grant) and the NEO is employed through the vesting period. In contrast, if our share price declines below the exercise price of a stock option granted to a NEO, the NEO would realize no value under the stock option.

The restricted stock is subject to time-based vesting and provides a retention incentive for our NEOs and an incentive to increase stockholder value.

2018 LTIP grants were made on May 1, 2018, and the Committee approved LTIP Awards to each NEO as follows:

<b>Named Executive Officer</b>	<b>Shares of Restricted Stock</b>	<b>Options</b>
Thomas A. Kingsbury	10,804	89,131
Marc Katz	3,117	24,870
Fred Hand	3,117	24,870
Jennifer Vecchio	3,221	25,699
Joyce Manning	1,155	9,211

Options granted pursuant to an LTIP Award have an exercise price per share equal to the fair market value of a share of stock on the grant date. In addition, both the options and the restricted stock awards vest in 25% increments on each of the first, second, third and fourth anniversaries of the grant date, subject to the NEO's continued employment through the applicable vesting date.

The LTIP Awards granted to Mr. Kingsbury are subject to special vesting conditions, which are described below under the caption entitled "Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards"

Table.

*2019 Performance Share Units*

The Committee routinely evaluates and considers the type of awards granted under our LTIP. As described above, 2018 LTIP Awards consisted of stock options and restricted stock awards with time-based vesting. Although the Committee considers stock options to be performance-based, we have received feedback from

some of our stockholders, as well as proxy advisory services, expressing their belief that stock options are not performance-based and suggesting that we should include equity awards in our LTIP that vest on the basis of metrics with pre-established goals linked to the Company's performance. In response to this feedback, and in order to create a stronger and more visible link between executive pay and Company performance and further align our executives interests with those of our stockholders, the Committee, based on input and analysis from Meridian, revised the fiscal 2019 LTIP such that a significant portion of the LTIP awards made to our NEOs will be in the form of PSUs with vesting based on pre-established performance goals. Specifically, these PSUs will require the achievement of pre-established EBIT margin expansion and sales CAGR goals (each weighted equally) over a three-year performance period. Based on the Company's achievement of these goals, each NEO's award may range from 50% (at threshold performance) to no more than 200% of his or her target award. In the event that actual performance is below threshold, no award will be made.

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Along with PSUs, fiscal 2019 LTIP Awards made to our NEOs will also include stock options and restricted stock units with time-based vesting in the following mix:

*Fiscal 2019 Long-Term Incentive Award Mix for NEOs*

*Benefits and Perquisites*

Our executive compensation program includes limited perquisites, which are subject to Committee review and approval, and broad-based benefits.

The perquisites and benefits included in our executive compensation program represent a modest portion of each NEO's total compensation. The cost of these perquisites or other personal benefits is set forth below in the Fiscal 2018 Summary Compensation Table below under the column "All Other Compensation," and additional detail is set forth in the footnotes following the Fiscal 2018 Summary Compensation Table.

We provide each of our NEOs with a car allowance. In addition, we maintain broad-based benefits that are provided to all full-time employees, including medical, dental, vision, life and disability insurance. Certain of these benefits require employees to pay a portion of the premium. Except with respect to life insurance (our NEOs all receive such insurance in an amount equal to the lesser of three times their annual base salary or a pre-determined maximum), these benefits are offered to our NEOs on the same basis as all other employees. We also offer a retirement savings plan in which eligible employees (including our NEOs) may participate. The savings plan includes a traditional 401(k) pre-tax savings option and a post-tax Roth 401(k) option. We provide a matching contribution of 100% on the first 3% of eligible compensation that is deferred and 50% on the next 2% of eligible compensation that is deferred, up to the Internal

Revenue Code limit for each respective year in which the eligible employee participates in the plan.

The Committee believes that the limited perquisites and other benefits provided to our NEOs are reasonable and consistent with the perquisites that would be available to them at companies with whom we compete for experienced senior management.

**Termination-Based Compensation**

Severance arrangements applicable to our NEOs are set forth in each of their respective employment agreements. The Committee believes these arrangements play an important role in protecting our highly competitive business by restricting our executive officers from working for a competitor or soliciting our employees during the specified severance period. Additionally, each NEO's option grant agreement(s) and restricted stock agreement(s) contains terms regarding vesting in connection with the termination of employment and changes in control. The Committee believes



that these termination and change in control terms provide our NEOs with an incentive to act in stockholders' best interests during a potential change in control despite the risk of losing their jobs or a significant change in the nature of their benefits and responsibilities. A detailed discussion of compensation payable upon termination or a change in control is provided below under the caption entitled "Potential Payments Upon Termination or Change in Control."

### **Compensation Recoupment Policy and Additional Forfeiture Features**

We strive to maintain a culture that emphasizes integrity and accountability and reinforces our pay-for-performance compensation philosophy. Accordingly, in February 2016, the Committee adopted a compensation recoupment policy, providing that, in the event of a financial restatement or significant financial harm to the Company arising out of willful actions, including without limitation fraud or intentional misconduct, or gross negligence by any officer of the Company, the Committee shall have the discretion and authority to determine the appropriate action to take, which may include requiring relinquishment of previously awarded equity-based compensation and/or repayment of previously paid incentive cash compensation. In addition to the foregoing policy, all stock options and unvested shares of restricted stock will be immediately forfeited upon any termination of employment by us for cause.

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**EXECUTIVE COMPENSATION**

**Stock Ownership Guidelines**

As described above, the Committee has adopted stock ownership guidelines for our Chief Executive Officer and the officers reporting to our Chief Executive Officer. These stock ownership guidelines provide that (i) the Chief Executive Officer should own shares of our common stock with a value equal to or exceeding six (6) times his or her then-current base salary, and (ii) any officer reporting directly to our Chief Executive Officer should own shares of our common stock with a value equal to or exceeding three (3) times his or her then-current base salary. As of the end of fiscal 2018, Mr. Kingsbury, each officer directly reporting to Mr. Kingsbury and each non-employee director owned shares in excess of the applicable stock ownership guidelines or was in compliance with the retention requirement described above under the caption entitled Stock Ownership Guidelines.

**Prohibition on Hedging and Pledging of Company Stock**

The Board considers it inappropriate for directors or executive officers to enter into speculative transactions in Company securities. Hedging or monetization transactions can be accomplished through a number of possible mechanisms, including, but not limited to, 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 our securities. Such hedging and monetization transactions may permit persons to continue to own Company securities obtained through our benefit plans or otherwise, but without the full risks and rewards of ownership. When that occurs, such persons may no longer have the same objectives as our other stockholders. Moreover, certain short-term or speculative transactions in our securities by directors and corporate personnel create the potential for heightened legal risk and/or the appearance of improper or inappropriate conduct involving our securities.

Under our hedging and pledging policy, our directors and all corporate personnel (including our executive officers), are prohibited from engaging in any hedging or monetization transactions with respect to our securities. Further, directors and corporate personnel may not engage in the following short-term or speculative transactions in our securities that could

create heightened legal risk and/or the appearance of improper or inappropriate conduct by such persons:

*Short Sales.* Short sales of our securities (i.e., the sale of a security that the seller does not own) may evidence an expectation on the part of the seller that the securities will decline in value, and therefore have the potential to signal to the market that the seller lacks confidence in our prospects. In addition, short sales may reduce a seller's incentive to seek to improve our performance. For these reasons, short sales of our securities by our directors and corporate personnel are prohibited under our policy.

*Publicly-Traded Options.* Given the relatively short terms of publicly-traded options, transactions in options may cause focus on short-term performance at the expense of our long term objectives. Accordingly, our policy prohibits transactions in put options, call options or other derivative securities related to our securities, on an exchange or in any other organized market.

*Margin Accounts and Pledged Securities.* 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 (or hypothecated) 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 is not permitted to trade in our securities, directors and corporate personnel are prohibited from holding our securities in a margin account or otherwise pledging our securities as collateral for a loan.

### **Tax and Accounting Considerations**

The Committee structures our compensation program in a manner that is consistent with our compensation philosophy and objectives. In the course of making decisions about executive compensation, the Committee takes into account tax and accounting considerations. For example, the Committee takes into account Section 409A of the Internal Revenue Code regarding non-qualified deferred compensation. The Committee also considers how various elements of compensation will affect our financial reporting. For example, the Committee considers the impact of FASB ASC Topic 718 Stock Compensation, which requires us to recognize the cost of employee services received in exchange for awards of equity instruments based upon the grant date fair value of those awards.

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**EXECUTIVE COMPENSATION**

**Report of the Compensation Committee**

We, the Compensation Committee of the Board of Directors of Burlington Stores, Inc., have reviewed and discussed the Compensation Discussion and Analysis set forth above with management and, based on such review and discussions, recommended to the Board of Directors that the Compensation Discussion and Analysis set forth above be included in this Proxy Statement and the Company's Annual Report on Form 10-K for the fiscal year ended February 2, 2019.

Compensation Committee of the Board of Directors:

John J. Mahoney, *Chair*

Ted English

Mary Ann Tocio

*The preceding Compensation Committee Report does not constitute soliciting material and shall not be deemed to be filed, incorporated by reference into or part of any filing made by us (including any future filings) under the Securities Act or the Exchange Act, notwithstanding any general statement contained in any such filing incorporating this report by reference, except to the extent we incorporate such report by specific reference.*

**Compensation Committee Interlocks and Insider Participation**

Ted English, John J. Mahoney and Mary Ann Tocio served during fiscal 2018, and each continues to currently serve, on the Committee. None of these individuals (i) have ever been an officer or an employee of ours, nor (ii) except with respect to the indemnification agreements set forth below under the caption entitled Certain Relationships and Related Party Transactions, have any relationship that is

required to be disclosed pursuant to the rules of the SEC. In addition, none of our executive officers serve (or served at any time during fiscal 2018) as a member of the board of directors or compensation committee of any entity that has

one or more executive officers serving as a member of our Board of Directors or the Committee.

## **Compensation-Related Risk**

In accordance with applicable disclosure requirements, to the extent that risks may arise from our compensation policies and practices that are reasonably likely to have a material adverse effect on us, we are required to discuss those policies and practices for compensating our employees as they relate to our risk management practices and the possibility of incentivizing risk-taking. The Committee considers risks associated with our compensation policies and practices and, as part of its consulting services for the Committee, Meridian evaluates the potential for unintended risk associated with the design of our compensation programs. At the direction of the Committee, Meridian completed a comprehensive review of our compensation policies and practices to determine whether potential risk existed and whether there were design factors that mitigated potential risk areas. Upon receiving Meridian's assessment, the

Committee concluded that our compensation policies and practices do not encourage behaviors that could create material risk for the Company.

A number of features in our compensation programs mitigate risk and protect against excessive risk-taking behavior and the potential for unintended consequences, including:

Our compensation mix for participants in our LTIP and Annual Incentive Plans creates a balance between short-term results and long-term sustainable performance. Throughout the organization, variable/fixed pay and short-term/long-term pay is carefully calibrated to ensure appropriate pay mix and structure by level and, for senior executives, a large portion of pay is variable and oriented towards long-term performance.

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**EXECUTIVE COMPENSATION**

Our Annual Incentive Plans incorporate multiple financial performance goals, which are closely aligned with strategic business goals. In addition, the maximum amount payable with respect to the financial metric components of the Annual Incentive Plan applicable to our executives and other eligible corporate associates is limited to 300% of target.

Stock option and restricted stock grants made to our associates generally do not vest fully for four years. We believe this longer vesting period discourages unnecessary or excessive risk taking. Additionally, our insider trading policy prohibits corporate personnel (including our executive officers) and directors from hedging and other activities that could offset the benefits of having these as long-term awards.

Because executive incentive compensation has a large stock component, the value is best realized through long-term appreciation of stockholder value, especially when coupled with our stock ownership guidelines for our executive officers and non-employee directors, which expose our executive officers and non-employee directors to the loss of the value of the retained equity.

We maintain a compensation recoupment policy, which provides that the Committee may require relinquishment of previously awarded equity-based compensation and/or repayment of previously paid incentive cash compensation in the event of a financial restatement or significant financial harm to us arising out of willful actions or gross negligence by any officer.

The Committee has established a compensation peer group designed to provide meaningful comparisons to market and align compensation programs with industry practice.

We have a rigorous system of internal controls designed to prevent fraud, deterring individual employees from creating adverse material risk in pursuit of short- or long-term compensation.

**Fiscal 2018 Summary Compensation Table**

The following table sets forth summary information concerning the compensation of our NEOs for fiscal 2018 and, to the extent required by applicable SEC disclosure rules, fiscal 2017 and fiscal 2016:

Name and Principal Position	Fiscal Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)(1)	Option Awards (\$)(2)	Non-Equity Incentive Plan	All Other Compensation	Total (\$)
						Compensation (\$)(3)	(\$)(4)	
<b>Thomas A. Kingsbury,</b> Chairman, President and Chief Executive Officer	2018	1,329,250		1,462,537	4,390,593	2,197,701	48,131	9,428,212
	2017	1,300,000		1,462,532	3,738,850	2,352,578	47,931	8,901,891
	2016	1,164,257		9,079,264	2,024,545	2,763,150	47,819	15,079,035
<b>Marc Katz,</b> Chief Financial Officer/Principal	2018	764,063		421,948	1,267,873	841,166	38,131	3,333,181
	2017	750,000		2,954,377	1,368,379	904,838	37,931	6,015,525
	2016	654,400		151,023	401,081	700,565	37,819	1,944,888
<b>Fred Hand,</b> Chief Customer Officer/Principal	2018	764,063		421,948	1,267,873	841,166	38,131	3,333,181
	2017	750,000		527,077	1,368,379	904,838	37,931	3,588,225
	2016	654,400		2,049,723	401,081	700,565	37,819	3,843,588
<b>Jennifer Vecchio,</b> Chief Merchandising Officer/Principal	2018	789,531		436,027	1,310,135	869,205	38,131	3,443,029
	2017	775,000		544,683	1,413,994	934,999	37,931	3,706,607
	2016	677,195		282,997	751,654	724,009	27,219	2,463,074
<b>Joyce Manning Magrini,</b> Executive Vice President - Human Resources	2018	509,375		156,352	469,577	420,583	38,036	1,593,923
	2017	493,667		148,380	382,839	452,419	37,773	1,515,078

(1) Represents the aggregate grant date fair value of restricted stock awards based on the closing share price on the date of grant. The amounts shown were calculated in accordance with FASB ASC Topic 718. The amount of compensation, if any, actually realized by a NEO from the vesting of restricted stock will depend on numerous factors, including the continued employment of the NEO during the vesting period of the award and the share price on the date of vesting. The vesting terms and conditions of restricted stock awards to our NEOs are described below under the table entitled Outstanding Equity Awards at Fiscal 2018 Year-End.

(2) Represents the aggregate grant date fair value of stock option awards. The amounts shown were calculated in accordance with FASB ASC Topic 718, and are based on a number of key assumptions described in Note 12 (entitled Stock-Based Compensation) to our February 2, 2019 Consolidated Financial Statements. The amount of compensation, if any, actually realized by a NEO from the exercise and sale of vested options will depend on numerous factors, including the continued employment of the NEO during the vesting period of the award and

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the amount by which the share price on the day of exercise and sale exceeds the option exercise price. The vesting terms and conditions of option awards to our NEOs are described below under the table entitled "Outstanding Equity Awards at Fiscal 2018 Year-End."

(3) Represents awards earned under the Annual Incentive Plan.

(4) The amounts reported in this column for fiscal 2018 represent the following:

Name	Company	Automobile	Insurance	Total
	Matching			
	401(k)	Allowance	Premiums	
	Contributions			
	(\$)	\$(a)	\$(b)	(\$)
Thomas A. Kingsbury	11,000	35,000	2,131	48,131
Marc Katz	11,000	25,000	2,131	38,131
Fred Hand	11,000	25,000	2,131	38,131
Jennifer Vecchio	11,000	25,000	2,131	38,131
Joyce Manning Magrini	11,000	25,000	2,036	38,036

(a) Represents the dollar value of each NEO's annual automobile allowance.

(b) Represents the dollar value of life insurance premiums that we paid for the benefit of each NEO.

**Fiscal 2018 Grants of Plan-Based Awards**

The following table sets forth information regarding our grants of plan-based awards to our NEOs during fiscal 2018:

Name	Grant Date	Approval Date	Estimated Future Payouts Under			All Other Awards: Number of Shares of Stock	All Other Awards: Number of Securities Underlying	Exercise or Base Price of Awards (\$/Share)	Grant Date Fair Value of Stock and Option Awards
			Threshold	Target	Maximum				
			(\$)	(\$)	(\$)				
				(1)					



						(#)	Options (#)		(\$)(2)
Thomas A. Kingsbury	5/1/2018	12/8/14(3)	4,017	2,008,500	6,025,500	10,804			1,462,537
	5/1/2018	12/8/14(3)					89,131	135.37	4,390,593
Marc Katz			1,538	768,750	2,306,250				
	5/1/2018	3/15/2018				3,117			421,948
	5/1/2018	3/15/2018					24,870	135.37	1,267,873
Fred Hand			1,538	768,750	2,306,250				
	5/1/2018	3/15/2018				3,117			421,948
	5/1/2018	3/15/2018					24,870	135.37	1,267,873
Jennifer Vecchio			1,589	794,375	2,383,125				
	5/1/2018	3/15/2018				3,221			436,027
	5/1/2018	3/15/2018					25,699	135.37	1,310,135
Joyce Manning Magrini			769	384,375	1,153,125				
	5/1/2018	3/15/2018				1,155			156,352
	5/1/2018	3/15/2018					9,211	135.37	469,577

(1) Represents the threshold, target and maximum payments the NEO was eligible to receive based upon achievement of the performance goals under our Annual Incentive Plan for fiscal 2018. The threshold payments represent the amounts that the NEO would have been eligible to receive under our Annual Incentive Plan for fiscal 2018 in the event that the percentage of target ANI per share attainment was less than 88.5% and our comparable store sales increased 0.01%. Payment under our Annual Incentive Plan begins in the event that our comparable store sales increases as compared to fiscal 2017. Amounts actually paid to each NEO are reported in the Non-Equity Incentive Plan Compensation column of the Fiscal 2018 Summary Compensation Table. For additional information regarding the Annual Incentive Plan, please refer to the section in the Compensation Discussion and Analysis entitled Annual Incentive Awards.

(2) Represents the aggregate grant date fair value of awards of options to purchase shares of our common stock and restricted stock, all made pursuant to the 2013 Incentive Plan. The amounts shown were calculated in accordance with FASB ASC Topic 718 and, with respect to the

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**EXECUTIVE COMPENSATION**

grant date fair value of option awards, are based on a number of key assumptions described in Note 12 (entitled "Stock-Based Compensation") to our February 2, 2019 Consolidated Financial Statements. The vesting terms and conditions of restricted stock and option awards are described below under the table entitled "Outstanding Equity Awards at Fiscal 2018 Year-End."

- (3) An amendment to Mr. Kingsbury's employment agreement, approved by our Board on December 8, 2014, provides for the LTIP awards made to Mr. Kingsbury on May 1, 2018.

**Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards Table**

We have written employment agreements with each of our NEOs that provide for, among other things, the payment of base salary, reimbursement of certain costs and expenses, and for each NEO's participation in our Annual Incentive Plan and employee benefit plans. Other than in the case of Mr. Kingsbury's employment agreement, each of our employment agreements with the NEOs provide that we may terminate the agreement on specified expiration dates, subject to our giving the executive 90 days' notice. The expiration dates are as follows: February 11 for Mr. Hand; July 9 for Mr. Katz; May 11 for Ms. Vecchio; and October 13 for Ms. Magrini. Mr. Kingsbury's employment agreement does not include a fixed expiration date.

During fiscal 2018, Mr. Kingsbury was party to an employment agreement entered into in December 2008 and subsequently amended in fiscal 2014, fiscal 2015 and fiscal 2017. Mr. Kingsbury's employment agreement outlines the basic terms of his employment and includes, among other items, provisions relating to equity awards and termination terms, as follows:

Mr. Kingsbury will be entitled to receive a long-term equity award during each of May 2018 and 2019 (each, an "LTIP Award") that will, in each case, be equal to 450% of his base salary. The form of, and terms and conditions applicable to, each LTIP Award will be substantially similar to that of long-term equity awards made to the Company's senior executives for the applicable year; provided that, in addition to the ordinary vesting terms provided therein, (i) 100% of each LTIP Award will vest if Mr. Kingsbury's employment is terminated due to death and (ii) a pro rata portion of the portion of each LTIP Award that would vest on the next regular vesting date for such LTIP Award will vest if Mr. Kingsbury's employment is terminated by us for a reason other than cause, by Mr. Kingsbury for good reason or due to his disability (the "Special Vesting Conditions").

Upon a termination without cause or for good reason, Mr. Kingsbury's severance pay and benefits period equals three years following such termination.

Upon Mr. Kingsbury's Retirement (a voluntary termination of employment on or after July 1, 2019, provided that Mr. Kingsbury provides us with 180 days' written notice prior to such retirement) and provided that Mr. Kingsbury makes himself reasonably available to consult with the Company for up to ten days per quarter during the one-year

period thereafter (the Consulting Period ), (i) any outstanding incentive equity granted by the Company to Mr. Kingsbury that was unvested as of such Retirement shall continue to vest through the end of the Consulting Period, (ii) any outstanding incentive equity granted by the Company to Mr. Kingsbury that remains unvested as of the end of such Consulting Period shall vest at the conclusion of such Consulting Period, and (iii) the exercise period of any options granted by the Company to Mr. Kingsbury shall be extended until the second anniversary of the later of (x) such Retirement and (y) the date such options vest; provided that such exercise periods shall not be extended beyond the original term of the option agreement.

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Our employment agreements also restrict each NEO's ability to engage in or perform any activities that are competitive with our business or to solicit our employees away from our service while we employ the executive and for a period of one to two years thereafter. In addition, each employment agreement specifies payments and benefits that would be due to such NEO upon the termination of his or her employment with us. For additional information regarding amounts payable upon termination to each of our NEOs, see the discussion below under the caption entitled "Potential Payments Upon Termination or Change in Control."

**Outstanding Equity Awards at Fiscal 2018 Year-End**

The table below sets forth information with respect to the outstanding stock options and shares of unvested restricted stock held by each NEO as of February 2, 2019.

Name	Grant Date	Option Awards				Stock Awards	
		Number of Shares Underlying Unexercised Options (#) Exercisable	Number of Shares Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$/Share)	Option Expiration Date	Number of Shares That Have Not Vested (#)(2)	Market Value of Shares of Stock That Have Not Vested (\$)(3)
Thomas A. Kingsbury	6/17/2013	212,000(4)	88,000(4)	4.55	6/17/2023		
	12/15/2014					150,000(5)	25,780,500
	5/1/2015					3,351	575,936
	5/1/2015	69,364	23,122	52.02	5/1/2025		
	4/8/2016					6,983	1,200,168
	4/8/2016	48,180	48,181	54.58	4/8/2026		
	1/23/2017					50,000	8,593,500
	5/1/2017					11,089	1,905,866
	5/1/2017	25,503	76,512	98.92	5/1/2027		
	5/1/2018					10,804	1,856,883
Marc Katz	5/1/2018		89,131	135.37	5/1/2028		
	6/20/2013	3,666(4)	22,000(4)	4.55	6/20/2023		
	5/1/2015					695	119,450
	5/1/2015		4,790	52.02	5/1/2025		
	4/8/2016					1,384	237,868
	4/8/2016	2,001	9,545	54.58	4/8/2026		
1/30/2017					30,000(6)	5,156,100	

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	1/30/2017					650	111,716
	1/30/2017	4,485	4,485	80.91	1/30/2027		
	5/1/2017					3,199	549,812
	5/1/2017	7,357	22,071	98.92	5/1/2027		
	5/1/2018					3,117	535,719
	5/1/2018		24,870	135.37	5/1/2028		
Fred Hand	6/17/2013		22,000(4)	4.55	6/17/2023		
	5/1/2015					695	119,450
	5/1/2015	7,369	4,790	52.02	5/1/2025		
	4/8/2016					1,384	237,868
	4/8/2016	9,545	9,545	54.58	4/8/2026		
	6/29/2016					30,000(7)	5,156,100
	1/30/2017					650	111,716
	1/30/2017	4,485	4,485	80.91	1/30/2027		
	5/1/2017					3,199	549,812
	5/1/2017	7,357	22,071	98.92	5/1/2027		
	5/1/2018					3,117	535,719
	5/1/2018		24,870	135.37	5/1/2028		

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Name	Grant Date	Option Awards				Stock Awards	
		Number of Shares Underlying Unexercised Options (#) Exercisable	Number of Shares Underlying Unexercised Options (#) (1)	Option Exercise Price (\$/Share)	Option Expiration Date	Number of Shares That Have Not Vested (#)(2)	Market Value of Shares of Stock That Have Not Vested (\$)(3)
Jennifer Vecchio	5/11/2015					1,342	230,650
	5/11/2015	27,762	9,254	53.01	5/11/2025		
	11/11/2015					12,500	2,148,375
	4/8/2016					2,593	445,659
	4/8/2016	17,888	17,888	54.58	4/8/2026		
	1/30/2017					672	115,497
	1/30/2017	4,634	4,635	80.91	1/30/2027		
	5/1/2017					3,306	568,202
	5/1/2017	7,602	22,807	98.92	5/1/2027		
	5/1/2018					3,221	553,593
	5/1/2018		25,699	135.37	5/1/2028		
Joyce Manning Magrini	6/17/2013		66,000(4)	4.55	6/17/2023		
	4/8/2016					440	75,623
	4/8/2016	3,031	3,032	54.58	4/8/2026		
	5/1/2017					1,125	193,354
	5/1/2017	2,586	7,761	98.92	5/1/2027		
	5/1/2018					1,155	198,510
	5/1/2018		9,211	135.37	5/1/2028		

(1) Unless otherwise noted, all options (other than Special One-Time Grants) (i) vest one-quarter on each of the first four anniversaries of the grant date; (ii) become exercisable if, within two years following a change in control, the executive's employment is terminated by us without cause or the executive resigns with good reason (options granted prior to 2016 become exercisable solely upon a change control); (iii) will immediately be forfeited upon a termination of employment by us for cause; and (iv) that have not vested will be forfeited immediately, and unexercised vested options will be exercisable for a period of 60 days, in the event of termination of employment for any other reason. Mr. Kingsbury's Special One-Time Grant agreement provides a formula for calculating a number of options which will vest in the event that Mr. Kingsbury's employment is terminated without cause or Mr. Kingsbury resigns with good reason. All other options granted to Mr. Kingsbury are subject to the Special Vesting Conditions described above under the caption entitled Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards Table.

- (2) Unless otherwise noted, (i) all restricted stock grant awards vest one-quarter on each of the first four anniversaries of the grant date; (ii) shares of restricted stock vest only in the event that the recipient remains continuously employed by us on each vesting date; and (iii) all unvested shares of restricted stock will vest if the NEO's employment is terminated by us without cause or the recipient resigns with good reason within two years following a change in control (or, in the case of restricted stock granted prior to 2016, following a change in control). Except as otherwise noted, each of Mr. Kingsbury's restricted stock grants are subject to the Special Vesting Conditions described above under the caption entitled Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards Table.
- (3) The amounts set forth in this column represent the market value of restricted stock held by the NEO using a market price of \$171.87 per share, which was the closing price of our common stock on February 1, 2019 (the last business day of fiscal 2018), as reported by the NYSE.
- (4) Special One-Time Grant which vests over a five-year period commencing on the Trigger Date, which is the day after the vesting of all other options held by grantee which were granted to such grantee prior to May 2013 and remain outstanding and unvested as of the date of the Special One-Time Grant, according to the following schedule: 20% on each of the first five anniversaries of the Trigger Date. The vesting of Special One-Time Grants will not be accelerated in the event of a change in control, provided, however, that in the event that within two years after a change in control, the grantee's employment is terminated without cause or the grantee resigns with good reason, then an incremental 20% of the Special One-Time Grants shall be deemed vested as of the date of termination of grantee's employment, but in no event more than the total number of Special One-Time Grants granted to such grantee.
- (5) In the event that Mr. Kingsbury remains continuously employed by us on such date, 100% of his shares of restricted stock will vest on July 1, 2019; provided, that: (i) if Mr. Kingsbury's employment is terminated earlier (a) by us for a reason other than for cause, (b) by Mr. Kingsbury for good reason or (c) due to his disability, the shares of restricted stock will vest on a pro rata basis calculated in accordance with the formula contained in Mr. Kingsbury's employment agreement, as amended; provided that if any such termination occurs following a change in control, 100% of the shares of restricted stock will immediately vest; and (ii) if Mr. Kingsbury's employment is terminated earlier due to his death, 100% of the shares of restricted stock will immediately vest.
- (6) Provided that he remains continuously employed by us on such date, 100% of Mr. Katz's retention award of restricted stock will vest on January 30, 2021.
- (7) Provided that he remains continuously employed by us on such date, 100% of Mr. Hand's retention award of restricted stock will vest on May 4, 2020.

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The following table sets forth information regarding stock options exercised by our NEOs, and the vesting of our NEOs' restricted stock, during fiscal 2018.

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise \$(1)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting \$(2)
Thomas A. Kingsbury	140,000	21,809,506	35,539	5,653,756
Marc Katz	40,247	4,849,618	2,777	387,955
Fred Hand	29,000	3,973,826	12,777	1,741,655
Jennifer Vecchio			16,574	2,723,585
Joyce Manning Magrini	22,000	2,983,308	595	80,787

(1) Represents the difference between the selling price and the exercise price, multiplied by the number of shares acquired on exercise.

(2) Represents the value realized upon vesting based on the closing price of our common stock on the vesting date, which was (i) \$136.47 in the case of 3,492, 692, 692, 1,296, and 220 for shares of Mr. Kingsbury, Mr. Katz, Mr. Hand, Ms. Vecchio and Ms. Magrini, respectively, that vested on April 8, 2018; (ii) \$135.37 in the case of 7,047, 1,760, 11,760, 1,101, and 375 for shares of Mr. Kingsbury, Mr. Katz, Mr. Hand, Ms. Vecchio and Ms. Magrini, respectively, that vested on May 1, 2018; (iii) \$138.36 in the case of 1,341 of Ms. Vecchio's shares that vested on May 11, 2018; (iv) \$172.40 in the case of 12,500 of Ms. Vecchio's shares that vested on November 11, 2018; (v) \$168.93 in the case of 25,000 of Mr. Kingsbury's shares that vested on January 23, 2019; and (vi) \$170.05 in the case of 325, 325 and 336 for shares of Mr. Katz, Mr. Hand, and Ms. Vecchio, respectively, that vested on January 30, 2019; multiplied in each case by the number of restricted shares vesting. Reported in this column are the following amounts of restricted shares that were withheld (in the aggregate) to cover withholding tax obligations due upon vesting: Mr. Kingsbury 15,134; Mr. Katz 1,135; Mr. Hand 5,284; Ms. Vecchio 8,494; and Ms. Magrini 161.

**Pension Benefits**



The Company does not maintain any qualified or non-qualified defined benefit plans.

### **Nonqualified Deferred Compensation**

The Company does not maintain any defined contribution or other plan that provides for the deferral of compensation on a basis that is not tax-qualified.

### **Potential Payments Upon Termination or Change in Control**

The following is a discussion of payments and benefits that would be due to each of our NEOs upon the termination of his or her employment with us, including termination in connection with a change in control. The amounts in the table below assume that each termination was effective as of February 1, 2019, the last business day of fiscal 2018, and are merely illustrative of the impact of a hypothetical termination of each executive's employment. The amounts to be payable upon an actual termination of employment can only be determined at the time of such termination based on the facts and circumstances then prevailing.

#### *Employment Agreements*

We maintain employment agreements with each of our NEOs that provide certain benefits upon termination of employment.

#### **Termination Without Cause or for Good Reason**

Each NEO's employment agreement provides that he or she will be entitled to receive the following in the event that (i) his or her employment is terminated by us without cause or by him or her for good reason (as those terms are defined below), or (ii) other than Mr. Kingsbury, the term of his or her employment

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**EXECUTIVE COMPENSATION**

expires on the expiration date specified in his or her agreement:

all previously earned and accrued but unpaid base salary and vacation and unpaid business expenses up to the date of such termination or expiration;

any bonus earned for the fiscal year prior to the termination year or the expiration year, as applicable, but then unpaid, as well as a pro-rated portion of the then-current year's annual target performance bonus under the Annual Incentive Plan through the date of termination or expiration, based on actual results (the Annual Incentive Payment );

severance pay (the Severance Payment ) in the full amount of his or her base salary at the time of termination or expiration from the date of termination or expiration, as applicable, through the period ending on the first anniversary of the date of termination or expiration (in Mr. Kingsbury's case, the third anniversary of the date of termination); and

full continuation ( Benefits Continuation ) of (i) health, disability and life insurance benefits during the one-year period commencing on the date of termination (in Mr. Kingsbury's case, a three-year period commencing on the date of termination) with respect to Ms. Magrini and Messrs. Kingsbury, Hand and Katz, and (ii) with respect to Ms. Vecchio, medical, dental and vision insurance benefits during the one year severance period (but only to the extent such medical, dental and vision insurance benefits were previously elected by Ms. Vecchio and in effect immediately prior to the date of termination); provided that, in both cases, to the extent any of those benefits cannot be provided by us during the applicable period, we will provide the executive with a sum of money calculated to permit the executive to obtain the same benefits individually, as well as reimbursement for related taxes so that the executive remains whole.

Except as otherwise stated, such payments will be made by us in regular installments in accordance with our general payroll practices. All amounts payable as compensation are subject to all customary withholding, payroll and other taxes.

Each NEO shall be entitled to receive the Annual Incentive Payment, Severance Payment and Benefits Continuation, as applicable, only in the event that he or she:

executes a release of claims in respect of his or her employment with us; and  
has not breached, as of the date of termination or at any time during the period for which such payments or services are to be made, certain restrictive covenants ( Restrictive Covenants ) contained in his or her employment agreement regarding (i) confidentiality, (ii) intellectual property rights, and (iii) non-competition and non-solicitation (each of which extend for a period of one year (or two years, in the case of Mr. Kingsbury) following termination of employment).

Our obligation to make such payments or provide such services will terminate upon the occurrence of any such breach during such period.

For purposes of each NEO's employment agreement,

cause means the NEO (i) is convicted of a felony or other crime involving dishonesty towards us or material misuse of our property; (ii) engages in willful misconduct or fraud with respect to us or any of our customers or suppliers or an intentional act of dishonesty or disloyalty in the course of his or her employment; (iii) refuses to perform his or her material obligations under his or her employment agreement which failure is not cured after written notice to him or her; (iv) misappropriates one or more of our material assets or business opportunities; or (v) breaches a Restrictive Covenant which breach, if capable of being cured, is not cured within 10 days of written notice to him or her; and

good reason means the occurrence of any of the following events without the written consent of the NEO: (i) a material diminution of his or her duties or the assignment to him or her of duties that are inconsistent in any substantial respect with the position, authority or responsibilities associated with his or her position; (ii) our requiring him or her to be based at a location which is 50 or more miles from his or her principal office location on the date he or she commences employment with us; or (iii) a material breach by us of our obligations pursuant to his or her employment agreement (which breach goes uncured after notice and a reasonable opportunity to cure). No such condition is deemed to be good reason unless (i) we are notified within 30 days of the initial existence of such condition and are provided with a period of at least 30 days from the date of notice to remedy the condition, and (ii) (a) with respect to each NEO other than Mr. Kingsbury, within 10 days after the expiration of such period (but in no event later than 120 days after

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**EXECUTIVE COMPENSATION**

the initial existence of the condition), the NEO actually terminates his or her employment with us by providing written notice of resignation for our failure to remedy the condition; or (b) with respect to Mr. Kingsbury, at any time during the period commencing 10 days after the expiration of such period and ending 180 days after Mr. Kingsbury’s knowledge of the initial existence of the condition (but in all events within two years after the initial existence of said condition), Mr. Kingsbury actually terminates his employment with us by providing written notice of resignation for our failure to remedy the condition.

**Termination for Any Other Reason**

In the event that he or she is terminated for any other reason, including as a result of his or her death, disability, voluntary resignation for other than good reason (except in the event of Mr. Kingsbury’s Retirement) or by resolution of our Board of Directors for cause, each NEO’s employment agreement provides that he or she shall be entitled to receive only all previously earned and accrued but unpaid base salary, vacation and unpaid business expenses up to the date of such termination. A discussion of the benefits to be received by Mr. Kingsbury in connection with his Retirement is included above under the caption entitled Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards Table.

**Change in Control**

None of our NEOs are entitled to receive any payments upon a change in control pursuant to the terms of his or her employment agreement.

*Option and Restricted Stock Agreements*

The terms of the option agreements and restricted stock agreements with each of our NEOs include certain provisions regarding vesting upon a change in control and, in the case of Mr. Kingsbury, termination of employment. Such provisions are discussed in the table below and above under the captions entitled Long Term Incentives, Outstanding Equity Awards at Fiscal Year-End and Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards Table.

Name	Termination Without Cause or for Good Reason or Expiration of Employment Agreement				Option Acceleration		Restricted Stock Acceleration	
	Base Salary	Non-Equity Incentive Plan Compensation	Health Insurance Continuation	Life Insurance Continuation	Option and Restricted Stock Acceleration	for Any Change in Control or Death	Upon Change in Control or Death	
	(\$)(1)	(\$)(2)	(\$)(3)	(\$)(4)	(\$)(5)	(\$)(6)	(\$)(7)	(\$)(8)

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Thomas A. Kingsbury	4,017,000	2,197,701	33,516	62,028	42,372,782	31,981,313	39,912,854
Marc Katz	768,750	841,166	13,205	5,304		8,300,445	6,710,664
Fred Hand	768,750	841,166	13,586	5,304		8,300,445	6,710,664
Jennifer Vecchio	794,375	869,205				6,221,398	4,061,976
Joyce Manning Magrini	512,500	420,583	10,710	10,308		4,939,030	467,486

- (1) The amount set forth in this column (i) with respect to Mr. Kingsbury assumes that the severance pay will be provided for a period of three years in accordance with the terms of his employment agreement, and (ii) with respect to each NEO other than Mr. Kingsbury assumes that the severance pay will be provided for a period of one year in accordance with the terms of his or her employment agreement.
- (2) The amounts set forth in this column reflect the actual award to be received pursuant to the Annual Incentive Plan with respect to fiscal 2018.
- (3) The amounts set forth in this column have been calculated based upon the coverage rates and elections in effect for each of the NEO, and assumes that we can provide such coverage (i) for a period of three years for Mr. Kingsbury, and (ii) for a period of one year with respect to each NEO other than Mr. Kingsbury.
- (4) The amounts set forth in this column represent the cost to obtain life insurance coverage (i) for a period of three years for Mr. Kingsbury, and (ii) for a period of one year with respect to each NEO other than Mr. Kingsbury.
- (5) The closing price of our common stock on February 1, 2019 (the last business day of fiscal 2018), as reported by the NYSE, was \$171.87 per share (the Market Price ). Upon cessation of employment and subject to the terms of the 2006 Incentive Plan or the 2013 Incentive Plan, as applicable, options and restricted stock that have not vested will terminate immediately (subject to potential acceleration in the

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event of a change in control, as described below, and except with respect to Mr. Kingsbury, whose option and restricted stock agreements contain a formula for calculating a number of options or shares which will vest in the event that Mr. Kingsbury's employment is terminated without cause or by Mr. Kingsbury for good reason (or due to his disability, for all purposes other than his Special One-Time Grant)). Accordingly, the amount set forth in this column represents the sum of (i) the product obtained by multiplying the number of Mr. Kingsbury's accelerated shares of restricted stock by the Market Price (assuming withholding tax obligations due in connection with the vesting of such restricted stock are satisfied by a cash payment to us), and (ii) the product obtained by multiplying the number of Mr. Kingsbury's accelerated options by the amount by which the Market Price exceeds the applicable exercise price.

- (6) Under our employment agreement with each NEO, in the event that such NEO is terminated for any reason other than by us without cause or by him or her for good reason, including as a result of death, disability, voluntary resignation for other than good reason (except in the event of Mr. Kingsbury's Retirement) or by resolution of our Board of Directors for cause, he or she shall be entitled to receive only all previously earned and accrued but unpaid base salary, vacation and unpaid business expenses up to the date of such termination.
- (7) All options (other than Special One-Time Grants) (i) granted prior to 2016 become exercisable upon a change in control, and (ii) granted from and after 2016 become exercisable if, within two years following a change in control, the executive's employment is terminated by us without cause or the executive resigns with good reason. Mr. Kingsbury's options (other than his Special One-Time Grant) also become exercisable upon termination of employment due to death. The vesting of Special One-Time Grants will not be accelerated in the event of a change in control; provided, however, that in the event that within two years after a change in control, the grantee's employment is terminated without cause or the grantee resigns with good reason, then an incremental 20% of the Special One-Time Grants shall be deemed vested as of the date of termination of grantee's employment, but in no event more than the total number of Special One-Time Grants granted to such grantee. Accordingly, the amounts set forth in this column represent (assuming that a change in control has occurred and the grantee's employment is terminated without cause or the grantee resigns with good reason within the requisite time period, if any) the product obtained by multiplying (a) the number of accelerated options with an exercise price less than the Market Price, by (b) the amount by which the Market Price exceeds such exercise price.
- (8) All unvested shares of restricted stock will vest if the executive's employment is terminated by us without cause or the recipient resigns with good reason (a) following a change in control (in the case of shares of restricted stock granted prior to 2016), or (b) within two years following a change in control (in the case of shares of restricted stock granted from and after 2016). Unvested restricted shares granted to Mr. Kingsbury vest upon his death. Accordingly, the amounts set forth in this column represent (assuming withholding tax obligations due in connection with the vesting of restricted stock are satisfied by a cash payment to us) the product obtained by multiplying the number of accelerated shares of restricted stock by the Market Price in the event (a) of Mr. Kingsbury's death or, (b) the NEO's employment is terminated by us without cause or he or she resigns with good reason within the requisite time period, if any, following a change in control.

**Pay Ratio**

As required by Section 953(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, and Item 402(u) of Regulation S-K, we are providing the following information about the relationship of the median annual total compensation of all our employees and the annual total compensation of Thomas A. Kingsbury, our Chairman, President and Chief Executive Officer (our CEO). The pay ratio included in this information is a reasonable estimate calculated in a manner consistent with Item 402(u) of Regulation S-K.

For fiscal 2018, our last completed fiscal year:

the median of the annual total compensation of all employees of our Company (other than our CEO) was \$12,120; and

the annual total compensation of our CEO, as reported in the Fiscal 2018 Summary Compensation Table, was \$9,428,212.

Based on this information, for fiscal 2018 the ratio of the annual total compensation of Mr. Kingsbury, our

CEO, to the median of the annual total compensation of all employees is estimated to be 778 to 1.

There have not been any material changes to the Company's employee population or compensation arrangements during 2018 that we believe would significantly impact this year's pay ratio disclosure. Accordingly, as permitted by SEC executive compensation disclosure rules, we are electing to use the same median employee as was used for purposes of our 2017 pay ratio disclosure. To identify the median of the annual total compensation of all our employees in 2017 and determine the annual total compensation of our 2017 median employee and the annual total compensation of our CEO, we took the following steps:

1. We identified the median employee using our employee population on February 3, 2018, the last day of fiscal 2017. This population consisted of full-time employees and part-time (including on-call) employees, all of which were located in the United States (including Puerto Rico). In determining whether independent contractors that

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**EXECUTIVE COMPENSATION**

we have retained or engaged are employees, we applied a test drawn from guidance published by the Internal Revenue Service.

2. To identify the 2017 median employee from our employee population, we first determined the amount of each employee's gross earnings (i.e., sum of base pay, cash bonus and equity compensation) as reflected in our payroll records for fiscal 2017.

In making this determination, we annualized the compensation of approximately 2,857 full-time employees and 15,746 part-time employees who were hired in fiscal 2017 but did not work for us for the entire fiscal year.

3. We then identified our 2017 median employee from our employee population using this compensation measure, which was consistently applied to all our employees included in the calculation.
4. For purposes of the 2018 pay ratio disclosure, we combined all of the elements of such employee's compensation for fiscal 2018, calculated in accordance with the requirements of Item 402(c)(2)(x) of Regulation S-K, resulting in annual total compensation of \$12,120. Our median employee is a part-time associate in one of our Burlington stores.
5. With respect to the annual total compensation of our CEO, we used the amount reported in the Total column of our Fiscal 2018 Summary Compensation Table.



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### **Certain Relationships and Related Party Transactions**

#### **Merchandise Purchases**

Jim Magrini, brother-in-law of Joyce Manning Magrini, our Executive Vice President Human Resources, is an independent sales representative of one of our suppliers of merchandise inventory. This relationship predated the commencement of Ms. Magrini's employment with us. The dollar amount of our merchandise inventory purchases through Mr. Magrini serving as an independent sales representative for such supplier amounted to \$2,958,471 from February 4, 2018 through the end of February 2019. Mr. Magrini's sales commissions generated by virtue of these transactions amounted to \$64,741.

#### **Indemnification Agreements**

We are party to indemnification agreements with each of our current directors and executive officers. These agreements require us to indemnify these individuals to the fullest extent permitted under Delaware law against liabilities that may arise by reason of their service to us and to advance expenses incurred as a result of any proceeding against them as to which they could be indemnified. We also intend to enter into indemnification agreements with our future directors and executive officers.

#### **Policies and Procedures With Respect to Related Party Transactions**

We maintain a Related Party Transactions Policy (the "Policy"), which sets forth the manner in which we consider, evaluate and where appropriate conduct transactions with related parties. We recognize that

related party transactions can involve potential or actual conflicts of interest and pose the risk that they may be, or be perceived to have been, based on considerations other than our best interests. Accordingly, as a general matter, we exercise caution with regard to such transactions and approach them with particular care.

A "related party transaction" means a transaction, arrangement or relationship (or any series of similar transactions, arrangements or relationships) in which we were, are or will be a participant and the amount involved will or may be expected to exceed \$120,000, and in which any related party had, has or will have a direct or indirect material interest (including any transactions requiring disclosure under Item 404 of Regulation S-K promulgated under the Exchange Act). For purposes of the Policy, a transaction in which any of our subsidiaries or any other company controlled by us participates is considered a transaction in which we participate. A "related party" is any of our directors or executive officers, any holder of more than 5% of our common stock or any immediate family member of any of these persons.

We review any relationships and transactions in which we and a related party are participants to determine whether such persons have a direct or indirect material interest. To identify potential related party transactions, we request certain information from our directors and executive officers. We then review the information provided for any related party transactions. The Audit Committee reviews and determines whether to approve any related party transaction subject to the Policy.



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**Stockholder Proposals for 2020 Annual Meeting of Stockholders**

Stockholders may submit proposals for inclusion in our proxy materials in accordance with Rule 14a-8 promulgated under the Exchange Act. For such proposals to be included in our proxy materials relating to our 2020 Annual Meeting of Stockholders, all applicable requirements of Rule 14a-8 must be satisfied and such proposals must be received by us no later than December 7, 2019. We strongly encourage any stockholder interested in submitting a proposal to contact our General Counsel in advance of this deadline to discuss the proposal. Stockholders may want to consult knowledgeable counsel with regard to the detailed requirements of applicable securities laws. Submitting a proposal does not guarantee that we will include it in our proxy statement.

In accordance with our Amended Bylaws, for a proposal of a stockholder, including nominations for directors, to be properly brought before our 2020 Annual Meeting of Stockholders, other than a stockholder proposal intended to be included in our proxy statement and submitted pursuant to Rule 14a-8 promulgated under the Exchange Act as discussed above, a stockholder's notice must be delivered to or

mailed and received at our principal executive offices, together with all supporting documentation required by our Amended Bylaws, (a) not later than the close of business on February 22, 2020, being the 90th day prior to the first anniversary of our 2019 Annual Meeting of Stockholders, nor earlier than the close of business on January 23, 2020, being the 120th day prior to the first anniversary of our 2019 Annual Meeting of Stockholders, or (b) in the event that our 2020 Annual Meeting of Stockholders is held more than 30 days before or more than 70 days after the first anniversary of our 2019 Annual Meeting of Stockholders, notice must be so delivered not earlier than the close of business on the 120th day prior to the 2020 Annual Meeting of Stockholders and not later than the close of business on the later of the 90th day prior to such annual meeting or the tenth day following the day on which public announcement of the date of such meeting is first made by the Company.

Stockholder proposals should be delivered to Burlington Stores, Inc., Attention: Secretary, 2006 Route 130 North, Burlington, New Jersey 08016.

**Stockholders Sharing the Same Address**

The SEC has adopted rules that permit companies and intermediaries (such as brokers) to implement a delivery procedure called "householding." Under this procedure, multiple stockholders who reside at the same address may receive a single set of proxy materials unless the affected stockholder has provided contrary instructions. This procedure reduces printing costs and postage fees.

A number of brokers with account holders who beneficially own our common stock may be "householding" our proxy materials. Once you have received notice from your broker that it will be "householding" communications to your address, "householding" will continue until you are notified otherwise or until you revoke your consent.

Upon request, Burlington will promptly deliver a separate copy of our proxy materials to any beneficial owner at a shared address to which a single copy of any of those materials was delivered. To receive a separate copy, you may write or call Burlington Investor Relations at Burlington Stores, Inc., 2006 Route 130 North, Burlington, New Jersey 08016, Attention: Investor Relations, telephone 855-973-8445.

Any stockholders who share the same address and currently receive multiple copies of our proxy materials, who wish to receive only one copy in the future, can contact our transfer agent, American Stock Transfer & Trust Company, LLC (if a registered holder), or their bank, broker or other nominee (if a beneficial holder), to request information about householding.

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**Form 10-K**

We will mail without charge, upon written or oral request, a copy of our Fiscal 2018 10-K, including the consolidated financial statements, schedules and list of exhibits, and any particular exhibit specifically requested. Requests should be sent to: Burlington Stores, Inc., 2006 Route 130 North, Burlington, New Jersey 08016, Attention: Investor Relations, telephone 855-973-8445. The Fiscal 2018 10-K is also available in the Investor Relations section of our corporate website, which can be accessed at [www.burlingtoninvestors.com](http://www.burlingtoninvestors.com), under Finance SEC Filings or Finance Annual Reports & Proxies.

**Other Matters**

The Board of Directors does not know of any other matters to be presented for stockholder action at the Annual Meeting. However, if other matters do properly come before the Annual Meeting or any adjournments or postponements thereof, the Board of Directors intends that the persons named in the proxies will vote upon such matter in accordance with their best judgment.

BY ORDER OF THE BOARD OF DIRECTORS

*Karen Leu, Senior Vice President,*

*General Counsel and Corporate Secretary*

Dated: April 5, 2019

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**ANNUAL MEETING OF STOCKHOLDERS OF  
BURLINGTON STORES, INC.**

**May 22, 2019**

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**NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIAL:**

The Notice & Proxy Statement, Annual Report on Form 10-K and Form of Electronic Proxy Card are available at -

<http://www.astproxyportal.com/ast/18550/>

Please sign, date and mail

your proxy card in the

envelope provided as soon

as possible.

i Please detach along perforated line and mail in the envelope provided. i

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**THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE ELECTION OF DIRECTORS AND  
FOR PROPOSALS 2 AND 3.**

**PLEASE SIGN, DATE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE. PLEASE MARK  
YOUR VOTE IN BLUE OR BLACK INK AS SHOWN HERE**

1. Election of Directors:

**NOMINEES:**

FOR AGAINST ABSTAIN

John J.  
Mahoney  
Class III Director

Laura J.  
Sen  
Class III Director

Paul J.  
Sullivan  
Class III Director

2. Ratification of appointment of Deloitte & Touche LLP as the Company's independent registered certified public accounting firm for the fiscal year ending February 1, 2020.
3. Approval, on a non-binding, advisory basis, of the compensation of the Company's named executive officers.

In their discretion, the proxies are authorized to vote upon such other business as may properly come before the Annual Meeting or any adjournment or postponement thereof. This proxy when properly executed will be voted as directed herein by the undersigned stockholder. **If no direction is made, this proxy will be voted FOR ALL NOMINEES in Proposal 1 and FOR Proposals 2 and 3.**

MARK  X HERE IF YOU PLAN TO ATTEND THE MEETING.

To change the address on your account, please check the box at right and indicate your new address in the address space above. Please note that changes to the registered name(s) on the account may not be submitted via this method.

Signature of Stockholder

Date:

Signature of Stockholder

Date:

**Note:** Please sign exactly as your name or names appear on this Proxy. When shares are held jointly, each holder should sign. When signing as executor, administrator, attorney, trustee or guardian, please give full title as such. If the signer is a corporation, please sign full corporate name by duly authorized officer, giving full title as such. If signer is a partnership, please sign in partnership name by authorized person.



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**BURLINGTON STORES, INC.**

**Proxy for Annual Meeting of Stockholders on May 22, 2019**

**Solicited on Behalf of the Board of Directors**

The undersigned hereby appoints Thomas A. Kingsbury, John Crimmins and Karen Leu, and each of them, with full power of substitution and power to act alone, as proxies to vote all the shares of Common Stock which the undersigned would be entitled to vote if personally present and acting at the Annual Meeting of Stockholders of Burlington Stores, Inc., to be held at the offices of Burlington Stores, Inc. located at 1830 Route 130 North, Burlington, New Jersey 08016 on May 22, 2019 at 8:00 am Eastern Time, and at any adjournments or postponements thereof. **The undersigned directs the named proxies to vote as directed on the reverse side of this card on the specified proposals and in their discretion on any other business which may properly come before the meeting and any adjournment or postponement thereof.**

**(Continued and to be signed on the reverse side.)**

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