

ANN TAYLOR

CORPORATE GOVERNANCE GUIDELINES

These Corporate Governance Guidelines have been adopted by the Board of Directors of AnnTaylor Stores Corporation to assist the Board in the exercise of its responsibilities.

ROLE OF THE BOARD OF DIRECTORS

The Board of Directors is elected by AnnTaylor's shareholders to supervise and direct the management of the Corporation in the interests and for the benefit of the Corporation's shareholders. The Board of Directors is the ultimate decision-making authority within the Corporation, except for those matters that are reserved to the Corporation's shareholders. AnnTaylor's operations and business are conducted by its associates and officers under the direction of the Chief Executive Officer ("CEO") and oversight of the Board.

The Board's mission is to enhance the long-term value of the Corporation for its shareholders. The Board of Directors recognizes that long-term shareholder value is enhanced by appropriately addressing the concerns of other constituencies of the Corporation, including its clients, associates, the communities in which AnnTaylor does business and the public at large.

In discharging their responsibilities, Directors must exercise their business judgment in good faith and in a manner that is consistent with their duty of loyalty to the Corporation and its shareholders. Directors are expected to comply with those provisions of the Corporation's Business Conduct Guidelines that are applicable to them, particularly provisions relating to conflicts of interest, corporate opportunities, confidentiality and transactions in the Corporation's securities.

RESPONSIBILITIES OF THE BOARD

As part of overseeing the conduct of the Corporation's business, the Board has certain specific responsibilities, including the following:

- Reviewing and approving the Corporation's strategic plans and objectives and monitoring the Corporation's performance against those plans;
- Reviewing and approving major corporate actions;
- Evaluating the performance of the Corporation and its senior management;
- Selecting and evaluating the CEO and overseeing CEO succession planning in the event of an emergency or retirement of the CEO, including reviewing the succession plan and identifying potential successors for the CEO;

- With the advice of the CEO, advising and overseeing the selection, evaluation and succession planning of any other members of senior management as the Board deems appropriate; and approving the compensation of the CEO and senior management;
- Overseeing the Corporation's commitment to ethical conduct, integrity and compliance with all applicable laws;
- Reviewing the Corporation's principal risk exposures and strategies to minimize such risks; and
- Ensuring that the assets of the Corporation are safeguarded through the maintenance of appropriate accounting, financial and other controls.

BOARD MEMBERSHIP

Director Qualifications

Directors must have the highest ethical standards, unquestioned integrity, business acumen, an inquisitive mind and independent, mature judgment. Directors must be willing to devote the time and attention needed to diligently carry out their responsibilities and are expected to prepare for all meetings, review all meeting materials and attend all Board meetings and meetings of the committees of the Board on which they serve. Directors must also be able to participate in a culture that values candid discussion and rigorous decision making while maintaining a collegial, non-adversarial environment.

Directors must be committed to the Corporation's Values and Practices, which embody our expectations for ethical and responsible conduct by Directors and associates. These expectations include a commitment to safeguard the Corporation's assets, including its intellectual property and other business information, which must be treated confidentially even when a Director is no longer on the Board.

The Board believes that Directors who serve as CEOs or other equivalent positions should not serve on the board of directors of more than two other public companies, and other Directors should not serve on the boards of more than three other public companies. The Board may, however, make exceptions if it determines to do so is in the interests of the Corporation's shareholders.

A Director may not serve as a member of the Corporation's Audit Committee if he or she is serving on the audit committee of more than two other public companies, unless the Board of Directors determines that such simultaneous service would not impair the effectiveness of such member's service on the Corporation's Audit Committee.

A Director must notify the Corporate Secretary in advance of his or her acceptance of an invitation to serve on the Board of Directors or Board Committee of any other company.

Independence of Directors

At least a majority of Directors must meet the independence requirements of the New York Stock Exchange's ("NYSE") listed company rules and applicable law. At least annually, the Board of Directors will determine that each independent Director has no material relationship with the Corporation under NYSE listing standards that would impair the Director's independence. All members of Board Committees will meet the independence requirements of the NYSE and such other requirements for Committee service as required by NYSE rules and applicable law.

Selection of Directors

The Board of Directors is responsible for selecting nominees for Board membership. In determining the composition of the Board, candidates are considered based on a variety of factors, including relevant experience, specific areas of expertise to be represented and that complement the core competencies of the Board, the Board's interest in reflecting a diversity of viewpoints and experiences, any required attributes under applicable law, commitment to serving on the Board for an extended period of time, and the candidate's business or other interests that could impede Board service, as well as the characteristics listed under "Director Qualifications" and "Independence of Directors" above.

The Nominating and Corporate Governance Committee is responsible for screening candidates, in consultation with the Chairman of the Board and the CEO, based on the above considerations and for recommending to the Board of Directors nominees for election at the annual meeting of shareholders and to fill any vacancy on the Board.

Shareholders may recommend candidates for nomination to the Board of Directors for consideration by the Nominating and Corporate Governance Committee by submitting the names and required supporting information to: Corporate Secretary, AnnTaylor Stores Corporation, 7 Times Square, New York, NY 10036. The applicable submission procedures are set forth in more detail in the Corporation's Bylaws and its most recent proxy statement.

Continuation as a Director

The Board has a mandatory retirement age of 70 years applicable to any Director joining the Board after February, 2002. The term of office for a Director automatically terminates on the date of the annual meeting of shareholders held immediately following his/her reaching age 70.

The Board does not believe that it is in the best interests of shareholders to establish term limits for Directors because those limits may deprive the Corporation of contributions by Directors who, having developed significant experience with the Corporation over time, are in a unique position to provide valuable insights concerning the Corporation and its operations.

A non-employee Director who changes his/her principal occupation or business association or continues in a less responsible capacity from the time he or she was elected to the Board of Directors must tender his/her resignation from the Board. A Director must also tender his/her resignation if he/she becomes employed, retained or otherwise associated with any competitor of the Corporation. Any Director who is also an employee of the Corporation must tender his/her resignation from the Board at the time the Director is no longer employed by the Corporation or has a significant change in position to a less responsible capacity. While resignation may not be appropriate in all the foregoing instances, the Board believes that it would be desirable at that time to consider, through the Nominating and Corporate Governance Committee, the appropriateness of the Director's continued service.

Because the Corporation depends significantly on its design, merchandising and other associates, during a Director's tenure and for a period of two years after he/she leaves the Board, a Director may not hire or solicit, directly or indirectly in any way, any person who is an associate of the Corporation, or who was an associate during the preceding six months, to apply for or accept employment or association in any capacity with any other entity.

Director Orientation and Continuing Education

The Corporation has an orientation program for new Directors that includes providing core materials relating to the Corporation's business and operations, briefings with senior management at the Corporation's headquarters and store visits. Briefing sessions on new legal and other developments and other educational opportunities will be made available to the Directors on subjects that would assist them in performing their duties.

STRUCTURE AND OPERATION OF THE BOARD OF DIRECTORS

Size of the Board

The Corporation's Bylaws require the Board to be comprised of not less than one nor more than 15 Directors, with the exact number to be determined by the Board, from time to time. On an annual basis, the Nominating and Corporate Governance Committee considers the appropriate size and composition of the Board for it to function effectively and efficiently and reports its recommendations to the Board. The Board believes the optimal size of the Corporation's Board should be between 9 and 11 members.

Board Meetings; Executive Sessions of the Board

The Board of Directors has four regularly scheduled meetings a year at appropriate intervals. Additional Board meetings may be called upon appropriate notice at any time to address specific needs of the Corporation.

The Corporation's independent Directors meet separately in executive session without management Directors or management at each regularly scheduled Board

meeting to discuss such matters as they deem appropriate. The Board may not take formal actions at such executive sessions, but the participating Directors may make recommendations for consideration by the full Board.

The Chairman of the Board prepares an agenda for each Board meeting. Management generally distributes written information to the Board sufficiently in advance of each meeting to assist the Directors in preparing for the meeting and making informed judgments with respect to agenda items. Each Board member is free to suggest items for inclusion on the agenda or raise matters that are not on the agenda for that meeting. At least annually, the Chairman of the Board circulates to Directors an indication of the primary agenda items expected to be addressed at each of the scheduled meetings of the Board.

Evaluating Board and Committee Performance

The Board, acting through the Nominating and Corporate Governance Committee, conducts an annual self-evaluation to review the Board's effectiveness and performance. Each Board Committee also performs an annual self-evaluation to review its effectiveness, performance and any changes to its committee charter to recommend to the Board.

Offices of Chairman of the Board and Chief Executive Officer

The Board selects its Chairman and the Corporation's CEO based on such considerations as it deems appropriate, from time to time, in light of the Corporation's business and strategic plans and objectives. Therefore, the Board does not have a policy on whether the offices of Chairman of the Board and CEO should be separate, and if they are separate, whether or not the Chairman should be independent of management.

Chairman of the Board; Presiding Director

If the Chairman of the Board is (i) not the CEO, and (ii) also independent of management, then the Chairman shall chair executive sessions of the Board of Directors, coordinate the activities of the independent Directors and perform such other duties as the Board deems appropriate. If the Chairman of the Board is either (i) the CEO, or (ii) not independent of management, then the Chair of the Nominating and Corporate Governance Committee shall preside at executive sessions of the Board of Directors and perform such other duties of the Chairman as the Board deems appropriate.

COMMITTEES OF THE BOARD

The Board has established the following three standing committees of the Board of Directors to assist the Board in the discharge of its responsibilities: Audit Committee; Compensation Committee; and Nominating and Corporate Governance Committee. From time to time, the Board may provide for other standing or special committees as

are necessary to assist the Board in carrying out its responsibilities. The duties and manner of operation of the standing committees are as set out in their respective charters, which are posted on the Corporation's website. The Board is responsible for determining succession of the CEO and the Compensation Committee is responsible for determining performance goals and compensation level with respect to the CEO. Each Committee reports to the full Board at the next regularly scheduled Board meeting with respect to matters considered and actions taken at a Committee meeting.

DIRECTOR COMPENSATION

The Compensation Committee reviews Director Compensation and determines appropriate changes in compensation. In reviewing Director compensation, the Compensation Committee considers compensation paid to Directors at similarly situated companies and the time commitments required of the Directors. The Compensation Committee believes that Director compensation should further align Directors' interests with the long-term interests of shareholders by continuing to have a portion of the Directors' compensation in the form of equity awards (stock options, restricted stock or stock units) in addition to the payment of cash fees. Directors who are employees of the Corporation are not compensated for their service as Directors.

BOARD ACCESS TO MANAGEMENT AND INDEPENDENT ADVISORS

Directors have free access to management and the Corporation's books and records. Management is expected to be responsive at all times to requests for information by Directors. The Board encourages the Chairman of the Board to invite members of management to make presentations at Board meetings to provide particular insights into the Corporation's business or to give individuals exposure to the Board for purposes of management development. In executing its responsibilities, the Board is entitled to rely on the integrity of the reports and advice of management, the Corporation's counsel, independent auditors and other advisors. Except as otherwise provided in the charter of any Board Committee, the Board has the authority to retain and terminate independent advisors to the Board.

SHAREHOLDER COMMUNICATIONS WITH DIRECTORS

Shareholders and other interested parties may contact the Board of Directors or the non-management Directors as a group, by writing to the following address: Board of Directors or Outside Directors, Ann Taylor, 7 Times Square, New York, NY 10036.

REVISIONS TO THE GOVERNANCE GUIDELINES

Each year, the Nominating and Corporate Governance Committee evaluates these Guidelines and recommends to the Board such revisions as it deems necessary or appropriate.