

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended May 4, 2019

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____.

Commission File Number 001-36107



BURLINGTON STORES, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

80-0895227
(I.R.S. Employer
Identification No.)

2006 Route 130 North
Burlington, New Jersey
(Address of Principal Executive Offices)

08016
(Zip Code)

Registrant's Telephone Number, Including Area Code: (609) 387-7800

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock	BURL	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-Accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The registrant had 66,366,098 shares of common stock outstanding as of May 4, 2019.

BURLINGTON STORES, INC.

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Part I. FINANCIAL INFORMATION
Item 1. Financial Statements

BURLINGTON STORES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)
(All amounts in thousands, except per share data)

	Three Months Ended	
	May 4, 2019	May 5, 2018
REVENUES:		
Net sales	\$ 1,628,547	\$ 1,518,446
Other revenue	5,647	6,262
Total revenue	1,634,194	1,524,708
COSTS AND EXPENSES:		
Cost of sales	961,318	892,682
Selling, general and administrative expenses	517,378	468,348
Costs related to debt amendments	(382)	—
Depreciation and amortization	50,641	50,509
Other income - net	(2,092)	(1,351)
Interest expense	13,371	14,521
Total costs and expenses	1,540,234	1,424,709
Income before income tax expense	93,960	99,999
Income tax expense	16,195	17,411
Net income	\$ 77,765	\$ 82,588
Net income per common share:		
Common stock - basic	\$ 1.18	\$ 1.23
Common stock - diluted	\$ 1.15	\$ 1.20
Weighted average number of common shares:		
Common stock - basic	66,104	66,983
Common stock - diluted	67,730	68,970

See Notes to Condensed Consolidated Financial Statements.

BURLINGTON STORES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)
(All amounts in thousands)

	Three Months Ended	
	May 4, 2019	May 5, 2018
Net income	\$ 77,765	\$ 82,588
Other comprehensive (loss) income, net of tax:		
Interest rate cap contracts:		
Net unrealized (losses) gains arising during the period	(3,272)	986
Reclassification into earnings during the period	(185)	657
Other comprehensive (loss) income, net of tax	(3,457)	1,643
Total comprehensive income	\$ 74,308	\$ 84,231

See Notes to Condensed Consolidated Financial Statements.

BURLINGTON STORES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)
(All amounts in thousands, except share and per share data)

	May 4, 2019	February 2, 2019	May 5, 2018
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 105,031	\$ 112,274	\$ 83,008
Restricted cash and cash equivalents	21,882	21,882	21,882
Accounts receivable—net	99,461	58,752	82,758
Merchandise inventories	895,813	954,183	786,559
Prepaid and other current assets	129,614	124,809	126,694
Total current assets	<u>1,251,801</u>	<u>1,271,900</u>	<u>1,100,901</u>
Property and equipment—net	1,288,180	1,253,705	1,148,257
Operating lease assets	2,144,757	—	—
Tradenames	238,000	238,000	238,000
Favorable leases—net	941	164,324	183,605
Goodwill	47,064	47,064	47,064
Deferred tax assets	4,191	4,361	6,724
Other assets	90,305	99,818	100,895
Total assets	<u>\$ 5,065,239</u>	<u>\$ 3,079,172</u>	<u>\$ 2,825,446</u>
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Accounts payable	\$ 707,672	\$ 848,561	\$ 726,635
Current operating lease liabilities	273,348	—	—
Other current liabilities	359,818	396,257	351,974
Current maturities of long term debt	3,052	2,924	13,040
Total current liabilities	<u>1,343,890</u>	<u>1,247,742</u>	<u>1,091,649</u>
Long term debt	1,133,385	983,643	1,122,552
Long term operating lease liabilities	2,045,743	—	—
Other liabilities	83,393	346,298	318,367
Deferred tax liabilities	180,280	178,779	181,607
Commitments and contingencies (Note 13)			
Stockholders' equity:			
Preferred stock, \$0.0001 par value: authorized: 50,000,000 shares; no shares issued and outstanding	—	—	—
Common stock, \$0.0001 par value:			
Authorized: 500,000,000 shares;			
Issued: 79,332,577 shares, 79,224,669 shares and 78,698,229 shares, respectively;			
Outstanding: 66,366,098 shares, 67,145,097 shares and 67,612,407 shares, respectively	7	7	7
Additional paid-in-capital	1,520,244	1,508,996	1,467,726
Accumulated deficit	(182,554)	(260,919)	(593,077)
Accumulated other comprehensive loss	(7,070)	(3,613)	(244)
Treasury stock, at cost	(1,052,079)	(921,761)	(763,141)
Total stockholders' equity	<u>278,548</u>	<u>322,710</u>	<u>111,271</u>
Total liabilities and stockholders' equity	<u>\$ 5,065,239</u>	<u>\$ 3,079,172</u>	<u>\$ 2,825,446</u>

See Notes to Condensed Consolidated Financial Statements.

BURLINGTON STORES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(All amounts in thousands)

	Three Months Ended	
	May 4, 2019	May 5, 2018
OPERATING ACTIVITIES		
Net income	\$ 77,765	\$ 82,588
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	50,641	50,509
Amortization of deferred financing costs	330	499
Accretion of long term debt instruments	203	201
Deferred income taxes	2,993	1,721
Non-cash stock compensation expense	9,427	7,023
Non-cash lease expense	4,057	—
Non-cash rent	—	(6,203)
Cash received from landlord allowances	12,213	8,709
Changes in assets and liabilities:		
Accounts receivable	(20,170)	(10,377)
Merchandise inventories	57,864	(33,997)
Prepaid and other current assets	(6,028)	(11,559)
Accounts payable	(140,767)	(12,716)
Other current liabilities	2,515	(18,111)
Other long term assets and long term liabilities	3,080	738
Other operating activities	68	1,185
Net cash provided by operating activities	54,191	60,210
INVESTING ACTIVITIES		
Cash paid for property and equipment	(83,781)	(60,382)
Net (removal costs) proceeds from sale of property and equipment and assets held for sale	(40)	5,441
Other investing activities	(32)	(3,001)
Net cash (used in) investing activities	(83,853)	(57,942)
FINANCING ACTIVITIES		
Proceeds from long term debt—ABL Line of Credit	588,300	238,800
Principal payments on long term debt—ABL Line of Credit	(438,300)	(227,000)
Principal payments on long term debt—Term B-5 Loans	—	(2,793)
Purchase of treasury shares	(130,319)	(70,254)
Proceeds from stock option exercises	1,821	3,498
Other financing activities	917	(715)
Net cash provided by (used in) financing activities	22,419	(58,464)
(Decrease) in cash, cash equivalents, restricted cash and restricted cash equivalents	(7,243)	(56,196)
Cash, cash equivalents, restricted cash and restricted cash equivalents at beginning of period	134,156	161,086
Cash, cash equivalents, restricted cash and restricted cash equivalents at end of period	\$ 126,913	\$ 104,890
Supplemental disclosure of cash flow information:		
Interest paid	\$ 12,543	\$ 14,238
Income tax payments - net	\$ 1,179	\$ 343
Non-cash investing activities:		
Accrued purchases of property and equipment	\$ 46,702	\$ 35,390

See Notes to Condensed Consolidated Financial Statements.

BURLINGTON STORES, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
May 4, 2019
(Unaudited)

1. Summary of Significant Accounting Policies

Basis of Presentation

As of May 4, 2019, Burlington Stores, Inc., a Delaware corporation (collectively with its subsidiaries, the Company), through its indirect subsidiary Burlington Coat Factory Warehouse Corporation (BCFWC), has expanded its store base to 684 retail stores, inclusive of an internet store.

These unaudited Condensed Consolidated Financial Statements include the accounts of Burlington Stores, Inc. and its subsidiaries. All inter-company accounts and transactions have been eliminated in consolidation. The Condensed Consolidated Financial Statements are unaudited, but in the opinion of management reflect all adjustments (which are of a normal and recurring nature) necessary for the fair presentation of the results of operations for the interim periods presented. Certain information and note disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) have been condensed or omitted. These Condensed Consolidated Financial Statements should be read in conjunction with the audited Consolidated Financial Statements and notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended February 2, 2019 (Fiscal 2018 10-K). The balance sheet at February 2, 2019 presented herein has been derived from the audited Consolidated Financial Statements contained in the Fiscal 2018 10-K. Because the Company's business is seasonal in nature, the operating results for the three month period ended May 4, 2019 are not necessarily indicative of results for the fiscal year.

Accounting policies followed by the Company are described in Note 1 to the Fiscal 2018 10-K, "Summary of Significant Accounting Policies."

Fiscal Year

The Company defines its fiscal year as the 52- or 53-week period ending on the Saturday closest to January 31. The current fiscal year ending February 1, 2020 (Fiscal 2019) and the prior fiscal year ended February 2, 2019 (Fiscal 2018) both consist of 52 weeks.

Adopted Accounting Standards

Leases

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standard Update (ASU) 2016-02, "Leases." The standard's core principle is to increase transparency and comparability among organizations by recognizing lease assets and liabilities on the balance sheet and disclosing key information about leasing arrangements. The Company adopted this ASU as of the beginning of Fiscal 2019.

The Company applied the changes from the new guidance at the adoption date and recognized a cumulative effect adjustment to retained earnings in the period of adoption, as allowed under ASU 2018-11, "Leases: Targeted Improvements." The Company did not adjust prior periods. The Company made an accounting policy election not to capitalize leases with an initial term of twelve months or less. The Company elected the transition package of practical expedients, which allows the Company to carry forward for its existing leases: i) the historical lease classification as either operating or capital; ii) assessment of whether any expired or existing contracts are or contain leases; and iii) capitalization of initial direct costs. Additionally, the Company elected the practical expedients to not separate lease and non-lease components for both its real estate and non-real estate leases, to not assess whether existing or expired land easements contain a lease, and to employ hindsight when determining lease terms for existing leases on the date of adoption.

As a result of this standard, the Company has recognized approximately \$2.1 billion of additional right-of-use assets (current and long-term combined) and approximately \$2.3 billion of additional lease liabilities (current and long-term combined) on its consolidated balance sheet as of May 4, 2019. The right-of-use lease liability for operating leases is based on the net present value of future minimum lease payments. The right-of-use asset for operating leases is based on the lease liability adjusted for the reclassification of certain balance sheet amounts such as favorable leases, the long term portion of straight line rent liability, purchased lease rights and landlord allowances. In addition, the Company also recorded an approximate \$0.6 million cumulative-effect

adjustment to retained earnings, related to a deferred gain on a previous sale-leaseback transaction that was being recognized into the line item “Other income” over a 13 year period.

Adoption of this standard also resulted in a change in the timing of certain expense recognition, primarily related to net favorable lease cost, as well as a reclassification of favorable lease cost from “Depreciation and amortization” to “Selling, general and administrative expenses” on the Company’s Condensed Consolidated Statement of Income for the three months ended May 4, 2019. This guidance did not have a material impact on the Company’s liquidity. Refer to Note 3, “Lease Commitments,” for further detail of the Company’s future minimum lease payments.

Pending Accounting Standards

Intangible Assets

On January 26, 2017, the FASB issued ASU 2017-04, “Intangibles—Goodwill and Other: Simplifying the Test for Goodwill Impairment,” which aims to simplify the subsequent measurement of goodwill by eliminating Step 2 from the goodwill impairment test. Under the new guidance, goodwill impairment will be measured as the amount by which the carrying value exceeds the fair value. The loss recognized should not exceed the total amount of goodwill allocated to the reporting unit. The new guidance will be effective for annual reporting periods beginning after December 15, 2019, including interim periods. This ASU will be effective for the Company as of the beginning of Fiscal 2020. Early adoption is permitted for annual or interim goodwill impairment tests performed on testing dates after January 1, 2017. The Company does not anticipate that the new guidance will have a significant impact on its consolidated financial statements.

In August 2018, the FASB issued ASU 2018-15, “Intangibles—Goodwill and Other—Internal-Use Software: Customer’s Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract.” This ASU requires that implementation costs incurred in a hosting arrangement that is a service contract be assessed in accordance with the existing guidance in Subtopic 350-40, “Internal-Use Software.” Accordingly, costs incurred during the preliminary project stage must be expensed as incurred, while costs incurred during the application development stage must be capitalized. Capitalized implementation costs associated with a hosting arrangement that is a service contract must be expensed over the term of the hosting arrangement. Additionally, the new guidance requires that the expense of these capitalized costs be presented in the same line item in the statement of income as the fees associated with the hosting element of the arrangement. The new guidance will be effective for annual reporting periods beginning after December 15, 2019, including interim periods. This ASU will be effective for the Company as of the beginning of Fiscal 2020. Early adoption is permitted for annual or interim periods. While the Company is still in the process of determining the impact of the adoption of this guidance on its consolidated financial statements or notes thereto, it does not anticipate that the new guidance will have a significant impact on its consolidated financial statements.

There were no other new accounting standards that had a material impact on the Company’s Condensed Consolidated Financial Statements during the three month period ended May 4, 2019, and there were no other new accounting standards or pronouncements that were issued but not yet effective as of May 4, 2019 that the Company expects to have a material impact on its financial position or results of operations upon becoming effective.

2. Stockholders' Equity

Activity for the three month periods ended May 4, 2019 and May 5, 2018 in the Company's stockholders' equity are summarized below:

	<i>(in thousands, except share data)</i>							
	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Treasury Stock		Total
	Shares	Amount				Shares	Amount	
Balance at February 2, 2019	79,224,669	\$ 7	\$ 1,508,996	\$ (260,919)	\$ (3,613)	(12,079,572)	\$ (921,761)	\$ 322,710
Net income	—	—	—	77,765	—	—	—	77,765
Stock options exercised	110,493	—	1,821	—	—	—	—	1,821
Shares used for tax withholding	—	—	—	—	—	(45,447)	(7,538)	(7,538)
Shares purchased as part of publicly announced programs	—	—	—	—	—	(841,460)	(122,780)	(122,780)
Issuance of restricted shares, net of forfeitures of 4,344 restricted shares	(2,585)	—	—	—	—	—	—	—
Stock based compensation	—	—	9,427	—	—	—	—	9,427
Unrealized losses on interest rate cap contracts, net of related tax benefit of \$1.3 million	—	—	—	—	(3,272)	—	—	(3,272)
Amount reclassified into earnings, net of related taxes of \$0.1 million	—	—	—	—	(185)	—	—	(185)
Cumulative-effect adjustment	—	—	—	600	—	—	—	600
Balance at May 4, 2019	<u>79,332,577</u>	<u>\$ 7</u>	<u>\$ 1,520,244</u>	<u>\$ (182,554)</u>	<u>\$ (7,070)</u>	<u>(12,966,479)</u>	<u>\$(1,052,079)</u>	<u>\$ 278,548</u>

	<i>(in thousands, except share data)</i>							
	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Treasury Stock		Total
	Shares	Amount				Shares	Amount	
Balance at February 3, 2018	78,421,947	\$ 7	\$ 1,457,205	\$ (675,664)	\$ (1,887)	(10,550,222)	\$(692,887)	\$ 86,774
Net income	—	—	—	82,588	—	—	—	82,588
Stock options exercised	150,502	—	3,498	—	—	—	—	3,498
Shares used for tax withholding	—	—	—	—	—	(47,132)	(6,376)	(6,376)
Shares purchased as part of publicly announced programs	—	—	—	—	—	(488,468)	(63,878)	(63,878)
Issuance of restricted shares, net of forfeitures of 3,318 restricted shares	125,780	—	—	—	—	—	—	—
Stock based compensation	—	—	7,023	—	—	—	—	7,023
Unrealized gains on interest rate cap contracts, net of related taxes of \$0.4 million	—	—	—	—	986	—	—	986
Amount reclassified into earnings, net of related taxes of \$0.3 million	—	—	—	—	657	—	—	657
Balance at May 5, 2018 (a)	<u>78,698,229</u>	<u>\$ 7</u>	<u>\$ 1,467,726</u>	<u>\$ (593,077)</u>	<u>\$ (244)</u>	<u>(11,085,822)</u>	<u>\$(763,141)</u>	<u>\$ 111,271</u>

(a) Amounts may not foot due to rounding.

3. Lease Commitments

The Company's leases primarily consist of stores, distribution facilities and office space under operating and finance leases that will expire principally during the next 30 years. The leases typically include renewal options at five year intervals and escalation clauses. Lease renewals are only included in the lease liability to the extent that they are reasonably assured of being exercised. The Company's leases typically provide for contingent rentals based on a percentage of gross sales. Contingent rentals are not included in the lease liability, and they are recognized as variable lease cost when incurred.

The following is a schedule of the Company's future lease payments:

Fiscal Year	<i>(in thousands)</i>	
	Operating Leases	Finance Leases
2019 (remainder)	\$ 295,937	\$ 4,092
2020	379,430	5,634
2021	359,906	5,646
2022	342,210	5,773
2023	319,513	5,849
2024	279,101	5,677
Thereafter	962,493	10,716
Total future minimum lease payments	2,938,590	43,387
Amount representing interest	(619,499)	(11,136)
Total lease liabilities	2,319,091	32,251
Less: current portion of lease liabilities	(273,348)	(3,052)
Total long term lease liabilities	<u>\$ 2,045,743</u>	<u>\$ 29,199</u>
Weighted average discount rate	5.5%	8.3%
Weighted average remaining lease term (years)	8.6	7.9

The above schedule excludes approximately \$467.0 million for 66 stores that the Company has committed to open or relocate but has not yet taken possession of the space. The discount rates used in valuing the Company's leases are not readily determinable, and are based on the Company's incremental borrowing rate on a fully collateralized basis.

The following is a schedule of net lease cost for the period indicated:

	<i>(in thousands)</i>	
	Three Months Ended May 4, 2019	
Finance lease cost:		
Amortization of finance lease asset (a)	\$ 973	
Interest on lease liabilities (b)		655
Operating lease cost (c)		100,924
Variable lease cost (c)		1,358
Total lease cost		103,910
Less all rental income(d)		(1,240)
Total net rent expense (e)	<u>\$ 102,670</u>	

- (a) Included in the line item "Depreciation and amortization" in the Company's Condensed Consolidated Statements of Income.
- (b) Included in the line item "Interest expense" in the Company's Condensed Consolidated Statements of Income.
- (c) Included in the line item "Selling, general and administrative expenses" in the Company's Condensed Consolidated Statements of Income.
- (d) Included in the line item "Other revenue" in the Company's Condensed Consolidated Statements of Income.
- (e) Excludes an immaterial amount of short-term lease cost.

Supplemental cash flow disclosures related to leases are as follows:

	<i>(in thousands)</i>	
	Three Months Ended May 4, 2019	
Cash paid for amounts included in the measurement of lease liabilities:		
Cash payments arising from operating lease liabilities (a)	\$ 96,458	
Cash payments for the principal portion of finance lease liabilities (b)	\$ 696	
Cash payments for the interest portion of finance lease liabilities (a)	\$ 655	
Supplemental non-cash information:		
Operating lease liabilities arising from obtaining right-of-use assets	\$ 177,687	

- (a) Included within operating activities in the Company's Condensed Consolidated Statements of Cash Flows.
- (b) Included within financing activities in the Company's Condensed Consolidated Statements of Cash Flows.

The following is a schedule of net rent expense for the period indicated under Accounting Standards Codification (ASC) 840, "Leases". Prior periods have not been adjusted for adoption of ASU 2016-02:

	<i>(in thousands)</i>	
	Three Months Ended	
	May 5, 2018	
Rent expense:		
Minimum rental payments	\$	88,088
Contingent rental payments		1,171
Straight-line rent expense		2,737
Lease incentives amortization		(8,951)
Total rent expense(a)		83,045
Less all rental income(b)		(1,854)
Total net rent expense	\$	81,191

(a) Included in the line item "Selling, general and administrative expenses" in the Company's Consolidated Statements of Income.

(b) Included in the line item "Other revenue" in the Company's Consolidated Statements of Income.

As previously disclosed in the Company's Annual Report on Form 10-K and under the previous lease accounting standard, future minimum lease payments due under non-cancelable operating leases would have been as follows:

Fiscal Year	<i>(in thousands)</i>	
	Operating Leases	Capital Leases
2019	\$ 383,877	\$ 5,414
2020	405,370	5,120
2021	387,140	5,597
2022	369,068	5,725
2023	346,175	6,291
Thereafter	1,475,301	15,849
Total minimum lease payments	3,366,931	43,996
Amount representing interest	—	(11,290)
Total future minimum lease payments	\$ 3,366,931	\$ 32,706

The above schedule included \$278.9 million related to options to extend lease terms that were reasonably assured of being exercised and \$622.4 million of minimum lease payments for 76 stores that the Company had committed to open or relocate.

4. Long Term Debt

Long term debt consists of:

	<i>(in thousands)</i>		
	May 4, 2019	February 2, 2019	May 5, 2018
\$1,200,000 senior secured term loan facility (Term B-5 Loans), LIBOR (with a floor of 0.00%) plus 2.00%, matures on November 17, 2024 (a)	\$ 956,896	\$ 956,693	\$ 1,106,321
\$600,000 ABL senior secured revolving facility, LIBOR plus spread based on average outstanding balance, matures on June 29, 2023	150,000	—	11,800
Finance lease obligations	32,251	32,706	21,196
Unamortized deferred financing costs	(2,710)	(2,832)	(3,725)
Total debt	1,136,437	986,567	1,135,592
Less: current maturities	(3,052)	(2,924)	(13,040)
Long term debt, net of current maturities	\$ 1,133,385	\$ 983,643	\$ 1,122,552

(a) Prior to November 2, 2018, the interest rate on the Term B-5 Loans was LIBOR (with a floor of 0.75%) plus 2.50%.

Term Loan Facility

At May 4, 2019 and May 5, 2018, the Company's borrowing rate related to its senior secured term loan facility (the Term Loan Facility) was 4.5% and 4.4%, respectively.

ABL Line of Credit

At May 4, 2019, the Company had \$393.9 million available under the ABL senior secured revolving facility (the ABL Line of Credit). The maximum borrowings under the facility during the three month period ended May 4, 2019 amounted to \$255.0 million. Average borrowings during the three month period ended May 4, 2019 amounted to \$147.4 million, at an average interest rate of 3.8%.

At May 5, 2018, the Company had \$533.2 million available under the ABL Line of Credit. The maximum borrowings under the facility during the three month period ended May 5, 2018 amounted to \$90.0 million. Average borrowings during the three month period ended May 5, 2018 amounted to \$28.7 million, at an average interest rate of 3.3%.

5. Derivative Instruments and Hedging Activities

The Company accounts for derivatives and hedging activities in accordance with Accounting Standards Codification (ASC) Topic No. 815, "Derivatives and Hedging" (Topic No. 815). As required by Topic No. 815, the Company records all derivatives on the balance sheet at fair value and adjusts to market on a quarterly basis. In addition, to comply with the provisions of ASC Topic No. 820, "Fair Value Measurements" (Topic No. 820), credit valuation adjustments, which consider the impact of any credit enhancements to the contracts, are incorporated in the fair values to account for potential nonperformance risk. In adjusting the fair value of its derivative contracts for the effect of nonperformance risk, the Company has considered any applicable credit enhancements such as collateral postings, thresholds, mutual puts, and guarantees. In accordance with Topic No. 820, the Company made an accounting policy election to measure the credit risk of its derivative financial instruments that are subject to master netting agreements on a net basis by counterparty portfolio. There is no impact of netting because the Company's only derivatives are interest rate cap contracts that are with separate counterparties and are under separate master netting agreements.

Although the Company has determined that the majority of the inputs used to value its derivatives fall within Level 2 of the fair value hierarchy, the credit valuation adjustments associated with its derivatives utilize Level 3 inputs, such as estimates of current credit spreads to evaluate the likelihood of default by the Company and its counterparties. However, as of May 4, 2019, the Company has assessed the significance of the impact of the credit valuation adjustments on the overall valuation of its derivative positions and has determined that it is not significant. As a result, the Company classifies its derivative valuations in Level 2 of the fair value hierarchy.

Cash Flow Hedges of Interest Rate Risk

The Company's objectives in using interest rate derivatives are to add stability to interest expense and to manage its exposure to interest rate movements. To accomplish these objectives, the Company primarily uses interest rate caps and interest rate swaps as part of its interest rate risk management strategy. Interest rate caps designated as cash flow hedges involve the receipt of variable amounts from a counterparty if interest rates rise above the strike rate on the contract. Interest rate swaps designated as cash flow hedges involve the receipt of variable-rate amounts from a counterparty in exchange for the Company making fixed-rate payments over the life of the agreements without exchange of the underlying notional amount.

As of May 4, 2019, the Company had the following outstanding interest rate derivatives that were designated as cash flow hedges of interest rate risk:

Interest Rate Derivative	Number of Instruments	Notional Aggregate Principal Amount	Interest Cap/Swap Rate	Maturity Date
Interest rate cap contracts	Two	\$ 800.0 million	1.00%	May 31, 2019
Interest rate swap contract	One	\$ 450.0 million	2.72%	December 29, 2023

Tabular Disclosure

The table below presents the fair value of the Company's derivative financial instruments on a gross basis as well as their classification on the Company's Condensed Consolidated Balance Sheets:

Derivatives Designated as Hedging Instruments	<i>(in thousands)</i>					
	Fair Values of Derivative Instruments					
	May 4, 2019		February 2, 2019		May 5, 2018	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Interest rate cap contracts	Prepaid and other current assets	\$ 483	Prepaid and other current assets	\$ 2,213	Other assets	\$ 5,793
Interest rate swap contract	Other liabilities	\$ 9,708	Other liabilities	\$ 5,239	N/A	N/A

The following table presents the unrealized gains and losses deferred to accumulated other comprehensive income (loss) resulting from the Company's derivative instruments for each of the reporting periods.

Interest Rate Cap Contracts:	<i>(in thousands)</i>		
	Three Months Ended		
	May 4, 2019		May 5, 2018
Unrealized (losses) gains, before taxes	\$	(4,523)	\$ 1,364
Income tax benefit (expense)		1,251	(378)
Unrealized (losses) gains, net of taxes	\$	(3,272)	\$ 986

The following table presents information about the reclassification of gains and losses from accumulated other comprehensive income (loss) into earnings related to the Company's derivative instruments for each of the reporting periods.

Component of Earnings:	<i>(in thousands)</i>		
	Three Months Ended		
	May 4, 2019		May 5, 2018
Interest expense	\$	(256)	\$ 909
Income tax expense		71	(252)
Net income	\$	(185)	\$ 657

The Company estimates that approximately \$1.3 million will be reclassified from accumulated other comprehensive income into interest expense during the next twelve months.

6. Accumulated Other Comprehensive Income (Loss)

Amounts included in accumulated other comprehensive income (loss) are recorded net of the related income tax effects. The following table details the changes in accumulated other comprehensive income (loss):

	<i>(in thousands)</i>	
	Derivative Instruments	
Balance at February 2, 2019	\$	(3,613)
Unrealized losses, net of related tax benefit of \$1.3 million		(3,272)
Amount reclassified into earnings, net of related taxes of \$0.1 million		(185)
Balance at May 4, 2019	\$	(7,070)

7. Fair Value Measurements

The Company accounts for fair value measurements in accordance with Topic No. 820, which defines fair value, establishes a framework for measurement and expands disclosure about fair value measurements. Topic No. 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price), and classifies the inputs used to measure fair value into the following hierarchy:

- Level 1: Quoted prices for identical assets or liabilities in active markets.
- Level 2: Quoted market prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.
- Level 3: Pricing inputs that are unobservable for the assets and liabilities and include situations where there is little, if any, market activity for the assets and liabilities.

The inputs into the determination of fair value require significant management judgment or estimation.

The carrying amounts of cash equivalents, accounts receivable and accounts payable approximate fair value due to the short-term nature of these instruments.

Refer to Note 5, "Derivative Instruments and Hedging Activities," for further discussion regarding the fair value of the Company's interest rate cap contracts.

Financial Assets

The fair values of the Company's financial assets and the hierarchy of the level of inputs as of May 4, 2019, February 2, 2019 and May 5, 2018 are summarized below:

	<i>(in thousands)</i>		
	Fair Value Measurements at		
	May 4, 2019	February 2, 2019	May 5, 2018
Level 1			
Cash equivalents (including restricted cash)	\$ 22,471	\$ 22,416	\$ 22,393

Financial Liabilities

The fair values of the Company's financial liabilities are summarized below:

	<i>(in thousands)</i>					
	May 4, 2019		February 2, 2019		May 5, 2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Term B-5 Loans	\$ 956,896	\$ 954,504	\$ 956,693	\$ 947,126	\$ 1,106,321	\$ 1,111,853
ABL senior secured revolving facility	150,000	150,000	—	—	11,800	11,800
Total debt (a)	<u>\$ 1,106,896</u>	<u>\$ 1,104,504</u>	<u>\$ 956,693</u>	<u>\$ 947,126</u>	<u>\$ 1,118,121</u>	<u>\$ 1,123,653</u>

(a) Finance lease obligations are excluded from the table above.

The fair values presented herein are based on pertinent information available to management as of the respective period end dates. The estimated fair values of the Company's debt are classified as Level 2 in the fair value hierarchy.

8. Income Taxes

Net deferred taxes are as follows:

	<i>(in thousands)</i>		
	May 4, 2019	February 2, 2019	May 5, 2018
	Deferred tax asset	\$ 4,191	\$ 4,361
Deferred tax liability	180,280	178,779	181,607
Net deferred tax liability	<u>\$ 176,089</u>	<u>\$ 174,418</u>	<u>\$ 174,883</u>

Net deferred tax assets relate to Puerto Rico deferred balances that have a future net benefit for tax purposes. Net deferred tax liabilities primarily relate to intangible assets and depreciation expense where the Company has a future obligation for tax purposes.

As of May 4, 2019, the Company has a deferred tax asset related to net operating losses of \$10.5 million, inclusive of \$9.7 million related to state net operating losses that expire at various dates between 2019 and 2038, as well as \$0.8 million related to Puerto Rico net operating losses that will expire between 2024 and 2025.

As of May 4, 2019, the Company has a deferred tax asset related to tax credit carry-forwards of \$6.2 million, inclusive of \$4.6 million of state tax credit carry-forwards, which will begin to expire in 2022, as well as \$1.6 million of deferred tax assets recorded for Puerto Rico alternative minimum tax credits that have an indefinite life.

As of May 4, 2019, February 2, 2019 and May 5, 2018, valuation allowances amounted to \$9.2 million, \$10.3 million and \$8.6 million, respectively, related to state and Puerto Rico net operating losses and state tax credit carry-forwards. The Company believes that it is more likely than not that this portion of the benefit of these state and Puerto Rico net operating losses and state tax credit carry-forwards will not be realized.

9. Capital Stock

Treasury Stock

The Company accounts for treasury stock under the cost method.

During the three month period ended May 4, 2019, the Company acquired 45,447 shares of common stock from employees for approximately \$7.5 million to satisfy their minimum statutory tax withholdings related to the vesting of restricted stock awards, which was recorded in the line item "Treasury stock" on the Company's Condensed Consolidated Balance Sheets, and the line item "Purchase of treasury shares" on the Company's Condensed Consolidated Statements of Cash Flows.

Share Repurchase Program

On August 15, 2018, the Company's Board of Directors authorized the repurchase of up to \$300 million of common stock, which is authorized to be executed through August 2020. This repurchase program is funded using the Company's available cash and borrowings under the ABL Line of Credit.

During the three month period ended May 4, 2019, the Company repurchased 841,460 shares of its common stock for \$122.8 million, inclusive of commissions, under its share repurchase program, which was recorded in the line item "Treasury stock" on the Company's Condensed Consolidated Balance Sheets, and the line item "Purchase of treasury shares" on the Company's Condensed Consolidated Statements of Cash Flows. As of May 4, 2019, the Company had \$175.6 million remaining under its share repurchase authorization.

10. Net Income Per Share

Basic net income per share is calculated by dividing net income by the weighted-average number of common shares outstanding. Diluted net income per share is calculated by dividing net income by the weighted-average number of common shares and potentially dilutive securities outstanding during the period using the treasury stock method. The following table presents the computation of basic and diluted net income per share:

	<i>(in thousands, except per share data)</i>	
	Three Months Ended	
	May 4, 2019	May 5, 2018
<i>Basic net income per share</i>		
Net income	\$ 77,765	\$ 82,588
Weighted average number of common shares – basic	66,104	66,983
Net income per common share – basic	\$ 1.18	\$ 1.23
<i>Diluted net income per share</i>		
Net income	\$ 77,765	\$ 82,588
Shares for basic and diluted net income per share:		
Weighted average number of common shares – basic	66,104	66,983
Assumed exercise of stock options and vesting of restricted stock	1,626	1,987
Weighted average number of common shares – diluted	67,730	68,970
Net income per common share – diluted	\$ 1.15	\$ 1.20

Approximately 440,000 shares were excluded from diluted net income per share for the three month period ended May 4, 2019, since their effect was anti-dilutive.

Approximately 220,000 shares were excluded from diluted net income per share for the three month period ended May 5, 2018, since their effect was anti-dilutive.

11. Stock-Based Compensation

As of May 4, 2019, there were 3,504,452 shares of common stock available for issuance under the Company's 2013 Omnibus Incentive Plan.

Non-cash stock compensation expense is as follows:

Type of Non-Cash Stock Compensation	<i>(in thousands)</i>	
	Three Months Ended	
	May 4, 2019	May 5, 2018
Restricted stock grants (a)	\$ 4,952	\$ 3,984
Stock option grants (a)	4,417	3,039
Performance stock grants (a)	58	-
Total (b)	\$ 9,427	\$ 7,023

- (a) Included in the line item "Selling, general and administrative expenses" in the Company's Condensed Consolidated Statements of Income.
- (b) The amounts presented in the table above exclude taxes. For the three month period ended May 4, 2019, the tax benefit related to the Company's non-cash stock compensation was approximately \$2.4 million. For the three month period ended May 5, 2018, the tax benefit related to the Company's non-cash stock compensation was approximately \$1.2 million.

Stock Options

Stock option transactions during the three month period ended May 4, 2019 are summarized as follows:

	Number of Shares	Weighted Average Exercise Price Per Share
Options outstanding, February 2, 2019	2,337,316	\$ 64.48
Options granted	220,808	169.59
Options exercised (a)	(110,493)	16.48
Options forfeited	(11,509)	67.58
Options outstanding, May 4, 2019	<u>2,436,122</u>	<u>\$ 76.17</u>

(a) Options exercised during the three month period ended May 4, 2019 had a total intrinsic value of \$15.1 million.

The following table summarizes information about the stock options vested and expected to vest during the contractual term of such options as of May 4, 2019:

	Options	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price	Aggregate Intrinsic Value (in millions)
Vested and expected to vest	2,436,122	7.0	\$ 76.17	\$ 234.7

The fair value of each stock option granted during the three month period ended May 4, 2019 was estimated using the Black Scholes option pricing model using the following assumptions:

	Three Months Ended May 4, 2019
Risk-free interest rate	2.41% - 3.00%
Expected volatility	32% - 34%
Expected life (years)	5.69 - 6.25
Contractual life (years)	10.0
Expected dividend yield	0.0%
Weighted average grant date fair value of options issued	\$ 63.59

The expected dividend yield was based on the Company's expectation of not paying dividends in the near term. Since the Company completed its initial public offering in October 2013, it does not have sufficient history as a publicly traded company to evaluate its volatility factor. As such, the expected stock price volatility is based upon the historical volatility of the stock price over the expected life of the options of peer companies that are publicly traded. The risk free interest rate was based on the U.S. Treasury rates for U.S. Treasury zero-coupon bonds with maturities similar to those of the expected term of the awards being valued. For grants issued during the three month period ended May 4, 2019, the expected life of the options was calculated using the simplified method. The simplified method defines the life as the average of the contractual term of the options and the weighted average vesting period for all option tranches. This methodology was utilized due to the relatively short length of time the Company's common stock has been publicly traded.

Restricted Stock

Prior to May 1, 2019, the Company granted shares of restricted stock. Grants made on and after May 1, 2019 are in the form of restricted stock units. Restricted stock transactions during the three month period ended May 4, 2019 are summarized as follows:

	Number of Shares	Weighted Average Grant Date Fair Value Per Awards
Non-vested awards outstanding, February 2, 2019	666,842	\$ 81.93
Awards granted	111,129	169.72
Awards vested (a)	(134,388)	84.17
Awards forfeited	(4,344)	102.15
Non-vested awards outstanding, May 4, 2019	<u>639,239</u>	<u>96.58</u>

(a) Restricted stock awards vested during the three month period ended May 4, 2019 had a total intrinsic value of \$22.3 million.

The fair value of each share of restricted stock granted during Fiscal 2019 was based upon the closing price of the Company's common stock on the grant date.

Performance Share Units

Beginning in Fiscal 2019, the Company granted performance share units to its senior executives. Vesting of these performance share units is based on pre-established performance goals over a three-year period. Based on the Company's achievement of these goals, each award may range from 50% (at threshold performance) to no more than 200% of the target award. In the event that actual performance is below threshold, no award will be made.

Performance share unit transactions during the three month period ended May 4, 2019 are summarized as follows:

	Number of Shares	Weighted Average Grant Date Fair Value Per Awards
Non-vested units outstanding, February 2, 2019	—	\$ —
Units granted	75,640	170.08
Non-vested units outstanding, May 4, 2019	<u>75,640</u>	<u>170.08</u>

12. Other Liabilities

As of May 4, 2019, the line item "Other liabilities" on the Company's Condensed Consolidated Balance Sheet primarily consists of the long term portion of self-insurance reserves and tax liabilities associated with the uncertain tax positions recognized by the Company in accordance with ASC Topic No. 740, "Income Taxes." As of February 2, 2019 and May 5, 2018, the line item "Other liabilities" on the Company's Condensed Consolidated Balance Sheets primarily consists of deferred lease incentives, the excess of straight-line rent expense over actual rental payments, the long term portion of self-insurance reserves and tax liabilities associated with uncertain tax positions.

Deferred lease incentives are funds received or receivable from landlords used primarily to offset costs incurred for leasehold improvements and fixturing of new and remodeled stores. These deferred lease incentives are amortized over the expected lease term including rent holiday periods and option periods, where the exercise of the option can be reasonably assured. Amortization of deferred lease incentives is included in the line item "Selling, general and administrative expenses" on the Company's Condensed Consolidated Statements of Income. At February 2, 2019 and May 5, 2018, deferred lease incentives included in the line item "Other liabilities" were \$216.2 million and \$207.1 million, respectively. As a result of adoption of ASC 2016-02, deferred lease incentives are included in the line item "Long term operating lease liabilities" on the Company's Condensed Consolidated Balance Sheet as of May 4, 2019. Refer to Note 3, "Lease Commitments," for further detail of the Company's lease liabilities.

13. Commitments and Contingencies

Legal

The Company establishes accruals relating to legal claims in connection with litigation to which the Company is party from time to time in the ordinary course of business. Like many retailers, the Company has been named in class or collective actions on behalf of various groups alleging violations of federal and state wage and hour and other labor statutes, and alleged violation of state consumer and/or privacy protection and other statutes. In the normal course of business, we are also party to various other lawsuits and regulatory proceedings including, among others, commercial, product, product safety, employee, customer, intellectual property and other claims. Actions against us are in various procedural stages. Many of these proceedings raise factual and legal issues and are subject to uncertainties. To determine the likelihood of a loss and/or the measurement of any loss can be complex. Consequently, we are unable to estimate the range of reasonably possible loss in excess of amounts accrued. The Company's assessments are based on estimates and assumptions that have been deemed reasonable by management, but the assessment process relies heavily on estimates and assumptions that may prove to be incomplete or inaccurate, and unanticipated events and circumstances may occur that might cause us to change those estimates and assumptions. While no assurance can be given as to the ultimate outcome of these matters, the Company believes that the final resolution of these actions will not have a material adverse effect on the Company's results of operations, financial position, liquidity or capital resources.

Letters of Credit

The Company had letter of credit arrangements with various banks in the aggregate amount of \$56.0 million, \$56.7 million and \$55.0 million as of May 4, 2019, February 2, 2019 and May 5, 2018, respectively. Among these arrangements, as of May 4, 2019, February 2, 2019 and May 5, 2018, the Company had letters of credit in the amount of \$50.9 million, \$48.9 million and \$44.5 million, respectively, guaranteeing performance under various insurance contracts and utility agreements. In addition, the Company had outstanding letters of credit agreements in the amounts of \$5.1 million, \$7.8 million and \$10.5 million at May 4, 2019, February 2, 2019 and May 5, 2018, respectively, related to certain merchandising agreements. Based on the terms of the agreement governing the ABL Line of Credit, the Company had the ability to enter into letters of credit up to \$393.9 million, \$543.3 million and \$533.2 million as of May 4, 2019, February 2, 2019 and May 5, 2018, respectively.

Purchase Commitments

The Company had \$1,118.1 million of purchase commitments related to goods that were not received as of May 4, 2019.

Death Benefits

In November 2005, the Company entered into agreements with three of the Company's former executives whereby upon each of their deaths the Company will pay \$1.0 million to each respective designated beneficiary.

14. Related Parties

The brother-in-law of one of the Company's Executive Vice Presidents is an independent sales representative of one of the Company's suppliers of merchandise inventory. This relationship predated the commencement of the Executive Vice President's employment with the Company. The Company has determined that the dollar amount of purchases through such supplier represents an insignificant amount of its inventory purchases.

BURLINGTON STORES, INC.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion summarizes the significant factors affecting our consolidated operating results, financial condition, liquidity and cash flows as of and for the periods presented below. The following discussion and analysis should be read in conjunction with the Condensed Consolidated Financial Statements and notes thereto included elsewhere in this report and in our Annual Report on Form 10-K for the fiscal year ended February 2, 2019.

In addition to historical information, this discussion and analysis contains forward-looking statements based on current expectations that involve risks, uncertainties and assumptions, such as our plans, objectives, expectations, and intentions. Our actual results and the timing of events may differ materially from those anticipated in these forward-looking statements due to various factors, including those discussed under the section of this Item 2 entitled "Safe Harbor Statement."

Executive Summary

Introduction and Overview of Operating Results

We are a nationally recognized off-price retailer of high-quality, branded apparel at everyday low prices. We opened our first store in Burlington, New Jersey in 1972, selling primarily coats and outerwear. Since then, we have expanded our store base to 684 stores as of May 4, 2019, inclusive of an internet store, in 45 states and Puerto Rico, and diversified our product categories by offering an extensive selection of in-season, fashion-focused merchandise, including women's ready-to-wear apparel, accessories, footwear, menswear, youth apparel, baby, home, coats, beauty, toys and gifts. We sell a broad selection of desirable, first-quality, current-brand, labeled merchandise acquired directly from nationally-recognized manufacturers and other suppliers.

Highlights from the three month period ended May 4, 2019 compared with the three month period ended May 5, 2018 include the following:

- We generated total revenues of \$1,634.2 million compared with \$1,524.7 million.
- Net sales improved \$110.1 million to \$1,628.5 million. Comparable store sales increased 0.1%.
- Gross margin as a percentage of net sales decreased to 41.0% compared with 41.2%. Product sourcing costs, which are included in selling, general and administrative expenses, increased approximately 10 basis points as a percentage of net sales.
- Selling, general and administrative expenses as a percentage of net sales increased to 31.8% compared with 30.8%.
- We earned net income of \$77.8 million compared with \$82.6 million.
- Adjusted Net Income decreased \$1.5 million to \$85.5 million.
- Adjusted EBITDA improved \$3.0 million to \$167.9 million.
- Adjusted EBIT decreased \$2.3 million to \$117.4 million.

Fiscal Year

Fiscal 2019 is defined as the 52-week year ending February 1, 2020. Fiscal 2018 is defined as the 52-week year ending February 2, 2019.

Store Openings, Closings, and Relocations

During the three month period ended May 4, 2019, we opened 17 new stores, inclusive of six relocations, and closed two stores, exclusive of the aforementioned relocations, bringing our store count as of May 4, 2019 to 684 stores, inclusive of an internet store.

We continue to focus on a number of ongoing initiatives aimed at increasing our overall profitability by improving our comparable store sales trends, increasing total sales growth and reducing expenses. These initiatives include, but are not limited to:

- **Driving Comparable Store Sales Growth.**

We intend to continue to increase comparable store sales through the following initiatives:

- *Continuing to Enhance Execution of the Off-Price Model.* We plan to drive comparable store sales by focusing on product freshness to ensure that we consistently deliver newness to the selling floors. We plan to continue to reduce comparable store inventories, which we believe will result in faster inventory turnover. We maintain our ability to leverage our pack-and-hold program, which is designed to take advantage of terrific buys of either highly desirable branded product or key seasonal merchandise for the next year. While the amount of goods we purchase on pack-and-hold is purely based on the right opportunities in the marketplace, this continues to be a great avenue to source product. We also intend to use our business intelligence systems to identify sell-through rates by product, capitalize on strong performing categories, identify and buy into new fashion trends and opportunistically acquire products in the marketplace.
- *Sharpening Focus on Our Core Female Customer.* We have focused on better serving our core female customer, a brand-conscious fashion enthusiast, aged 25-49, with an average annual household income of \$25,000-\$100,000, by improving our product offering, store merchandising and marketing focus on women's ready-to-wear apparel and accessories to capture incremental sales from our core female customer and become a destination for her across all categories. We believe that these efforts will increase the frequency of her visits and her average spend, further improving the comparable store sales performance in women's categories.
- *Continuing to Improve Our Customer Experience.* We have significantly enhanced the store experience and ease of shopping at all of our stores by implementing a comprehensive program focused on offering more brands and styles and simplifying store navigation. We have accomplished this by utilizing clear way-finding signs and distinct product signage, highlighting key brands and new arrivals, improving organization of the floor space, reducing rack density, facilitating quicker checkouts and delivering better customer service. We have made particular improvements in product size visibility, queuing and fitting rooms. To ensure consistent execution of our customer experience priorities, we have improved our store associate training and reorganized and strengthened our field management organization. Our much improved store experience continues to resonate with our customers. We continue to refine our online customer survey to provide more actionable customer feedback to stores. Stores develop action plans to address clearly identified areas of focus. Store managers have the ability to review immediate feedback from their customers, and react accordingly.
- *Increasing Our Sales Through e-Commerce.* We have been selling to our customers online for more than a decade. We plan to leverage this heritage and continue to utilize e-commerce strategies offering merchandise to our customers while driving incremental traffic to our stores.
- *Enhancing Existing Categories and Introducing New Categories.* We have opportunities to expand the depth and breadth of certain existing categories such as ladies' apparel, children's products, bath and cosmetic merchandise, housewares, décor for the home and beauty as we continue to de-weather our business, and maintain the flexibility to introduce new categories.
- *Private Label Credit Card.* We have piloted a new private label credit card program. The program has been rolled out to 140 stores, with plans to bring the program to all stores. We believe this program has the potential to deepen customer loyalty, inform customer contact strategies, and drive increases in trip frequency and transaction size.

- **Expanding and Enhancing Our Retail Store Base.**

We intend to expand and enhance our retail store base through the following initiatives:

- *Adhering to a Market Focused and Financially Disciplined Real Estate Strategy.* We have grown our store base consistently since our founding in 1972, developing more than 99% of our stores organically. We believe there is significant opportunity to expand our retail store base in the United States. We have identified numerous market opportunities that we believe will allow us to reach 1,000 stores over the long-term. Our goal is to open approximately 50 net new stores during Fiscal 2019.
- *Maintaining Focus on Unit Economics and Returns.* We have adopted a market focused approach to new store openings with a specific focus on maximizing sales while achieving attractive unit economics and returns. By focusing on opening stores with attractive unit economics, we are able to achieve attractive returns on capital and continue to grow our margins. We believe that as we continue to reduce our comparable store inventory, we will be able to reduce the square footage of our stores while continuing to maintain our broad assortment.
- *Enhancing the Store Experience Through Store Remodels and Relocations.* We continue to invest in store remodels on a store-by-store basis where appropriate, taking into consideration the age, sales and profitability of a store, as well as the potential impact to the customer shopping experience. In our remodeled stores, we have typically incorporated new flooring, painting, lighting and graphics, relocated our fitting rooms to maximize productive selling space, added new departments such as home and accessories and made various other improvements as appropriate by location.

- **Enhancing Operating Margins.**

We intend to increase our operating margins through the following initiatives:

- *Optimize Markdowns.* We believe that our markdown system allows us to maximize sales and gross margin dollars based on forward-looking sales forecasts, sell-through targets, and exit dates. This allows us to optimize markdowns at the style and color level by store cluster.
- *Enhance Purchasing Power.* We believe that our increasing size and West Coast buying office provide us with the opportunity to capture incremental buying opportunities and realize economies of scale in our merchandising and non-merchandising purchasing activities.
- *Drive Operating Leverage.* We believe that we will be able to leverage our growing sales over the fixed costs of our business. In addition, we are focused on continuing to improve the efficiency of our corporate and in-store operations.

Uncertainties and Challenges

As we strive to increase profitability through achieving positive comparable store sales and leveraging productivity initiatives focused on improving the in-store experience, more efficient movement of products from the vendors to the selling floors, and modifying our marketing plans to increase our core customer base and increase our share of our current customers' spending, there are uncertainties and challenges that we face as an off-price retailer of apparel and accessories for men, women and children and home furnishings that could have a material impact on our revenues or income.

Seasonality of Sales and Weather Conditions. Our sales, like most other retailers, are subject to seasonal influences, with the majority of our sales and net income derived during the second half of the year, which includes the back-to-school and holiday seasons.

Weather continues to be a contributing factor to the sale of our clothing. Generally, our sales are higher if the weather is cold during the Fall and warm during the early Spring. Sales of cold weather clothing are increased by early cold weather during the Fall, while sales of warm weather clothing are improved by early warm weather conditions in the Spring. Although we have diversified our product offerings, we believe traffic to our stores is still driven, in part, by weather patterns.

General Economic Conditions. Consumer spending habits, including spending for the merchandise that we sell, are affected by, among other things, prevailing global economic conditions, inflation, levels of employment, salaries and wage rates, prevailing interest rates, housing costs, energy costs, commodities pricing, income tax rates and policies, consumer confidence and consumer perception of economic conditions. In addition, consumer purchasing patterns may be influenced by consumers' disposable income, credit availability and debt levels.

A slowdown in the U.S. economy, an uncertain global economic outlook or a credit crisis could adversely affect consumer spending habits resulting in lower net sales and profits than expected on a quarterly or annual basis. Consumer confidence is also affected by the domestic and international political situation. Our financial condition and operations could be impacted by changes in government regulations in areas including, but not limited to, taxes and healthcare. Ongoing international trade and tariff negotiations could have a direct impact on our income and an indirect impact on consumer prices. The outbreak or escalation of war, or the occurrence of terrorist acts or other hostilities in or affecting the U.S., could lead to a decrease in spending by consumers. In addition, natural disasters, industrial accidents and acts of war in various parts of the world could have the effect of disrupting supplies and raising prices globally which, in turn, may have adverse effects on the world and U.S. economies and lead to a downturn in consumer confidence and spending.

We closely monitor our net sales, gross margin and expenses. We have performed scenario planning such that if our net sales decline, we have identified variable costs that could be reduced to partially mitigate the impact of these declines. If we were to experience adverse economic trends and/or if our efforts to counteract the impacts of these trends are not sufficiently effective, there could be a negative impact on our financial performance and position in future fiscal periods.

Competition and Margin Pressure. We believe that in order to remain competitive, we must continue to offer brand-name merchandise at a discount to prices offered by other retailers as well as an assortment of merchandise that is appealing to our customers.

The U.S. retail apparel and home furnishings markets are highly fragmented and competitive. We compete for business with department stores, off-price retailers, internet retailers, specialty stores, discount stores, wholesale clubs, and outlet stores as well as with certain traditional, full-price retail chains that have developed off-price concepts. At various times throughout the year, traditional full-price department store chains and specialty shops offer brand-name merchandise at substantial markdowns, which can result in prices approximating those offered by us at our Burlington stores. We anticipate that competition will increase in the future. Therefore, we will continue to look for ways to differentiate our stores from those of our competitors.

The U.S. retail industry continues to face increased pressure on margins as overall challenging retail conditions have led consumers to be more value conscious. Our “open to buy” paradigm, under which we purchase both pre-season and in-season merchandise, allows us the flexibility to purchase less pre-season with the balance purchased in-season and opportunistically. It also provides us with the flexibility to shift purchases between suppliers and categories. This enables us to obtain better terms with our suppliers, which we expect to help offset any rising costs of goods.

Key Performance Measures

We consider numerous factors in assessing our performance. Key performance measures used by management include net income, Adjusted Net Income, Adjusted EBITDA, Adjusted EBIT, comparable store sales, gross margin, inventory, store payroll as a percentage of net sales and liquidity.

Net income. We earned net income of \$77.8 million during the three month period ended May 4, 2019 compared with net income of \$82.6 million during the three month period ended May 5, 2018. This decline was primarily driven by an increase in selling, general and administrative expenses, partially offset by our increased gross margin, as well as decreases in income tax expense and interest expense. Refer to the section below entitled “Results of Operations” for further explanation.

Adjusted Net Income, Adjusted EBITDA and Adjusted EBIT: Adjusted Net Income, Adjusted EBITDA and Adjusted EBIT are non-GAAP financial measures of our performance.

We define Adjusted Net Income as net income, exclusive of the following items, if applicable: (i) net favorable lease cost; (ii) costs related to debt amendments; (iii) loss on extinguishment of debt; (iv) impairment charges; and (v) other unusual, non-recurring or extraordinary expenses, losses, charges or gains, all of which are tax effected to arrive at Adjusted Net Income.

We define Adjusted EBITDA as net income, exclusive of the following items, if applicable: (i) interest expense; (ii) interest income; (iii) loss on extinguishment of debt; (iv) income tax expense; (v) depreciation and amortization; (vi) impairment charges; (vii) costs related to debt amendments; and (viii) other unusual, non-recurring or extraordinary expenses, losses, charges or gains.

We define Adjusted EBIT as net income, exclusive of the following items, if applicable: (i) interest expense; (ii) interest income; (iii) loss on extinguishment of debt; (iv) income tax expense; (v) impairment charges; (vi) net favorable lease cost; (vii) costs related to debt amendments; and (viii) other unusual, non-recurring or extraordinary expenses, losses, charges or gains.

We present Adjusted Net Income, Adjusted EBITDA and Adjusted EBIT, because we believe they are useful supplemental measures in evaluating the performance of our business and provide greater transparency into our results of operations. In particular,

we believe that excluding certain items that may vary substantially in frequency and magnitude from operating income are useful supplemental measures that assist in evaluating our ability to generate earnings and leverage sales, and to more readily compare these metrics between past and future periods.

Adjusted Net Income has limitations as an analytical tool, and should not be considered either in isolation or as a substitute for net income or other data prepared in accordance with GAAP. Among other limitations, Adjusted Net Income does not reflect the following items, net of their tax effect:

- favorable lease costs;
- costs related to debt amendments;
- losses on extinguishment of debt;
- impairment charges on long-lived assets; and
- other unusual, non-recurring or extraordinary expenses, losses, charges or gains.

During the three months ended May 4, 2019, Adjusted Net Income declined \$1.5 million to \$85.5 million. This decline was primarily driven by an increase in selling, general and administrative expenses and depreciation and amortization expense, partially offset by our increased gross margin, as well as decreases in income tax expense and interest expense. Refer to the section below entitled “Results of Operations” for further explanation.

The following table shows our reconciliation of net income to Adjusted Net Income for the three months ended May 4, 2019 compared with the three months ended May 5, 2018:

	<i>(unaudited)</i>	
	<i>(in thousands)</i>	
	Three Months Ended	
	May 4, 2019	May 5, 2018
Reconciliation of net income to Adjusted Net Income:		
Net income	\$ 77,765	\$ 82,588
Net favorable lease costs (a)	10,701	5,325
Costs related to debt amendments (b)	(382)	—
Tax effect (c)	(2,597)	(927)
Adjusted Net Income	\$ 85,487	\$ 86,986

- (a) Net favorable lease cost represents the non-cash expense associated with favorable and unfavorable leases that were recorded as a result of purchase accounting related to the April 13, 2006 Bain Capital acquisition of Burlington Coat Factory Warehouse Corporation (the “Merger Transaction”). As a result of adoption of Accounting Standards Update (ASU) 2016-02, “Leases” (ASU 2016-02), these expenses are recorded in the line item “Selling, general and administrative expenses” in our Condensed Consolidated Statement of Income for the three months ended May 4, 2019. These expenses are recorded in the line item “Depreciation and amortization” in our Condensed Consolidated Statement of Income for the three months ended May 5, 2018.
- (b) Reversal of previously estimated costs related to the repricing of our Term Loan Facility in Fiscal 2018.
- (c) Tax effect is calculated based on the effective tax rates (before discrete items) for the respective periods, adjusted for the tax effect for the impact of items (a) through (b).

Adjusted EBITDA has limitations as an analytical tool, and should not be considered either in isolation or as a substitute for net income or other data prepared in accordance with GAAP. Among other limitations, Adjusted EBITDA does not reflect:

- interest expense on our debt;
- losses on the extinguishment of debt;
- costs related to debt amendments;
- cash requirements for replacement of assets. Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will likely have to be replaced in the future;
- impairment charges on long-lived assets;
- income tax expense; and
- other unusual, non-recurring or extraordinary expenses, losses, charges or gains.

During the three months ended May 4, 2019, Adjusted EBITDA improved \$3.0 million to \$167.9 million. These improvements were primarily driven by our increased gross margin, partially offset by an increase in selling, general and administrative expenses. Refer to the section below entitled “Results of Operations” for further explanation.

The following table shows our reconciliation of net income to Adjusted EBITDA for the three months ended May 4, 2019 compared with the three months ended May 5, 2018:

	<i>(unaudited)</i>	
	<i>(in thousands)</i>	
	Three Months Ended	
	May 4, 2019	May 5, 2018
Reconciliation of net income to Adjusted EBITDA:		
Net income	\$ 77,765	\$ 82,588
Interest expense	13,371	14,521
Interest income	(205)	(80)
Costs related to debt amendments (a)	(382)	—
Depreciation and amortization (b)	61,180	50,509
Income tax expense	16,195	17,411
Adjusted EBITDA	\$ 167,924	\$ 164,949

- (a) Reversal of previously estimated costs related to the repricing of our Term Loan Facility in Fiscal 2018.
- (b) Includes \$10.5 million of favorable lease cost included in the line item “Selling, general and administrative expenses” in our Condensed Consolidated Statement of Income for the three months ended May 4, 2019. Net favorable lease cost represents the non-cash expense associated with favorable and unfavorable leases that were recorded as a result of the Merger Transaction. As a result of adoption of ASU 2016-02, these expenses are recorded in the line item “Selling, general and administrative expenses” in our Condensed Consolidated Statement of Income for the three months ended May 4, 2019. These expenses are recorded in the line item “Depreciation and amortization” in our Condensed Consolidated Statement of Income for the three months ended May 5, 2018.

Adjusted EBIT has limitations as an analytical tool, and should not be considered either in isolation or as a substitute for net income or other data prepared in accordance with GAAP. Among other limitations, Adjusted EBIT does not reflect:

- interest expense on our debt;
- losses on the extinguishment of debt;
- costs related to debt amendments;
- favorable lease cost;
- impairment charges on long-lived assets;
- income tax expense; and
- other unusual, non-recurring or extraordinary expenses, losses, charges or gains.

During the three months ended May 4, 2019, Adjusted EBIT declined \$2.3 million to \$117.4 million. This decline was primarily driven by an increase in selling, general and administrative expenses and depreciation and amortization expense, partially offset by our increased gross margin. Refer to the section below entitled “Results of Operations” for further explanation.

The following table shows our reconciliation of net income to Adjusted EBIT for the three months ended May 4, 2019 compared with the three months ended May 5, 2018:

	<i>(unaudited)</i>	
	<i>(in thousands)</i>	
	Three Months Ended	
	May 4, 2019	May 5, 2018
Reconciliation of net income to Adjusted EBIT:		
Net income	\$ 77,765	\$ 82,588
Interest expense	13,371	14,521
Interest income	(205)	(80)
Costs related to debt amendments (a)	(382)	—
Net favorable lease costs (b)	10,701	5,325
Income tax expense	16,195	17,411
Adjusted EBIT	\$ 117,445	\$ 119,765

- (a) Reversal of previously estimated costs related to the repricing of our Term Loan Facility in Fiscal 2018.
- (b) Net favorable lease cost represents the non-cash expense associated with favorable and unfavorable leases that were recorded as a result of the Merger Transaction. As a result of adoption of ASU 2016-02, these expenses are recorded in the line item “Selling, general and administrative expenses” in our Condensed Consolidated Statement of Income for the three months ended May 4, 2019. These expenses are recorded in the line item “Depreciation and amortization” in our Condensed Consolidated Statement of Income for the three months ended May 5, 2018.

Comparable Store Sales. Comparable store sales measure performance of a store during the current reporting period against the performance of the same store in the corresponding period of the previous year. The method of calculating comparable store sales varies across the retail industry. As a result, our definition of comparable store sales may differ from other retailers.

We define comparable store sales as merchandise sales of those stores, including our online store, 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. If a store is closed for seven or more days during a month, our policy is to remove that store from our calculation of comparable store sales for any such month, as well as during the month(s) of their grand re-opening activities. The increase in our comparable store sales was as follows:

	Three Months Ended
May 4, 2019	0.1%
May 5, 2018	4.8%

Various factors affect comparable store sales, including, but not limited to, weather conditions, current economic conditions, the timing of our releases of new merchandise and promotional events, the general retail sales environment, consumer preferences and buying trends, changes in sales mix among distribution channels, competition, and the success of marketing programs.

Gross Margin. Gross margin is the difference between net sales and the cost of sales. Our cost of sales and gross margin may not be comparable to those of other entities, since some entities may include all of the costs related to their buying and distribution functions, certain store-related costs and other costs, in cost of sales. We include certain of these costs in the line items “Selling, general and administrative expenses” and “Depreciation and amortization” in our Condensed Consolidated Statements of Income. We include in our “Cost of sales” line item all costs of merchandise (net of purchase discounts and certain vendor allowances), inbound freight, distribution center outbound freight and certain merchandise acquisition costs, primarily commissions and import fees. Gross margin as a percentage of net sales decreased approximately 20 basis points to 41.0% during the three month period ended May 4, 2019, driven primarily by higher freight costs, partially offset by increased merchandise margin. Product sourcing costs, which are included in selling, general and administrative expenses, increased approximately 10 basis points as a percentage of net sales.

Inventory. Inventory at May 4, 2019 increased to \$895.8 million compared with \$786.6 million at May 5, 2018. The increase was primarily related to our pack-and-hold inventory levels, which were 28% of total inventory at the end of the first quarter of Fiscal 2019 compared to 27% at the end of the first quarter of Fiscal 2018. Additionally, the increase related to our 37 net new stores opened from May 5, 2018 through May 4, 2019. Comparable store inventory at the end of the first quarter of Fiscal 2019 increased approximately 5%.

Inventory at February 2, 2019 was \$954.2 million. The decrease in inventory from February 2, 2019 reflects the seasonality of our business, partially offset by the inventory required for our nine net new stores opened during the three month period ended May 4, 2019.

In order to better serve our customers and maximize sales, we continue to refine our merchandising mix and inventory levels within our stores. By appropriately managing our inventories, we believe we will be better able to deliver a continual flow of fresh merchandise to our customers. We continue to move toward more productive inventories by increasing the amount of current inventory as a percent of total inventory.

Inventory turnover and comparable store inventory turnover are performance metrics that indicate how efficiently inventory is bought and sold. They each measure the length of time that we own our inventory.

Inventory turnover is calculated by dividing cost of goods sold by the 13 month average cost value of our inventory for the period being measured. Our inventory turnover rate declined approximately 8% for the first quarter of Fiscal 2019 compared with the first quarter of Fiscal 2018.

Comparable store inventory turnover is calculated by dividing comparable store sales by the average comparable store retail value of inventory for the period being measured. The comparable store retail value of inventories is estimated based on the original sales price of items on hand reduced by retail reductions (which include sales, markdowns, an estimated shortage adjustment and employee discounts) for our comparable stores. The calculation is based on a rolling 13 month average of inventory (at estimated retail value) and the last 12 months' comparable sales. Our comparable store inventory turnover rate declined approximately 4% during the first quarter of Fiscal 2019 compared with the first quarter of Fiscal 2018.

The difference between inventory turnover and comparable store inventory turnover is primarily the result of the latter not including distribution center and warehouse inventory or inventory at new and non-comparable stores. Inventory held at our warehouses and distribution centers includes merchandise being readied for shipment to our stores and pack-and-hold inventory acquired opportunistically for future store release. The magnitude of pack-and-hold inventory, at any one point in time, is dependent on the buying opportunities identified in the marketplace.

We present inventory turnover, because it demonstrates how effective we are at managing our inventory. We present comparable store inventory turnover as we believe this is a useful supplemental metric in evaluating the effectiveness of our merchandising efforts, as a faster comparable store inventory turnover generally leads to reduced markdowns and more fresh merchandise in our stores.

Store Payroll as a Percentage of Net Sales. Store payroll as a percentage of net sales measures our ability to manage our payroll in accordance with increases or decreases in net sales. The method of calculating store payroll varies across the retail industry. As a result, our store payroll as a percentage of net sales may differ from other retailers. We define store payroll as regular and overtime payroll for all store personnel as well as regional and territory personnel, exclusive of payroll charges related to corporate and warehouse employees. Store payroll as a percentage of net sales was 8.7% during the three month period ended May 4, 2019, compared with 8.5% during the three month period ended May 5, 2018.

Liquidity. Liquidity measures our ability to generate cash. Management measures liquidity through cash flow, which is the measure of cash generated from or used in operating, financing, and investing activities. Cash and cash equivalents, including restricted cash and cash equivalents, decreased \$7.2 million during the three months ended May 4, 2019, compared with a decrease of \$56.2 million during the three months ended May 5, 2018. Refer to the section below entitled "Liquidity and Capital Resources" for further explanation.

Results of Operations

The following table sets forth certain items in the Condensed Consolidated Statements of Income as a percentage of net sales for the three months ended May 4, 2019 and the three months ended May 5, 2018.

	Percentage of Net Sales	
	Three Months Ended	
	May 4, 2019	May 5, 2018
Net sales	100.0%	100.0%
Other revenue	0.3	0.4
Total revenue	100.3	100.4
Cost of sales	59.0	58.8
Selling, general and administrative expenses	31.8	30.8
Costs related to debt amendments	0.0	—
Depreciation and amortization	3.1	3.3
Other income - net	(0.1)	(0.1)
Interest expense	0.8	1.0
Total costs and expenses	94.6	93.8
Income before income tax expense	5.7	6.6
Income tax expense	1.0	1.1
Net income	4.7%	5.5%

Three Month Period Ended May 4, 2019 Compared With the Three Month Period Ended May 5, 2018

Net sales

Net sales improved approximately \$110.1 million, or 7.3%, to \$1,628.5 million during the three month period ended May 4, 2019, driven primarily by the following:

- an increase in net sales of \$121.5 million from our new and non-comparable stores, and
- an increase in comparable store sales of \$1.1 million, or 0.1%, partially offset by
- a \$12.5 million decrease related to the net impact of permanently closed stores and other sales adjustments.

Cost of sales

Cost of sales as a percentage of net sales increased approximately 20 basis points to 59.0% during the three month period ended May 4, 2019, driven primarily by higher freight costs, partially offset by increased merchandise margin. Product sourcing costs, which are included in selling, general and administrative expenses, increased approximately 10 basis points as a percentage of net sales. On a dollar basis, cost of sales increased \$68.6 million, or 7.7%, primarily driven by our overall increase in sales.

Selling, general and administrative expenses

Selling, general and administrative expenses as a percentage of net sales increased approximately 100 basis points during the three month period ended May 4, 2019. The following table details selling, general and administrative expenses for the three month period ended May 4, 2019 compared with the three month period ended May 5, 2018:

	<i>(in millions)</i>						
	Three Months Ended						
	May 4, 2019	Percentage of Net Sales	May 5, 2018	Percentage of Net Sales	\$ Variance	% Change	
Store related costs	\$ 341.0	20.9%	\$ 310.7	20.5%	\$ 30.3	9.8%	
Product sourcing costs	78.6	4.8	72.1	4.7	6.5	9.0	
Corporate costs	50.6	3.1	47.8	3.1	2.8	5.9	
Marketing and strategy costs	18.7	1.2	20.7	1.4	(2.0)	(9.7)	
Favorable lease cost	10.5	0.7	-	-	10.5	N/A	
Other selling, general and administrative expenses	18.0	1.1	17.0	1.1	1.0	5.9	
Selling, general and administrative expenses	\$ 517.4	31.8%	\$ 468.3	30.8%	\$ 49.1	10.5%	

The increase in selling, general and administrative expenses was primarily driven by the reclassification of favorable lease cost from depreciation and amortization expense to selling, general and administrative expense as a result of adopting ASU 2016-02, which resulted in a 65 basis point increase. Additionally, product sourcing costs increased 10 basis points, store payroll increased 20 basis points, and store occupancy costs increased 25 basis points. These increases were partially offset by 20 basis points of leverage in our national television advertising and direct marketing efforts.

Costs related to debt amendments

During Fiscal 2018, we recorded total estimated costs related to debt amendments of \$2.5 million, primarily as a result of the repricing of our Term Loan Facility. During the three month period ended May 4, 2019, we reversed \$0.4 million of this estimated expense based on actual expenses incurred.

Depreciation and amortization

Depreciation and amortization expense related to the depreciation of fixed assets amounted to \$50.6 million during the three month period ended May 4, 2019 compared with \$50.5 million during the three month period ended May 5, 2018. The increase in depreciation and amortization expense was primarily driven by our new and non-comparable stores, partially offset by the reclassification of favorable lease cost from depreciation and amortization expense to selling, general and administrative expense as a result of adopting ASU 2016-02.

Interest expense

Interest expense improved \$1.2 million to \$13.4 million. The improvement was primarily driven by the \$150 million paydown and repricing of our Term Loan Facility during Fiscal 2018, partially offset by higher interest rates, as well as an increase in the average borrowings on our ABL Line of Credit.

Our average interest rates and average balances related to our Term Loan Facility and our ABL Line of Credit, for the three month period ended May 4, 2019 compared with prior year, are summarized in the table below:

	Three Months Ended	
	May 4, 2019	May 5, 2018
Average interest rate – ABL Line of Credit	3.8%	3.3%
Average interest rate – Term Loan Facility	4.5%	4.2%
Average balance – ABL Line of Credit (in millions)	\$ 147.4	\$ 28.7
Average balance – Term Loan Facility (in millions) (a)	\$ 961.4	\$ 1,113.1

(a) Excludes original issue discount.

Income tax expense

Income tax expense was \$16.2 million during the three month period ended May 4, 2019 compared with \$17.4 million during the three month period ended May 5, 2018. The effective tax rate for the three month period ended May 4, 2019 was 17.2% compared with 17.4% during the three month period ended May 5, 2018.

At the end of each interim period, we are required to determine the best estimate of our annual effective tax rate and then apply that rate in providing for income taxes on a current year-to-date (interim period) basis. Use of this methodology during the three month period ended May 4, 2019 resulted in an annual effective income tax rate of approximately 25% (before discrete items) as our best estimate.

Net income

We earned net income of \$77.8 million during the three month period ended May 4, 2019 compared with \$82.6 million for the three month period ended May 5, 2018. This decline was primarily driven by an increase in selling, general and administrative expenses, partially offset by our increased gross margin, as well as decreases in income tax expense and interest expense.

Liquidity and Capital Resources

Our ability to satisfy interest payment and future principal payment obligations on our outstanding debt will depend largely on our future performance which, in turn, is subject to prevailing economic conditions and to financial, business and other factors beyond our control. If we do not have sufficient cash flow to service interest payment and future principal payment obligations on our

outstanding indebtedness and if we cannot borrow or obtain equity financing to satisfy those obligations, our business and results of operations will be materially adversely affected. We cannot be assured that any replacement borrowing or equity financing could be successfully completed on terms similar to our current financing agreements, or at all.

We believe that cash generated from operations, along with our existing cash and our ABL Line of Credit, will be sufficient to fund our expected cash flow requirements and planned capital expenditures for at least the next twelve months as well as the foreseeable future. However, there can be no assurance that we would be able to offset declines in our comparable store sales with savings initiatives in the event that the economy declines.

Cash Flow for the Three Month Period Ended May 4, 2019 Compared With the Three Month Period Ended May 5, 2018

We used \$7.2 million of cash flow during the three month period ended May 4, 2019 compared with a use of \$56.2 million during the three month period ended May 5, 2018.

Net cash provided by operating activities amounted to \$54.2 million during the three month period ended May 4, 2019 compared with \$60.2 million during the three month period ended May 5, 2018. The decrease in our operating cash flows was primarily driven by changes in working capital and our decreased operating results.

Net cash used in investing activities was \$83.9 million during the three month period ended May 4, 2019 compared with \$57.9 million during the three month period ended May 5, 2018. This change was primarily the result of an increase in capital expenditures related to a new distribution center and our store expenditures (new stores, remodels, and other store expenditures).

Net cash provided by financing activities was \$22.4 million during the three month period ended May 4, 2019 compared with a use of \$58.5 million during the three month period ended May 5, 2018. This change was primarily driven by an increase in the net borrowings on our debt, partially offset by an increase in the value of share repurchases.

Changes in working capital also impact our cash flows. Working capital equals current assets (exclusive of restricted cash) minus current liabilities. We had a working capital deficit at May 4, 2019 of \$114.0 million compared with a \$12.6 million deficit at May 5, 2018. The decrease in working capital was primarily related to our adoption of ASU 2016-02, which resulted in adding a portion of the new lease liability to current liabilities. This was partially offset by an increase in our merchandise inventories, increase in cash and cash equivalents, decrease in our accounts payable and increase in accounts receivable. We had a working capital deficit at February 2, 2019 of \$2.3 million.

Capital Expenditures

For the three month period ended May 4, 2019, cash spend for capital expenditures, net of \$12.2 million of landlord allowances, amounted to \$71.6 million. We estimate that we will spend approximately \$310 million, net of approximately \$55 million of landlord allowances, in capital expenditures during Fiscal 2019, including approximately \$155 million, net of the previously mentioned landlord allowances, for store expenditures (new stores, remodels and other store expenditures). In addition, we estimate that we will spend approximately \$60 million to support our supply chain initiatives, with the remaining capital used to support our information technology and other business initiatives.

Share Repurchase Program

On August 15, 2018, our Board of Directors authorized the repurchase of up to \$300 million of common stock, which is authorized to be executed through August 2020. This repurchase program is funded using our available cash and borrowings on our ABL Line of Credit.

During the three month period ended May 4, 2019, we repurchased 841,460 shares of our common stock for \$122.8 million, inclusive of commissions, under the share repurchase program. As of May 4, 2019, we had \$175.6 million remaining under our share repurchase authorization.

We are authorized to repurchase, from time to time, shares of our outstanding common stock on the open market or in privately negotiated transactions under our repurchase program. The timing and amount of stock repurchases will depend on a variety of factors, including the market conditions as well as corporate and regulatory considerations. Our share repurchase program may be suspended, modified or discontinued at any time and we have no obligation to repurchase any amount of our common stock under the program.

Dividends

We currently do, and intend to continue to, retain all available funds and any future earnings to fund all of the Company's capital expenditures, business initiatives, and to support any potential opportunistic capital structure initiatives. Therefore, at this time, we do not anticipate paying cash dividends in the near term. Our ability to pay dividends on our common stock will be limited by restrictions on the ability of our subsidiaries to pay dividends or make distributions under the terms of current and any future agreements governing our indebtedness. Any future determination to pay dividends will be at the discretion of our Board of Directors, subject to compliance with covenants in our current and future agreements governing our indebtedness, and will depend upon our results of operations, financial condition, capital requirements and other factors that our Board of Directors deems relevant.

In addition, since we are a holding company, substantially all of the assets shown on our Condensed Consolidated Balance Sheets are held by our subsidiaries. Accordingly, our earnings, cash flow and ability to pay dividends are largely dependent upon the earnings and cash flows of our subsidiaries and the distribution or other payment of such earnings to us in the form of dividends.

Operational Growth

During the three month period ended May 4, 2019, we opened 17 new stores, inclusive of six relocations, and closed two stores, exclusive of the aforementioned relocations, bringing our store count as of May 4, 2019 to 684 stores, inclusive of an internet store. We continue to pursue our growth plans and invest in capital projects that meet our financial requirements. During Fiscal 2019, we plan to open approximately 50 net new stores, which includes approximately 75 gross new stores, along with approximately 25 store relocations and closings.

We continue to explore expansion opportunities both within our current market areas and in other regions. We believe that our ability to find satisfactory locations for our stores is essential for the continued growth of our business. The opening of stores generally is contingent upon a number of factors including, but not limited to, the availability of desirable locations with suitable structures and the negotiation of acceptable lease terms. There can be no assurance, however, that we will be able to find suitable locations for new stores or that even if such locations are found and acceptable lease terms are obtained, we will be able to open the number of new stores presently planned. Assuming that appropriate locations are identified, we believe that we will be able to execute our growth strategy without significantly impacting our current stores.

Debt and Hedging

As of May 4, 2019, our obligations include \$956.9 million, inclusive of original issue discount, under our Term Loan Facility and \$150.0 million of outstanding borrowings on our ABL Facility. Our debt obligations also include \$32.3 million of capital lease obligations as of May 4, 2019.

Term Loan Facility

At May 4, 2019, our borrowing rate related to the Term Loan Facility was 4.5%.

ABL Line of Credit

At May 4, 2019, we had \$393.9 million available under the ABL Line of Credit. The maximum borrowings under the facility during the three month period ended May 4, 2019 amounted to \$255.0 million. Average borrowings during the three month period ended May 4, 2019 amounted to \$147.4 million at an average interest rate of 3.8%.

Hedging

We are hedged on \$800 million of our Term Loan Facility through May 2019. On December 17, 2018, the Company entered into an interest rate swap contract, which was designated as a cash flow hedge. This new interest rate swap, which hedges \$450 million of our Term Loan Facility, becomes effective May 31, 2019 and matures December 29, 2023.

Certain Information Concerning Contractual Obligations

The Company had \$1,118.1 million of purchase commitments related to goods that were not received as of May 4, 2019. There were no other significant changes regarding our obligations to make future payments under current contracts from those included in our Annual Report on Form 10-K for the fiscal year ended February 2, 2019.

Critical Accounting Policies and Estimates

Our Condensed Consolidated Financial Statements have been prepared in accordance with GAAP. We believe there are several accounting policies that are critical to understanding our historical and future performance as these policies affect the reported amounts of revenues and other significant areas that involve management's judgments and estimates. The preparation of our Condensed Consolidated Financial Statements requires management to make estimates and assumptions that affect (i) the reported amounts of assets and liabilities; (ii) the disclosure of contingent assets and liabilities at the date of the Condensed Consolidated Financial Statements; and (iii) the reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates its estimates and judgments, including those related to revenue recognition, inventories, long-lived assets, intangible assets, goodwill, insurance reserves and income taxes. Historical experience and various other factors that are believed to be reasonable under the circumstances form the basis for making estimates and judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. A critical accounting estimate meets two criteria: (1) it requires assumptions about highly uncertain matters and (2) there would be a material effect on the consolidated financial statements from either using a different, although reasonable, amount within the range of the estimate in the current period or from reasonably likely period-to-period changes in the estimate.

Leases

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standard Update (ASU) 2016-02, "Leases." The standard's core principle is to increase transparency and comparability among organizations by recognizing lease assets and liabilities on the balance sheet and disclosing key information about leasing arrangements. We adopted this ASU as of the beginning of Fiscal 2019.

We applied the changes from the new guidance at the adoption date and recognized a cumulative effect adjustment to retained earnings in the period of adoption, as allowed under ASU 2018-11, "Leases: Targeted Improvements." We did not adjust prior periods. We made an accounting policy election not to capitalize leases with an initial term of twelve months or less. We elected the transition package of practical expedients, which allows us to carry forward for our existing leases: i) the historical lease classification as either operating or capital; ii) assessment of whether any expired or existing contracts are or contain leases; and iii) capitalization of initial direct costs. Additionally, we elected the practical expedients to not separate lease and non-lease components, to not assess whether existing or expired land easements contain a lease, and to employ hindsight when determining lease terms for existing leases on the date of adoption.

Adoption of this standard also resulted in a change in the timing of certain expense recognition, primarily related to net favorable lease cost, as well as a reclassification of favorable lease cost from "depreciation and amortization" to "selling, general and administrative expenses" on our Condensed Consolidated Statement of Income for the three months ended May 4, 2019. This guidance did not have a material impact on our liquidity.

Other than the lease accounting policy discussed above, our critical accounting policies and estimates are consistent with those disclosed in Note 1 to the audited Consolidated Financial Statements, "Summary of Significant Accounting Policies," included in our Annual Report on Form 10-K for the fiscal year ended February 2, 2019.

Safe Harbor Statement

This report contains forward-looking statements that are based on current expectations, estimates, forecasts and projections about us, the industry in which we operate and other matters, as well as management's beliefs and assumptions and other statements regarding matters that are not historical facts. For example, when we use words such as "projects," "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates," "should," "would," "could," "will," "opportunity," "potential" or "may," variations of such words or other words that convey uncertainty of future events or outcomes, we are making forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 (Securities Act) and Section 21E of the Securities Exchange Act of 1934 (Exchange Act). Our forward-looking statements are subject to risks and uncertainties. Such statements include, but are not limited to, proposed store openings and closings, proposed capital expenditures, projected financing requirements, proposed developmental projects, projected sales and earnings, our ability to maintain selling margins, and the effect of the adoption of recent accounting pronouncements on our consolidated financial position, results of operations and cash flows. Actual events or results may differ materially from the results anticipated in these forward-looking statements as a result of a variety of factors. While it is impossible to identify all such factors, factors that could cause actual results to differ materially from those estimated by us include: general economic conditions; our ability to successfully implement one or more of our strategic initiatives and growth plans; the availability of desirable store locations on suitable terms; changing consumer preferences and demand; industry trends, including changes in buying, inventory and other business practices by customers; competitive factors, including pricing and promotional activities of major competitors and an increase in competition within the markets in which we compete; the availability, selection and purchasing of attractive merchandise on favorable terms; import risks, including tax and trade policies, tariffs and government regulations; weather patterns, including, among other things, changes in year-over-year temperatures; our future profitability; our ability to control costs

and expenses; unforeseen cyber-related problems or attacks; any unforeseen material loss or casualty; the effect of inflation; regulatory and tax changes; our relationships with employees; the impact of current and future laws and the interpretation of such laws; terrorist attacks, particularly attacks on or within markets in which we operate; natural and man-made disasters, including fire, snow and ice storms, flood, hail, hurricanes and earthquakes; our substantial level of indebtedness and related debt-service obligations; restrictions imposed by covenants in our debt agreements; availability of adequate financing; our dependence on vendors for our merchandise; domestic events affecting the delivery of merchandise to our stores; existence of adverse litigation; and other risks discussed from time to time in our filings with the Securities and Exchange Commission (SEC).

Many of these factors are beyond our ability to predict or control. In addition, as a result of these and other factors, our past financial performance should not be relied on as an indication of future performance. The cautionary statements referred to in this section also should be considered in connection with any subsequent written or oral forward-looking statements that may be issued by us or persons acting on our behalf. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. In light of these risks and uncertainties, the forward-looking events and circumstances discussed in this report might not occur. Furthermore, we cannot guarantee future results, events, levels of activity, performance or achievements.

Recent Accounting Pronouncements

Refer to Note 1 to our Condensed Consolidated Financial Statements, “Summary of Significant Accounting Policies,” for a discussion of recent accounting pronouncements and their impact in our Condensed Consolidated Financial Statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There were no material changes to our quantitative and qualitative disclosures about market risk from those included in our Annual Report on Form 10-K for the fiscal year ended February 2, 2019.

Item 4. Controls and Procedures.

Our management team, under the supervision and with the participation of our principal executive officer and our principal financial officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures as such term is defined under Rule 13a-15(e) promulgated under the Exchange Act, as of the last day of the fiscal period covered by this report, May 4, 2019. The term disclosure controls and procedures means our controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to management, including our principal executive and principal financial officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Based on this evaluation, our principal executive officer and our principal financial officer concluded that our disclosure controls and procedures were effective as of May 4, 2019.

During the quarter ended May 4, 2019, we enhanced our controls as part of our efforts to adopt ASU 2016-02 – Leases, and all related amendments, related to monitoring the adoption process, implementing controls within our existing IT system to capture, calculate and account for leases, and gathering the necessary data to properly account for leases under the new standard.

There have been no other changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

Like many retailers, we have been named in class or collective actions on behalf of various groups alleging violations of federal and state wage and hour and other labor statutes, and alleged violation of state consumer and/or privacy protection and other statutes. In the normal course of business, we are also party to various other lawsuits and regulatory proceedings including, among others, commercial, product, product safety, employee, customer, intellectual property and other claims. Actions against us are in various procedural stages. Many of these proceedings raise factual and legal issues and are subject to uncertainties. To determine the likelihood of a loss and/or the measurement of any loss can be complex. Consequently, we are unable to estimate the range of reasonably possible loss in excess of amounts accrued. Our assessments are based on estimates and assumptions that have been deemed reasonable by management, but the assessment process relies heavily on estimates and assumptions that may prove to be incomplete or inaccurate, and unanticipated events and circumstances may occur that might cause us to change those estimates and

assumptions. While no assurance can be given as to the ultimate outcome of these matters, we believe that the final resolution of these actions will not have a material adverse effect on our results of operations, financial position, liquidity or capital resources.

Item 1A. Risk Factors.

There have been no material changes in our risk factors from those disclosed in Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended February 2, 2019.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

The following table provides information regarding our purchases of common stock during the three fiscal months ended May 4, 2019:

Month	Total Number of Shares Purchased(1)	Average Price Paid Per Share(2)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs(3)	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs (in thousands)
February 3, 2019 through March 2, 2019	89,352	\$ 167.10	88,943	\$ 283,564
March 3, 2019 through April 6, 2019	716,185	\$ 142.40	715,716	\$ 181,646
April 7, 2019 through May 4, 2019	81,370	\$ 164.69	36,801	\$ 175,646
Total	<u>886,907</u>		<u>841,460</u>	

- (1) The number of shares purchased between February 3, 2019 and March 2, 2019, between March 3, 2019 and April 6, 2019 and between April 7, 2019 and May 4, 2019 include 409 shares, 469 shares and 44,569 shares, respectively, which were withheld for tax payments due upon the vesting of employee restricted stock awards, and do not reduce the dollar value that may yet be purchased under our publicly announced share repurchase program.
- (2) Includes commissions for the shares repurchased under our publicly announced share repurchase program.
- (3) On August 15, 2018, our Board of Directors authorized the repurchase of up to \$300 million of common stock, which is authorized to be executed through August 2020. For a further discussion of our share repurchase program, see “Part I, Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Share Repurchase Program.”

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

None.

Item 6. Exhibits.

Exhibit Number	Exhibit Description	Incorporated by Reference	
		Form and SEC file No.	Filing Date
10.1	Employment Agreement, dated as of April 23, 2019, by and between Burlington Stores, Inc. and Michael O’Sullivan.	Current Report on Form 8-K (File No. 001-36107)	April 23, 2019
10.2†	Form of Performance-Based Restricted Stock Unit Award Notice and Agreement between Burlington Stores, Inc. and award recipients pursuant to the Burlington Stores, Inc. 2013 Omnibus Incentive Plan (for grants made from and after May 1, 2019).		
10.3†	Form of Restricted Stock Unit Award Notice and Agreement between Burlington Stores, Inc. and award recipients pursuant to the Burlington Stores, Inc. 2013 Omnibus Incentive Plan (for grants made from and after May 1, 2019).		
10.4†	Form of Stock Option Award Notice and Agreement between Burlington Stores, Inc. and award recipients pursuant to the Burlington Stores, Inc. 2013 Omnibus Incentive Plan (for grants made from and after May 1, 2019).		
10.5†	Form of Performance-Based Restricted Stock Unit Award Notice and Agreement between Burlington Stores, Inc. and Thomas A. Kingsbury pursuant to the Burlington Stores, Inc. 2013 Omnibus Incentive Plan (for grants made from and after May 1, 2019).		
10.6†	Form of Restricted Stock Unit Award Notice and Agreement between Burlington Stores, Inc. and Thomas A. Kingsbury pursuant to the Burlington Stores, Inc. 2013 Omnibus Incentive Plan (for grants made from and after May 1, 2019).		
10.7†	Form of Stock Option Award Notice and Agreement between Burlington Stores, Inc. and Thomas A. Kingsbury pursuant to the Burlington Stores, Inc. 2013 Omnibus Incentive Plan (for grants made from and after May 1, 2019).		
31.1†	Certification of Principal Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.		
31.2†	Certification of Principal Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.		
32.1†	Certification of Principal Executive Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.		
32.2†	Certification of Principal Financial Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.		
101.INS†	XBRL Instance Document – the instance document does not appear in Interactive Data File, because its XBRL tags are embedded within the Inline XBRL document.		
101.SCH†	XBRL Taxonomy Extension Schema Document		
101.CAL†	Taxonomy Extension Calculation Linkbase Document		
101.DEF†	XBRL Taxonomy Extension Definition Linkbase Document		
101.LAB†	XBRL Taxonomy Extension Label Linkbase Document		
101.PRE†	XBRL Taxonomy Extension Presentation Linkbase Document		

† Filed or furnished herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

BURLINGTON STORES, INC.

/s/ Thomas A. Kingsbury

Thomas A. Kingsbury
Chairman and Chief Executive Officer
(Principal Executive Officer)

/s/ Marc Katz

Marc Katz
Chief Financial Officer/Principal
(Principal Financial Officer)

Date: June 3, 2019

**BURLINGTON STORES, INC.
2013 OMNIBUS INCENTIVE PLAN
Performance-Based Restricted Stock Unit Award Notice**

[Name of Holder]

You have been awarded a performance-based restricted stock unit award with respect to shares of common stock of Burlington Stores, Inc., a Delaware corporation (the "Company"), pursuant to the terms and conditions of the Burlington Stores, Inc. 2013 Omnibus Incentive Plan (the "Plan") and the Performance-Based Restricted Stock Unit Award Agreement (together with this Award Notice, the "Agreement"). The Performance-Based Restricted Stock Unit Award Agreement is attached hereto. Capitalized terms not defined herein shall have the meanings specified in the Plan or the Agreement.

Target Performance-Based Restricted Stock Units:

You have been awarded a performance-based restricted stock unit award with respect to [] shares (at target) of Common Stock, par value \$0.0001 per share ("Common Stock"), subject to adjustment as provided in the Plan.

Grant Date:

[,]

Vesting Schedule:

Except as otherwise provided in the Plan, the Agreement or any other agreement between the Company or any of its Subsidiaries and Holder, the Award shall vest based on the achievement of the performance goals set forth in this Award Notice over the [] (the "Performance Period"), provided Holder remains continuously employed by the Company or its Subsidiaries through the end of the Performance Period. Attainment of the performance goals shall be determined and certified by the Committee in writing prior to the settlement of the Award.

Performance Conditions:

[]

BURLINGTON STORES, INC.

By: _____
Name:
Title:

Acknowledgment, Acceptance and Agreement:

By accepting this grant on the Company's stock plan administrator's website, I hereby accept the performance-based restricted stock units granted to me and acknowledge and agree to be bound by the terms and conditions of this Award Notice, the Agreement and the Plan.

Holder Name

Signature

Date _____

BURLINGTON STORES, INC.
2013 OMNIBUS INCENTIVE PLAN

PERFORMANCE-BASED RESTRICTED STOCK UNIT AWARD AGREEMENT

Burlington Stores, Inc., a Delaware corporation (the “Company”), hereby grants to the individual (the “Holder”) named in the award notice attached hereto (the “Award Notice”) as of the date set forth in the Award Notice (the “Grant Date”), pursuant to the provisions of the Burlington Stores, Inc. 2013 Omnibus Incentive Plan (the “Plan”), a performance-based restricted stock unit award (the “Award”) with respect to the number of shares of the Company’s Common Stock, par value \$0.0001 per share (“Common Stock”), set forth in the Award Notice, upon and subject to the restrictions, terms and conditions set forth in the Award Notice, the Plan and this agreement (the “Agreement”). Capitalized terms not defined herein shall have the meanings specified in the Plan.

1. Award Subject to Acceptance of Agreement. The Award shall be null and void unless Holder electronically accepts this Agreement within Holder’s stock plan account with the Company’s stock plan administrator according to the procedures then in effect (or, if permitted by the Company, accepts this Agreement by executing the Award Notice in the space provided therefor and returning an original execution copy of the Award Notice to the Company).

2. Rights as a Stockholder. Holder shall not be entitled to any privileges of ownership with respect to the shares of Common Stock subject to the Award unless and until, and only to the extent, such shares become vested pursuant to Section 3 hereof and Holder becomes a stockholder of record with respect to such shares.

3. Restriction Period and Vesting.

3.1. Performance-Based Vesting Conditions. Subject to the remainder of this Section 3, the Common Stock shall vest pursuant to the terms of this Agreement and the Plan based on the achievement of the performance goals set forth in the Award Notice over the performance period set forth in the Award Notice (the “Performance Period”), provided that that Holder remains in continuous employment with the Company or its Subsidiaries through the end of the Performance Period. Attainment of the performance goals shall be determined and certified by the Committee in writing prior to the settlement of the Award.

3.2. Termination of Employment.

(a) Termination due to Death or Disability. If Holder’s employment with the Company and its Subsidiaries terminates prior to the end of the Performance Period by reason of Holder’s death or termination by the Company or its Subsidiaries due to Disability, then in either such case, Holder shall vest in a prorated Award. Such prorated Award shall be equal to the number of shares of Common Stock assuming that the performance goals set forth in the Award Notice were satisfied at target multiplied by a fraction, the numerator of which shall equal the number of days in the Performance Period during which Holder was employed by the Company and its Subsidiaries and the denominator of which shall equal the total number of days in the Performance Period. Subject to Section 8.13, the vested portion of the Award shall be settled within 60 days following the Holder’s death or termination due to Disability; provided, however, if the Award is “nonqualified deferred compensation” within the meaning of Section 409A of the Code, then the portion of the Award that becomes vested upon a termination due to Disability shall be settled within 60 days after the expiration of the Performance Period to the extent

required to comply with Section 409A of the Code. The portion of the Award that does not vest pursuant to this Section 3.2(a) shall be forfeited by Holder and cancelled by the Company. For purposes of this Agreement, “Disability” shall mean that the Holder is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months.

(b)Termination due to a Reduction in Force or Retirement. Except as provided for in Section 3(c), if Holder’s employment with the Company and its Subsidiaries is terminated prior to the end of the Performance Period (i) by the Company or its Subsidiaries due to a reduction in force, as determined by the Committee in its sole and absolute discretion (provided that Holder has not committed an act constituting grounds for a termination for Cause) or (ii) by Holder due to Retirement (as defined below), then in either such case the Award shall vest on a prorated basis. Such prorated Award shall be equal to the number of shares of Common Stock earned at the end of the Performance Period based on actual performance during the Performance Period multiplied by a fraction, the numerator of which shall equal the number of days in the Performance Period during which Holder was employed by the Company and its Subsidiaries and the denominator of which shall equal the total number of days in the Performance Period. For purposes of this Agreement, “Retirement” shall mean the Holder’s resignation from the Company and its Subsidiaries occurring on or after Holder attaining age 60 with at least ten continuous years of service to the Company and its Subsidiaries; provided, however, if the Company has grounds to terminate the employment of Holder for Cause, then Holder shall not be eligible for the vesting provisions set forth in this Section 3.2(b). The portion of the Award that does not vest pursuant to this Section 3.2(b) shall be forfeited by Holder and cancelled by the Company.

(c)Change in Control Qualifying Termination. If Holder’s employment with the Company and its Subsidiaries terminates due to a Change in Control Qualifying Termination prior to the end of the Performance Period, then the Award shall vest as of the date of termination of employment, assuming that the performance goals set forth in the Award Notice were satisfied at target. Subject to Section 8.13, the vested portion of the Award shall be settled within 60 days following the Holder’s Change in Control Qualifying Termination; provided, however, if the Award is “nonqualified deferred compensation” within the meaning of Section 409A of the Code and the Change in Control is not a “change in control event” within the meaning of Section 409A of the Code, then the portion of the Award that becomes vested upon such Change in Control Qualifying Termination shall be settled within 60 days after the expiration of the Performance Period to the extent required to comply with Section 409A of the Code. The portion of the Award that does not vest pursuant to this Section 3.2(c) shall be forfeited by the Holder. Except as otherwise provided in any other agreement between the Company or any of its Subsidiaries and Holder, a Change in Control Qualifying Termination means (i) if Holder is a party to an employment agreement with the Company or one of its Subsidiaries or are subject to the Burlington Stores, Inc. Executive Severance Plan (the “Severance Plan”) on the Grant Date, then a termination of Holder’s employment by the Company or a Subsidiary without Cause or resignation by Holder for Good Reason within the two year period immediately following a Change in Control or (ii) if Holder is not a party to an employment agreement with the Company or one of its Subsidiaries or subject to the Severance Plan on the Grant Date, then a termination of Holder’s employment by the Company or a Subsidiary without Cause within the one year period immediately following a Change in Control. Notwithstanding anything in the Agreement or in the Plan to the contrary, for purposes of the Agreement, (x) in the case of clause (i) of the preceding sentence, if Holder is a party to an employment agreement with the Company or one of its Subsidiaries on the Grant Date, “Cause” and “Good Reason” shall have the meanings provided in the terms of such employment agreement and if Holder is not a party to an employment agreement with the Company or one of its Subsidiaries on the Grant Date, “Cause” and “Good Reason” shall have the meanings provided in the terms of the Severance Plan, as in effect on the Grant Date and (y) in the case of clause (ii) of the preceding sentence, “Cause” shall have the meaning provided in the Plan.

(d) Termination for any other Reason. If (i) Holder's employment with the Company and its Subsidiaries terminates prior to the end of the Performance Period for any reason other than as specified in Sections 3.2(a) – (c) or (ii) Holder breaches any non-competition obligation Holder has to the Company or any of its Subsidiaries under any agreement, then the unvested portion of the Award shall be immediately forfeited by Holder and cancelled by the Company.

4. Issuance or Delivery of Shares. Except as otherwise provided for herein, within 60 days after the expiration of the Performance Period (or, if earlier, in accordance with Sections 3.2(a) and 3.2(c)), the Company shall issue or deliver, subject to the conditions of this Agreement, the vested shares of Common Stock to Holder. Such issuance or delivery shall be evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company. The Company shall pay all original issue or transfer taxes and all fees and expenses incident to such issuance or delivery, except as otherwise provided in Section 7. Prior to the issuance to Holder of the shares of Common Stock subject to the Award, Holder shall have no direct or secured claim in any specific assets of the Company or in such shares of Common Stock, and will have the status of a general unsecured creditor of the Company.

5. Non-Compete, Non-Solicitation; Confidentiality.

5.1. Non-Compete. In further consideration of the Award granted to Holder hereunder, Holder acknowledges and agrees that during the course of Holder's employment with the Company and its Subsidiaries, Holder shall become familiar, and during Holder's employment with the predecessors of the Company and its Subsidiaries, Holder has become familiar, with the Company's and its Subsidiaries' trade secrets and with other confidential information and that Holder's services have been and shall be of special, unique and extraordinary value to the Company and its Subsidiaries, and therefore, Holder agrees that, during his or her employment with the Company and its Subsidiaries and, if Holder's employment with the Company and its Subsidiaries terminates for any reason, for a period of one year thereafter (the "Non-Compete Period"), Holder shall not directly or indirectly (whether as an owner, partner, shareholder, agent, officer, director, employee, independent contractor, consultant or otherwise) own any interest in, operate, invest in, manage, control, participate in, consult with, render services for (alone or in association with any person or entity), in any manner engage in any business activity on behalf of a Competing Business within any geographical area in which the Company or its Subsidiaries currently operates or plans to operate. Nothing herein shall prohibit Holder from being a passive owner of not more than 2% of the outstanding stock of any class of a corporation, which is publicly traded, so long as Holder has no active participation in the business of such corporation. For purposes of this paragraph, "Competing Business" means each of the following entities, together with their respective subsidiaries, affiliates, successors and assigns: Macy's, Inc., the TJX Companies, Inc. and Ross Stores, Inc.

5.2. Non-Solicitation. During the Non-Compete Period, Holder shall not, directly or indirectly, and shall ensure that any person or entity controlled by Holder does not, (a) induce or attempt to induce any employee of the Company or any Subsidiary to leave the employ of the Company or such Subsidiary, or in any way interfere with the relationship between the Company or any Subsidiary and any employee thereof, (b) hire, directly or through another person, any person (whether or not solicited) who was an employee of the Company or any Subsidiary at any time within the one year period before Holder's termination from employment, (c) induce or attempt to induce any customer, supplier, licensee, licensor, franchisee or other business relation of the Company or any

Subsidiary to cease doing business with the Company or such Subsidiary, assist any Competing Business or in any way interfere with the relationship between any such customer, supplier, licensee or business relation and the Company or any Subsidiary or (d) make or solicit or encourage others to make or solicit directly or indirectly any defamatory statement or communication about the Company or any of its Subsidiaries or any of their respective businesses, products, services or activities (it being understood that such restriction shall not prohibit truthful testimony compelled by valid legal process).

5.3. Confidentiality. Holder acknowledges and agrees that the information, observations and data (including trade secrets) obtained by Holder while employed by the Company and its Subsidiaries concerning the business or affairs of the Company and its Subsidiaries are the confidential information (“Confidential Information”), and the property, of the Company and/or its Subsidiaries. Without limiting the foregoing, the term “Confidential Information” shall be interpreted as broadly as possible to include all observations, data and other information of any sort that are (a) related to any past, current or potential business of the Company or any of its Subsidiaries or any of their respective predecessors, and any other business related to any of the foregoing, and (b) not generally known to and available for use by those within the line of business or industry of the Company or by the public (except to the extent such information has become generally known to and available for use by the public as a direct or indirect result of Holder’s acts or omissions) including all (i) work product; (ii) information concerning development, acquisition or investment opportunities in or reasonably related to the business or industry of the Company or any of its Subsidiaries of which Holder is aware or becomes aware during the term of his employment; (iii) information identifying or otherwise concerning any current, former or prospective suppliers, distributors, contractors, agents or customers of the Company or any of its Subsidiaries; (iv) development, transition, integration and transformation plans, methodologies, processes and methods of doing business; (v) strategic, marketing, promotional and financial information (including all financial statements), business and expansion plans, including plans and information regarding planned, projected and/or potential sales, pricing, discount and cost information; (vi) information identifying or otherwise concerning employees, independent contractors and consultants; (vii) information on new and existing programs and services, prices, terms, and related information; (viii) all information marked, or otherwise designated, as confidential by the Company or any of its Subsidiaries or which Holder should reasonably know is confidential or proprietary information of the Company or any of its Subsidiaries; (ix) all information or materials similar or related to any of the foregoing, in whatever form or medium, whether now existing or arising hereafter (and regardless of whether merely stored in the mind of Holder or employees or consultants of the Company or any of its Subsidiaries, or embodied in a tangible form or medium); and (x) all tangible embodiments of any of the foregoing.

5.4. Disclosure. Holder agrees that, except as required by law or court order, including, without limitation, depositions, interrogatories, court testimony, and the like (and in such case provided that Holder must give the Company and/or its Subsidiaries, as applicable, prompt written notice of any such legal requirement, disclose no more information than is so required and seek, at the Company’s sole cost and expense, confidential treatment where available and cooperate fully with all efforts by the Company and/or its Subsidiaries to obtain a protective order or similar confidentiality treatment for such information), Holder shall not disclose to any unauthorized person or entity or use for Holder’s own purposes any Confidential Information without the prior written consent of the Board, unless and to the extent that the Confidential Information becomes generally known to and available for use by the public other than as a direct or indirect result of Holder’s acts or omissions. Holder shall deliver to the Company at the time Holder’s employment ceases, or at any other time the Company may request, all memoranda, notes, plans, records, reports, computer tapes, printouts and software and other documents and data (and copies thereof) embodying or relating to the Confidential Information (including any work product) or the business of the Company and its Subsidiaries which Holder may then possess or have under Holder’s control and if, at any time thereafter, any such materials are

brought to Holder's attention or Holder discovers them in his possession or control, Holder shall deliver such materials to the Company immediately upon such notice or discovery.

5.5. Protected Rights. Pursuant to 18 U.S.C. § 1833(b), "an individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that-(A) is made-(i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal." Accordingly, Holder has the right to disclose in confidence trade secrets to Federal, State, and local government officials, or to an attorney, for the sole purpose of reporting or investigating a suspected violation of law. Holder also has the right to disclose trade secrets in a document filed in a lawsuit or other proceeding, but only if the filing is made under seal and protected from public disclosure. Nothing in this Agreement is intended to conflict with 18 U.S.C. § 1833(b) or create liability for disclosures of trade secrets that are expressly allowed by 18 U.S.C. § 1833(b). Holder understands that nothing contained in this Agreement limits Holder's ability to file a charge or complaint with the Equal Employment Opportunity Commission, the National Labor Relations Board, the Occupational Safety and Health Administration, the Securities and Exchange Commission or any other federal, state or local governmental agency or commission ("Government Agencies"). Holder further understands that this Agreement does not limit Holder's ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to the Company. This Agreement does not limit Holder's right to receive an award for information provided to any Government Agencies.

5.6. Other Agreements. Notwithstanding the foregoing and any other language in this Agreement, this Agreement does not supersede or preclude the enforceability of any restrictive covenant provision contained in any prior agreement entered into by Holder. Further, no prior restrictive covenant supersedes or precludes the enforceability of any provision contained in this Agreement.

5.7. Applicability. Notwithstanding the foregoing and any other language in this Agreement, Section 5.1 shall not apply to Holder if he or she is below the position of Director level as of the Grant Date.

6.Enforcement.

6.1. Reliance. Holder acknowledges and agrees that the Company entered into this Agreement in reliance on the provisions of Section 5 and the enforcement of this Agreement is necessary to ensure the preservation, protection and continuity of the business of the Company and its Subsidiaries and other Confidential Information and goodwill of the Company and its Subsidiaries to the extent and for the periods of time expressly agreed to herein. Holder acknowledges and agrees that Holder has carefully read this Agreement and has given careful consideration to the restraints imposed upon Holder by this Agreement, and is in full accord as to their necessity for the reasonable protection of the Company's and its Subsidiaries' interests and the reasonable and proper protection of confidential and proprietary information of the Company and its Subsidiaries now existing or to be developed in the future. Holder expressly acknowledges and agrees that each and every restraint imposed by this Agreement is reasonable with respect to subject matter, time period and geographical area.

6.2. Enforcement. Notwithstanding any provision to the contrary herein, the Company or its Subsidiaries may pursue, at its discretion, enforcement of Section 5 in any court of competent jurisdiction (each, a “Court”).

6.3. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein. More specifically, if any Court determines that any of the covenants set forth in Section 5 are overbroad or unreasonable under applicable law in duration, geographical area or scope, the parties to this Agreement specifically agree and authorize such Court to rewrite this Agreement to reflect the maximum duration, geographical area and/or scope permitted under applicable law.

6.4. Equitable Relief. Because Holder’s services are unique and because Holder has intimate knowledge of and access to confidential information and work product, the parties hereto agree that money damages would not be an adequate remedy for any breach of Section 5, and any breach of the terms of Section 5 would result in irreparable injury and damage to the Company and its Subsidiaries for which the Company and its Subsidiaries would have no adequate remedy at law. Therefore, in the event of a breach or threatened breach of Section 5, the Company or its successors or assigns, in addition to any other rights and remedies existing in their favor at law or in equity, shall be entitled to specific performance and/or immediate injunctive or other equitable relief from a Court in order to enforce, or prevent any violations of, the provisions hereof (without posting a bond or other security), without having to prove damages. The terms of this Section 6 shall not prevent the Company or any of its Subsidiaries from pursuing any other available remedies for any breach or threatened breach of this Agreement, including the recovery of damages from Holder.

7. Transfer Restrictions and Investment Representation.

7.1. Nontransferability of Award. The Award may not be transferred by Holder other than by will or the laws of descent and distribution or pursuant to the designation of one or more beneficiaries on the form prescribed by the Company. Except to the extent permitted by the foregoing sentence, the Award may not be sold, transferred, assigned, pledged, hypothecated, encumbered or otherwise disposed of (whether by operation of law or otherwise) or be subject to execution, attachment or similar process. Upon any attempt to so sell, transfer, assign, pledge, hypothecate, encumber or otherwise dispose of the Award, the Award and all rights hereunder shall immediately become null and void.

7.2. Investment Representation. Holder hereby represents and covenants that (a) any sale of any share of Common Stock acquired upon the vesting of the Award shall be made either pursuant to an effective registration statement under the Securities Act of 1933, as amended (the “Securities Act”), and any applicable state securities laws, or pursuant to an exemption from registration under the Securities Act and such state securities laws and (b) if requested by the Company, Holder shall submit a written statement, in a form satisfactory to the Company, to the effect that such representation is true and correct as of the date of any sale of any such shares. As a further condition precedent to the vesting of the Award and subject to Section 409A of the Code, Holder shall comply with all regulations and requirements of any regulatory authority having control of or supervision over the issuance or delivery of the shares and, in connection therewith, shall execute any documents which the Board or the Committee shall in its sole discretion deem necessary or advisable.

8. Additional Terms and Conditions of Award.

8.1. Withholding Taxes. As a condition precedent to the delivery to Holder of any shares of Common Stock upon vesting of the Award, Holder shall, upon request by the Company, pay to the Company such amount of cash as the Company may be required, under all applicable federal, state, local or other laws or regulations, to withhold and pay over as income or other withholding taxes (the "Required Tax Payments") with respect to the Award. If Holder shall fail to advance the Required Tax Payments after request by the Company, the Company may, in its discretion, deduct any Required Tax Payments from any amount then or thereafter payable by the Company to Holder or withhold shares of Common Stock. Holder may elect to satisfy his or her obligation to advance the Required Tax Payments by any of the following means: (i) a cash payment to the Company; (ii) authorizing the Company to withhold from the shares of Common Stock otherwise to be delivered to Holder pursuant to the Award, a number of whole shares of Common Stock having an aggregate Fair Market Value, determined as of the date the obligation to withhold or pay taxes first arises in connection with the Award, equal to the Required Tax Payments; or (iii) any combination of (i) and (ii). Shares to be delivered or withheld may be withheld up to the maximum statutory tax rates in the applicable jurisdictions. Any fraction of a share of Common Stock which would be required to satisfy any such obligation shall be disregarded and the remaining amount due shall be paid in cash by Holder. No shares of Common Stock shall be issued or delivered until the Required Tax Payments have been satisfied in full.

8.2. Adjustment. In the event of a Section 4.2 Event, the adjustments provided for in Section 4.2(b) of the Plan shall be made to the number of shares of Common Stock subject to the Award hereunder.

8.3. Compliance with Applicable Law. The Award is subject to the condition that if the listing, registration or qualification of the shares of Common Stock subject to the Award upon any securities exchange or under any law, or the consent or approval of any governmental body, or the taking of any other action is necessary or desirable as a condition of, or in connection with, the delivery of shares hereunder, the shares of Common Stock subject to the Award shall not be delivered, in whole or in part, unless such listing, registration, qualification, consent, approval or other action shall have been effected or obtained, free of any conditions not acceptable to the Company. The Company agrees to use reasonable efforts to effect or obtain any such listing, registration, qualification, consent, approval or other action.

8.4. Award Confers No Rights to Continued Employment. In no event shall the granting of the Award or its acceptance by Holder, or any provision of the Agreement or the Plan, give or be deemed to give Holder any right to continued employment by the Company, any Subsidiary or any affiliate of the Company or affect in any manner the right of the Company, any Subsidiary or any affiliate of the Company to terminate the employment of any person at any time.

8.5. Decisions of Committee. The Committee shall have the right to resolve all questions which may arise in connection with the Award. Any interpretation, determination or other action made or taken by the Committee regarding the Plan or this Agreement shall be final, binding and conclusive.

8.6. Successors. This Agreement shall be binding upon and inure to the benefit of any successor or successors of the Company and any person or persons who shall, upon the death of Holder, acquire any rights hereunder in accordance with this Agreement or the Plan.

8.7. Notices. All notices, requests or other communications provided for in this Agreement shall be made, if to the Company, to Burlington Stores, Inc., 2006 Route 130 North, Burlington, NJ 08016, Attention: General Counsel, and if to Holder, to the last known mailing address of

Holder contained in the records of the Company. All notices, requests or other communications provided for in this Agreement shall be made in writing either (a) by personal delivery, (b) by facsimile or electronic mail with confirmation of receipt, (c) by mailing in the United States mails or (d) by express courier service. The notice, request or other communication shall be deemed to be received upon personal delivery, upon confirmation of receipt of facsimile or electronic mail transmission or upon receipt by the party entitled thereto if by United States mail or express courier service; provided, however, that if a notice, request or other communication sent to the Company is not received during regular business hours, it shall be deemed to be received on the next succeeding business day of the Company.

8.8. Governing Law. This Agreement, the Award and all determinations made and actions taken pursuant hereto and thereto, to the extent not governed by the Code or the laws of the United States, shall be governed by the laws of the State of Delaware and construed in accordance therewith without giving effect to principles of conflicts of laws.

8.9. Agreement Subject to the Plan. This Agreement is subject to the provisions of the Plan and shall be interpreted in accordance therewith. In the event that the provisions of this Agreement and the Plan conflict, the Plan shall control. Holder hereby acknowledges receipt of a copy of the Plan.

8.10. Entire Agreement. Except as provided for in Section 5.6, this Agreement and the Plan constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Holder with respect to the subject matter hereof, and may not be modified adversely to Holder's interest except by means of a writing signed by the Company and Holder. Notwithstanding the foregoing, Holder acknowledges that Holder is subject to Company policies relating to trading in the Company's securities

8.11. Amendment and Waiver. The Company may amend the provisions of this Agreement at any time; provided that an amendment that would adversely affect Holder's rights under this Agreement shall be subject to the written consent of Holder. No course of conduct or failure or delay in enforcing the provisions of this Agreement shall affect the validity, binding effect or enforceability of this Agreement.

8.12. Counterparts. The Award Notice may be executed in two counterparts, each of which shall be deemed an original and both of which together shall constitute one and the same instrument.

8.13. Compliance With Section 409A of the Code. This Award is intended to be exempt from or comply with Section 409A of the Code, and shall be interpreted and construed accordingly. To the extent this Agreement provides for the Award to become vested and be settled upon the Holder's termination of employment, the applicable shares of Common Stock shall be transferred to the Holder or his or her beneficiary upon the Holder's "separation from service," within the meaning of Section 409A of the Code; provided that if the Holder is a "specified employee," within the meaning of Section 409A of the Code, then to the extent the Award constitutes nonqualified deferred compensation, within the meaning of Section 409A of the Code, such shares of Common Stock shall be transferred to the Holder or his or her beneficiary upon the earlier to occur of (a) the six-month anniversary of such separation from service and (b) the date of the Holder's death.

BURLINGTON STORES, INC.
2013 OMNIBUS INCENTIVE PLAN

Restricted Stock Unit Award Notice

[Name of Holder]

You have been awarded a restricted stock unit award with respect to shares of common stock of Burlington Stores, Inc., a Delaware corporation (the "Company"), pursuant to the terms and conditions of the Burlington Stores, Inc. 2013 Omnibus Incentive Plan (the "Plan") and the Restricted Stock Unit Award Agreement (together with this Award Notice, the "Agreement"). The Restricted Stock Unit Award Agreement is attached hereto. Capitalized terms not defined herein shall have the meanings specified in the Plan or the Agreement.

Restricted Stock Units: You have been awarded a restricted stock unit award with respect to [] shares of Common Stock, par value \$0.0001 per share ("Common Stock"), subject to adjustment as provided in the Plan.

Grant Date: [,]

Vesting Schedule: Except as otherwise provided in the Plan, the Agreement or any other agreement between the Company or any of its Subsidiaries and Holder, the Award shall vest in [] annual increments on each of the [] anniversaries of the Grant Date (each, a "Vesting Date"), if, and only if, you are, and have been, continuously employed by the Company or any of its Subsidiaries from the date of this Agreement through and including the applicable Vesting Date.

BURLINGTON STORES, INC.

By: _____
Name:
Title:

Acknowledgment, Acceptance and Agreement:

By accepting this grant on the Company's stock plan administrator's website, I hereby accept the restricted stock units granted to me and acknowledge and agree to be bound by the terms and conditions of this Award Notice, the Agreement and the Plan.

Holder Name

Signature

Date _____

BURLINGTON STORES, INC.
2013 OMNIBUS INCENTIVE PLAN

RESTRICTED STOCK UNIT AWARD AGREEMENT

Burlington Stores, Inc., a Delaware corporation (the “Company”), hereby grants to the individual (the “Holder”) named in the award notice attached hereto (the “Award Notice”) as of the date set forth in the Award Notice (the “Grant Date”), pursuant to the provisions of the Burlington Stores, Inc. 2013 Omnibus Incentive Plan (the “Plan”), a restricted stock unit award (the “Award”) with respect to the number of shares of the Company’s Common Stock, par value \$0.0001 per share (“Common Stock”) set forth in the Award Notice, upon and subject to the restrictions, terms and conditions set forth in the Award Notice, the Plan and this agreement (the “Agreement”). Capitalized terms not defined herein shall have the meanings specified in the Plan.

1. Award Subject to Acceptance of Agreement. The Award shall be null and void unless Holder electronically accepts this Agreement within Holder’s stock plan account with the Company’s stock plan administrator according to the procedures then in effect (or, if permitted by the Company, accepts this Agreement by executing the Award Notice in the space provided therefor and returning an original execution copy of the Award Notice to the Company).

2. Rights as a Stockholder. Holder shall not be entitled to any privileges of ownership with respect to the shares of Common Stock subject to the Award unless and until, and only to the extent, such shares become vested pursuant to Section 3 hereof and Holder becomes a stockholder of record with respect to such shares.

3. Restriction Period and Vesting.

3.1. Service-Based Vesting Conditions. Subject to the remainder of this Section 3, the Common Stock shall vest pursuant to the terms of this Agreement and the Plan in accordance with the Vesting Schedule set forth in the Award Notice. The period of time prior to full vesting shall be referred to herein as the “Restriction Period.”

3.2. Termination of Employment.

(a) Termination due to Death or Disability. If Holder’s employment with the Company and its Subsidiaries terminates prior to the end of the Restriction Period by reason of Holder’s death or termination by the Company or its Subsidiaries due to Disability, then in either such case, Holder shall become fully vested in the unvested portion of the Award as of the date of termination of employment. For purposes of this Agreement, “Disability” shall mean that the Holder is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months.

(b) Termination due to a Reduction in Force or Retirement. Except as provided for in Section 3(c), if Holder’s employment with the Company and its Subsidiaries is terminated prior to the end of the Restriction Period (i) by the Company or its Subsidiaries due to a reduction in force, as determined by the Committee in its sole and absolute discretion (provided that Holder has not committed an act constituting grounds for a termination for Cause) or (ii) by Holder due to Retirement (as defined below), then in either such case the unvested portion of the Award shall vest on a prorated basis, with

such proration determined by (x) multiplying the number of shares of Common Stock subject to the Award on the Grant Date by a fraction, the numerator of which is the number of days that have occurred since the Grant Date through the date of the Holder's termination of employment in accordance with this Section 3.2(b) and the denominator of which is the total number of days between the Grant Date and the last Vesting Date set forth on the Award Notice reduced by (y) the number of shares subject to the Award that vested prior to the Holder's termination of employment. For purposes of this Agreement, "Retirement" shall mean the Holder's resignation from the Company and its Subsidiaries occurring on or after Holder attaining age 60 with at least ten continuous years of service to the Company and its Subsidiaries; provided, however, if the Company has grounds to terminate the employment of Holder for Cause, then Holder shall not be eligible for the vesting provisions set forth in this Section 3.2(b). The portion of the Award that does not vest pursuant to this Section 3.2(b) shall be forfeited by Holder and cancelled by the Company.

(c)Change in Control Qualifying Termination. If Holder's employment with the Company and its Subsidiaries terminates due to a Change in Control Qualifying Termination prior to the end of the Restriction Period, then the unvested portion of the Award shall become fully vested as of the date of termination of employment. Except as otherwise provided in any other agreement between the Company or any of its Subsidiaries and Holder, a Change in Control Qualifying Termination means (i) if Holder is a party to an employment agreement with the Company or one of its Subsidiaries or are subject to the Burlington Stores, Inc. Executive Severance Plan (the "Severance Plan") on the Grant Date, then a termination of Holder's employment by the Company or a Subsidiary without Cause or resignation by Holder for Good Reason within the two year period immediately following a Change in Control or (ii) if Holder is not a party to an employment agreement with the Company or one of its Subsidiaries or subject to the Severance Plan on the Grant Date, then a termination of Holder's employment by the Company or a Subsidiary without Cause within the one year period immediately following a Change in Control. Notwithstanding anything in the Agreement or in the Plan to the contrary, for purposes of the Agreement, (x) in the case of clause (i) of the preceding sentence, if Holder is a party to an employment agreement with the Company or one of its Subsidiaries on the Grant Date, "Cause" and "Good Reason" shall have the meanings provided in the terms of such employment agreement and if Holder is not a party to an employment agreement with the Company or one of its Subsidiaries on the Grant Date, "Cause" and "Good Reason" shall have the meanings provided in the terms of the Severance Plan, as in effect on the Grant Date and (y) in the case of clause (ii) of the preceding sentence, "Cause" shall have the meaning provided in the Plan.

(d)Termination for any other Reason. If (i) Holder's employment with the Company and its Subsidiaries terminates prior to the end of the Restriction Period for any reason other than as specified in Sections 3.2(a) – (c) or (ii) Holder breaches any non-competition obligation Holder has to the Company or any of its Subsidiaries under any agreement, then the unvested portion of the Award shall be immediately forfeited by Holder and cancelled by the Company.

4.Issuance or Delivery of Shares. Except as otherwise provided for herein, within 60 days after each applicable Vesting Date (or, if earlier, Holder's termination of employment in accordance with Sections 3.2(a) - (c)), the Company shall issue or deliver, subject to the conditions of this Agreement, the vested shares of Common Stock to Holder. Such issuance or delivery shall be evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company. The Company shall pay all original issue or transfer taxes and all fees and expenses incident to such issuance or delivery, except as otherwise provided in Section 7. Prior to the issuance to Holder of the shares of Common Stock subject to the Award, Holder shall have no direct or secured claim in any specific assets of the Company or in such shares of Common Stock, and will have the status of a general unsecured creditor of the Company.

5. Non-Compete, Non-Solicitation; Confidentiality.

5.1. Non-Compete. In further consideration of the Award granted to Holder hereunder, Holder acknowledges and agrees that during the course of Holder's employment with the Company and its Subsidiaries, Holder shall become familiar, and during Holder's employment with the predecessors of the Company and its Subsidiaries, Holder has become familiar, with the Company's and its Subsidiaries' trade secrets and with other confidential information and that Holder's services have been and shall be of special, unique and extraordinary value to the Company and its Subsidiaries, and therefore, Holder agrees that, during his or her employment with the Company and its Subsidiaries and, if Holder's employment with the Company and its Subsidiaries terminates for any reason, for a period of one year thereafter (the "Non-Compete Period"), Holder shall not directly or indirectly (whether as an owner, partner, shareholder, agent, officer, director, employee, independent contractor, consultant or otherwise) own any interest in, operate, invest in, manage, control, participate in, consult with, render services for (alone or in association with any person or entity), in any manner engage in any business activity on behalf of a Competing Business within any geographical area in which the Company or its Subsidiaries currently operates or plans to operate. Nothing herein shall prohibit Holder from being a passive owner of not more than 2% of the outstanding stock of any class of a corporation, which is publicly traded, so long as Holder has no active participation in the business of such corporation. For purposes of this paragraph, "Competing Business" means each of the following entities, together with their respective subsidiaries, affiliates, successors and assigns: Macy's, Inc., the TJX Companies, Inc. and Ross Stores, Inc.

5.2. Non-Solicitation. During the Non-Compete Period, Holder shall not, directly or indirectly, and shall ensure that any person or entity controlled by Holder does not, (a) induce or attempt to induce any employee of the Company or any Subsidiary to leave the employ of the Company or such Subsidiary, or in any way interfere with the relationship between the Company or any Subsidiary and any employee thereof, (b) hire, directly or through another person, any person (whether or not solicited) who was an employee of the Company or any Subsidiary at any time within the one year period before Holder's termination from employment, (c) induce or attempt to induce any customer, supplier, licensee, licensor, franchisee or other business relation of the Company or any Subsidiary to cease doing business with the Company or such Subsidiary, assist any Competing Business or in any way interfere with the relationship between any such customer, supplier, licensee or business relation and the Company or any Subsidiary or (d) make or solicit or encourage others to make or solicit directly or indirectly any defamatory statement or communication about the Company or any of its Subsidiaries or any of their respective businesses, products, services or activities (it being understood that such restriction shall not prohibit truthful testimony compelled by valid legal process).

5.3. Confidentiality. Holder acknowledges and agrees that the information, observations and data (including trade secrets) obtained by Holder while employed by the Company and its Subsidiaries concerning the business or affairs of the Company and its Subsidiaries are the confidential information ("Confidential Information"), and the property, of the Company and/or its Subsidiaries. Without limiting the foregoing, the term "Confidential Information" shall be interpreted as broadly as possible to include all observations, data and other information of any sort that are (a) related to any past, current or potential business of the Company or any of its Subsidiaries or any of their respective predecessors, and any other business related to any of the foregoing, and (b) not generally known to and available for use by those within the line of business or industry of the Company or by the public (except to the extent such information has become generally known to and available for use by the public as a direct or indirect result of Holder's acts or omissions) including all (i) work product; (ii) information concerning development, acquisition or investment opportunities in or reasonably related to the business or industry of the Company or any of its Subsidiaries of which Holder is aware or becomes aware during the term of his employment; (iii) information identifying or

otherwise concerning any current, former or prospective suppliers, distributors, contractors, agents or customers of the Company or any of its Subsidiaries; (iv) development, transition, integration and transformation plans, methodologies, processes and methods of doing business; (v) strategic, marketing, promotional and financial information (including all financial statements), business and expansion plans, including plans and information regarding planned, projected and/or potential sales, pricing, discount and cost information; (vi) information identifying or otherwise concerning employees, independent contractors and consultants; (vii) information on new and existing programs and services, prices, terms, and related information; (viii) all information marked, or otherwise designated, as confidential by the Company or any of its Subsidiaries or which Holder should reasonably know is confidential or proprietary information of the Company or any of its Subsidiaries; (ix) all information or materials similar or related to any of the foregoing, in whatever form or medium, whether now existing or arising hereafter (and regardless of whether merely stored in the mind of Holder or employees or consultants of the Company or any of its Subsidiaries, or embodied in a tangible form or medium); and (x) all tangible embodiments of any of the foregoing.

5.4. Disclosure. Holder agrees that, except as required by law or court order, including, without limitation, depositions, interrogatories, court testimony, and the like (and in such case provided that Holder must give the Company and/or its Subsidiaries, as applicable, prompt written notice of any such legal requirement, disclose no more information than is so required and seek, at the Company's sole cost and expense, confidential treatment where available and cooperate fully with all efforts by the Company and/or its Subsidiaries to obtain a protective order or similar confidentiality treatment for such information), Holder shall not disclose to any unauthorized person or entity or use for Holder's own purposes any Confidential Information without the prior written consent of the Board, unless and to the extent that the Confidential Information becomes generally known to and available for use by the public other than as a direct or indirect result of Holder's acts or omissions. Holder shall deliver to the Company at the time Holder's employment ceases, or at any other time the Company may request, all memoranda, notes, plans, records, reports, computer tapes, printouts and software and other documents and data (and copies thereof) embodying or relating to the Confidential Information (including any work product) or the business of the Company and its Subsidiaries which Holder may then possess or have under Holder's control and if, at any time thereafter, any such materials are brought to Holder's attention or Holder discovers them in his possession or control, Holder shall deliver such materials to the Company immediately upon such notice or discovery.

5.5. Protected Rights. Pursuant to 18 U.S.C. § 1833(b), "an individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that-(A) is made-(i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal." Accordingly, Holder has the right to disclose in confidence trade secrets to Federal, State, and local government officials, or to an attorney, for the sole purpose of reporting or investigating a suspected violation of law. Holder also has the right to disclose trade secrets in a document filed in a lawsuit or other proceeding, but only if the filing is made under seal and protected from public disclosure. Nothing in this Agreement is intended to conflict with 18 U.S.C. § 1833(b) or create liability for disclosures of trade secrets that are expressly allowed by 18 U.S.C. § 1833(b). Holder understands that nothing contained in this Agreement limits Holder's ability to file a charge or complaint with the Equal Employment Opportunity Commission, the National Labor Relations Board, the Occupational Safety and Health Administration, the Securities and Exchange Commission or any other federal, state or local governmental agency or commission ("Government Agencies"). Holder further understands that this Agreement does not limit Holder's ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other

information, without notice to the Company. This Agreement does not limit Holder's right to receive an award for information provided to any Government Agencies.

5.6. Other Agreements. Notwithstanding the foregoing and any other language in this Agreement, this Agreement does not supersede or preclude the enforceability of any restrictive covenant provision contained in any prior agreement entered into by Holder. Further, no prior restrictive covenant supersedes or precludes the enforceability of any provision contained in this Agreement.

5.7. Applicability. Notwithstanding the foregoing and any other language in this Agreement, Section 5.1 shall not apply to Holder if he or she is below the position of Director level as of the Grant Date.

6. Enforcement.

6.1. Reliance. Holder acknowledges and agrees that the Company entered into this Agreement in reliance on the provisions of Section 5 and the enforcement of this Agreement is necessary to ensure the preservation, protection and continuity of the business of the Company and its Subsidiaries and other Confidential Information and goodwill of the Company and its Subsidiaries to the extent and for the periods of time expressly agreed to herein. Holder acknowledges and agrees that Holder has carefully read this Agreement and has given careful consideration to the restraints imposed upon Holder by this Agreement, and is in full accord as to their necessity for the reasonable protection of the Company's and its Subsidiaries' interests and the reasonable and proper protection of confidential and proprietary information of the Company and its Subsidiaries now existing or to be developed in the future. Holder expressly acknowledges and agrees that each and every restraint imposed by this Agreement is reasonable with respect to subject matter, time period and geographical area.

6.2. Enforcement. Notwithstanding any provision to the contrary herein, the Company or its Subsidiaries may pursue, at its discretion, enforcement of Section 5 in any court of competent jurisdiction (each, a "Court").

6.3. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein. More specifically, if any Court determines that any of the covenants set forth in Section 5 are overbroad or unreasonable under applicable law in duration, geographical area or scope, the parties to this Agreement specifically agree and authorize such Court to rewrite this Agreement to reflect the maximum duration, geographical area and/or scope permitted under applicable law.

6.4. Equitable Relief. Because Holder's services are unique and because Holder has intimate knowledge of and access to confidential information and work product, the parties hereto agree that money damages would not be an adequate remedy for any breach of Section 5, and any breach of the terms of Section 5 would result in irreparable injury and damage to the Company and its Subsidiaries for which the Company and its Subsidiaries would have no adequate remedy at law. Therefore, in the event of a breach or threatened breach of Section 5, the Company or its successors or assigns, in addition to any other rights and remedies existing in their favor at law or in equity, shall be entitled to specific performance and/or immediate injunctive or other equitable relief from a Court in

order to enforce, or prevent any violations of, the provisions hereof (without posting a bond or other security), without having to prove damages. The terms of this Section 6 shall not prevent the Company or any of its Subsidiaries from pursuing any other available remedies for any breach or threatened breach of this Agreement, including the recovery of damages from Holder.

7. Transfer Restrictions and Investment Representation.

7.1. Nontransferability of Award. The Award may not be transferred by Holder other than by will or the laws of descent and distribution or pursuant to the designation of one or more beneficiaries on the form prescribed by the Company. Except to the extent permitted by the foregoing sentence, the Award may not be sold, transferred, assigned, pledged, hypothecated, encumbered or otherwise disposed of (whether by operation of law or otherwise) or be subject to execution, attachment or similar process. Upon any attempt to so sell, transfer, assign, pledge, hypothecate, encumber or otherwise dispose of the Award, the Award and all rights hereunder shall immediately become null and void.

7.2. Investment Representation. Holder hereby represents and covenants that (a) any sale of any share of Common Stock acquired upon the vesting of the Award shall be made either pursuant to an effective registration statement under the Securities Act of 1933, as amended (the "Securities Act"), and any applicable state securities laws, or pursuant to an exemption from registration under the Securities Act and such state securities laws and (b) if requested by the Company, Holder shall submit a written statement, in a form satisfactory to the Company, to the effect that such representation is true and correct as of the date of any sale of any such shares. As a further condition precedent to the vesting of the Award and subject to Section 409A of the Code, Holder shall comply with all regulations and requirements of any regulatory authority having control of or supervision over the issuance or delivery of the shares and, in connection therewith, shall execute any documents which the Board or the Committee shall in its sole discretion deem necessary or advisable.

8. Additional Terms and Conditions of Award.

8.1. Withholding Taxes. As a condition precedent to the delivery to Holder of any shares of Common Stock upon vesting of the Award, Holder shall, upon request by the Company, pay to the Company such amount of cash as the Company may be required, under all applicable federal, state, local or other laws or regulations, to withhold and pay over as income or other withholding taxes (the "Required Tax Payments") with respect to the Award. If Holder shall fail to advance the Required Tax Payments after request by the Company, the Company may, in its discretion, deduct any Required Tax Payments from any amount then or thereafter payable by the Company to Holder or withhold shares of Common Stock. Holder may elect to satisfy his or her obligation to advance the Required Tax Payments by any of the following means: (i) a cash payment to the Company; (ii) authorizing the Company to withhold from the shares of Common Stock otherwise to be delivered to Holder pursuant to the Award, a number of whole shares of Common Stock having an aggregate Fair Market Value, determined as of the date the obligation to withhold or pay taxes first arises in connection with the Award, equal to the Required Tax Payments; or (iii) any combination of (i) and (ii). Shares to be delivered or withheld may be withheld up to the maximum statutory tax rates in the applicable jurisdictions. Any fraction of a share of Common Stock which would be required to satisfy any such obligation shall be disregarded and the remaining amount due shall be paid in cash by Holder. No shares of Common Stock shall be issued or delivered until the Required Tax Payments have been satisfied in full.

8.2. Adjustment. In the event of a Section 4.2 Event, the adjustments provided for in Section 4.2(b) of the Plan shall be made to the number of shares of Common Stock subject to the Award hereunder.

8.3. Compliance with Applicable Law. The Award is subject to the condition that if the listing, registration or qualification of the shares of Common Stock subject to the Award upon any securities exchange or under any law, or the consent or approval of any governmental body, or the taking of any other action is necessary or desirable as a condition of, or in connection with, the delivery of shares hereunder, the shares of Common Stock subject to the Award shall not be delivered, in whole or in part, unless such listing, registration, qualification, consent, approval or other action shall have been effected or obtained, free of any conditions not acceptable to the Company. The Company agrees to use reasonable efforts to effect or obtain any such listing, registration, qualification, consent, approval or other action.

8.4. Award Confers No Rights to Continued Employment. In no event shall the granting of the Award or its acceptance by Holder, or any provision of the Agreement or the Plan, give or be deemed to give Holder any right to continued employment by the Company, any Subsidiary or any affiliate of the Company or affect in any manner the right of the Company, any Subsidiary or any affiliate of the Company to terminate the employment of any person at any time.

8.5. Decisions of Committee. The Committee shall have the right to resolve all questions which may arise in connection with the Award. Any interpretation, determination or other action made or taken by the Committee regarding the Plan or this Agreement shall be final, binding and conclusive.

8.6. Successors. This Agreement shall be binding upon and inure to the benefit of any successor or successors of the Company and any person or persons who shall, upon the death of Holder, acquire any rights hereunder in accordance with this Agreement or the Plan.

8.7. Notices. All notices, requests or other communications provided for in this Agreement shall be made, if to the Company, to Burlington Stores, Inc., 2006 Route 130 North, Burlington, NJ 08016, Attention: General Counsel, and if to Holder, to the last known mailing address of Holder contained in the records of the Company. All notices, requests or other communications provided for in this Agreement shall be made in writing either (a) by personal delivery, (b) by facsimile or electronic mail with confirmation of receipt, (c) by mailing in the United States mails or (d) by express courier service. The notice, request or other communication shall be deemed to be received upon personal delivery, upon confirmation of receipt of facsimile or electronic mail transmission or upon receipt by the party entitled thereto if by United States mail or express courier service; provided, however, that if a notice, request or other communication sent to the Company is not received during regular business hours, it shall be deemed to be received on the next succeeding business day of the Company.

8.8. Governing Law. This Agreement, the Award and all determinations made and actions taken pursuant hereto and thereto, to the extent not governed by the Code or the laws of the United States, shall be governed by the laws of the State of Delaware and construed in accordance therewith without giving effect to principles of conflicts of laws.

8.9. Agreement Subject to the Plan. This Agreement is subject to the provisions of the Plan and shall be interpreted in accordance therewith. In the event that the provisions of this Agreement and the Plan conflict, the Plan shall control. Holder hereby acknowledges receipt of a copy of the Plan.

8.10. Entire Agreement. Except as provided for in Section 5.6, this Agreement and the Plan constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Holder with respect to the subject matter hereof, and may not be modified adversely to Holder's interest except by means of a writing signed by the Company and Holder. Notwithstanding the foregoing, Holder

acknowledges that Holder is subject to Company policies relating to trading in the Company's securities.

8.11. Amendment and Waiver. The Company may amend the provisions of this Agreement at any time; provided that an amendment that would adversely affect Holder's rights under this Agreement shall be subject to the written consent of Holder. No course of conduct or failure or delay in enforcing the provisions of this Agreement shall affect the validity, binding effect or enforceability of this Agreement.

8.12. Counterparts. The Award Notice may be executed in two counterparts, each of which shall be deemed an original and both of which together shall constitute one and the same instrument.

8.13. Compliance With Section 409A of the Code. This Award is intended to be exempt from or comply with Section 409A of the Code, and shall be interpreted and construed accordingly and each payment hereunder shall be considered a separate payment. To the extent this Agreement provides for the Award to become vested and be settled upon the Holder's termination of employment, the applicable shares of Common Stock shall be transferred to the Holder or his or her beneficiary upon the Holder's "separation from service," within the meaning of Section 409A of the Code; provided that if the Holder is a "specified employee," within the meaning of Section 409A of the Code, then to the extent the Award constitutes nonqualified deferred compensation, within the meaning of Section 409A of the Code, such shares of Common Stock shall be transferred to the Holder or his or her beneficiary upon the earlier to occur of (a) the six-month anniversary of such separation from service and (b) the date of the Holder's death.

BURLINGTON STORES, INC.
2013 OMNIBUS INCENTIVE PLAN

STOCK OPTION AWARD NOTICE

[Name of Optionee]

You have been awarded a stock option to purchase shares of common stock of Burlington Stores, Inc., a Delaware corporation (the "Company"), pursuant to the terms and conditions of the Burlington Stores, Inc. 2013 Omnibus Incentive Plan (the "Plan") and the Stock Option Agreement (together with this Award Notice, the "Agreement"). The Stock Option Agreement is attached hereto. Capitalized terms not defined herein shall have the meanings specified in the Plan or the Agreement.

Option: You have been awarded a Non-Qualified Stock Option to purchase from the Company **[insert number]** shares of Common Stock, par value \$0.0001 per share (the "Common Stock"), subject to adjustment as provided in Section 6.2 of the Agreement.

Option Date: [_____, ____]

Exercise Price: \$[_____] per share, subject to adjustment as provided in Section 6.2 of the Agreement.

Vesting Schedule: Except as otherwise provided in the Plan, the Agreement or any other agreement between the Company or any of its Subsidiaries and Optionee, the Option shall vest in [____]% annual increments on each of the [_____] anniversaries of the Option Date (each, a "Vesting Date"), if, and only if, you are, and have been, continuously employed by the Company or any of its Subsidiaries from the date of this Agreement through and including the applicable Vesting Date.

Expiration Date: Except to the extent earlier terminated pursuant to Section 2.2 of the Agreement or earlier exercised pursuant to Section 2.3 of the Agreement, the Option shall terminate at 5:00 p.m., U.S. Eastern time, on the tenth anniversary of the Option Date.

BURLINGTON STORES, INC.

By: _____
 Name:
 Title:

Acknowledgment, Acceptance and Agreement:

By accepting this grant on the Company's stock plan administrator's website, I hereby accept the Option granted to me and acknowledge and agree to be bound by the terms and conditions of this Award Notice, the Agreement and the Plan.

 Participant Name

 Signature

Date _____

BURLINGTON STORES, INC.
2013 OMNIBUS INCENTIVE PLAN

Stock Option Agreement

Burlington Stores, Inc., a Delaware corporation (the "Company"), hereby grants to the individual (the "Optionee") named in the stock option award notice attached hereto (the "Award Notice") as of the date set forth in the Award Notice (the "Option Date"), pursuant to the provisions of the Burlington Stores, Inc. 2013 Omnibus Incentive Plan (the "Plan"), an option to purchase from the Company the number of shares of the Company's Common Stock, par value \$0.0001 per share ("Common Stock"), set forth in the Award Notice at the price per share set forth in the Award Notice (the "Exercise Price") (the "Option"), upon and subject to the restrictions, terms and conditions set forth in the Award Notice, the Plan and this agreement (the "Agreement"). Capitalized terms not defined herein shall have the meanings specified in the Plan.

1. Option Subject to Acceptance of Agreement. The Option shall be null and void unless Optionee electronically accepts this Agreement within Optionee's stock plan account with the Company's stock plan administrator according to the procedures then in effect (or, if permitted by the Company, accepts this Agreement by executing the Award Notice in the space provided therefor and returning an original execution copy of the Award Notice to the Company).

2. Time and Manner of Exercise of Option.

2.1. Maximum Term of Option. In no event may the Option be exercised, in whole or in part, after the expiration date set forth in the Award Notice (the "Expiration Date").

2.2. Vesting and Exercise of Option. The Option shall become vested and exercisable in accordance with the Vesting Schedule set forth in the Award Notice. The Option shall be vested and exercisable following a termination of Optionee's employment according to the following terms and conditions:

(a) Termination of Employment due to Death or Disability. If Optionee's employment with the Company and its Subsidiaries terminates by reason of Optionee's death or Disability, then in either such case the unvested portion of the Option shall become fully vested as of the date of termination and the vested Option may thereafter be exercised by Optionee or Optionee's executor, administrator, or the person or persons to whom the Option is transferred by will or the applicable laws of descent and distribution (the "Legal Representative") until and including the earlier to occur of (i) the date which is 180 days after the date of termination of employment and (ii) the Expiration Date. For purposes of this Agreement, "Disability" shall mean that the Optionee is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months.

(b) Termination due to a Reduction in Force or Retirement. Except as provided for in Section 2.2(c), if Optionee's employment with the Company and its Subsidiaries is terminated (i) by the Company or its Subsidiaries due to a reduction in force, as determined by

the Committee in its sole and absolute discretion (provided that Optionee has not committed an act constituting grounds for a termination for Cause) or (ii) by Optionee due to Retirement (as defined below), then in either such case the unvested portion of the Option shall vest on a prorated basis, with such proration determined by (x) multiplying the number of shares of Common Stock subject to the Option on the Option Date by a fraction, the numerator of which is the number of days that have occurred since the Option Date through the date of the Optionee's termination of employment in accordance with this Section 2.2(b) and the denominator of which is the total number of days between the Option Date and the last Vesting Date set forth on the Award Notice reduced by (y) the number of shares subject to the Option that vested prior to the Optionee's termination of employment, and the vested Option may thereafter be exercised by Optionee or Optionee's Legal Representative until and including the earlier to occur of (A) the date which is 180 days after the date of termination of employment and (B) the Expiration Date. For purposes of this Agreement, "Retirement" shall mean Optionee's resignation from the Company and its Subsidiaries occurring on or after Optionee attaining age 60 with at least ten continuous years of service to the Company and its Subsidiaries; provided, however, if the Company has grounds to terminate the employment of Optionee for Cause, then Optionee shall not be eligible for the vesting provisions or post-termination exercise period set forth in this Section 2.2(b). The portion of the Option that does not become vested in accordance with this Section 2.2(b) shall terminate immediately upon such termination of employment.

(c)Change in Control Qualifying Termination. If Optionee's employment with the Company and its Subsidiaries terminates due to a Change in Control Qualifying Termination, then the unvested portion of the Option shall become fully vested as of the date of termination of employment, and the vested Option may thereafter be exercised by Optionee or Optionee's Legal Representative until and including the earlier to occur of (i) the date which is 180 days after the date of termination of employment and (ii) the Expiration Date. Except as otherwise provided in any other agreement between the Company or any of its Subsidiaries and Optionee, a Change in Control Qualifying Termination means (x) if Optionee is a party to an employment agreement with the Company or one of its Subsidiaries or are subject to the Burlington Stores, Inc. Executive Severance Plan (the "Severance Plan") on the Option Date, then a termination of Optionee's employment by the Company or a Subsidiary without Cause or resignation by Optionee for Good Reason within the two year period immediately following a Change in Control or (y) if Optionee is not a party to an employment agreement with the Company or one of its Subsidiaries or subject to the Severance Plan on the Option Date, then a termination of Optionee's employment by the Company or a Subsidiary without Cause within the one year period immediately following a Change in Control. Notwithstanding anything in this Agreement or in the Plan to the contrary, for purposes of this Agreement, (A) in the case of clause (x) of the preceding sentence, if Optionee is a party to an employment agreement with the Company or one of its Subsidiaries on the Option Date, "Cause" and "Good Reason" shall have the meanings provided in the terms of such employment agreement and if Optionee is not a party to an employment agreement with the Company or one of its Subsidiaries on the Option Date, "Cause" and "Good Reason" shall have the meanings provided in the terms of the Severance Plan, as in effect on the Option Date and (B) in the case of clause (y) of the preceding sentence, "Cause" shall have the meaning provided in the Plan.

(d)Termination for Cause. If (i) Optionee's employment with the Company and its Subsidiaries terminates by reason of the termination of Optionee's employment by the

Company or its Subsidiaries for Cause or (ii) Optionee breaches any non-competition obligation Optionee has to the Company or any of its Subsidiaries under any agreement, then the Option, whether or not vested, shall terminate immediately upon such termination of employment.

(e) Termination for any other Reason. If Optionee's employment with the Company and its Subsidiaries is terminated by the Company or Optionee for any reason other than as specified in Sections 2.2(a)-(d), then the Option, to the extent vested on the effective date of such termination of employment, may thereafter be exercised by Optionee or Optionee's Legal Representative until and including the earlier to occur of (i) the date which is 180 days after the date of such termination of employment and (ii) the Expiration Date.

2.3. Method of Exercise. Subject to the limitations set forth in this Agreement, the Option, to the extent vested, may be exercised by Optionee (a) by delivering to the Company an exercise notice in the form prescribed by the Company specifying the number of whole shares of Common Stock to be purchased and by accompanying such notice with payment therefor in full (or by arranging for such payment to the Company's satisfaction) either (i) in cash, (ii) by authorizing the Company to withhold whole shares of Common Stock which would otherwise be delivered having an aggregate Fair Market Value, determined as of the date of exercise, equal to the amount necessary to satisfy such obligation, (iii) except as may be prohibited by applicable law, in cash by a broker-dealer acceptable to the Company to whom Optionee has submitted an irrevocable notice of exercise or (iv) by a combination of (i) and (ii), and (b) by executing such documents as the Company may reasonably request. Any fraction of a share of Common Stock which would be required to pay such purchase price shall be disregarded and the remaining amount due shall be paid in cash by Optionee. No share of Common Stock shall be issued or delivered until the full purchase price therefor and any withholding taxes thereon, as described in Section 6.1, have been paid.

2.4. Termination of Option. In no event may the Option be exercised after it terminates as set forth in this Section 2.4. The Option shall terminate, to the extent not earlier terminated pursuant to Section 2.2 or exercised pursuant to Section 2.3, on the Expiration Date. Upon the termination of the Option, the Option and all rights hereunder shall immediately become null and void.

3. Non-Compete, Non-Solicitation; Confidentiality.

3.1. Non-Compete. In further consideration of the Option granted to Optionee hereunder, Optionee acknowledges and agrees that during the course of Optionee's employment with the Company and its Subsidiaries, Optionee shall become familiar, and during Optionee's employment with the predecessors of the Company and its Subsidiaries, Optionee has become familiar, with the Company's and its Subsidiaries' trade secrets and with other confidential information and that Optionee's services have been and shall be of special, unique and extraordinary value to the Company and its Subsidiaries, and therefore, Optionee agrees that, during his or her employment with the Company and its Subsidiaries and, if Optionee's employment with the Company and its Subsidiaries terminates for any reason, for a period of one year thereafter (the "Non-Compete Period"), Optionee shall not directly or indirectly (whether as an owner, partner, shareholder, agent, officer, director, employee, independent contractor, consultant or otherwise) own any interest in, operate, invest in, manage, control, participate in,

consult with, render services for (alone or in association with any person or entity), in any manner engage in any business activity on behalf of a Competing Business within any geographical area in which the Company or its Subsidiaries currently operates or plans to operate. Nothing herein shall prohibit Optionee from being a passive owner of not more than 2% of the outstanding stock of any class of a corporation which is publicly traded, so long as Optionee has no active participation in the business of such corporation. For purposes of this paragraph, "Competing Business" means each of the following entities, together with their respective subsidiaries, affiliates, successors and assigns: Macy's, Inc., the TJX Companies, Inc. and Ross Stores, Inc.

3.2.Non-Solicitation. During the Non-Compete Period, Optionee shall not, directly or indirectly, and shall ensure that any person or entity controlled by Optionee does not, (a) induce or attempt to induce any employee of the Company or any Subsidiary to leave the employ of the Company or such Subsidiary, or in any way interfere with the relationship between the Company or any Subsidiary and any employee thereof, (b) hire, directly or through another person, any person (whether or not solicited) who was an employee of the Company or any Subsidiary at any time within the one year period before Optionee's termination from employment, (c) induce or attempt to induce any customer, supplier, licensee, licensor, franchisee or other business relation of the Company or any Subsidiary to cease doing business with the Company or such Subsidiary, assist any Competing Business or in any way interfere with the relationship between any such customer, supplier, licensee or business relation and the Company or any Subsidiary or (d) make or solicit or encourage others to make or solicit directly or indirectly any defamatory statement or communication about the Company or any of its Subsidiaries or any of their respective businesses, products, services or activities (it being understood that such restriction shall not prohibit truthful testimony compelled by valid legal process).

3.3.Confidentiality. Optionee acknowledges and agrees that the information, observations and data (including trade secrets) obtained by Optionee while employed by the Company and its Subsidiaries concerning the business or affairs of the Company and its Subsidiaries are the confidential information ("Confidential Information"), and the property, of the Company and/or its Subsidiaries. Without limiting the foregoing, the term "Confidential Information" shall be interpreted as broadly as possible to include all observations, data and other information of any sort that are (a) related to any past, current or potential business of the Company or any of its Subsidiaries or any of their respective predecessors, and any other business related to any of the foregoing, and (b) not generally known to and available for use by those within the line of business or industry of the Company or by the public (except to the extent such information has become generally known to and available for use by the public as a direct or indirect result of Optionee's acts or omissions) including all (i) work product; (ii) information concerning development, acquisition or investment opportunities in or reasonably related to the business or industry of the Company or any of its Subsidiaries of which Optionee is aware or becomes aware during the term of his employment; (iii) information identifying or otherwise concerning any current, former or prospective suppliers, distributors, contractors, agents or customers of the Company or any of its Subsidiaries; (iv) development, transition, integration and transformation plans, methodologies, processes and methods of doing business; (v) strategic, marketing, promotional and financial information (including all financial statements), business and expansion plans, including plans and information regarding planned,

projected and/or potential sales, pricing, discount and cost information; (vi) information identifying or otherwise concerning employees, independent contractors and consultants; (vii) information on new and existing programs and services, prices, terms, and related information; (viii) all information marked, or otherwise designated, as confidential by the Company or any of its Subsidiaries or which Optionee should reasonably know is confidential or proprietary information of the Company or any of its Subsidiaries; (ix) all information or materials similar or related to any of the foregoing, in whatever form or medium, whether now existing or arising hereafter (and regardless of whether merely stored in the mind of Optionee or employees or consultants of the Company or any of its Subsidiaries, or embodied in a tangible form or medium); and (x) all tangible embodiments of any of the foregoing.

3.4. Disclosure. Optionee agrees that, except as required by law or court order, including, without limitation, depositions, interrogatories, court testimony, and the like (and in such case provided that Optionee must give the Company and/or its Subsidiaries, as applicable, prompt written notice of any such legal requirement, disclose no more information than is so required and seek, at the Company's sole cost and expense, confidential treatment where available and cooperate fully with all efforts by the Company and/or its Subsidiaries to obtain a protective order or similar confidentiality treatment for such information), Optionee shall not disclose to any unauthorized person or entity or use for Optionee's own purposes any Confidential Information without the prior written consent of the Board, unless and to the extent that the Confidential Information becomes generally known to and available for use by the public other than as a direct or indirect result of Optionee's acts or omissions. Optionee shall deliver to the Company at the time Optionee's employment ceases, or at any other time the Company may request, all memoranda, notes, plans, records, reports, computer tapes, printouts and software and other documents and data (and copies thereof) embodying or relating to the Confidential Information (including any work product) or the business of the Company and its Subsidiaries which Optionee may then possess or have under Optionee's control and if, at any time thereafter, any such materials are brought to Optionee's attention or Optionee discovers them in his possession or control, Optionee shall deliver such materials to the Company immediately upon such notice or discovery.

3.5. Protected Rights. Pursuant to 18 U.S.C. § 1833(b), "an individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that-(A) is made-(i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal." Accordingly, Optionee has the right to disclose in confidence trade secrets to Federal, State, and local government officials, or to an attorney, for the sole purpose of reporting or investigating a suspected violation of law. Optionee also has the right to disclose trade secrets in a document filed in a lawsuit or other proceeding, but only if the filing is made under seal and protected from public disclosure. Nothing in this Agreement is intended to conflict with 18 U.S.C. § 1833(b) or create liability for disclosures of trade secrets that are expressly allowed by 18 U.S.C. § 1833(b). Optionee understands that nothing contained in this Agreement limits Optionee's ability to file a charge or complaint with the Equal Employment Opportunity Commission, the National Labor Relations Board, the Occupational Safety and Health Administration, the Securities and Exchange Commission or any other federal, state or local governmental agency or commission

(“Government Agencies”). Optionee further understands that this Agreement does not limit Optionee’s ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to the Company. This Agreement does not limit Optionee’s right to receive an award for information provided to any Government Agencies.

3.6.Other Agreements. Notwithstanding the foregoing and any other language in this Agreement, this Agreement does not supersede or preclude the enforceability of any restrictive covenant provision contained in any prior agreement entered into by Optionee. Further, no prior restrictive covenant supersedes or precludes the enforceability of any provision contained in this Agreement.

3.7.Applicability. Notwithstanding the foregoing and any other language in this Agreement, Section 3.1 shall not apply to Optionee if he or she is below the position of Director level as of the Option Date.

4.Enforcement.

4.1.Reliance. Optionee acknowledges and agrees that the Company entered into this Agreement in reliance on the provisions of Section 3 and the enforcement of this Agreement is necessary to ensure the preservation, protection and continuity of the business of the Company and its Subsidiaries and other Confidential Information and goodwill of the Company and its Subsidiaries to the extent and for the periods of time expressly agreed to herein. Optionee acknowledges and agrees that Optionee has carefully read this Agreement and has given careful consideration to the restraints imposed upon Optionee by this Agreement, and is in full accord as to their necessity for the reasonable protection of the Company’s and its Subsidiaries’ interests and the reasonable and proper protection of confidential and proprietary information of the Company and its Subsidiaries now existing or to be developed in the future. Optionee expressly acknowledges and agrees that each and every restraint imposed by this Agreement is reasonable with respect to subject matter, time period and geographical area.

4.2.Enforcement. Notwithstanding any provision to the contrary herein, the Company or its Subsidiaries may pursue, at its discretion, enforcement of Section 3 in any court of competent jurisdiction (each, a “Court”).

4.3.Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein. More specifically, if any Court determines that any of the covenants set forth in Section 3 are overbroad or unreasonable under applicable law in duration, geographical area or scope, the parties to this Agreement specifically agree and authorize such Court to rewrite this Agreement to reflect the maximum duration, geographical area and/or scope permitted under applicable law.

4.4. Equitable Relief. Because Optionee's services are unique and because Optionee has intimate knowledge of and access to confidential information and work product, the parties hereto agree that money damages would not be an adequate remedy for any breach of Section 3, and any breach of the terms of Section 3 would result in irreparable injury and damage to the Company and its Subsidiaries for which the Company and its Subsidiaries would have no adequate remedy at law. Therefore, in the event of a breach or threatened breach of Section 3, the Company or its successors or assigns, in addition to any other rights and remedies existing in their favor at law or in equity, shall be entitled to specific performance and/or immediate injunctive or other equitable relief from a Court in order to enforce, or prevent any violations of, the provisions hereof (without posting a bond or other security), without having to prove damages. The terms of this Section 4.4 shall not prevent the Company or any of its Subsidiaries from pursuing any other available remedies for any breach or threatened breach of this Agreement, including the recovery of damages from Optionee.

5. Transfer Restrictions and Investment Representations.

5.1. Nontransferability of Option. The Option may not be transferred by Optionee other than by will or the laws of descent and distribution or pursuant to the designation of one or more beneficiaries on the form prescribed by the Company. Except to the extent permitted by the foregoing sentence, (a) during Optionee's lifetime the Option is exercisable only by Optionee or Optionee's Legal Representative and (b) the Option may not be sold, transferred, assigned, pledged, hypothecated, encumbered or otherwise disposed of (whether by operation of law or otherwise) or be subject to execution, attachment or similar process. Upon any attempt to so sell, transfer, assign, pledge, hypothecate, encumber or otherwise dispose of the Option, the Option and all rights hereunder shall immediately become null and void.

5.2. Investment Representation. Optionee hereby represents and covenants that (a) any shares of Common Stock purchased upon exercise of the Option will be purchased for investment and not with a view to the distribution thereof within the meaning of the Securities Act of 1933, as amended (the "Securities Act"), unless such purchase has been registered under the Securities Act and any applicable state securities laws; (b) any subsequent sale of any such shares shall be made either pursuant to an effective registration statement under the Securities Act and any applicable state securities laws, or pursuant to an exemption from registration under the Securities Act and such state securities laws; and (c) if requested by the Company, Optionee shall submit a written statement, in a form satisfactory to the Company, to the effect that such representation (i) is true and correct as of the date of any purchase of any shares hereunder or (ii) is true and correct as of the date of any sale of any such shares, as applicable. As a further condition precedent to any exercise of the Option, Optionee shall comply with all regulations and requirements of any regulatory authority having control of or supervision over the issuance or delivery of the shares and, in connection therewith, shall execute any documents which the Board or the Committee shall in its sole discretion deem necessary or advisable.

6. Additional Terms and Conditions.

6.1. Withholding Taxes. As a condition precedent to the issuance of Common Stock following the exercise of the Option, Optionee shall, upon request by the Company, pay to

the Company in addition to the purchase price of the shares, such amount of cash as the Company may be required, under all applicable federal, state, local or other laws or regulations, to withhold and pay over as income or other withholding taxes (the “Required Tax Payments”) with respect to such exercise of the Option. If Optionee shall fail to advance the Required Tax Payments after request by the Company, the Company may, in its discretion, deduct any Required Tax Payments from any amount then or thereafter payable by the Company to Optionee or withhold shares of Common Stock. Optionee may elect to satisfy his or her obligation to advance the Required Tax Payments by any of the following means: (i) a cash payment to the Company; (ii) authorizing the Company to withhold whole shares of Common Stock which would otherwise be delivered to Optionee upon exercise of the Option having an aggregate Fair Market Value, determined as of the date the obligation to withhold or pay taxes first arises in connection with the Option, equal to the Required Tax Payments; (iii) except as may be prohibited by applicable law, a cash payment by a broker-dealer acceptable to the Company to whom Optionee has submitted an irrevocable notice of exercise or (iv) any combination of (i) and (ii). Shares to be delivered or withheld may be withheld up to the maximum statutory tax rates in the applicable jurisdictions. Any fraction of a share of Common Stock which would be required to satisfy any such obligation shall be disregarded and the remaining amount due shall be paid in cash by Optionee. No shares of Common Stock shall be issued or delivered until the Required Tax Payments have been satisfied in full.

6.2. Adjustment. In the event of a Section 4.2 Event, the adjustments provided for in Section 4.2(b) of the Plan shall be made to the number of shares of Common Stock subject to the Option and the related Exercise Price, subject to Section 409A of the Code.

6.3. Compliance with Applicable Law. The Option is subject to the condition that if the listing, registration or qualification of the shares of Common Stock subject to the Option upon any securities exchange or under any law, or the consent or approval of any governmental body, or the taking of any other action is necessary or desirable as a condition of, or in connection with, the purchase or issuance of shares hereunder, the Option may not be exercised, in whole or in part, and such shares may not be issued, unless such listing, registration, qualification, consent, approval or other action shall have been effected or obtained, free of any conditions not acceptable to the Company. The Company agrees to use reasonable efforts to effect or obtain any such listing, registration, qualification, consent, approval or other action.

6.4. Issuance or Delivery of Shares. Upon the exercise of the Option, in whole or in part, the Company shall issue or deliver, subject to the conditions of this Agreement, the number of shares of Common Stock purchased against full payment therefor. Such issuance shall be evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company. The Company shall pay all original issue or transfer taxes and all fees and expenses incident to such issuance, except as otherwise provided in Section 6.1.

6.5. Option Confers No Rights as Stockholder. Optionee shall not be entitled to any privileges of ownership with respect to shares of Common Stock subject to the Option unless and until such shares are purchased and issued upon the exercise of the Option, in whole or in part, and Optionee becomes a stockholder of record with respect to such issued shares.

Optionee shall not be considered a stockholder of the Company with respect to any such shares not so purchased and issued.

6.6.Option Confers No Rights to Continued Employment. In no event shall the granting of the Option or its acceptance by Optionee, or any provision of the Agreement or the Plan, give or be deemed to give Optionee any right to continued employment by the Company, any Subsidiary or any affiliate of the Company or affect in any manner the right of the Company, any Subsidiary or any affiliate of the Company to terminate the employment of any person at any time.

6.7.Decisions of Committee. The Committee shall have the right to resolve all questions which may arise in connection with the Option or its exercise. Any interpretation, determination or other action made or taken by the Committee regarding the Plan or this Agreement shall be final, binding and conclusive.

6.8.Successors. This Agreement shall be binding upon and inure to the benefit of any successor or successors of the Company and any person or persons who shall, upon the death of Optionee, acquire any rights hereunder in accordance with this Agreement or the Plan.

6.9.Notices. All notices, requests or other communications provided for in this Agreement shall be made, if to the Company, to Burlington Stores, Inc., 2006 Route 130 North, Burlington, NJ 08016, Attention: General Counsel, and if to Optionee, to the last known mailing address of Optionee contained in the records of the Company. All notices, requests or other communications provided for in this Agreement shall be made in writing either (a) by personal delivery, (b) by facsimile or electronic mail with confirmation of receipt, (c) by mailing in the United States mails or (d) by express courier service. The notice, request or other communication shall be deemed to be received upon personal delivery, upon confirmation of receipt of facsimile or electronic mail transmission or upon receipt by the party entitled thereto if by United States mail or express courier service; provided, however, that if a notice, request or other communication sent to the Company is not received during regular business hours, it shall be deemed to be received on the next succeeding business day of the Company.

6.10.Governing Law. This Agreement, the Option and all determinations made and actions taken pursuant hereto and thereto, to the extent not governed by the Code or the laws of the United States, shall be governed by the laws of the State of Delaware and construed in accordance therewith without giving effect to principles of conflicts of laws.

6.11.Agreement Subject to the Plan. This Agreement is subject to the provisions of the Plan and shall be interpreted in accordance therewith. In the event that the provisions of this Agreement and the Plan conflict, the Plan shall control. Optionee hereby acknowledges receipt of a copy of the Plan.

6.12.Entire Agreement. Except as provided for in Section 3.6, this Agreement and the Plan constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Optionee with respect to the subject matter hereof, and may not be modified adversely to

Optionee's interest except by means of a writing signed by the Company and Optionee. Notwithstanding the foregoing, Optionee acknowledges that Optionee is subject to Company policies relating to trading in the Company's securities.

6.13. Amendment and Waiver. The Company may amend the provisions of this Agreement at any time; provided that an amendment that would adversely affect Optionee's rights under this Agreement shall be subject to the written consent of Optionee. No course of conduct or failure or delay in enforcing the provisions of this Agreement shall affect the validity, binding effect or enforceability of this Agreement.

6.14. Counterparts. The Award Notice may be executed in two counterparts, each of which shall be deemed an original and both of which together shall constitute one and the same instrument.

**BURLINGTON STORES, INC.
2013 OMNIBUS INCENTIVE PLAN
Performance-Based Restricted Stock Unit Award Notice**

[Name of Holder]

You have been awarded a performance-based restricted stock unit award with respect to shares of common stock of Burlington Stores, Inc., a Delaware corporation (the "Company"), pursuant to the terms and conditions of the Burlington Stores, Inc. 2013 Omnibus Incentive Plan (the "Plan") and the Performance-Based Restricted Stock Unit Award Agreement (together with this Award Notice, the "Agreement"). The Performance-Based Restricted Stock Unit Award Agreement is attached hereto. Capitalized terms not defined herein shall have the meanings specified in the Plan or the Agreement.

Target Performance-Based Restricted Stock Units:

You have been awarded a performance-based restricted stock unit award with respect to [] shares (at target) of Common Stock, par value \$0.0001 per share ("Common Stock"), subject to adjustment as provided in the Plan.

Grant Date:

[,]

Vesting Schedule:

Except as otherwise provided in the Plan, the Agreement or any other agreement between the Company or any of its Subsidiaries and Holder, the Award shall vest based on the achievement of the performance goals set forth in this Award Notice over the [] (the "Performance Period"), provided Holder remains continuously employed by the Company or its Subsidiaries through the end of the Performance Period. Attainment of the performance goals shall be determined and certified by the Committee in writing prior to the settlement of the Award.

Performance Conditions:

[]

BURLINGTON STORES, INC.

By: _____
Name:
Title:

Acknowledgment, Acceptance and Agreement:

I hereby accept the performance-based restricted stock units granted to me and acknowledge and agree to be bound by the terms and conditions of this Award Notice, the Agreement and the Plan.

Holder Name

Date _____

Signature

BURLINGTON STORES, INC.
2013 OMNIBUS INCENTIVE PLAN

PERFORMANCE-BASED RESTRICTED STOCK UNIT AWARD AGREEMENT

Burlington Stores, Inc., a Delaware corporation (the “Company”), hereby grants to the individual (the “Holder”) named in the award notice attached hereto (the “Award Notice”) as of the date set forth in the Award Notice (the “Grant Date”), pursuant to the provisions of the Burlington Stores, Inc. 2013 Omnibus Incentive Plan (the “Plan”), a performance-based restricted stock unit award (the “Award”) with respect to the number of shares of the Company’s Common Stock, par value \$0.0001 per share (“Common Stock”), set forth in the Award Notice, upon and subject to the restrictions, terms and conditions set forth in the Award Notice, the Plan and this agreement (the “Agreement”). Capitalized terms not defined herein shall have the meanings specified in the Plan.

1. Award Subject to Acceptance of Agreement. The Award shall be null and void unless Holder electronically accepts this Agreement within Holder’s stock plan account with the Company’s stock plan administrator according to the procedures then in effect (or, if permitted by the Company, accepts this Agreement by executing the Award Notice in the space provided therefor and returning an original execution copy of the Award Notice to the Company).

2. Rights as a Stockholder. Holder shall not be entitled to any privileges of ownership with respect to the shares of Common Stock subject to the Award unless and until, and only to the extent, such shares become vested pursuant to Section 3 hereof and Holder becomes a stockholder of record with respect to such shares.

3. Restriction Period and Vesting.

3.1. Performance-Based Vesting Conditions. Subject to the remainder of this Section 3, the Common Stock shall vest pursuant to the terms of this Agreement and the Plan based on the achievement of the performance goals set forth in the Award Notice over the performance period set forth in the Award Notice (the “Performance Period”), provided that that Holder remains in continuous employment with the Company or its Subsidiaries through the end of the Performance Period. Attainment of the performance goals shall be determined and certified by the Committee in writing prior to the settlement of the Award.

3.2. Termination of Employment.

(a) Termination due to Death or Disability. If Holder’s employment with the Company and its Subsidiaries terminates prior to the end of the Performance Period by reason of Holder’s death or termination by the Company or its Subsidiaries due to Disability, then in either such case, Holder shall vest in a prorated Award. Such prorated Award shall be equal to the number of shares of Common Stock assuming that the performance goals set forth in the Award Notice were satisfied at target multiplied by a fraction, the numerator of which shall equal the number of days in the Performance Period during which Holder was employed by the Company and its Subsidiaries and the denominator of which shall equal the total number of days in the Performance Period. Subject to Section 7.13, the vested portion of the Award shall be settled (i) within 60 days following the Holder’s death and (ii) within 60 days after the expiration of the Performance Period in the case of a termination due to Disability. The portion of the Award that does not vest pursuant to this Section 3.2(a) shall be forfeited by Holder and cancelled by the Company. For purposes of this Agreement, “Disability” shall have the meaning set forth in the Employment Agreement, dated as of December 2, 2008, by and between Burlington Coat Factory

Warehouse Corporation, Burlington Coat Factory Holdings, Inc. and Holder, as amended (the “Employment Agreement”).

(b)Termination without Cause or due to Good Reason. Except as provided for in Section 3(d), if Holder’s employment with the Company and its Subsidiaries is terminated prior to the end of the Performance Period (i) by the Company or its Subsidiaries without Cause or (ii) by Holder due to Good Reason, then in either such case the Award shall vest on a prorated basis. Such prorated Award shall be equal to the number of shares of Common Stock earned at the end of the Performance Period based on actual performance during the Performance Period multiplied by a fraction, the numerator of which shall equal the number of days in the Performance Period during which Holder was employed by the Company and its Subsidiaries and the denominator of which shall equal the total number of days in the Performance Period. The portion of the Award that does not vest pursuant to this Section 3.2(b) shall be forfeited by Holder and cancelled by the Company. For purposes of this Agreement, “Cause” and “Good Reason” shall have the meanings set forth in the Employment Agreement.

(c)Termination due to Retirement. If Holder’s employment with the Company and its Subsidiaries is terminated by Holder due to Retirement and provided Holder satisfies the requirements under Section 4(b)(iii) of the Employment Agreement regarding the provision of consulting services during the portion of the Consulting Period that occurs during the Performance Period, then in such case the Award shall vest based on the number of shares of Common Stock earned at the end of the Performance Period based on actual performance during the Performance Period. For purposes of this Agreement, “Consulting Period” and “Retirement” shall have the meanings set forth in the Employment Agreement.

(d)Change in Control Qualifying Termination. If Holder’s employment with the Company and its Subsidiaries terminates due to a Change in Control Qualifying Termination prior to the end of the Performance Period, then the Award shall vest as of the date of termination of employment, assuming that the performance goals set forth in the Award Notice were satisfied at target. Subject to Section 7.13, the vested portion of the Award shall be settled within 60 days following the Holder’s Change in Control Qualifying Termination; provided, however, if the Change in Control is not a “change in control event” within the meaning of Section 409A of the Code, then the portion of the Award that becomes vested upon such Change in Control Qualifying Termination shall be settled within 60 days after the expiration of the Performance Period to the extent required to comply with Section 409A of the Code. The portion of the Award that does not vest pursuant to this Section 3.2(d) shall be forfeited by the Holder. Except as otherwise provided in any other agreement between the Company or any of its Subsidiaries and Holder, a Change in Control Qualifying Termination means a termination of Holder’s employment by the Company or a Subsidiary without Cause or resignation by Holder for Good Reason within the two year period immediately following a Change in Control.

(e)Termination for any other Reason. If (i) Holder’s employment with the Company and its Subsidiaries terminates prior to the end of the Performance Period for any reason other than as specified in Sections 3.2(a) – (d) or (ii) Holder breaches any non-competition obligation Holder has to the Company or any of its Subsidiaries under any agreement, then the unvested portion of the Award shall be immediately forfeited by Holder and cancelled by the Company.

4.Issuance or Delivery of Shares. Except as otherwise provided for herein, within 60 days after the expiration of the Performance Period (or, if earlier, in accordance with Sections 3.2(a) and 3.2(d)), the Company shall issue or deliver, subject to the conditions of this Agreement, the vested shares of Common Stock to Holder. Such issuance or delivery shall be evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company. The Company shall pay all original issue or transfer taxes and all fees and expenses incident to such issuance or

delivery, except as otherwise provided in Section 7. Prior to the issuance to Holder of the shares of Common Stock subject to the Award, Holder shall have no direct or secured claim in any specific assets of the Company or in such shares of Common Stock, and will have the status of a general unsecured creditor of the Company.

5. Protected Rights. Pursuant to 18 U.S.C. § 1833(b), “an individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that-(A) is made-(i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.” Accordingly, Holder has the right to disclose in confidence trade secrets to Federal, State, and local government officials, or to an attorney, for the sole purpose of reporting or investigating a suspected violation of law. Holder also has the right to disclose trade secrets in a document filed in a lawsuit or other proceeding, but only if the filing is made under seal and protected from public disclosure. Nothing in this Agreement is intended to conflict with 18 U.S.C. § 1833(b) or create liability for disclosures of trade secrets that are expressly allowed by 18 U.S.C. § 1833(b). Holder understands that nothing contained in this Agreement limits Holder’s ability to file a charge or complaint with the Equal Employment Opportunity Commission, the National Labor Relations Board, the Occupational Safety and Health Administration, the Securities and Exchange Commission or any other federal, state or local governmental agency or commission (“Government Agencies”). Holder further understands that this Agreement does not limit Holder’s ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to the Company. This Agreement does not limit Holder’s right to receive an award for information provided to any Government Agencies.

6. Transfer Restrictions and Investment Representation.

6.1. Nontransferability of Award. The Award may not be transferred by Holder other than by will or the laws of descent and distribution or pursuant to the designation of one or more beneficiaries on the form prescribed by the Company. Except to the extent permitted by the foregoing sentence, the Award may not be sold, transferred, assigned, pledged, hypothecated, encumbered or otherwise disposed of (whether by operation of law or otherwise) or be subject to execution, attachment or similar process. Upon any attempt to so sell, transfer, assign, pledge, hypothecate, encumber or otherwise dispose of the Award, the Award and all rights hereunder shall immediately become null and void.

6.2. Investment Representation. Holder hereby represents and covenants that (a) any sale of any share of Common Stock acquired upon the vesting of the Award shall be made either pursuant to an effective registration statement under the Securities Act of 1933, as amended (the “Securities Act”), and any applicable state securities laws, or pursuant to an exemption from registration under the Securities Act and such state securities laws and (b) if requested by the Company, Holder shall submit a written statement, in a form satisfactory to the Company, to the effect that such representation is true and correct as of the date of any sale of any such shares. As a further condition precedent to the vesting of the Award and subject to Section 409A of the Code, Holder shall comply with all regulations and requirements of any regulatory authority having control of or supervision over the issuance or delivery of the shares and, in connection therewith, shall execute any documents which the Board or the Committee shall in its sole discretion deem necessary or advisable.

7. Additional Terms and Conditions of Award.

7.1. Withholding Taxes. As a condition precedent to the delivery to Holder of any shares of Common Stock upon vesting of the Award, Holder shall, upon request by the Company, pay to the Company such amount of cash as the Company may be required, under all applicable federal, state, local or other laws or regulations, to withhold and pay over as income or other withholding taxes (the “Required Tax Payments”) with respect to the Award. If Holder shall fail to advance the Required Tax Payments after request by the Company, the Company may, in its discretion, deduct any Required Tax Payments from any amount then or thereafter payable by the Company to Holder or withhold shares of Common Stock. Holder may elect to satisfy his or her obligation to advance the Required Tax Payments by any of the following means: (i) a cash payment to the Company; (ii) authorizing the Company to withhold from the shares of Common Stock otherwise to be delivered to Holder pursuant to the Award, a number of whole shares of Common Stock having an aggregate Fair Market Value, determined as of the date the obligation to withhold or pay taxes first arises in connection with the Award, equal to the Required Tax Payments; or (iii) any combination of (i) and (ii). Shares to be delivered or withheld may be withheld up to the maximum statutory tax rates in the applicable jurisdictions. Any fraction of a share of Common Stock which would be required to satisfy any such obligation shall be disregarded and the remaining amount due shall be paid in cash by Holder. No shares of Common Stock shall be issued or delivered until the Required Tax Payments have been satisfied in full.

7.2. Adjustment. In the event of a Section 4.2 Event, the adjustments provided for in Section 4.2(b) of the Plan shall be made to the number of shares of Common Stock subject to the Award hereunder.

7.3. Compliance with Applicable Law. The Award is subject to the condition that if the listing, registration or qualification of the shares of Common Stock subject to the Award upon any securities exchange or under any law, or the consent or approval of any governmental body, or the taking of any other action is necessary or desirable as a condition of, or in connection with, the delivery of shares hereunder, the shares of Common Stock subject to the Award shall not be delivered, in whole or in part, unless such listing, registration, qualification, consent, approval or other action shall have been effected or obtained, free of any conditions not acceptable to the Company. The Company agrees to use reasonable efforts to effect or obtain any such listing, registration, qualification, consent, approval or other action.

7.4. Award Confers No Rights to Continued Employment. In no event shall the granting of the Award or its acceptance by Holder, or any provision of the Agreement or the Plan, give or be deemed to give Holder any right to continued employment by the Company, any Subsidiary or any affiliate of the Company or affect in any manner the right of the Company, any Subsidiary or any affiliate of the Company to terminate the employment of any person at any time.

7.5. Decisions of Committee. The Committee shall have the right to resolve all questions which may arise in connection with the Award. Any interpretation, determination or other action made or taken by the Committee regarding the Plan or this Agreement shall be final, binding and conclusive.

7.6. Successors. This Agreement shall be binding upon and inure to the benefit of any successor or successors of the Company and any person or persons who shall, upon the death of Holder, acquire any rights hereunder in accordance with this Agreement or the Plan.

7.7. Notices. All notices, requests or other communications provided for in this Agreement shall be made, if to the Company, to Burlington Stores, Inc., 2006 Route 130 North, Burlington, NJ 08016, Attention: General Counsel, and if to Holder, to the last known mailing address of Holder contained in the records of the Company. All notices, requests or other communications provided for in this Agreement shall be made in writing either (a) by personal delivery, (b) by facsimile or

electronic mail with confirmation of receipt, (c) by mailing in the United States mails or (d) by express courier service. The notice, request or other communication shall be deemed to be received upon personal delivery, upon confirmation of receipt of facsimile or electronic mail transmission or upon receipt by the party entitled thereto if by United States mail or express courier service; provided, however, that if a notice, request or other communication sent to the Company is not received during regular business hours, it shall be deemed to be received on the next succeeding business day of the Company.

7.8. Governing Law. This Agreement, the Award and all determinations made and actions taken pursuant hereto and thereto, to the extent not governed by the Code or the laws of the United States, shall be governed by the laws of the State of Delaware and construed in accordance therewith without giving effect to principles of conflicts of laws.

7.9. Agreement Subject to the Plan. This Agreement is subject to the provisions of the Plan and shall be interpreted in accordance therewith. In the event that the provisions of this Agreement and the Plan conflict, the Plan shall control. Holder hereby acknowledges receipt of a copy of the Plan.

7.10. Entire Agreement. This Agreement, the Employment Agreement and the Plan constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Holder with respect to the subject matter hereof, and may not be modified adversely to Holder's interest except by means of a writing signed by the Company and Holder. Notwithstanding anything herein to the contrary, to the extent the vesting provisions set forth in the Employment Agreement would result in a greater portion of the Award vesting upon a termination of employment, then the vesting terms set forth in the Employment Agreement shall govern. Notwithstanding the foregoing, Holder acknowledges that Holder is subject to Company policies relating to trading in the Company's securities.

7.11. Amendment and Waiver. The Company may amend the provisions of this Agreement at any time; provided that an amendment that would adversely affect Holder's rights under this Agreement shall be subject to the written consent of Holder. No course of conduct or failure or delay in enforcing the provisions of this Agreement shall affect the validity, binding effect or enforceability of this Agreement.

7.12. Counterparts. The Award Notice may be executed in two counterparts, each of which shall be deemed an original and both of which together shall constitute one and the same instrument.

7.13. Compliance With Section 409A of the Code. This Award is intended to be exempt from or comply with Section 409A of the Code, and shall be interpreted and construed accordingly. To the extent this Agreement provides for the Award to become vested and be settled upon the Holder's termination of employment, the applicable shares of Common Stock shall be transferred to the Holder or his or her beneficiary upon the Holder's "separation from service," within the meaning of Section 409A of the Code; provided that if the Holder is a "specified employee," within the meaning of Section 409A of the Code, then to the extent the Award constitutes nonqualified deferred compensation, within the meaning of Section 409A of the Code, such shares of Common Stock shall be transferred to the Holder or his or her beneficiary upon the earlier to occur of (a) the six-month anniversary of such separation from service and (b) the date of the Holder's death.

BURLINGTON STORES, INC.
2013 OMNIBUS INCENTIVE PLAN

Restricted Stock Unit Award Notice

[Name of Holder]

You have been awarded a restricted stock unit award with respect to shares of common stock of Burlington Stores, Inc., a Delaware corporation (the "Company"), pursuant to the terms and conditions of the Burlington Stores, Inc. 2013 Omnibus Incentive Plan (the "Plan") and the Restricted Stock Unit Award Agreement (together with this Award Notice, the "Agreement"). The Restricted Stock Unit Award Agreement is attached hereto. Capitalized terms not defined herein shall have the meanings specified in the Plan or the Agreement.

Restricted Stock Units: You have been awarded a restricted stock unit award with respect to [] shares of Common Stock, par value \$0.0001 per share ("Common Stock"), subject to adjustment as provided in the Plan.

Grant Date: [,]

Vesting Schedule: Except as otherwise provided in the Plan, the Agreement or any other agreement between the Company or any of its Subsidiaries and Holder, the Award shall vest in []% annual increments on each of the [] anniversaries of the Grant Date (each, a "Vesting Date"), if, and only if, you are, and have been, continuously employed by the Company or any of its Subsidiaries from the date of this Agreement through and including the applicable Vesting Date.

BURLINGTON STORES, INC.

By: _____
Name:
Title:

Acknowledgment, Acceptance and Agreement:

I hereby accept the restricted stock units granted to me and acknowledge and agree to be bound by the terms and conditions of this Award Notice, the Agreement and the Plan.

Holder Name

Signature Date _____

BURLINGTON STORES, INC.
2013 OMNIBUS INCENTIVE PLAN

RESTRICTED STOCK UNIT AWARD AGREEMENT

Burlington Stores, Inc., a Delaware corporation (the “Company”), hereby grants to the individual (the “Holder”) named in the award notice attached hereto (the “Award Notice”) as of the date set forth in the Award Notice (the “Grant Date”), pursuant to the provisions of the Burlington Stores, Inc. 2013 Omnibus Incentive Plan (the “Plan”), a restricted stock unit award (the “Award”) with respect to the number of shares of the Company’s Common Stock, par value \$0.0001 per share (“Common Stock”) set forth in the Award Notice, upon and subject to the restrictions, terms and conditions set forth in the Award Notice, the Plan and this agreement (the “Agreement”). Capitalized terms not defined herein shall have the meanings specified in the Plan.

1. Award Subject to Acceptance of Agreement. The Award shall be null and void unless Holder electronically accepts this Agreement within Holder’s stock plan account with the Company’s stock plan administrator according to the procedures then in effect (or, if permitted by the Company, accepts this Agreement by executing the Award Notice in the space provided therefor and returning an original execution copy of the Award Notice to the Company).

2. Rights as a Stockholder. Holder shall not be entitled to any privileges of ownership with respect to the shares of Common Stock subject to the Award unless and until, and only to the extent, such shares become vested pursuant to Section 3 hereof and Holder becomes a stockholder of record with respect to such shares.

3. Restriction Period and Vesting.

3.1. Service-Based Vesting Conditions. Subject to the remainder of this Section 3, the Common Stock shall vest pursuant to the terms of this Agreement and the Plan in accordance with the Vesting Schedule set forth in the Award Notice. The period of time prior to full vesting shall be referred to herein as the “Restriction Period.”

3.2. Termination of Employment.

(a) Termination due to Death or Disability. If Holder’s employment with the Company and its Subsidiaries terminates prior to the end of the Restriction Period by reason of Holder’s death or termination by the Company or its Subsidiaries due to Disability, then in either such case, Holder shall become fully vested in the unvested portion of the Award as of the date of termination of employment and, in the case of a termination due to Disability and subject to Section 7.13, the Award shall continue to be settled in accordance with the Vesting Schedule set forth on the Award Notice until the one-year anniversary of such termination of employment and the remaining portion of the Award outstanding as of such one-year anniversary shall be settled in full on such date. For purposes of this Agreement, “Disability” shall have the meaning set forth in the Employment Agreement, dated as of December 2, 2008, by and between Burlington Coat Factory Warehouse Corporation, Burlington Coat Factory Holdings, Inc. and Holder, as amended (the “Employment Agreement”).

(b) Termination without Cause or due to Good Reason. Except as provided for in Section 3(d), if Holder’s employment with the Company and its Subsidiaries is terminated prior to the end of the Restriction Period (i) by the Company or its Subsidiaries without Cause or (ii) by Holder due to

Good Reason, then in either such case the unvested portion of the Award shall vest on a prorated basis, with such proration determined by (x) multiplying the number of shares of Common Stock subject to the Award on the Grant Date by a fraction, the numerator of which is the number of days that have occurred since the Grant Date through the date of the Holder's termination of employment in accordance with this Section 3.2(b) and the denominator of which is the total number of days between the Grant Date and the last Vesting Date set forth on the Award Notice reduced by (y) the number of shares subject to the Award that vested prior to the Holder's termination of employment. The portion of the Award that becomes vested pursuant to this Section 3.2(b) shall continue to be settled, subject to Section 7.13, in accordance with the Vesting Schedule set forth on the Award Notice until the one-year anniversary of such termination of employment and, to the extent any portion of the pro rata Award would not be settled during such one-year period, the remaining pro rata portion of the Award outstanding as of such one-year anniversary shall be settled in full on such date (for purposes of this sentence, the number of pro rata shares of Common Stock, if any, to be settled upon the one-year anniversary of the date of termination shall be determined by subtracting (i) the number of shares of Common Stock that were scheduled to vest in accordance with the normal Vesting Schedule and disregarding any pro rata reduction from (ii) the total pro rata Award that vests in accordance with this Section 3.2(b)). The portion of the Award that does not vest pursuant to this Section 3.2(b) shall be forfeited by Holder and cancelled by the Company. For purposes of this Agreement, "Cause" and "Good Reason" shall have the meanings set forth in the Employment Agreement.

(c)Termination due to Retirement. If Holder's employment with the Company and its Subsidiaries is terminated by Holder due to Retirement and provided Holder satisfies the requirements under Section 4(b)(iii) of the Employment Agreement regarding the provision of consulting services during the Consulting Period, then in such case the unvested portion of the Award shall, subject to Section 7.13, continue to vest during the Consulting Period, with the remaining unvested portion of the Award vesting in full upon the one-year anniversary of Holder's Retirement. For purposes of this Agreement, "Consulting Period" and "Retirement" shall have the meanings set forth in the Employment Agreement.

(d)Change in Control Qualifying Termination. If Holder's employment with the Company and its Subsidiaries terminates due to a Change in Control Qualifying Termination prior to the end of the Restriction Period, then the Award shall become fully vested as of the date of termination of employment; provided, however, if the Change in Control is not a "change in control event" within the meaning of Section 409A of the Code, then the portion of the Award that becomes vested upon such Change in Control Qualifying Termination shall continue to be settled, subject to Section 7.13, in accordance with the Vesting Schedule set forth on the Award Notice until the one-year anniversary of such termination of employment and the remaining portion of the Award outstanding as of such one-year anniversary shall be settled in full on such date. Except as otherwise provided in any other agreement between the Company or any of its Subsidiaries and Holder, a Change in Control Qualifying Termination means a termination of Holder's employment by the Company or a Subsidiary without Cause or resignation by Holder for Good Reason within the two year period immediately following a Change in Control.

(e)Termination for any other Reason. If (i) Holder's employment with the Company and its Subsidiaries terminates prior to the end of the Restriction Period for any reason other than as specified in Sections 3.2(a) – (d) or (ii) Holder breaches any non-competition obligation Holder has to the Company or any of its Subsidiaries under any agreement, then the unvested portion of the Award shall be immediately forfeited by Holder and cancelled by the Company.

4.Issuance or Delivery of Shares. Except as otherwise provided for herein, within 60 days after each applicable Vesting Date (or, if earlier, Holder's termination of employment in

accordance with Sections 3.2(a) - (d)), the Company shall issue or deliver, subject to the conditions of this Agreement, the vested shares of Common Stock to Holder. Such issuance or delivery shall be evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company. The Company shall pay all original issue or transfer taxes and all fees and expenses incident to such issuance or delivery, except as otherwise provided in Section 7. Prior to the issuance to Holder of the shares of Common Stock subject to the Award, Holder shall have no direct or secured claim in any specific assets of the Company or in such shares of Common Stock, and will have the status of a general unsecured creditor of the Company.

5. Protected Rights. Pursuant to 18 U.S.C. § 1833(b), “an individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that-(A) is made-(i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.” Accordingly, Holder has the right to disclose in confidence trade secrets to Federal, State, and local government officials, or to an attorney, for the sole purpose of reporting or investigating a suspected violation of law. Holder also has the right to disclose trade secrets in a document filed in a lawsuit or other proceeding, but only if the filing is made under seal and protected from public disclosure. Nothing in this Agreement is intended to conflict with 18 U.S.C. § 1833(b) or create liability for disclosures of trade secrets that are expressly allowed by 18 U.S.C. § 1833(b). Holder understands that nothing contained in this Agreement limits Holder’s ability to file a charge or complaint with the Equal Employment Opportunity Commission, the National Labor Relations Board, the Occupational Safety and Health Administration, the Securities and Exchange Commission or any other federal, state or local governmental agency or commission (“Government Agencies”). Holder further understands that this Agreement does not limit Holder’s ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to the Company. This Agreement does not limit Holder’s right to receive an award for information provided to any Government Agencies.

6. Transfer Restrictions and Investment Representation.

6.1. Nontransferability of Award. The Award may not be transferred by Holder other than by will or the laws of descent and distribution or pursuant to the designation of one or more beneficiaries on the form prescribed by the Company. Except to the extent permitted by the foregoing sentence, the Award may not be sold, transferred, assigned, pledged, hypothecated, encumbered or otherwise disposed of (whether by operation of law or otherwise) or be subject to execution, attachment or similar process. Upon any attempt to so sell, transfer, assign, pledge, hypothecate, encumber or otherwise dispose of the Award, the Award and all rights hereunder shall immediately become null and void.

6.2. Investment Representation. Holder hereby represents and covenants that (a) any sale of any share of Common Stock acquired upon the vesting of the Award shall be made either pursuant to an effective registration statement under the Securities Act of 1933, as amended (the “Securities Act”), and any applicable state securities laws, or pursuant to an exemption from registration under the Securities Act and such state securities laws and (b) if requested by the Company, Holder shall submit a written statement, in a form satisfactory to the Company, to the effect that such representation is true and correct as of the date of any sale of any such shares. As a further condition precedent to the vesting of the Award and subject to Section 409A of the Code, Holder shall comply with all regulations and requirements of any regulatory authority having control of or supervision over the issuance or delivery of

the shares and, in connection therewith, shall execute any documents which the Board or the Committee shall in its sole discretion deem necessary or advisable.

7. Additional Terms and Conditions of Award.

7.1. Withholding Taxes. As a condition precedent to the delivery to Holder of any shares of Common Stock upon vesting of the Award, Holder shall, upon request by the Company, pay to the Company such amount of cash as the Company may be required, under all applicable federal, state, local or other laws or regulations, to withhold and pay over as income or other withholding taxes (the “Required Tax Payments”) with respect to the Award. If Holder shall fail to advance the Required Tax Payments after request by the Company, the Company may, in its discretion, deduct any Required Tax Payments from any amount then or thereafter payable by the Company to Holder or withhold shares of Common Stock. Holder may elect to satisfy his or her obligation to advance the Required Tax Payments by any of the following means: (i) a cash payment to the Company; (ii) authorizing the Company to withhold from the shares of Common Stock otherwise to be delivered to Holder pursuant to the Award, a number of whole shares of Common Stock having an aggregate Fair Market Value, determined as of the date the obligation to withhold or pay taxes first arises in connection with the Award, equal to the Required Tax Payments; or (iii) any combination of (i) and (ii). Shares to be delivered or withheld may be withheld up to the maximum statutory tax rates in the applicable jurisdictions. Any fraction of a share of Common Stock which would be required to satisfy any such obligation shall be disregarded and the remaining amount due shall be paid in cash by Holder. No shares of Common Stock shall be issued or delivered until the Required Tax Payments have been satisfied in full.

7.2. Adjustment. In the event of a Section 4.2 Event, the adjustments provided for in Section 4.2(b) of the Plan shall be made to the number of shares of Common Stock subject to the Award hereunder.

7.3. Compliance with Applicable Law. The Award is subject to the condition that if the listing, registration or qualification of the shares of Common Stock subject to the Award upon any securities exchange or under any law, or the consent or approval of any governmental body, or the taking of any other action is necessary or desirable as a condition of, or in connection with, the delivery of shares hereunder, the shares of Common Stock subject to the Award shall not be delivered, in whole or in part, unless such listing, registration, qualification, consent, approval or other action shall have been effected or obtained, free of any conditions not acceptable to the Company. The Company agrees to use reasonable efforts to effect or obtain any such listing, registration, qualification, consent, approval or other action.

7.4. Award Confers No Rights to Continued Employment. In no event shall the granting of the Award or its acceptance by Holder, or any provision of the Agreement or the Plan, give or be deemed to give Holder any right to continued employment by the Company, any Subsidiary or any affiliate of the Company or affect in any manner the right of the Company, any Subsidiary or any affiliate of the Company to terminate the employment of any person at any time.

7.5. Decisions of Committee. The Committee shall have the right to resolve all questions which may arise in connection with the Award. Any interpretation, determination or other action made or taken by the Committee regarding the Plan or this Agreement shall be final, binding and conclusive.

7.6. Successors. This Agreement shall be binding upon and inure to the benefit of any successor or successors of the Company and any person or persons who shall, upon the death of Holder, acquire any rights hereunder in accordance with this Agreement or the Plan.

7.7. Notices. All notices, requests or other communications provided for in this Agreement shall be made, if to the Company, to Burlington Stores, Inc., 2006 Route 130 North, Burlington, NJ 08016, Attention: General Counsel, and if to Holder, to the last known mailing address of Holder contained in the records of the Company. All notices, requests or other communications provided for in this Agreement shall be made in writing either (a) by personal delivery, (b) by facsimile or electronic mail with confirmation of receipt, (c) by mailing in the United States mails or (d) by express courier service. The notice, request or other communication shall be deemed to be received upon personal delivery, upon confirmation of receipt of facsimile or electronic mail transmission or upon receipt by the party entitled thereto if by United States mail or express courier service; provided, however, that if a notice, request or other communication sent to the Company is not received during regular business hours, it shall be deemed to be received on the next succeeding business day of the Company.

7.8. Governing Law. This Agreement, the Award and all determinations made and actions taken pursuant hereto and thereto, to the extent not governed by the Code or the laws of the United States, shall be governed by the laws of the State of Delaware and construed in accordance therewith without giving effect to principles of conflicts of laws.

7.9. Agreement Subject to the Plan. This Agreement is subject to the provisions of the Plan and shall be interpreted in accordance therewith. In the event that the provisions of this Agreement and the Plan conflict, the Plan shall control. Holder hereby acknowledges receipt of a copy of the Plan.

7.10. Entire Agreement. This Agreement, the Employment Agreement and the Plan constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Holder with respect to the subject matter hereof, and may not be modified adversely to Holder's interest except by means of a writing signed by the Company and Holder. Notwithstanding anything herein to the contrary, to the extent the vesting provisions set forth in the Employment Agreement would result in a greater portion of the Award vesting upon a termination of employment, then the vesting terms set forth in the Employment Agreement shall govern. Notwithstanding the foregoing, Holder acknowledges that Holder is subject to Company policies relating to trading in the Company's securities.

7.11. Amendment and Waiver. The Company may amend the provisions of this Agreement at any time; provided that an amendment that would adversely affect Holder's rights under this Agreement shall be subject to the written consent of Holder. No course of conduct or failure or delay in enforcing the provisions of this Agreement shall affect the validity, binding effect or enforceability of this Agreement.

7.12. Counterparts. The Award Notice may be executed in two counterparts, each of which shall be deemed an original and both of which together shall constitute one and the same instrument.

7.13. Compliance With Section 409A of the Code. This Award is intended to be exempt from or comply with Section 409A of the Code, and shall be interpreted and construed accordingly and each payment hereunder shall be considered a separate payment. To the extent this Agreement provides for the Award to become vested and be settled upon the Holder's termination of employment, the applicable shares of Common Stock shall be transferred to the Holder or his or her beneficiary upon the Holder's "separation from service," within the meaning of Section 409A of the Code; provided that if the Holder is a "specified employee," within the meaning of Section 409A of the Code, then to the extent the Award constitutes nonqualified deferred compensation, within the meaning of Section 409A of the Code, such shares of Common Stock shall be transferred to the Holder or his or her

beneficiary upon the earlier to occur of (a) the six-month anniversary of such separation from service and (b) the date of the Holder's death.

BURLINGTON STORES, INC.
2013 OMNIBUS INCENTIVE PLAN

STOCK OPTION AWARD NOTICE

[Name of Optionee]

You have been awarded a stock option to purchase shares of common stock of Burlington Stores, Inc., a Delaware corporation (the "Company"), pursuant to the terms and conditions of the Burlington Stores, Inc. 2013 Omnibus Incentive Plan (the "Plan") and the Stock Option Agreement (together with this Award Notice, the "Agreement"). The Stock Option Agreement is attached hereto. Capitalized terms not defined herein shall have the meanings specified in the Plan or the Agreement.

Option: You have been awarded a Non-Qualified Stock Option to purchase from the Company [insert number] shares of Common Stock, par value \$0.0001 per share (the "Common Stock"), subject to adjustment as provided in Section 5.2 of the Agreement.

Option Date: [_____, ____]

Exercise Price: \$[_____] per share, subject to adjustment as provided in Section 5.2 of the Agreement.

Vesting Schedule: Except as otherwise provided in the Plan, the Agreement or any other agreement between the Company or any of its Subsidiaries and Optionee, the Option shall vest in [__]% annual increments on each of the [_____] anniversaries of the Option Date (each, a "Vesting Date"), if, and only if, you are, and have been, continuously employed by the Company or any of its Subsidiaries from the date of this Agreement through and including the applicable Vesting Date.

Expiration Date: Except to the extent earlier terminated pursuant to Section 2.2 of the Agreement or earlier exercised pursuant to Section 2.3 of the Agreement, the Option shall terminate at 5:00 p.m., U.S. Eastern time, on the tenth anniversary of the Option Date.

BURLINGTON STORES, INC.

By: _____
Name:
Title:

Acknowledgment, Acceptance and Agreement:

I hereby accept the Option granted to me and acknowledge and agree to be bound by the terms and conditions of this Award Notice, the Agreement and the Plan.

Participant Name

Signature Date _____

BURLINGTON STORES, INC.
2013 OMNIBUS INCENTIVE PLAN

Stock Option Agreement

Burlington Stores, Inc., a Delaware corporation (the "Company"), hereby grants to the individual (the "Optionee") named in the stock option award notice attached hereto (the "Award Notice") as of the date set forth in the Award Notice (the "Option Date"), pursuant to the provisions of the Burlington Stores, Inc. 2013 Omnibus Incentive Plan (the "Plan"), an option to purchase from the Company the number of shares of the Company's Common Stock, par value \$0.0001 per share ("Common Stock"), set forth in the Award Notice at the price per share set forth in the Award Notice (the "Exercise Price") (the "Option"), upon and subject to the restrictions, terms and conditions set forth in the Award Notice, the Plan and this agreement (the "Agreement"). Capitalized terms not defined herein shall have the meanings specified in the Plan.

1. Option Subject to Acceptance of Agreement. The Option shall be null and void unless Optionee electronically accepts this Agreement within Optionee's stock plan account with the Company's stock plan administrator according to the procedures then in effect (or, if permitted by the Company, accepts this Agreement by executing the Award Notice in the space provided therefor and returning an original execution copy of the Award Notice to the Company).

2. Time and Manner of Exercise of Option.

2.1. Maximum Term of Option. In no event may the Option be exercised, in whole or in part, after the expiration date set forth in the Award Notice (the "Expiration Date").

2.2. Vesting and Exercise of Option. The Option shall become vested and exercisable in accordance with the Vesting Schedule set forth in the Award Notice. The Option shall be vested and exercisable following a termination of Optionee's employment according to the following terms and conditions:

(a) Termination of Employment due to Death or Disability. If Optionee's employment with the Company and its Subsidiaries terminates by reason of Optionee's death or Disability, then in either such case the unvested portion Option shall become fully vested as of the date of termination and the vested Option may thereafter be exercised by Optionee or Optionee's executor, administrator, or the person or persons to whom the Option is transferred by will or the applicable laws of descent and distribution (the "Legal Representative") until and including the earlier to occur of (i) the date which is 180 days after the date of termination of employment and (ii) the Expiration Date. For purposes of this Agreement, "Disability" shall have the meaning set forth in the Employment Agreement, dated as of December 2, 2008, by and between Burlington Coat Factory Warehouse Corporation, Burlington Coat Factory Holdings, Inc. and Optionee, as amended (the "Employment Agreement").

(b) Termination without Cause or due to Good Reason. Except as provided for in Section 2.2(d), if Optionee's employment with the Company and its Subsidiaries is terminated (i) by the Company or its Subsidiaries without Cause or (ii) by Optionee due to Good

Reason, then in either such case the unvested portion of the Option shall vest on a prorated basis, with such proration determined by (x) multiplying the number of shares of Common Stock subject to the Option on the Option Date by a fraction, the numerator of which is the number of days that have occurred since the Option Date through the date of the Optionee's termination of employment in accordance with this Section 2.2(b) and the denominator of which is the total number of days between the Option Date and the last Vesting Date set forth on the Award Notice reduced by (y) the number of shares subject to the Option that vested prior to the Optionee's termination of employment, and the vested Option may thereafter be exercised by Optionee or Optionee's Legal Representative until and including the earlier to occur of (A) the date which is 180 days after the date of termination of employment and (B) the Expiration Date. The portion of the Option that does not become vested in accordance with this Section 2.2(b) shall terminate immediately upon such termination of employment. For purposes of this Agreement, "Cause" and "Good Reason" shall have the meanings set forth in the Employment Agreement.

(c)Termination due to Retirement. If Optionee's employment with the Company and its Subsidiaries is terminated by Optionee due to Retirement and provided Optionee satisfies the requirements under Section 4(b)(iii) of the Employment Agreement regarding the provision of consulting services during the Consulting Period, then in such case the unvested portion of the Option shall continue to vest during the Consulting Period, with the remaining unvested portion of the Option vesting in full upon the one-year anniversary of Optionee's Retirement, and the vested Option may thereafter be exercised by Optionee or Optionee's Legal Representative until and including the earlier to occur of (i) the date which is two years after the Optionee's termination of employment due to Retirement and (ii) the Expiration Date. For purposes of this Agreement, "Consulting Period" and "Retirement" shall have the meanings set forth in the Employment Agreement.

(d)Change in Control Qualifying Termination. If Optionee's employment with the Company and its Subsidiaries terminates due to a Change in Control Qualifying Termination, then the unvested portion of the Option shall become fully vested as of the date of termination of employment, and the vested Option may thereafter be exercised by Optionee or Optionee's Legal Representative until and including the earlier to occur of (i) the date which is 180 days after the date of termination of employment and (ii) the Expiration Date. Except as otherwise provided in any other agreement between the Company or any of its Subsidiaries and Optionee, a Change in Control Qualifying Termination means a termination of Optionee's employment by the Company or a Subsidiary without Cause or resignation by Optionee for Good Reason within the two year period immediately following a Change in Control.

(e)Termination for Cause. If (i) Optionee's employment with the Company and its Subsidiaries terminates by reason of the termination of Optionee's employment by the Company or its Subsidiaries for Cause or (ii) Optionee breaches any non-competition obligation Optionee has to the Company or any of its Subsidiaries under any agreement, then the Option, whether or not vested, shall terminate immediately upon such termination of employment.

(f)Termination for any other Reason. If Optionee's employment with the Company and its Subsidiaries is terminated by the Company or Optionee for any reason other than as specified in Sections 2.2(a)-(e), then the Option, to the extent vested on the effective date of such termination of employment, may thereafter be exercised by Optionee or Optionee's

Legal Representative until and including the earlier to occur of (i) the date which is 180 days after the date of such termination of employment and (ii) the Expiration Date.

2.3. Method of Exercise. Subject to the limitations set forth in this Agreement, the Option, to the extent vested, may be exercised by Optionee (a) by delivering to the Company an exercise notice in the form prescribed by the Company specifying the number of whole shares of Common Stock to be purchased and by accompanying such notice with payment therefor in full (or by arranging for such payment to the Company's satisfaction) either (i) in cash, (ii) by authorizing the Company to withhold whole shares of Common Stock which would otherwise be delivered having an aggregate Fair Market Value, determined as of the date of exercise, equal to the amount necessary to satisfy such obligation, (iii) except as may be prohibited by applicable law, in cash by a broker-dealer acceptable to the Company to whom Optionee has submitted an irrevocable notice of exercise or (iv) by a combination of (i) and (ii), and (b) by executing such documents as the Company may reasonably request. Any fraction of a share of Common Stock which would be required to pay such purchase price shall be disregarded and the remaining amount due shall be paid in cash by Optionee. No share of Common Stock shall be issued or delivered until the full purchase price therefor and any withholding taxes thereon, as described in Section 5.1, have been paid.

2.4. Termination of Option. In no event may the Option be exercised after it terminates as set forth in this Section 2.4. The Option shall terminate, to the extent not earlier terminated pursuant to Section 2.2 or exercised pursuant to Section 2.3, on the Expiration Date. Upon the termination of the Option, the Option and all rights hereunder shall immediately become null and void.

3. Protected Rights. Pursuant to 18 U.S.C. § 1833(b), "an individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that-(A) is made-(i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal." Accordingly, Optionee has the right to disclose in confidence trade secrets to Federal, State, and local government officials, or to an attorney, for the sole purpose of reporting or investigating a suspected violation of law. Optionee also has the right to disclose trade secrets in a document filed in a lawsuit or other proceeding, but only if the filing is made under seal and protected from public disclosure. Nothing in this Agreement is intended to conflict with 18 U.S.C. § 1833(b) or create liability for disclosures of trade secrets that are expressly allowed by 18 U.S.C. § 1833(b). Optionee understands that nothing contained in this Agreement limits Optionee's ability to file a charge or complaint with the Equal Employment Opportunity Commission, the National Labor Relations Board, the Occupational Safety and Health Administration, the Securities and Exchange Commission or any other federal, state or local governmental agency or commission ("Government Agencies"). Optionee further understands that this Agreement does not limit Optionee's ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to the Company. This Agreement does not limit Optionee's right to receive an award for information provided to any Government Agencies.

4. Transfer Restrictions and Investment Representations.

4.1. Nontransferability of Option. The Option may not be transferred by Optionee other than by will or the laws of descent and distribution or pursuant to the designation of one or more beneficiaries on the form prescribed by the Company. Except to the extent permitted by the foregoing sentence, (a) during Optionee's lifetime the Option is exercisable only by Optionee or Optionee's Legal Representative and (b) the Option may not be sold, transferred, assigned, pledged, hypothecated, encumbered or otherwise disposed of (whether by operation of law or otherwise) or be subject to execution, attachment or similar process. Upon any attempt to so sell, transfer, assign, pledge, hypothecate, encumber or otherwise dispose of the Option, the Option and all rights hereunder shall immediately become null and void.

4.2. Investment Representation. Optionee hereby represents and covenants that (a) any shares of Common Stock purchased upon exercise of the Option will be purchased for investment and not with a view to the distribution thereof within the meaning of the Securities Act of 1933, as amended (the "Securities Act"), unless such purchase has been registered under the Securities Act and any applicable state securities laws; (b) any subsequent sale of any such shares shall be made either pursuant to an effective registration statement under the Securities Act and any applicable state securities laws, or pursuant to an exemption from registration under the Securities Act and such state securities laws; and (c) if requested by the Company, Optionee shall submit a written statement, in a form satisfactory to the Company, to the effect that such representation (i) is true and correct as of the date of any purchase of any shares hereunder or (ii) is true and correct as of the date of any sale of any such shares, as applicable. As a further condition precedent to any exercise of the Option, Optionee shall comply with all regulations and requirements of any regulatory authority having control of or supervision over the issuance or delivery of the shares and, in connection therewith, shall execute any documents which the Board or the Committee shall in its sole discretion deem necessary or advisable.

5. Additional Terms and Conditions.

5.1. Withholding Taxes. As a condition precedent to the issuance of Common Stock following the exercise of the Option, Optionee shall, upon request by the Company, pay to the Company in addition to the purchase price of the shares, such amount of cash as the Company may be required, under all applicable federal, state, local or other laws or regulations, to withhold and pay over as income or other withholding taxes (the "Required Tax Payments") with respect to such exercise of the Option. If Optionee shall fail to advance the Required Tax Payments after request by the Company, the Company may, in its discretion, deduct any Required Tax Payments from any amount then or thereafter payable by the Company to Optionee or withhold shares of Common Stock. Optionee may elect to satisfy his or her obligation to advance the Required Tax Payments by any of the following means: (i) a cash payment to the Company; (ii) authorizing the Company to withhold whole shares of Common Stock which would otherwise be delivered to Optionee upon exercise of the Option having an aggregate Fair Market Value, determined as of the date the obligation to withhold or pay taxes first arises in connection with the Option, equal to the Required Tax Payments; (iii) except as may be prohibited by applicable law, a cash payment by a broker-dealer acceptable to the Company to whom Optionee has submitted an irrevocable notice of exercise or (iv) any

combination of (i) and (ii). Shares to be delivered or withheld may be withheld up to the maximum statutory tax rates in the applicable jurisdictions. Any fraction of a share of Common Stock which would be required to satisfy any such obligation shall be disregarded and the remaining amount due shall be paid in cash by Optionee. No shares of Common Stock shall be issued or delivered until the Required Tax Payments have been satisfied in full.

5.2. Adjustment. In the event of a Section 4.2 Event, the adjustments provided for in Section 4.2(b) of the Plan shall be made to the number of shares of Common Stock subject to the Option and the related Exercise Price, subject to Section 409A of the Code.

5.3. Compliance with Applicable Law. The Option is subject to the condition that if the listing, registration or qualification of the shares of Common Stock subject to the Option upon any securities exchange or under any law, or the consent or approval of any governmental body, or the taking of any other action is necessary or desirable as a condition of, or in connection with, the purchase or issuance of shares hereunder, the Option may not be exercised, in whole or in part, and such shares may not be issued, unless such listing, registration, qualification, consent, approval or other action shall have been effected or obtained, free of any conditions not acceptable to the Company. The Company agrees to use reasonable efforts to effect or obtain any such listing, registration, qualification, consent, approval or other action.

5.4. Issuance or Delivery of Shares. Upon the exercise of the Option, in whole or in part, the Company shall issue or deliver, subject to the conditions of this Agreement, the number of shares of Common Stock purchased against full payment therefor. Such issuance shall be evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company. The Company shall pay all original issue or transfer taxes and all fees and expenses incident to such issuance, except as otherwise provided in Section 5.1.

5.5. Option Confers No Rights as Stockholder. Optionee shall not be entitled to any privileges of ownership with respect to shares of Common Stock subject to the Option unless and until such shares are purchased and issued upon the exercise of the Option, in whole or in part, and Optionee becomes a stockholder of record with respect to such issued shares. Optionee shall not be considered a stockholder of the Company with respect to any such shares not so purchased and issued.

5.6. Option Confers No Rights to Continued Employment. In no event shall the granting of the Option or its acceptance by Optionee, or any provision of the Agreement or the Plan, give or be deemed to give Optionee any right to continued employment by the Company, any Subsidiary or any affiliate of the Company or affect in any manner the right of the Company, any Subsidiary or any affiliate of the Company to terminate the employment of any person at any time.

5.7. Decisions of Committee. The Committee shall have the right to resolve all questions which may arise in connection with the Option or its exercise. Any interpretation, determination or other action made or taken by the Committee regarding the Plan or this Agreement shall be final, binding and conclusive.

5.8. Successors. This Agreement shall be binding upon and inure to the benefit of any successor or successors of the Company and any person or persons who shall, upon the death of Optionee, acquire any rights hereunder in accordance with this Agreement or the Plan.

5.9. Notices. All notices, requests or other communications provided for in this Agreement shall be made, if to the Company, to Burlington Stores, Inc., 2006 Route 130 North, Burlington, NJ 08016, Attention: General Counsel, and if to Optionee, to the last known mailing address of Optionee contained in the records of the Company. All notices, requests or other communications provided for in this Agreement shall be made in writing either (a) by personal delivery, (b) by facsimile or electronic mail with confirmation of receipt, (c) by mailing in the United States mails or (d) by express courier service. The notice, request or other communication shall be deemed to be received upon personal delivery, upon confirmation of receipt of facsimile or electronic mail transmission or upon receipt by the party entitled thereto if by United States mail or express courier service; provided, however, that if a notice, request or other communication sent to the Company is not received during regular business hours, it shall be deemed to be received on the next succeeding business day of the Company.

5.10. Governing Law. This Agreement, the Option and all determinations made and actions taken pursuant hereto and thereto, to the extent not governed by the Code or the laws of the United States, shall be governed by the laws of the State of Delaware and construed in accordance therewith without giving effect to principles of conflicts of laws.

5.11. Agreement Subject to the Plan. This Agreement is subject to the provisions of the Plan and shall be interpreted in accordance therewith. In the event that the provisions of this Agreement and the Plan conflict, the Plan shall control. Optionee hereby acknowledges receipt of a copy of the Plan.

5.12. Entire Agreement. This Agreement, the Employment Agreement and the Plan constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Optionee with respect to the subject matter hereof, and may not be modified adversely to Optionee's interest except by means of a writing signed by the Company and Optionee. Notwithstanding anything herein to the contrary, to the extent the termination vesting provisions or post-termination exercise period set forth in the Employment Agreement would result in a greater portion of the Option vesting or a longer post-termination exercise period following a termination of employment, then the vesting terms and post-termination exercise period set forth in the Employment Agreement shall govern. Notwithstanding the foregoing, Optionee acknowledges that Optionee is subject to Company policies relating to trading in the Company's securities.

5.13. Amendment and Waiver. The Company may amend the provisions of this Agreement at any time; provided that an amendment that would adversely affect Optionee's rights under this Agreement shall be subject to the written consent of Optionee. No course of conduct or failure or delay in enforcing the provisions of this Agreement shall affect the validity, binding effect or enforceability of this Agreement.

5.14. Counterparts. The Award Notice may be executed in two counterparts, each of which shall be deemed an original and both of which together shall constitute one and the same instrument.

I, Thomas A. Kingsbury, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Burlington Stores, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 3, 2019

/s/ Thomas A. Kingsbury
Thomas A. Kingsbury
Chairman and Chief Executive Officer
(Principal Executive Officer)

I, Marc Katz, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Burlington Stores, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 3, 2019

/s/ Marc Katz

Marc Katz
Chief Financial Officer/Principal
(Principal Financial Officer)

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906 OF
THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Burlington Stores, Inc. (the "Company") on Form 10-Q for the fiscal quarter ended May 4, 2019, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Thomas A. Kingsbury, Chairman and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial position and results of operations of the Company.

Date: June 3, 2019

/s/ Thomas A. Kingsbury
Thomas A. Kingsbury
Chairman and Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906 OF
THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Burlington Stores, Inc. (the "Company") on Form 10-Q for the fiscal quarter ended May 4, 2019, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Marc Katz, Chief Financial Officer/Principal of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial position and results of operations of the Company.

Date: June 3, 2019

/s/ Marc Katz

Marc Katz

Chief Financial Officer/Principal

(Principal Financial Officer)