

BOOKS-A-MILLION, INC.

GUIDELINES ON SIGNIFICANT GOVERNANCE ISSUES (Adopted by the Board of Directors August 20, 2009)

GENERAL

The Board believes that its objectives will be best served by following the fundamental corporate governance principles described in this document and the charters of its various committees. These Guidelines are not intended to change or interpret any law or regulation, or the Certificate of Incorporation or Bylaws of the Company. Rather, these Guidelines are intended to provide a set of flexible guiding principles for the effective functioning of the Board. The Board may modify or amend these Guidelines and the authority and responsibilities of the Board herein at any time. These Guidelines reference the committee charters, and links to those charters are included at the end of this document.

STRUCTURE OF THE BOARD

Size

The Board believes that the Board should not be too large and understands that the size of the Board will fluctuate from time to time depending on circumstances. The Nominating and Corporate Governance Committee will make recommendations regarding increasing or decreasing the size of the Board from time to time.

Mix of Inside and Independent Directors

It is the policy of the Board that at least a majority of directors must meet the independence requirements of the NASDAQ Stock Market. The Board will make a determination annually as to the independence of each Board member.

Board Membership Criteria

The Nominating and Corporate Governance Committee is responsible for recommending candidates to the Board for nomination by the Board. The process for recommendation and the criteria are included in the Committee charter.

Director Compensation

The Compensation Committee is responsible for periodically reviewing and making recommendations to the Board with respect to the compensation of the Board's non-management directors.

Director Retirement Policy

A director may not stand for re-election or continue serving on the Board after the term in which such member reaches the age of 70 is completed.

BOARD PROCEDURAL MATTERS

Selection of Chairperson and Chief Executive Officer

The Board does not have a fixed policy as to whether the role of the Chief Executive Officer and Chairperson of the Board should be separate. The Board should be free to make these choices in any manner that it deems best for the Company from time to time.

Board Meetings

Frequency of Meetings The Board expects to have at least four regularly scheduled meetings each year. In addition, special meetings may be called from time to time as determined by the needs of the business.

Executive Sessions of Independent Directors The independent directors will meet in executive session at least twice annually and otherwise as needed. Such sessions will be chaired by an independent director selected by a majority of the independent directors. The chair is responsible for establishing the agendas for such meetings.

Governance Decisions Board decisions on matters of corporate governance will be made with the approval of a majority of the independent directors.

Conflicts of Interest Each director is required to disclose to the Board (or the Audit Committee) any financial interest or personal interest that he or she has in any contract or transaction that is being considered by the Board (or Audit Committee) for approval. After such disclosure and responding to any questions the Board (or Audit Committee) may have, the interested director must abstain from voting on the matter, and in most cases, should (and at the request of the Chairperson of the meeting will) leave the meeting while the remaining directors discuss and vote on such matter.

Counsel and Advisors The Board and each of its Committees may retain outside legal counsel and other advisors at their discretion and at the expense of the Company as outlined in the various committee charters.

Expectations of Directors

Attendance; Availability Each director should make every reasonable effort to prepare for and attend each meeting of the Board and any Committee of which the director is a member, and to be reasonably available to management and the other directors for consultation between meetings. In particular, directors should attend

sufficient meetings to avoid falling below the attendance level that would require disclosure in the Company's annual proxy statement.

Director Service on Other Public Company Boards Serving on the Company's Board requires significant time and attention. Directors are expected to spend the time needed and meet as often as necessary to discharge their responsibilities properly. A director may not serve on the boards of more than five other public companies in addition to the Company's Board.

Attendance at Annual Meeting of Stockholders Absent extenuating circumstances, each director is expected to attend the Company's annual meetings of stockholders.

Stock Ownership Directors should be stockholders and have a financial stake in the Company. The Board through the Compensation Committee has developed target stock ownership goals for each Director and Corporate Officer. The goals may be changed at any time by the Compensation Committee.

Orientation and Education When a new director joins the Board, management will provide an orientation program to enable the new director promptly to gain an understanding of the Company and its industry. The Board expects each director to take steps reasonably necessary to be adequately informed about the Company and external matters affecting it and to enable the director to function effectively on the Board and Committees on which the director serves. The Board, through the Nominating and Corporate Governance Committee, and the Company's management will work together to develop and provide appropriate continuing education programs to assist directors in developing and maintaining skills necessary or appropriate for the performance of their responsibilities.

Board Evaluation

The Board believes it is appropriate to review annually its own performance and for each Board committee to review its own performance. The Nominating and Corporate Governance Committee will oversee the Board's annual self-evaluation and report to the Board the results of its analysis and any recommendations following each such review. All directors are free to make suggestions on improvement of the Board's practices at any time and are encouraged to do so.

COMMITTEE MATTERS

Number, Titles, and Charters of Committees

The current standing Board Committees are (a) the Audit Committee, (b) the Compensation Committee, and (c) the Nominating and Corporate Governance Committee. This structure meets the Company's present needs. The Board, by resolution passed by a majority of all of the directors, may designate one or more

committees, each committee to consist of one or more of the directors. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. The Board may unanimously appoint another member of the Board of Directors to act at the meeting in place of any such absent or disqualified member.

The committee charters also addresses the following committee matters:

- Independence of committees
- Assignment and rotation of committee members
- Committee chairs
- Frequency of committee meetings
- Committee agendas
- Board and committee evaluations

Attendance at Committee Meetings

Attendance of non-Committee persons at Committee meetings will be at the discretion of the Committee. Committees should regularly meet in executive session.

Minutes and Reports

Minutes of each Committee meeting or action will be kept and distributed by the Board. Each Committee will report regularly to the Board on substantive matters considered by the Committee.

Assignments and Rotation

The Nominating and Corporation Governance Committee makes recommendations to the Board regarding the composition of the Board committees. Although committee rotation is preferred, there shall be no specific restriction on how long a Board member may serve on a particular committee.

MANAGEMENT DEVELOPMENT MATTERS

Evaluation and Compensation of the Chief Executive Officer and other Executive Officers

The Compensation Committee is responsible for establishing salaries, bonuses and other compensation for the Company's executive officers and shall evaluate the performance of the executive officers prior to approving their compensation.

OTHER MATTERS

Policy Against Company Loans

The Company will not provide loans, loan guarantees, or otherwise directly or indirectly extend credit to any executive officer or any director of the Company.

Board Access to Management

Directors shall have complete access to management.

Stockholder Communications with the Board

The Board will give appropriate attention to written communications on issues that are submitted by stockholders, and will respond if and as appropriate. Absent unusual circumstances or as contemplated by committee charters, the Chairman of the Nominating and Corporate Governance Committee will (1) be primarily responsible for monitoring communications from stockholders and (2) provide copies or summaries of such communications to the other directors as he or she considers appropriate. Communications will be forwarded to all directors if they relate to substantive matters and include suggestions or comments that the Chairman of the Nominating and Corporate Governance Committee considers to be important for the directors to know. In general, communications relating to corporate governance and long-term corporate strategy are more likely to be forwarded than communications relating to personal grievances and matters as to which the Company tends to receive repetitive or duplicative communications. Stockholders and other interested parties who wish to send communications on any topic to the Board should address such communications to the Chairman of the Nominating and Corporate Governance Committee, Books-A-Million, Inc., 402 Industrial Lane, Birmingham, Alabama 35211. All communications to the Company's directors will be relayed to the Nominating and Corporate Governance Committee without being screened by management.

Board Interaction with Third Parties

Although it is the general policy of the Company that the Board shall designate corporate officers to speak on behalf of the Company, Board members may communicate with various parties on the Company's behalf with the knowledge of and at the request of the Company.

Amendments of Guidelines

The Nominating and Corporate Governance Committee will review these Guidelines at least annually to ensure that they remain suitable for the needs of the Company. The Nominating and Corporate Governance Committee will recommend any changes to these Guidelines that it deems necessary or appropriate. The Board may

modify, amend, waive, suspend, or repeal any of these Guidelines at any time, with or without public notice, as it deems necessary or appropriate.

Reference – Committee Charters

Audit Committee Charter - <http://www.booksamillioninc.com/governance/index.html>

Nominating and Corporate Governance Committee Charter -
<http://www.booksamillioninc.com/governance/index.html>

Compensation Committee Charter -
<http://www.booksamillioninc.com/governance/index.html>