

RESTORATION HARDWARE HOLDINGS, INC.

CORPORATE GOVERNANCE GUIDELINES

Restoration Hardware Holdings, Inc. (the “Company”) is managed under the direction of the Board of Directors (the “Board”), whose primary responsibility is to protect and promote the best interests of the Company by providing advice, counsel and oversight to the Company’s management. The day-to-day conduct of the business is delegated by the Board to the Chief Executive Officer, the Chief Financial Officer and other members of the management team. The following corporate governance guidelines have been adopted and approved by the Board, and along with the charters and key policies of the committees of the Board, provide the framework for the governance of the Company.

1. ***The Board.*** The Board is responsible for electing its Lead Independent Director and Chairman, for appointing the executive officers of the Company and, in general, for overseeing the management of the Company’s business, finances, personnel and physical assets. To this end, the Board reviews and approves the business philosophy, policies, controls and goals recommended by management and ensures that they are properly implemented by management.

The Board believes its effectiveness is enhanced by being comprised of individuals with diverse backgrounds, skills and experience that are relevant to the role of the Board and the needs of the business. Accordingly, the Board, through its Nominating and Corporate Governance Committee, will regularly review the changing needs of the business and the skills and experience resident in its members, with the intention that the Board will be periodically “renewed” as certain directors rotate off and new directors are recruited. The Board’s commitment to diversity and “renewal” will be tempered by the need to balance change with continuity and experience.

2. ***Independence of the Board.*** To the extent required by the rules of the New York Stock Exchange (the “NYSE”), it is the policy of the Board that a majority of its members be independent directors. In accordance with the rules of the NYSE, no director qualifies as independent unless the Board affirmatively determines that such independent director has no material relationship with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company) and meets the standards for independence as defined by applicable law and the rules of the NYSE. The Company will disclose such determinations in its annual proxy statement. Reference to listing standards of the NYSE shall mean the NYSE’s listing standards and listing requirements and rules of the SEC applicable to companies listed on the NYSE.
3. ***Size of the Board.*** The size of the Board will be between three and 12 members, as specified in the Company’s Bylaws. The exact number of Board members will vary from time to time, based on the Board’s assessment of the skills and group dynamics necessary to balance the operational benefits of a small size with the need for a large enough group to ensure a broad range of talents and experience.
4. ***Selection of Directors.*** The Board will recommend to stockholders individuals who the Board believes have the skills, experience and expertise to successfully perform the role of a Company director, subject to the provisions of the Company’s Certificate of Incorporation, Bylaws and any stockholders’ agreement entered into by the Company. The Nominating and Corporate

Governance Committee, with input from the Chairman of the Board, the Lead Independent Director and the Chief Executive Officer, shall evaluate all prospective directors, including any director candidates recommended by Company stockholders. Directors will be nominated and elected in accordance with the Company's Certificate of Incorporation, Bylaws and any stockholders' agreement entered into by the Company. The Nominating and Corporate Governance Committee will consider whether a potential candidate for director has the time available, in light of other business and personal commitments, to perform the responsibilities required for effective service on the Board. After election to the Board, directors are required to discuss with the Chairman of the Nominating and Corporate Governance Committee any potential conflict of interest or time commitment that may arise if the director desires to join another corporate board. The Board does not believe that it is necessary to establish a limit on the number of other boards on which a director may serve. If a director simultaneously serves on the audit committees of more than three public companies, the Board must determine that such simultaneous service would not impair the ability of such member to effectively serve on the Audit Committee.

5. ***Director Orientation and Continuing Education.*** Non-management directors are expected to participate in a Restoration Hardware Orientation Program designed by management and approved by the Board, upon the recommendation of the Nominating and Corporate Governance Committee. In addition, the Company will conduct periodic continuing education for directors and will also arrange for director participation in director education programs offered by third parties that are cost effective and relevant.
6. ***Board Leadership.*** The Board will exercise its discretion in combining or separating the offices of Chairman of the Board and Chief Executive Officer. This determination will be based on the Board's judgment of the best interests of the Company from time to time.
7. ***Director Terms and Tenure.*** Directors are elected by class, with directors in each class serving for a term of three years. The Board does not impose arbitrary limits on the number of terms a director may serve.
8. ***Compensation of Directors.*** The Compensation Committee will periodically review director compensation to ensure that such compensation is reasonable and competitive and will make recommendations to the Board with respect to any proposed changes in such compensation. The Board recognizes that directors' independence may be jeopardized if director compensation and perquisites exceed appropriate levels, if the Company makes substantial charitable contributions to organizations with which a director is affiliated or if the Company enters into consulting contracts with (or provides other indirect forms of compensation to) a director or an organization with which the director is affiliated. Management directors do not receive compensation for service on the Board.
9. ***Affiliations of Directors.*** Each director is required to advise the Corporate Secretary of any affiliation with public or privately held commercial enterprises and to call to the attention of the Board any such affiliation that may create a potential conflict of interest, potential embarrassment to the Company or possible inconsistency with Company policies or values.

10. ***Number of Board Meetings.*** The number of Board meetings will vary with circumstances; however, a minimum of four meetings will be held annually. Special meetings will be called as necessary. Meetings may be held telephonically.
11. ***Meeting Attendance and Preparation.*** Absent extenuating circumstances, directors are expected to attend all regularly scheduled Board and committee meetings and to participate telephonically in regularly scheduled Board and committee meetings when they are unable to attend in person. Each director is expected to be familiar with the agenda for each meeting, have reviewed the materials distributed in advance of the meeting and be prepared to participate fully in the consideration of all scheduled items of business.
12. ***Board Agendas.*** Board agendas shall be set by the Chairman of the Board with input from the Lead Independent Director, Chief Executive Officer and other directors. Each Board member may raise, at any Board meeting, subjects that are not on the agenda for the meeting. Board materials related to agenda items are provided to directors sufficiently in advance of Board meetings to allow directors to review and prepare for discussion of the items at the meeting. In some cases, due to timing or the sensitive nature of an issue, materials are presented only at the Board meeting.
13. ***Conduct of Meetings.*** The Board will conduct its meetings in a manner that ensures open communication, objective and constructive participation and timely resolution of issues. To the extent possible, relevant materials will be distributed to Board members well in advance of each meeting.
14. ***Executive Sessions.*** Non-management directors will meet at regularly scheduled executive sessions without any directors who hold management positions with the Company. To the extent possible, such executive sessions will be held in conjunction with regularly scheduled meetings of the Board. The non-management directors shall appoint a non-management director to preside at such executive session, which director shall be the Lead Independent Director to the extent a Lead Independent Director has been selected by the Board.
15. ***Location of Meetings.*** To provide directors with first-hand knowledge of the Company, to facilitate their understanding of the environment in which the Company operates and competes and/or to enhance the ability of the Board to conduct its business, meetings (including the Annual Meeting of Shareholders) may be held at locations other than the corporate headquarters.
16. ***Succession Planning and Management Development.*** The Chief Executive Officer will report not less frequently than annually to the Board on succession planning and management development. The Board shall develop and periodically update a plan of action for implementation should the Chief Executive Officer become unexpectedly disabled or otherwise unable to continue to serve the Company as Chief Executive Officer.
17. ***Evaluation of the Chief Executive Officer.*** The Compensation Committee, on behalf of the Board, will conduct an evaluation of the performance of the Chief Executive Officer annually and communicate the results of this evaluation to the Chief Executive Officer and to the full Board. The evaluation will include an assessment of corporate performance, development of management, the accomplishment of annual objectives and long-term strategic goals and such other criteria as the Compensation Committee may determine to be appropriate. As part of this

process, the Chief Executive Officer will also complete a self-assessment of his or her performance for review with the Committee.

18. ***Evaluation of Board Performance.*** In coordination with the Lead Independent Director, the Nominating and Corporate Governance Committee shall establish a process for an annual performance evaluation of the Board and of each member of the Board, which process will include a discussion by the Board of the performance evaluation results.
19. ***Board Committees.*** Certain Board responsibilities are delegated to the Audit, Compensation, and Nominating and Corporate Governance committees, subject to the provisions of Company's Certificate of Incorporation, Bylaws and any stockholders' agreement entered into by the Company. Ad hoc committees may be established periodically by the Board.
20. ***Committee Charters.*** Each standing committee will have its own charter that sets forth the purposes, goals and responsibilities of the committee as well as qualifications for committee membership, procedures for committee member appointment and removal, and committee structure and operations including with respect to reporting to the Board. Each charter shall be reviewed annually by each respective committee; and changes, if any, will be recommended to the Board for consideration.
21. ***Committee Composition.*** To the extent required by the NYSE listing standards, committees will be comprised of independent directors. Committees may also include one or more non-directors, as non-voting members, who serve as members due to their expertise in a particular field.
22. ***Rotation of Committee Chair and Membership.*** Committee membership and leadership will be rotated periodically, taking into account the need for continuity and expertise.
23. ***Committee Meetings and Agendas.*** Committee chairs, in consultation with committee members, will determine the frequency and length of committee meetings. Committee chairs, in consultation with committee members and appropriate members of management, will develop the committee's agenda. Materials related to agenda items are provided to committee members sufficiently in advance of meetings where necessary to allow the members to review and prepare for discussion of the items at the meeting.
24. ***Board Advisors.*** The Board and each committee has the authority to retain such advisors and/or consultants as they deem necessary or useful.
25. ***Board Access to Executive Officers.*** Board members shall be permitted access to the Company's executive officers. Board members will use their reasonable judgment to be sure that contact with management is not distracting to the Company's business operations and that the Chief Executive Officer is appropriately informed.
26. ***Corporate Support.*** The Corporate Secretary will serve as secretary to the Board and its committees. At the request of the Lead Independent Director or the committee chairpersons, the Corporate Secretary, along with any Corporate Assistant Secretaries, will provide administrative support to the Board and its committees.

27. **Reporting of Concerns.** The Audit Committee of the Board shall establish procedures to enable anyone who has a concern about the Company's accounting, internal accounting controls or auditing practices to communicate that concern directly to the Audit Committee.
28. **Periodic Review of this Statement.** These Corporate Governance Guidelines will be reviewed annually by the Nominating and Corporate Governance Committee; and changes, if any, will be recommended to the Board for consideration.
29. **Disclosure of Guidelines.** These Corporate Governance Guidelines will be made available on the Company's website.

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