Corporate Governance Guidelines

INTERLINE BRANDS, INC. BOARD OF DIRECTORS

CORPORATE GOVERNANCE GUIDELINES

The following Corporate Governance Guidelines (the "Guidelines") have been adopted by the Board of Directors of Interline Brands, Inc. (the "Company"), a Delaware corporation, as of December 11, 2004, and amended as of February 24, 2009, for the purpose of setting forth key elements underlying the governance of the Company pursuant to its Certificate of Incorporation, its By-laws and applicable laws, rules and regulations.

These Guidelines shall be posted to the Company's website and shall be made available upon request as required by the rules and regulations of the New York Stock Exchange and the Securities and Exchange Commission.

I. Board Issues

1. Size of Board. The By-laws of the Company provide that the Board shall consist of not less than seven nor more than eleven members.

2. Majority of Independent Directors. The Board will have a majority of directors who meet the criteria for independence required by the New York Stock Exchange. The Board must determine, based on all of the relevant facts and circumstances, whether each director satisfies the criteria for independence and must disclose the identity of each independent director and the basis for the Board's determination of independence in the Company's annual proxy statement or if the Company does not file an annual proxy statement, in the Company's annual report on Form 10-K. The Board has the adopted categorical standards set forth on Exhibit A to assist it in making such determinations. Any determination of independence for a director who does not meet these standards, however, must be specifically explained.

   Each "independent" director of the Board shall promptly notify the Chairman of the Board if any actual or potential conflict of interest arises between such director and the Company that may impair such director's independence. If a conflict exists and cannot be resolved, such director should submit to the Board written notification of such conflict of interest and an offer of resignation from the Board and each of the committees on which such director serves. The Board need not accept such offer of resignation; however, the submission of such offer of resignation provides the opportunity for the Board to review the appropriateness of the continuation of such individual's membership on the Board. In some cases, it may be appropriate for such director to be replaced as a member of one or more of the committees on which he or she serves but be retained as a director.

3. Board Membership Criteria.

   a. Background. The Board seeks members from diverse professional and personal backgrounds who combine a broad spectrum of experience and expertise with a reputation for integrity. This assessment will include an individual's independence, as well as consideration of diversity, age, skills and experience in the context of the needs of the Board.

   b. Simultaneous Service. No director should serve on more than three other public company boards. Directors are required to advise the Chairman of the Board and the chair of the Nominating & Governance Committee in advance of accepting an invitation to serve on another public company board.

   c. Financial Literacy. Directors should know how to read and understand financial statements and understand the use of financial ratios and information in evaluating the financial performance of the Company.

   d. Character. Directors should be persons of good character and thus should possess the qualities of integrity, accountability, good judgment and responsibility. Directors should have high performance standards with a history of achievements which reflect high standards for themselves and others as well as the courage to express views openly, even in the face of opposition.

   e. Expectations. Each Director will be expected to:

- dedicate sufficient time, energy and attention to ensure the diligent performance of his or her duties;
- comply with the duties and responsibilities set forth herein and in the By-laws of the Company;
- comply with all duties of care, loyalty and confidentiality applicable to directors of publicly traded corporations organized in our jurisdiction of incorporation; and
- adhere to the Company's Code of Conduct and Ethics and Related Persons Transaction Policy, including, but not limited to, the policies on conflicts of interest expressed therein, as well as all other Company policies addressing ethics and conflicts of interest.

Exceptional candidates who do not meet all of these criteria may still be considered.

4. New Directors. The Nominating & Governance Committee has, as one of its responsibilities, the recommendation of director candidates to the full Board. Nominees for directorship will be selected by the Nominating & Governance Committee in accordance with the policies and principles in its charter. The Nominating & Governance Committee will maintain an orientation program for new directors.

5. Term Limits/Resignation.

    a. Term Limits. The Board does not favor term limits for directors as such limits could deprive the Company of the valuable contribution of directors who have developed significant insights into the Company during their years of service, but believes that it is important to monitor overall Board performance. Therefore, the Nominating & Governance Committee shall review each director's continuation on the Board as appropriate. This will allow each director the opportunity to conveniently confirm his or her desire to continue as a member of the Board.

    b. Resignation Policy – Management Directors. Management directors shall offer to resign from the Board upon their resignation, removal or retirement as an officer of the Company.

    c. Directors Changing Their Present Job Responsibilities. The Board expects directors to offer to resign from the Board upon a change in their business position including, without limitation, retirement from the position on which their original nomination was based. It is not the sense of the Board that in every instance the directors who retire or change from the position they held when they came on the Board should necessarily leave the Board. There should, however, be an opportunity for the Board through the Nominating & Governance Committee to review the continued appropriateness of Board membership under the circumstances.

II. Conduct

1. Directors' Duties. The Board is elected by stockholders to provide oversight and strategic guidance to senior management. The basic responsibility of the directors is to exercise their business judgment to act in what they reasonably believe to be in the best interests of the Company and its stockholders. In discharging that obligation, directors should be entitled to rely on the honesty and integrity of the Company's officers, employees, outside advisors and independent auditors. The Board selects and oversees the members of senior management, to whom the Board delegates the authority and responsibility for the conduct of the day-to-day operations of the business. Directors are expected to attend Board meetings and meetings of committees on which they serve, and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities. Directors are expected to review meeting materials prior to Board and committee meetings and, when possible, should communicate in advance of meetings any questions or concerns that they wish to discuss so that management will be prepared to address the same. Each director's attendance at, and preparation for, Board meetings and meetings of committees on which they serve, shall be considered by the Nominating & Corporate Governance Committee when recommending director nominees.

2. Board Meetings.

    a. Selection of Agenda Items and Executive Sessions. The Chairman, Chief Executive Officer and/or Lead Independent Director should establish the agenda for Board meetings. Each Board member is free to suggest the inclusion of items on the agenda and is free to raise at any Board meeting subjects that are not on the agenda for that meeting.

    b. Non Management Directors and Executive Sessions. The Board will strive to meet in executive session without management directors and any members of the Company's management, whether or not they are directors, who may otherwise be present, at each regularly scheduled meeting of the Board of Directors, but in no case less than at least annually. The Lead Independent Director, as established and defined in the Company's By-laws, shall preside over each executive session of the non-management directors. In the absence of the Lead Independent Director, another non-management director must preside over executive sessions of the non-management directors, although the same director is not required to preside at all executive sessions of the non-management directors. If, however, one director is chosen to preside at all executive sessions, his or her name shall be disclosed in the annual proxy statement. If the same individual is not the presiding director at every meeting, the Company must disclose the procedure by which a presiding director is selected for each executive session in its annual proxy statement. The annual proxy statement shall also disclose how interested persons may communicate with any such person or the directors who meet in executive session as a group.

c. Distribution of Materials. The Company shall distribute, sufficiently in advance of meetings to permit meaningful review, written materials, which shall in all events include recent financial information, for use at Board meetings.

d. Attendance of Non-Directors. The Board believes that attendance of key executive officers augments the meeting process, and such attendance should be encouraged except where prohibited by regulatory requirements.

e. Number of Meetings. The Board shall hold a minimum of four (4) meetings per year.

3. Conflicts of Interest. Directors shall avoid any action, position or interest that conflicts with an interest of the Company, or gives the appearance of a conflict. The Company annually solicits information from directors in order to monitor potential conflicts of interest and directors are expected to comply with their fiduciary obligations to the Company.

4. Share Ownership by Directors. The Board believes that share ownership by its directors is important and consistent with good corporate governance practice. Accordingly, and consistent with the Company's past practice, a material portion of director annual equity awards shall be subject to stock retention requirements. This may include a restriction on the sale or other transfer of shares represented by deferred stock units awarded annually to directors.

5. Director Compensation. The form and amount of director compensation will be determined by the Compensation Committee in accordance with the policies and principles set forth in its charter. The Board is aware that questions as to directors' independence may be raised when directors' fees and emoluments exceed what is customary. Similar concerns may be raised when the Company makes substantial charitable contributions to organizations in which a director is affiliated, or enters into consulting contracts with (or provides other indirect forms of compensation to) a director. The Board will critically evaluate each of these matters when determining the form and amount of director compensation and will ensure that such payments do not violate the applicable independence requirements of the New York Stock Exchange.

6. Orientation and Continuing Director Education. Each new member of the Board shall participate in a mandatory orientation program with respect to the Company's organizational structure, code of conduct and ethics, governance, operations, financial reporting and management and any such other information necessary to enable them to perform their duties. Management of the Company shall provide new members of the Board with materials, briefings and educational opportunities to permit them to become familiar with the Company and to enable them to better perform their duties. In addition, from time to time on a continuing basis, all members of the Board shall receive additional materials, briefings and educational opportunities to enable them to remain current with matters within their purview. The Nominating & Governance Committee shall be responsible for the maintenance of the orientation program and continuing education programs for all directors.

7. Assessing Board Performance. The Board will conduct an annual self-evaluation to determine whether it and its committees are functioning effectively. The Nominating & Governance Committee will receive comments from all directors as to the Board's performance and report annually to the Board with an assessment of the Board's performance, to be discussed with the full Board following the end of each fiscal year.

8. Access to Officers and Employees. Board members have complete and open access to the Company's Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and General Counsel. Board members who wish to have access to other members of management may coordinate such access through one of the foregoing or may contact such members of management directly.

9. Interaction with Third Parties. The Board believes that management should speak for the Company and that the Chairman should speak for the Board. In order to ensure compliance with applicable securities laws and to avoid the potential detriment to the interests of the Company and its stockholders and other constituencies that could result from inconsistent communications, the members of the Board will not respond to media inquiries or make statements to the media regarding the Company and its business without consultation with, and approval by, the Chairman of the Board or the Board.

10. Board Authority. The Board and each committee have the power to hire independent legal, financial or other advisors as they may deem necessary, without consulting or obtaining the approval of any officer of the Company in advance.

11. Confidentiality. The Board believes maintaining confidentiality of information and deliberations is an imperative. Information learned during the course of service on the Board is to be held confidential and used solely in furtherance of the Company's business.

III. Committee Issues

- Board Committees. The Board will have at all times an Audit Committee, a Compensation Committee and a Nominating & Governance Committee. Each of these Committees shall consist solely of independent directors. Committee members will be appointed by the Board upon recommendation of the Nominating & Governance Committee with consideration of the desires of individual directors. The Board may, from time to time, establish or maintain additional committees as necessary or appropriate.

- Rotation of Committee Assignments and Chairs. Committee assignments and the designation of committee chairs should be based on the director's knowledge, interests and areas of expertise. The Board does not favor mandatory rotation of committee assignments or chairs. The Board believes experience and continuity are more important than rotation. Committee members and chairs may be rotated in response to changes in membership of the Board and in all cases should be rotated only if rotation is likely to increase committee performance.

- Committee Charters. Each committee shall have its own charter. The charters will set forth the purposes, goals and responsibilities of the committees as well as qualifications for committee membership, procedures for committee member appointment and removal, committee structure and operations and committee reporting to the Board. The charters will also provide that each committee will annually evaluate its own performance.

- Frequency and Length of Committee Meetings. The chair of each committee, in consultation with the committee members, will determine the frequency and length of the committee meetings consistent with any requirements set forth in the committee's charter.

IV. Chief Executive Officer Evaluation and Management Succession

1. CEO Compensation. The Compensation Committee will conduct an annual review and approve corporate goals and objectives relevant to Chief Executive Officer compensation and set the Chief Executive Officer's compensation level based on this evaluation in accordance with the policies set forth in the charter of the Compensation Committee.

2. Succession. At least annually, the Board or the Nominating & Governance Committee shall work with the Chairman of the Board and the Chief Executive Officer to plan for Chief Executive Officer succession, as well as to develop plans for interim succession for the Chief Executive Officer in the event of an unexpected occurrence.

Exhibit A

Categorical Independence Standards

A. The following commercial or charitable relationships will not be considered material relationships that would impair a director's independence:

   - a director or an immediate family member* is an executive officer of another company that does business with Company and the annual sales to, or purchases from, the Company are less than one percent of the annual revenues of the company he or she serves as an executive officer;

   - a director or an immediate family member is an executive officer of another company which is indebted to the Company, or to which the Company is indebted, and the total amount of either company's indebtedness to the other is less than one percent of the total consolidated assets of the company he or she serves as an executive officer and such indebtedness is not past due; and

   - a director or an immediate family member serves as an officer, director or trustee of a charitable organization, and the Company's discretionary charitable contributions to the organization are less than one percent of that organization's total annual charitable receipts (the Company's automatic matching of employee charitable contributions will not be included in the amount of the Company's contributions for this purpose).

B. The following relationships will be considered material relationships that would impair a director's independence, absent a determination by the Board to the contrary:

- a director or an immediate family member is a partner of or of counsel to a law firm that performs substantial legal services to the Company on a regular basis; and
- a director or an immediate family member is a partner, officer or employee of an investment bank or consulting firm that performs substantial services to the Company on a regular basis.

C. Business relationships, other than those enumerated in (A) and (B) above, between the Company and an entity for which the director or an immediate family member serves as an officer or general partner or of which the director or an immediate family member is the owner of more than five percent of the outstanding equity interests will be evaluated by reference to the following criteria:

- An "immediate family member" includes a person's spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters in-law, and anyone (other than domestic employees) who shares such person's home.
- is the business arrangement usually and customarily offered to customers or suppliers by the Company?
- is the arrangement offered on substantially similar terms as those prevailing at the time for comparable transactions with other customers or suppliers under similar circumstances?
- in the event that (i) a proposed arrangement was not made or (ii) an existing arrangement was terminated in the normal course of business, would that action reasonably be expected to have a material and adverse effect on the financial condition, results of operations, or business of the recipient?

For relationships not covered by the guidelines above, the determination of whether the relationship is material or not, and therefore whether the director would be independent or not, shall be made by the Board.

The Company must explain in the next proxy statement the basis for any Board determination that a relationship was immaterial despite the fact that it did not meet the categorical standards of immateriality set forth in (A) above or violated any of the standards set forth in (B) or (C) above.