

## **CHICO'S FAS, INC.**

### **CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS**

#### **I. Purpose**

The Audit Committee (the "Committee") is established to assist the Board of Directors (the "Board") in fulfilling its oversight responsibilities relating to the integrity of financial statements, the financial reporting process, systems of internal accounting and financial controls, the internal audit function, the annual independent audit of the Company's financial statements, including independent auditor qualifications, performance, and independence, and legal and regulatory compliance programs. The Committee is also established to assist in the preparation of an Audit Committee report, as required by the Securities and Exchange Commission ("SEC"), for inclusion in the annual proxy statement.

#### **II. Membership**

The Committee shall be composed of at least three directors, all of whom must qualify as independent directors under the Company's Corporate Governance Guidelines and the rules of the SEC, the listing standards of the NYSE, and any other applicable regulatory requirements, all as the Board interprets in its business judgment.

All members of the Committee shall have a sufficient level of financial literacy, or must become sufficiently financially literate within a reasonable time after appointment to the Committee. In addition, the Board shall designate at least one member of the Committee as the "audit committee financial expert," as defined by SEC rules. The Board shall use its business judgment in determining the qualifications of Committee members.

The members shall be appointed to one-year terms by the Board at the Board meeting held in conjunction with the Annual Meeting of Stockholders and shall serve until their resignation, retirement, or until their successors are appointed or elected and qualified. The Board may also remove a member by a majority vote of the independent directors then in office. The Board shall designate a Committee Chair who shall be responsible for reporting the Committee's activities and decisions to the Board.

#### **III. Meetings and Procedures**

The Committee shall meet at least once each fiscal quarter and may meet more frequently as circumstances require. The Chair of the Committee, or a majority of Committee members, may call a special Committee meeting. If necessary, any meeting may be held telephonically or by video or web conference.

A majority of the total number of members of this Committee constitutes a quorum for the transaction of business. A majority vote at a meeting where a quorum is present constitutes action of the Committee.

#### **IV. Responsibilities and Duties**

The Committee shall have the following principal duties and responsibilities:

1. The Committee shall be directly and solely responsible for the appointment, retention, termination, compensation, and oversight of the work of the independent auditors, including resolution of disagreements between management and the auditors. The independent auditors shall report directly to the Committee. The Committee shall pre-approve the audit and non-audit services performed by the independent auditor in accordance with the policy the Committee has previously adopted and as it may update, revise or restate from time to time.
2. The Committee shall meet with the independent auditors and financial management of the Company to review the scope and plans for the proposed audit of the current year, to ensure the audit approach covers all financial statement areas where there is a risk of material misstatement and, following the audit, shall review the audit in regular and executive sessions, including any comments or recommendations of the independent auditors.
3. The Committee shall review with the independent auditors, the internal auditor, and with Company management the adequacy and effectiveness of internal auditing, accounting and financial controls of the Company, including the Company's policies and procedures to assess, monitor, control, and manage business risk, and legal and ethical compliance programs, and elicit any recommendations they may have for the improvement of internal control procedures or areas where new or more detailed controls or procedures are desirable.
4. The Committee shall review with the independent auditors and with management the annual audited and quarterly financial statements, including the disclosures contained in the "Management's Discussion and Analysis of Financial Condition and Results of Operation" and the earnings press releases. The Committee shall oversee the process of management communications with analysts and rating agencies.
5. The Committee shall review with the independent auditors and with management (a) major issues regarding accounting principles and financial statements presentations, including any significant changes in the Company's selection or application of accounting principles; (b) any analyses prepared by management or the independent auditors setting forth significant financial reporting issues and judgments made in connection with the preparation of financial statements, including analyses of the effects of alternative GAAP methods on the Company's financial statements; and (c) the effect of regulatory and accounting initiatives on the Company's financial statements.

6. At least once each year, the Committee shall meet with the independent auditors without members of management present. Discussion items in such meetings shall include the independent auditors' evaluation of the Company's financial, accounting and auditing personnel; any audit problems or difficulties and management's response thereto, the level of cooperation the independent auditors received during the course of their audit; and any matters which might reasonably be expected to affect the autonomy of the independent auditors.
7. Annually the Committee shall obtain and review a summary report by the independent auditor describing the independent auditor's internal quality-control procedures; any material issues raised by (a) the most recent internal quality-control review; (b) a peer review; or (c) any governmental or professional authority's inquiry or investigation, within the preceding 5 years, regarding any independent audit the firm conducted and any steps taken to deal with any such issues. The Committee shall also annually assess all relationships between the independent auditor and the Company in order to assess the auditor's independence.
8. At least once per year, the Committee shall meet without members of management present.
9. Periodically, the Committee shall meet separately with management, with the CFO, the General Counsel, the Internal Auditor, and with the Compliance Officer.
10. The Committee shall review and approve, in advance, the appointment, replacement, or dismissal of the Vice President – Internal Audit.
11. The Committee shall assist the Board in fulfilling its oversight of the Company's risk management process including enterprise risk management. The Committee shall review with management and counsel, any legal matters that could have a material impact on the Company's financial statements and the Company's compliance with applicable laws and regulations, including reports received from regulators or governmental agencies.
12. The Committee shall oversee the Company's processes for receiving, retaining, handling, and responding to complaints regarding accounting, internal accounting controls or auditing matters, including procedures for confidential, anonymous submission of concerns to the Audit Committee.
13. The Committee shall establish clear policies for the Company's hiring of employees or former employees of the independent auditor.
14. In discharging its oversight role, the Committee may investigate any financial or audit related matter brought to its attention, with full access to all books, records, facilities, and personnel of the Company, and the Committee has the sole authority to engage independent counsel and other advisers as it determines necessary to carry out its duties including the approval of fees and other retention terms for such independent counsel and advisers.

15. The Committee shall report regularly to the Board with respect to its oversight responsibilities and findings.
16. The Committee shall assist the Board with the Board's annual performance evaluation of the Committee.
17. The Committee shall review this charter at least annually and recommend any changes to the Board.

**V. Limitation**

The Committee serves a board-level oversight role, in which it provides advice, counsel and direction to management, internal audit, and the independent registered public accountants based on the information it receives and the discussions it has with management, internal audit, and the independent registered public accountants. The Committee is not responsible for planning or conducting audits of the Company's financial statements. Furthermore, the Committee members are not professional accountants or auditors, and their functions are not intended to duplicate or to certify the activities of management and the independent registered public accountants.