



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

### **I. Purpose**

The Audit Committee ("Committee") of Chico's FAS, Inc. ("Company") is appointed by the Board of Directors ("Board") to oversee the accounting, financial reporting and internal control processes of the Company, as well as the external audits of the Company's financial statements and related risk management. Accordingly, it is the role of the Committee to assist the Board in monitoring and overseeing: (a) the integrity of the Company's financial statements and other financial information; (b) the Company's systems of internal accounting and financial controls; (c) the independent auditors' qualifications and independence; (d) the performance of the Company's internal audit function and independent auditors; and (e) the Company's legal and regulatory compliance processes. In furtherance of this purpose, the Committee shall maintain free and open communication among the members of the Committee, independent auditors, internal auditors, and management.

### **II. Membership**

The Committee shall be comprised of at least three directors. Each director shall meet the independence requirements of the rules of the New York Stock Exchange ("NYSE") and the more rigorous independence requirements for audit committee members set forth in Rule 10A-3 under the Securities Exchange Act (the "Exchange Act"), as well as the Director Independence Standards set forth in the Company's Corporate Governance Guidelines.

All members of the Committee shall be financially literate as such qualification is interpreted by the Board in its business judgment, or must become financially literate within a reasonable time after appointment to the Committee. In addition, the Board shall determine whether at least one member of the Committee qualifies as an "audit committee financial expert," as defined by the rules of the Securities and Exchange Commission ("SEC"). The Board shall use its business judgment in determining the qualifications of Committee members. Committee members may not serve on more than three public company audit committees (including the Company's), unless the Board determines that such simultaneous service would not impair the ability of such director to serve effectively on the Committee.

The members of the Committee shall serve at the pleasure of the Board and may be replaced at any time by a majority vote of the independent directors of the Board then in office. The Board shall designate a Committee Chair.

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

The Committee shall meet as often as deemed necessary or appropriate to perform its duties and responsibilities under this Charter in its judgment, but no less than once each fiscal quarter. The Committee Chair or a majority of the Committee members may call a special Committee meeting. The Committee shall have the opportunity at each regularly scheduled meeting to meet in executive session without the presence of management. In addition, the Committee shall meet at least annually with management, the Vice President of Internal Audit, and with the independent auditors, in separate executive sessions to discuss any matters that the Committee or each of these persons or groups believes

should be discussed privately. The Committee also shall have such other direct and independent interactions with such persons from time to time as the members of the Committee may deem appropriate. The Committee may request any officer or employee of the Company, its outside counsel, or its independent auditors to attend a meeting of the Committee or to meet with members of, or consultants and advisors to, the Committee. Meetings may be held in-person, telephonically, or by video or web conference.

The Committee shall maintain written minutes of its meetings, which shall be presented to and filed with the minutes of the Board. The Committee shall report to the Board with respect to its activities and decisions, and specifically, with regard to any issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, and the performance and independence of the Company's independent auditors, and the performance of the internal audit function. The operations of the Committee shall be governed otherwise by the then current Bylaws of the Company and the Florida Business Corporation Act.

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

The Committee shall have the following responsibilities, duties, and authority, along with such other responsibilities as the Board may delegate to the Committee from time to time:

##### **A. Independent Auditors**

1. The Committee shall be directly and solely responsible for the appointment, retention, termination, compensation, oversight, and assessment of the work of the independent auditors, including resolution of disagreements between management and the auditors. At least annually, the Committee shall appoint the independent auditors for the ensuing fiscal year, and will report to the Board regarding its determinations about the appointment or removal of any independent auditors. The independent auditors shall report directly to the Committee.
2. The Committee shall pre-approve the audit and internal control related services, as well as any permitted non-audit services (including the fees and terms thereof) to be performed by the independent auditors, subject to the *de minimis* exemption for non-audit services as set forth in the applicable provisions of the Exchange Act that are approved by the Committee prior to completion of the audit. The Committee shall review and discuss with the independent auditors any documentation supplied by the independent auditors as to the nature and scope of tax services to be approved, as well as the potential effects of the provision of such services on the auditors' independence. If required due to time constraints, tax or other non-audit services provided by the independent auditors may be pre-approved by the Committee Chair, provided that the pre-approval of such services are ratified at the Committee's next meeting.
3. On an annual basis, the Committee shall meet with the independent auditors and financial management of the Company to review the scope and plans for the proposed audits of the financial statements and internal controls for the current year, to ensure the audit approach covers all financial statement areas where there is a risk of material misstatement and, following completion of the audits, shall review the results of the audits in regular and executive sessions, including any comments or recommendations of the independent auditors.
4. The Committee shall consider whether the provision of any permitted non-audit services by the independent auditors is compatible with maintaining the auditors' independence, and shall solicit the input of management and the independent auditors on that issue. The Committee Chair may pre-approve such services between Committee meetings, provided however, that the Chair must disclose all such pre-approved services to the full Committee at the next scheduled meeting.
5. 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 and access the independent auditors received during the course of their audits; any significant disagreements with management; any adjustments that were proposed by the independent auditors but were "passed" (as immaterial or otherwise); any matters which might reasonably be expected to affect the autonomy of the independent auditors; and any other matters required to be discussed under applicable auditing standards.

6. Annually the Committee shall obtain and review a summary report by the independent auditors describing: (a) the independent auditors' internal quality-control procedures; (b) any material issues raised by: (i) the most recent internal quality-control review; (ii) a peer review; or (iii) any governmental or professional authority's inquiry or investigation, within the preceding 5 years, regarding any independent audit the firm conducted; and (c) any steps taken to deal with any such issues.
7. The Committee shall evaluate annually the qualifications, performance and independence of the independent auditors, including consideration of whether the independent auditors' quality controls are adequate and whether the provision of permitted non-audit services is compatible with maintaining the auditors' independence. In addition, the Committee shall review and evaluate the lead partner on the audit. The Committee's evaluation shall take into account the opinions of management and the Company's internal auditors. As part of its evaluation, the Committee shall obtain from the independent auditors a formal written statement (consistent with the requirements of the PCAOB) delineating all relationships and services between the independent auditors and the Company. It is the responsibility of the Committee to actively engage in a dialogue with the independent auditors with respect to any disclosed relationships or services that may impact the objectivity and independence of the independent auditors and for purposes of taking appropriate action to oversee the independence of the independent auditors. Further, as part of its review and evaluation, the Committee shall ensure the rotation of the lead, concurring and other audit partners, as required by law. The Committee should periodically consider whether there should be rotation of the independent auditing firm. The Committee shall present its conclusions with respect to its review and evaluation of the independent auditors to the full Board.
8. The Committee shall establish a clear policy for the Company's hiring of employees or former employees of the independent auditor.

#### **B. Financial Statements and Disclosure**

1. The Committee shall review and discuss with the independent auditors and with management the annual audited and quarterly financial statements and related footnotes, including the disclosures contained in the "Management's Discussion and Analysis of Financial Condition and Results of Operation" and in any earnings press releases. The Committee shall recommend to the Board whether the annual audited financial statements should be included in the Company's Form 10-K.
2. The Committee shall review and discuss with the independent auditors and 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 using methods that are an alternative to U.S. Generally Accepted Accounting Principles ("GAAP") on the Company's financial statements; and (c) the effect of regulatory and accounting initiatives on the Company's financial statements.
3. The Committee shall periodically discuss with the independent auditors: (a) their judgments about the quality, appropriateness, and acceptability of the Company's accounting principles and financial disclosure practices, as applied in its financial reporting; and (b) the completeness and accuracy of the Company's financial statements.

4. The Committee shall review and discuss with the independent auditors and management any related party transactions (as defined in the Company's Related Party Transactions Policy), as well as the independent auditors' report mandated by the applicable provisions of the Exchange Act regarding: (a) critical accounting policies and practices; (b) alternative accounting of financial information within GAAP that have been discussed with management, along with the ramifications of the use of such alternative accounting and disclosures and the preferability of such accounting by the independent auditors; and (c) other material written communications between the independent auditors and management, such as any management letter or schedule of unadjusted differences.
5. The Committee shall review and discuss with management, the independent auditors, and the internal auditors: (a) the adequacy and integrity of the Company's internal controls over financial reporting and the disclosure controls and procedures designed to ensure compliance with applicable laws and regulations; (b) any major issues or significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarize, and report financial data; (c) to the extent that any such deficiencies are identified, any special steps adopted in light of material control deficiencies and the adequacy of disclosures about changes in internal control over financial reporting; and (d) any recommendations for the improvement of internal control procedures or areas where new or more detailed controls or procedures are desirable.
6. The Committee shall review and discuss with management, the Vice President – Internal Audit, and the independent auditors, the Company's internal controls report and the independent auditors' attestation report prior to the filing of the Company's Form 10-K.
7. The Committee shall review disclosures made by the Chief Executive Officer and Chief Financial Officer as part of their certification of the Annual Report on Form 10-K and Quarterly Report on Form 10-Q regarding any significant deficiencies or material weaknesses in the design or operations of the Company's internal control over financial reporting or material weaknesses therein that are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information, and any fraud that involves management or other employees that have a significant role in the Company's internal control over financial reporting.
8. If the Company issues an earnings press release prior to the filing of an Annual Report on Form 10-K or a Quarterly Report on Form 10-Q, the Committee shall review and discuss with management and the independent auditors the Company's financial results contained in such earnings release prior to the filing of a Current Report on Form 8-K containing such earnings press release. In addition, prior to issuance of any such release, the Committee shall discuss with management the use of "pro forma" or "adjusted" non-GAAP information in any such release, as well as in any financial information and earnings guidance provided to analysts and rating agencies. Such discussions required by this provision may be general, *i.e.*, relating to the types and nature of information to be disclosed and the manner of its presentation.
9. The Committee shall discuss with management and the independent auditors the effect of regulatory and accounting initiatives as well as any off-balance sheet structures on the Company's financial statements.

### **C. Internal Auditors**

1. The Committee shall review and approve, in advance, the appointment, replacement, or dismissal of the Vice President of Internal Audit, and shall oversee his or her annual performance review.
2. The Committee shall review with the independent auditors, the internal auditors, and management the adequacy and effectiveness of the Company's internal audit function, staff qualifications, department organization and performance.
3. The Committee shall review the internal audit annual project plan and budget and any significant changes thereto.
4. The Committee shall review with management and internal audit the status and results of audit projects as well as the progress on any remedial actions.

5. The Committee shall review all significant reports to management prepared by the internal audit department and any responses from management.
6. The Committee may periodically receive reports from and consult with the Company's information technology department regarding information technology systems and processes that relate to or affect the Company's internal control systems.

**D. Oversight of Legal, Compliance and Risk**

1. While it is the job of the CEO and senior management to assess and manage the Company's exposure to risk, the Committee must discuss guidelines and policies to govern the process by which this is handled. The Committee should discuss the Company's major financial risk exposures and the steps management has taken to assess, monitor and control such exposures. The Committee shall establish procedures for receiving, retaining, handling, and responding to complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the procedures for confidential, anonymous submission of concerns to the Committee regarding questionable accounting or auditing matters.
2. The Committee shall review and discuss with the General Counsel legal and regulatory compliance matters, including any communications received from government regulatory agencies that may have a material impact on the Company's financial statements.
3. The Committee shall report regularly to the Board with respect to its oversight responsibilities and findings.

**E. Other Responsibilities**

1. The Committee shall prepare the report required by the rules of the SEC to be included with the Company's annual proxy statement.
2. The Committee shall perform an annual self-assessment of its performance relative to its purpose, responsibilities and duties, as set forth in this Charter.
3. The Committee shall annually review the Charter for this Committee and recommend any proposed changes to the Corporate Governance and Nominating Committee.
4. The Committee shall oversee the policies and procedures governing management's communications with analysts and rating agencies.
5. In discharging its oversight role, the Committee shall have the power to conduct or authorize investigations into any matter within the Committee's scope of its responsibilities, with full access to all books, records, facilities, and personnel of the Company.

**V. External Resources Available to the Committee**

The Committee shall have the authority, to the extent it deems necessary or appropriate, to engage, terminate, and determine funding for legal, accounting, or other advisors. The Company shall provide for appropriate funding, as determined by the Committee without consulting with or obtaining approval from any officer of the Company in advance, for payment of compensation to the independent auditors for the purpose of rendering or issuing to the Company an audit report or performing other audit, review, or attestation services and to any advisors employed by the Committee, as well as funding for the payment of ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

## **VI. Limitations**

The Committee serves a board-level oversight role, in which it provides advice, counsel and direction to management, internal audit, and the independent auditors based on the information it receives and the discussions it has with management, internal audit, and the independent auditors. The Committee does not prepare financial statements or perform audits. As a result, it is not the duty of the Committee to conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and in accordance with GAAP and applicable rules and regulation. These are the responsibilities and duties of the Company's management and the independent auditors. Consequently, in carrying out its responsibilities, the Committee is not providing any professional certification as to the independent auditors' work.

While members of the Committee have the responsibilities and duties set forth in this Charter, nothing in this Charter is intended to create, or should be construed as creating, any responsibility or liability of the members of the Committee, except to the extent otherwise provided under applicable federal or state law.