

**EXPRESS, INC.**

**AUDIT COMMITTEE CHARTER**

**I. Membership**

The Audit Committee (the “Committee”) of Express, Inc. (the “Company”) shall consist of at least three directors from the Company’s board of directors (the “Board”), subject to any grace period from such requirement available to the Company under the rules of the New York Stock Exchange or the Securities Exchange Act of 1934 (the “Exchange Act”). All Committee members shall (1) meet the applicable independence requirements of the New York Stock Exchange and the Exchange Act, (2) shall otherwise meet the membership qualification requirements contained in this Charter and in the Company’s Corporate Governance Guidelines, and (3) shall be financially literate or become so within a reasonable period of time after appointment to the Committee. For this purpose, “financially literate” is interpreted by the Board in its business judgment to mean the ability to read and understand fundamental financial statements, including the Company’s balance sheet, income statement, and cash flow statement. Committee members shall be appointed by the Board and may be removed by the Board at any time and for any or no reason.

At least one Committee member shall have accounting or related financial management expertise, which is interpreted by the Board in its business judgment to include, without limitation, experience as a certified public accountant, chief executive officer, chief financial officer, controller, or other senior officer with financial reporting oversight responsibilities. A member designated as an audit committee financial expert, who satisfies the definition of an audit committee financial expert as set forth in the federal securities laws, is presumed to have accounting or related financial management expertise.

Committee members may not serve on more than two other public company audit committees unless the Board determines in advance that the ability of the director to serve effectively on the Company’s Audit Committee would not be impaired. If the Board determines that a director can serve effectively on more than two other public company audit committees, the Board will disclose a specific explanation of its determination in the annual proxy statement or Form 10-K or as otherwise required by the New York Stock Exchange.

**II. Purpose**

The Committee’s primary purposes are to:

- assist the Board in its oversight of (1) the integrity of the Company’s financial statements; (2) the financial policies, financial condition and primary financial risks of the Company; (3) the accounting and financial reporting processes of the Company; (4) the Company’s compliance with legal and regulatory requirements; (5) the independent auditor’s qualifications and independence; (6) the performance of the Company’s internal audit function and independent auditor; and (7) the Company’s enterprise risk management program; and

- prepare the report required by the Securities and Exchange Commission (the “SEC”) for inclusion in the Company’s annual proxy statement.

The Committee is not responsible for the planning or conduct of audits or for any determination that the Company’s financial statements and disclosures are complete and accurate or are in accordance with generally accepted accounting principles (“GAAP”), applicable rules and regulations. This is the responsibility of the Company’s management and the independent auditor.

### **III. Structure and Operations**

The Board shall designate one of the members of the Committee to serve as Chair of the Committee. The Committee shall meet periodically at such times as it determines to be necessary or appropriate, shall maintain records of its meetings and actions, shall be accountable to the Board, and shall periodically report to the Board regarding 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, the performance and independence of the Company’s independent auditor, the performance of the Company’s internal audit function or any other issues, recommendations or findings as it deems appropriate.

A majority of the members of the Committee shall constitute a quorum for the transaction of business. The Committee may act only upon approval of a majority of its members. The action of the Committee at a meeting at which a quorum is present shall be the act of the Committee. The Committee may act in writing by the unanimous consent of its members. The Committee may invite the Chairman of the Board, Chief Executive Officer, independent auditors or others to attend all or a portion of its meetings. 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 periodically with management, with the head of internal audit and with the independent auditor in separate executive sessions to discuss any matters that the Committee or each of these persons or groups believe should be discussed privately. The Committee may delegate any of its responsibilities to one or more subcommittees as it may deem appropriate to the extent allowed by applicable law and the rules of the New York Stock Exchange.

### **IV. Authority and Resources**

The Committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including the authority to engage outside legal, accounting or other advisors as the Committee determines to be advisable in carrying out its responsibilities hereunder, without seeking approval of the Board or management. The Company shall pay to any independent auditor or outside legal or other advisor retained by the Committee such compensation, including without limitation usual and customary expenses and charges, as shall be determined by the Committee. The Company also shall pay such ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties, as shall be determined by the Committee.

## V. Responsibilities

The responsibilities of the Committee shall include the following, along with any other matters as the Board may delegate to the Committee from time to time:

### **Financial Statements and Disclosures**

1. Review and discuss with management, the independent auditor and, if appropriate, the head of internal audit:
  - The Company's annual audited financial statements and quarterly unaudited financial statements. This review must be conducted at a meeting (whether in person, telephonic or otherwise) and must include a review of the Company's specific disclosures under Management's Discussion and Analysis of Financial Condition and Results of Operations. The Committee shall recommend to the Board whether the annual audited financial statements should be included in the Company's Annual Report on Form 10-K.
  - The independent auditor's report mandated by Section 10A of the Exchange Act regarding: (a) illegal acts, (b) related party transactions, (c) critical accounting policies and practices, (d) alternative treatments of financial information within GAAP that have been discussed with management, along with the ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the independent auditor, and (e) other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences.
  - Major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles, and major issues as to the adequacy and effectiveness of the Company's internal controls and any special audit steps adopted in light of material control deficiencies.
  - Analyses prepared by management and/or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of financial statements, including any "critical audit matters" (as that term is defined in the Public Company Accounting Oversight Board (the "PCAOB") AS 3101) and analyses of the effects of alternative GAAP methods on the financial statements.
  - The effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company.
2. Discuss the Company's earnings press releases, as well as GAAP and non-GAAP financial information and earnings guidance provided to analysts and rating agencies. This discussion may be general (i.e., in terms of the types of information to be disclosed and the type of presentation to be made, paying particular attention to the use of "pro forma" or

“adjusted” non-GAAP financial information), and the Committee need not discuss in advance each earnings release or each instance in which the Company may provide earnings guidance or non-GAAP financial information.

3. Inquire of, and review disclosures made by, the Chief Executive Officer and Chief Financial Officer as to any significant deficiencies or material weaknesses in the design or operation of the Company’s internal control over financial reporting 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.
4. Review, as appropriate, any issues regarding the Company’s compliance with covenants contained in financing agreements; and

### **Ethical and Legal Compliance**

5. Establish procedures for (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and (b) the confidential, anonymous submission by Company employees of concerns regarding questionable accounting or auditing matters.
6. Oversee such portions of the Code of Conduct as the Board may designate from time to time.
7. Discuss with the General Counsel any significant legal matters that may have a material impact on the Company’s financial statements, business or compliance policies, including material notices to or inquiries received from governmental agencies.
8. Review with both management and the independent auditor all known related party transactions or dealings between parties related to the Company and approve or ratify such transactions in accordance with the Company’s policies.
9. Periodically review and discuss with management, the internal auditors and the independent auditors the overall adequacy and effectiveness of the Company’s legal, regulatory and ethical compliance programs.

### **Risk**

10. Discuss the Company’s policies governing the process by which risk assessment and risk management is undertaken. The Committee should discuss the Company’s major financial risk exposures and the steps management has taken to monitor and control such exposures.
11. Review the Company’s use of derivative instruments, the purpose and risks of such use and the impact on the Company’s financial statements.

### *Independent Auditor*

12. Select, determine the compensation of, retain and oversee the Company's independent auditor. As part of its oversight function, the Committee shall resolve any disagreements between management and the independent auditor regarding financial reporting. The Committee also shall propose and approve the discharge of the independent auditor when circumstances warrant. The independent auditor shall report directly to the Committee.
13. Select, determine the compensation of, retain and oversee any other registered public accounting firm engaged for the purpose of preparing or issuing an audit report or to perform audit, review or attestation services, which firm shall also report directly to the Committee.
14. Approve the annual audit fees to be paid to the independent auditor. Pre-approve all audit services as well as all permitted non-audit services to be performed for the Company by the independent auditor as and to the extent required by the Exchange Act and the Sarbanes-Oxley Act of 2002. The Committee must consider whether the provision of permitted non-audit services by the independent auditor is compatible with maintaining the auditor's independence, and shall solicit the input of management and the independent auditor on that issue. The Committee Chair (or any Committee member if the Chair is unavailable) may pre-approve such services in between Committee meetings; provided, however, that the Chair (or such other Committee member) must disclose all such pre-approved services to the full Committee at the next scheduled meeting.
15. In connection with the required disclosure in Company's annual proxy statement, review the independent auditor's annual formal written statement of the fees billed in each of the last two fiscal years for each of the following categories of services rendered by the independent auditor: (i) the audit of the Company's annual financial statements and the reviews of the financial statements included in the Company's Quarterly Reports on Form 10-Q or services normally provided by the independent auditor in connection with statutory and regulatory filings or engagements; (ii) assurance and related services not included in clause (i) that are reasonably related to the performance of the audit or review of the Company's financial statements, in the aggregate and by each service; (iii) tax compliance, tax advice and tax planning services, in the aggregate and by each service; and (iv) all other products and services rendered by the independent auditor, in the aggregate and by each service.
16. At least annually, obtain and review a report (the "Auditor's Statement") by the independent auditor describing (a) the audit firm's internal quality-control procedures, (b) any material issues raised by the most recent internal quality-control review, or peer review, of the audit firm, or by any inquiry, review, or investigation by governmental or professional authorities (including the PCAOB), within the last five years, respecting one or more independent audits carried out by the audit firm, and any steps taken to address any such issues, and (c) to assess the auditor's independence, all relationships between the audit firm and the Company, including each non-audit service provided to the Company and the matters set forth in the letter from the independent accountant required by the

applicable requirements of the PCAOB. Discuss with the independent auditor any relationship or services disclosed in the Auditor's Statement that may impact the quality of audit services or the objectivity and independence of the Company's independent auditor.

17. After reviewing the Auditor's Statement and the independent auditor's work throughout the year, annually evaluate the qualifications, performance and independence of the independent auditor, including a review and evaluation of the lead partner on the audit, taking into account the opinions of management and the Company's internal auditors. As part of this independence review, the Committee should ensure the rotation of the lead, concurring and other audit partners as required by law, and review and discuss with the independent auditor all significant relationships they have with the Company that could impair the auditor's independence. The Committee also should periodically consider whether, in order to ensure continuing auditor independence, there should be regular rotation of the independent auditor. The Committee shall present its conclusions with respect to the independent auditor to the Board.
18. Consider any reports or communications (and management's and/or the internal audit department's responses thereto) submitted to the Committee by the independent auditor required by or referred to in any applicable PCAOB or other standards.
19. At least annually, meet with management, the independent auditor and, if appropriate, the head of internal audit to:
  - Discuss the overall scope, planning and staffing of the annual audit.
  - Discuss the matters required to be discussed by Auditing Standard (AS) 16 relating to the conduct of the audit.
  - Discuss any audit problems or difficulties, and management's responses thereto, including: (a) any restrictions on the scope of the independent auditor's activities or on access to requested information and any other difficulties the independent auditor encountered in the course of the audits, (b) any significant matters arising from any audit, including any audit problems or difficulties relating to the Company's financial statements, (c) any accounting adjustments that were noted or proposed by the independent auditor but were "passed" (as immaterial or otherwise), (d) any communications between the independent audit team and the independent auditor's national office respecting auditing or accounting issues presented by the engagement, (e) any "management" or "internal control" letter issued, or proposed to be issued, by the independent auditor to the Company and (f) the responsibilities, budget and staffing of the Company's internal audit function.
  - Review the form of opinion that the independent auditor proposes to render to the Board and the Company's stockholders.
20. Set clear hiring policies for current and former employees of the independent auditor.

### **Internal Auditor**

21. Appointment of the Company's Chief Audit Executive.
22. Review internal audit department activities, organizational structure and staff qualifications.
23. Approve internal audit department projects and annual budget and receive updates regarding significant changes thereto.
24. Review with the internal audit department the status and results (including management's remedial actions) of audit projects.
25. Review all significant reports to management prepared by the internal audit department, and management's responses.

### **Other Responsibilities**

26. Prepare and review with the Board an annual performance evaluation of the Committee, which evaluation must compare the performance of the Committee with the requirements of this Charter. The performance evaluation by the Committee shall be conducted in such manner as the Committee deems appropriate. The report to the Board may take the form of an oral report.
27. Prepare any report or other disclosures, including any recommendation of the Committee, required by the rules of the SEC to be included with the Company's annual proxy statement.
28. Review and reassess the adequacy of this Charter at least annually, and recommend any proposed changes to the Board.
29. Report the Committee's activities to the Board on a regular basis; make such recommendations with respect to the above and other matters as the Committee may deem appropriate; and perform any other activities consistent with this Charter as the Committee or the Board deem necessary or appropriate.