

# CHINOS GLOBAL HOLDINGS LLC

## **Audit Committee Charter**

### **I. PURPOSES**

The Audit Committee (the “Committee”) is appointed by the Board of Directors (the “Board”) of Chinos Global Holdings LLC (the “Company”) in accordance with the Amended and Restated Limited Liability Company Agreement of the Company, dated as of September 10, 2020, as may be amended from time to time (the “LLC Agreement”) to assist the Board in its oversight of the accounting and financial reporting processes of the Company and the Company’s compliance with legal and regulatory requirements.

The primary responsibility of the Committee shall be to oversee:

- audits of the financial statements of the Company;
- the integrity of the Company’s financial statements;
- the Company’s processes relating to risk management and the conduct and systems of internal control over financial reporting and disclosure controls and procedures;
- the qualifications, engagement, compensation, independence and performance of the Company’s independent auditor, and the auditor’s conduct of the annual audit of the Company’s financial statements and any other services provided to the Company; and
- the performance of the Company’s internal audit function.

### **II. COMMITTEE MEMBERSHIP**

**Composition.** Subject to the terms of the LLC Agreement, the Committee shall consist of one or more directors, as determined by the Board. Except as otherwise directed by the Board, a director selected as a Committee member shall continue to be a member for as long as he or she remains a director or until his or her earlier resignation or removal from the Committee. Any member may be removed from the Committee by the Board, with or without cause, at any time.

**Chair.** The Chair of the Committee shall be appointed from among the Committee members by, and serve at the pleasure of, the Board, shall preside at meetings of the Committee and shall have authority to convene meetings, approve agendas for meetings, and determine the Committee’s information needs, except as otherwise provided by the Board or the Committee. In the absence of the Chair at a duly convened meeting, the Committee shall select a temporary substitute from among its members to serve as chair of the meeting.

**Financial Literacy.** Each member of the Committee shall in the judgment of the Board have a basic understanding of finance and accounting and the ability to read and understand fundamental financial statements.

### **III. AUTHORITY**

In discharging its role, the Committee is empowered to inquire into any matter that it considers appropriate to carry out its responsibilities, with access to all books, records, facilities and personnel of the Company, and, subject to the direction of the Board, the Committee is authorized and delegated the authority to act on behalf of the Board with respect to any matter it determines to be necessary or appropriate to the accomplishment of its purposes, subject to the terms of the LLC Agreement.

The Committee shall have authority to retain, direct and oversee the activities of, and to terminate the engagement of, the Company's independent auditor and any other accounting firm retained by the Committee to prepare or issue any other audit report or to perform any other audit, review or attest services and any legal counsel, accounting or other advisor or consultant hired to assist the Committee, all of whom shall be accountable to the Committee.

The Company shall provide the Committee with appropriate funding, as determined by the Committee, for the payment of (a) compensation to any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company; (b) compensation to any independent counsel or other advisers retained by the Committee in carrying out its duties; and (c) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

### **IV. COMMITTEE MEETINGS**

The Committee shall meet on a quarterly basis, or more frequently as circumstances dictate.

In addition, the Committee, or its Chair, shall communicate with management and the independent auditors quarterly to review the Companies' financial statements and significant findings based upon the auditors' limited review procedures. In planning the annual schedule of meetings, the Committee shall ensure that sufficient opportunities exist for its members to meet separately with the independent auditors and/or the internal audit function, without management present; to meet separately with management, without the independent auditors and/or the internal audit function present; and to meet in private with only the Committee members present.

Notice of meetings shall be given to all Committee members or may be waived, in the same manner as required for meetings of the Board. Meetings of the Committee may be held by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear and speak with each other. A majority of the members of the Committee shall constitute a quorum for a meeting and the affirmative vote of a majority of members present at a meeting at which a quorum is present shall constitute the action of the Committee. Any member of the Board, whether or not a member of the Committee, may attend Committee meetings, but only Committee members are entitled to a vote at the meeting. The Committee may meet in executive session as it deems appropriate.

The Committee may also act by unanimous written consent of its members. The Committee shall otherwise establish its own rules of procedure.

## V. DELEGATION

The Committee, by resolution approved by a majority of the Committee, may form and delegate any of its responsibilities to a subcommittee so long as such subcommittee is solely comprised of one or more members of the Committee.

## VI. KEY RESPONSIBILITIES

The following responsibilities are set forth as a guide for fulfilling the Committee's purposes in such manner as the Committee determines is appropriate, and the Committee shall undertake such other responsibilities or tasks as the Board may delegate or assign to the Committee from time to time.

### A. Oversight of the Independent Auditor

1. **Independent Auditor Retention.** The Committee is solely and directly responsible for the appointment, evaluation, compensation, retention and, if appropriate, replacement of the independent auditor.
2. **Independence.** The Committee shall assess at least annually the independent auditor's independence. The Committee shall engage in an active dialogue with the independent auditor concerning any disclosed relationships or services that may impact the objectivity and independence of the auditor and take, or recommend that the Board take, appropriate action to oversee and ensure the independence of the auditor.
3. **Quality and Performance.** The Committee shall evaluate at least annually the qualifications and performance of the independent auditor, including the lead partner.
4. **General Oversight.** The independent auditor reports directly to the Committee. The Committee is responsible for oversight of the work of the independent auditor, including resolution of disagreements between management and the independent auditor regarding financial reporting. In connection with its oversight responsibility, the Committee shall consider the independent auditor's communications regarding, among other things, critical accounting policies and practices, all alternative accounting treatments within generally accepted accounting principles ("GAAP") related to items material to the financial statements that have been discussed with management, including the ramifications of the alternative treatments and the treatment preferred by the independent auditor, and all material written communications between the independent auditor and management, and shall review the effect or potential effect of any regulatory regime, accounting initiatives or off-balance sheet structures on the Company's financial statements.
5. **Audit Oversight.** The Committee shall establish with the independent auditor an understanding of the terms of the audit engagement, the role of the auditor with respect to the Company's financial statements and coordination of audit efforts to ensure completeness of coverage, reduction of redundant efforts, the effective use of audit resources, and the use of accounting firms other than the appointed auditors of the

Company. The Committee shall review the scope of the annual audit or interim review (including the level of involvement with unaudited quarterly or other interim-period information), and discuss the results, including, without limitation, the independent auditor's report and all matters required to be communicated to the Committee by the independent auditor in accordance with applicable auditing standards.

The Committee shall discuss with the independent auditor, before the issuance of the audit report, the overall audit strategy, including the timing of the audit, significant risks the auditor identified and significant changes to the planned audit strategy or identified risks as well as any audit problems or difficulties encountered during the course of the audit work and management's response.

6. **Pre-Approval of Auditor Services.** The Committee is exclusively authorized and directed to consider and, in its discretion, approve in advance any services (including the fees and material terms thereof) proposed to be carried out for the Company by the independent auditor or by any other firm proposed to be engaged by the Company as its independent auditor.

## **B. Financial Statements and Other Financial Disclosures**

7. **Quality and Integrity of Financial Statements.** The Committee shall review and discuss with management and the independent auditor: the critical accounting policies and practices used by the Company, and any significant changes in the selection or application of the Company's accounting and auditing principles and practices as suggested by the Company's independent auditor, internal auditors or management; the accounting treatment to be applied in respect of significant new transactions or other significant events not in the ordinary course of the Company's business; other policies and procedures adopted by the Company to fulfill its responsibilities regarding the presentation of financial statements in accordance with applicable accounting standards and any issues that arise with respect to the quality or integrity of the Company's financial statements.
8. **Audited Financial Statements.** The Committee shall review and discuss with management and the independent auditor the analyses prepared by management setting forth significant financial reporting issues and judgments made in connection with the preparation of the Company's annual financial statements (including analyses of the effects of alternative GAAP methods on the financial statements, as appropriate), and such other matters for which discussion shall be required by applicable auditing and related standards.
9. **Quarterly Financial Statements.** The Committee shall review and discuss with management and the independent auditor the quarterly financial statements together with the analyses prepared by management setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements.
10. **Other Financial Information.** The Committee shall discuss with management and the independent auditor and, review and approve, any announcement of the Company's financial results.

## **C. Controls and Procedures**

11. **Oversight.** The Committee shall provide oversight of management’s design and maintenance of the Company’s internal control over financial reporting and disclosure controls and procedures.
12. **Internal Audit Function.** At least annually, the Committee shall review with the independent auditor the responsibilities, budget, staffing, effectiveness and performance of the internal audit function, including the structure, qualification and activities of the internal audit function and the scope of internal audit responsibilities in relation to the independent auditor’s duties. The Committee shall review and assess the annual internal audit plan, the process used to develop the plan, and the status of activities, significant findings, recommendations and management’s response. The Committee shall recommend for Board approval all matters related to responsibilities, budget and staffing of the internal audit function. The Committee shall recommend for Board approval the appointment and, if appropriate, replacement of the senior internal audit executive.
13. **Hiring Policies.** The Committee shall establish clear policies regarding the hiring of employees and former employees of the Company’s independent auditor.

#### **D. Risk Management, Compliance and Ethics**

14. **Risk Management.** The Committee shall review and discuss with management, the head of the internal audit function and the independent auditor any significant risks or exposures and the Company’s policies and processes with respect to risk assessment and risk management, including enterprise risk management, as well as oversight of the Company’s risk management program relating to cybersecurity, and shall assess the steps management has taken to monitor and control such risks, except with respect to those risks for which oversight has been assigned to other committees of the Board or retained by the Board.
15. **Legal and Regulatory Compliance.** The Committee shall review and assess with the General Counsel legal and regulatory matters that may have a material impact on the Company’s financial statements. The Committee shall also review and recommend for Board approval the Code of Ethics and Business Conduct (the “Code”) and any other appropriate compliance policies, and will review requests for waivers under the Code sought with respect to any executive officer or director. The Committee shall review annually with the General Counsel the scope, implementation and effectiveness of the ethics and compliance program, and any significant deviations by officers and employees from the code of business conduct and ethics or other compliance policies, and other matters pertaining to the integrity of management.
16. **Procedures for Complaints.** The Committee shall establish “whistleblowing” 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 the Company’s employees of concerns regarding questionable accounting or auditing matters. The Committee shall review any such significant complaints or concerns.

17. **Related Person Transactions.** The Committee shall review and, if appropriate, approve or ratify any related person transactions and other significant conflicts of interest, in each case in accordance with applicable Company policies.

**E. Charter and Reporting**

18. **Charter Review.** The Committee periodically review the Committee's compliance with this charter and recommend to the Board such amendments of this charter as the Committee deems appropriate. The Committee may not amend this Charter, other than to make *de minimis* or administrative changes, without Board approval.

19. **Reporting.** The Committee shall report regularly to the Board on Committee findings and recommendations and any other matters the Committee deems appropriate or the Board requests, and maintain minutes or other records of Committee meetings and activities.

Adopted by the Board on December 14, 2020.