

**ABERCROMBIE & FITCH CO.**

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

**(Adopted by Resolution of the Board of Directors on April 8, 2004)**

This Charter defines the purpose, composition, authority and responsibilities of the Audit Committee (the “Audit Committee”) of the Board of Directors (the “Board”) of Abercrombie & Fitch Co. (“Abercrombie”).

**Purpose**

The Audit Committee is responsible for assisting the Board in the oversight of the accounting and financial reporting processes of Abercrombie and its subsidiaries (collectively, the “Company”). Specifically, the Audit Committee assists the Board in overseeing (i) the integrity of the Company’s financial statements; (ii) the Company’s compliance with legal and regulatory requirements; (iii) the independent auditors’ qualifications and independence; (iv) the performance of the Company’s internal auditors and independent auditors; and (v) the annual independent audit of the Company’s financial statements. The Audit Committee also prepares the audit committee report required by the rules of the Securities and Exchange Commission (the “SEC”) to be included in Abercrombie’s annual proxy statement.

**Composition**

The Audit Committee shall consist of at least three members of the Board, each of whom shall be nominated annually by the Nominating and Board Governance Committee and appointed by the Board. The Board, upon recommendation of the Nominating and Board Governance Committee, may fill any vacancies on the Audit Committee and may remove an Audit Committee member from membership on the Audit Committee at any time, with or without cause. Each Audit Committee member shall qualify as “independent” under the corporate governance rules of the New York Stock Exchange (“NYSE”) and Rule 10A-3(b)(1) under the Securities Exchange Act of 1934 (the “Exchange Act”). All members of the Audit Committee shall be financially literate, as determined by the Board. At least one member of the Audit Committee shall be an “audit committee financial expert” as defined in Item 401(h) of SEC Regulation S-K and shall have accounting or related financial expertise, as determined by the Board.

No member of the Audit Committee shall simultaneously serve on the audit committee of more than two public companies other than Abercrombie.

**Meetings and Authority**

The Audit Committee shall meet at least four times annually. The Chair of the Audit Committee or any two members of the Audit Committee may call meetings during the year as they deem necessary. The Audit Committee may have in attendance at its meetings such

members of management, the internal auditors, the independent auditors and other individuals or consultants as the Audit Committee deems necessary or desirable to provide the information the Audit Committee needs to carry out its duties and responsibilities.

The Audit Committee has the authority to form, and delegate authority in accordance with applicable laws, rules and regulations to, a subcommittee consisting of one or more Audit Committee members, when appropriate. Such delegated authority may include the authority to pre-approve audit services and permitted non-audit services. The decisions made pursuant to any such delegated authority shall be reported to the full Audit Committee at its next scheduled meeting.

The Audit Committee shall keep written minutes of its meetings. The Audit Committee shall report regularly to the Board.

As part of its role to foster open communications, the Audit Committee shall meet periodically with management, the internal auditors and the independent auditors in separate executive sessions.

The Audit Committee shall have the authority, to the extent it deems necessary or appropriate to carry out its duties, to retain independent legal, accounting and other advisors. Abercrombie shall provide for appropriate funding for payment to the independent auditors engaged for the purpose of preparing and issuing an audit report or performing other audit, review or attest services for Abercrombie; payment to any other advisors employed by the Audit Committee; and payment of ordinary administrative expenses of the Audit Committee that are necessary or appropriate in carrying out its duties.

## **Responsibilities and Processes**

The following activities shall be the common, recurring activities of the Audit Committee in carrying out its purpose. The Audit Committee may carry out additional functions and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory, legal or other conditions. The Audit Committee shall also carry out such other duties and responsibilities delegated to it by the Board that are related to the purpose of the Audit Committee.

### **A. Financial Reporting / Internal Control Over Financial Reporting**

1. The Audit Committee shall discuss with each of the internal auditors and the independent auditors annually the overall scope of their respective annual audit plans, including, as appropriate, adequacy of staffing, the services to be provided and the audit procedures to be used.
2. The Audit Committee shall discuss with management and the independent auditors the Company's financial statements and the disclosures to be made under "management's discussion and analysis of financial condition and results of operations" prior to the filing of each Quarterly Report on Form 10-Q of Abercrombie and each Annual Report on Form 10-K of Abercrombie (or the distribution of the annual report to stockholders if distributed prior to the filing of

the Annual Report on Form 10-K). The Audit Committee shall recommend to the Board whether the Company's audited financial statements should be included in the Annual Report on Form 10-K of Abercrombie. The Audit Committee shall discuss any other matters required to be communicated to the Audit Committee by the independent auditors under auditing standards generally accepted in the United States ("GAAP").

3. The Audit Committee shall discuss generally the type and presentation of financial information to be disclosed in Abercrombie's earnings releases as well as financial information or earnings guidance provided to any governmental authority or the public. The Audit Committee does not need to discuss in advance each earnings release or each instance in which Abercrombie may provide earnings guidance.
4. The Audit Committee shall review major issues regarding accounting and financial statement presentation, including (i) any significant changes in the Company's selection or application of accounting principles, and major issues as to the adequacy of the Company's internal controls and any special audit steps adopted in light of material control deficiencies; (ii) analyses prepared by management and/or the independent auditors setting forth significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements; (iii) the development, selection and disclosure of critical accounting estimates and policies and practices and the use thereof; and (iv) analyses of the effects of alternative GAAP methods on the Company's financial statements, including the use of alternative disclosures and treatments and the treatment preferred by the independent auditors.
5. The Audit Committee shall review the effect of regulatory and accounting initiatives on the Company's financial statements.
6. The Audit Committee shall discuss the Company's policies with respect to risk assessment and risk management, including guidelines and policies governing the process by which risk assessment and risk management is undertaken, the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures.
7. The Audit Committee shall discuss with the independent auditors their report and the results of their audit. The Audit Committee shall review with the independent auditors any audit problems or difficulties the independent auditors encountered in the course of the audit work including, without limitation, any restrictions on the scope of the independent auditors' activities or on access to requested information, and any significant disagreements with management. As considered appropriate by the Audit Committee, the review may include a review of any accounting adjustments that were noted or proposed by the independent auditors but were "passed" as immaterial or otherwise, and a discussion with the independent auditors of any issues on which the national office of the independent auditors was consulted. The Audit Committee shall review material written

communications between the independent auditors and management of Abercrombie such as any “management” and/or “internal control” letter or schedule of unadjusted differences.

8. The Audit Committee shall discuss with the internal auditors their reports and the results of their audits.

**B. Retention and Oversight of Independent Auditors**

1. The Audit Committee shall be directly responsible for the appointment, compensation, retention and oversight of the work of the independent auditors, including resolution of disagreements between management and the independent auditors regarding financial reporting. The Audit Committee shall have the sole authority to retain and replace the independent auditors. The independent auditors shall not be permitted to render any services to Abercrombie or its subsidiaries unless the terms of, and the fees to be paid for, such services, whether audit services or permitted non-audit services, have been pre-approved by the Audit Committee. The independent auditors shall report directly to the Audit Committee.
2. The Audit Committee shall review the independence, qualifications and performance of the independent auditors by, among other things:
  - (i) At least annually, obtaining and reviewing a report from the independent auditors describing: (a) the independent auditors’ internal quality-control procedures; (b) any material issues raised by the most recent internal quality-control review, or peer review, of the independent auditors, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the independent auditors and any steps taken to deal with any such issues; and (c) all relationships between the independent auditors and the Company.
  - (ii) Ensuring that the independent auditors submit on a periodic basis to the Audit Committee a formal written statement delineating all relationships with, and professional services provided to, Abercrombie and its subsidiaries, consistent with Independence Standards Board Standard No. 1, *Independence Discussions with Audit Committees*, as modified or supplemented.
  - (iii) Evaluating the qualifications, performance and independence of the independent auditors, and the lead audit partner of the independent auditors, taking into account the opinions of management and the internal auditors.
3. The Audit Committee shall review and pre-approve all audit services and permitted non-audit services to be performed for Abercrombie or any of its subsidiaries by the independent auditors. In no event shall the independent auditors perform any non-audit services for Abercrombie or any of its subsidiaries

which are prohibited by applicable law or the rules or regulations implemented by the SEC or the Public Company Accounting Oversight Board (or other similar body as may be established from time to time). The Audit Committee has established pre-approval policies and procedures, in compliance with the rules and criteria established by the SEC, which are attached to this Charter as Exhibit 1.

4. The Audit Committee shall set hiring policies for employees or former employees of the independent auditors that comply with applicable laws, rules and regulations.

**C. Internal Auditors**

1. The Audit Committee shall discuss the internal auditors' objectives and goals, audit schedules, staffing plans and have the internal auditors inform the Audit Committee of the results of internal audits, highlighting significant audit findings and recommendations.
2. The Audit Committee shall discuss with the internal auditors the results of their work (including their audit report) and their assessments of the Company's risk management processes and system of internal control.
3. The Audit Committee shall discuss each significant point brought up in the internal auditors' letter of recommendation to management and management's written response to each point and determine which points are to be acted upon, by whom, and the time schedule for completion.

**D. Compliance Oversight**

1. The Audit Committee shall discuss with management, the internal auditors and the independent auditors the Company's processes regarding compliance with legal and regulatory requirements and communication of and compliance with the Company's Corporate Governance Guidelines and Code of Business Conduct and Ethics.
2. The Audit Committee shall establish procedures and require the Company to obtain or provide the necessary resources and mechanisms for (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

**E. Other Responsibilities**

1. The Audit Committee shall report to the Board and review with the full Board 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, qualifications and independence of the independent auditors; and the performance of the internal auditors.

2. The Audit Committee shall prepare the audit committee report to be included in Abercrombie's annual proxy statement and review any other information related to the responsibilities of the Audit Committee required to be disclosed under the applicable rules and regulations of the SEC and NYSE.
3. The Audit Committee shall review and recommend appropriate insurance coverage for directors and officers of Abercrombie.
4. At least annually, the Audit Committee shall review and reassess the adequacy of this Charter and obtain the approval of the Board for any amendments to this Charter.
5. At least annually, in consultation with the Nominating and Board Governance Committee, the Audit Committee shall perform an evaluation of the performance of the Audit Committee.

## **General**

In performing their duties and responsibilities, Audit Committee members are entitled to rely in good faith on information, opinions, reports or statements prepared or presented by:

- One or more officers or employees of the Company whom the Audit Committee members reasonably believe to be reliable and competent in the matters prepared or presented;
- Counsel, independent auditors or other persons as to matters which the Audit Committee members reasonably believe to be within the professional or expert competence of such persons; or
- Another committee of the Board as to matters within such other committee's designated authority, which committee the Audit Committee members reasonably believe to merit confidence.

While the Audit Committee has the authority and responsibilities set forth in this Charter, it is not the duty of the Audit Committee to prepare the Company's financial statements, to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and in accordance with GAAP. The Company's management is responsible for the preparation, presentation and integrity of the Company's financial statements, for the appropriateness of the accounting principles and reporting policies that are used by the Company and for the establishment and maintenance of systems of disclosure controls and procedures and internal control over financial reporting. The independent auditors are responsible for auditing the Company's annual financial statements and issuing an attestation report on management's assessment of Abercrombie's internal control over financial reporting, and for reviewing the Company's unaudited interim financial statements.

Except as specifically contemplated by this Charter or as required by applicable laws, rules and regulations, it is not the duty of the Audit Committee to conduct investigations or to assure compliance with laws, rules or regulations.

**Abercrombie & Fitch Co.**  
**Audit Committee Charter**

**Audit and Non-Audit Services**  
**Pre-Approval Policies and Procedures – Exhibit 1**

**Background**

The purpose of these policies and procedures is to ensure that Abercrombie & Fitch Co. (“Abercrombie”) is in full compliance with the Sarbanes-Oxley Act of 2002, the Securities Exchange Act of 1934, and the SEC’s rules regarding Auditor Independence. This document sets forth the policies and procedures of the Audit Committee of the Board with regard to audit and non-audit services permitted and the pre-approval of such services.

These policies and procedures not only comply with the requirements for pre-approval, but also provide a mechanism by which Abercrombie management can request and secure pre-approval of audit and non-audit services in an orderly manner with minimal disruption to normal business operations.

**Procedures**

1. Ratification of Types of Audit and Non-Audit Services Permitted
  - a. Abercrombie management and the independent audit firm shall jointly submit to the Audit Committee a Non-Audit Services Matrix of the types of audit and non-audit services that are permitted under Sarbanes-Oxley and the SEC’s rules and which Abercrombie management may wish to avail itself.
  - b. This submission will be made annually. Beginning in 2004, the submission will be made at the January Audit Committee meeting.
  - c. The Audit Committee will review the Matrix and either approve or reject the specific categories of services annually. The approval of the Matrix is merely an approval of the types of services permitted by the Audit Committee, subject to pre-approval of specific services.
  - d. The Matrix will then be revised to include only those categories of services approved by the Audit Committee and will then be distributed by Abercrombie management to appropriate personnel and by the independent audit firm to its partners serving Abercrombie.
2. Annual Pre-Approval Request
  - a. Management and the independent audit firm shall jointly submit to the Audit Committee an Annual Pre-Approval Request, which will list each known and/or anticipated audit and non-audit service for the upcoming year. The Pre-Approval Request will list the services by category in accordance with the Matrix and describe the services in reasonable detail and include an estimated budget (or budgeted range) of fees.
  - b. The Annual Pre-Approval Request will be submitted annually. Beginning in 2004, this submission will be made prior to the January Audit Committee meeting.



### 3. Annual Pre-Approval

- a. The Audit Committee will review the Annual Pre-Approval Request with both management and the independent audit firm.
- b. A final list of Annual Pre-Approved Non-Audit Services and budgeted fees will then be prepared and distributed by Abercrombie management to appropriate personnel and by the independent audit firm to its partners who provide services to Abercrombie.

*Note:* The pre-approval of non-audit services contained in the Annual Pre-Approval Request is merely an authorization for Abercrombie management to potentially utilize the independent audit firm for the approved services and allowable services. Abercrombie management still has the discretion to either engage the independent audit firm or another provider for each listed service. Additionally, the Audit Committee in concert with Abercrombie management has the responsibility to set the terms of the engagement, negotiate the fee (within the approved budget range) and to execute Letters of Engagement.

### 4. Designation of Primary Audit Committee Members and Interim Pre-Approval Procedures

- a. During the course of the year, there may be additional non-audit services that are identified by Abercrombie management that are desired and were not contained in the Annual Pre-Approval Request.
- b. The Audit Committee will designate two members to have the authority to pre-approve interim requests for additional non-audit services.
- c. Prior to engaging the independent audit firm for such services, Abercrombie management should submit to the designated Audit Committee members a request for Non-Audit Services.
- d. The designated Audit Committee members should act upon the request as expeditiously as possible by either approving or rejecting the request and notifying Abercrombie management.
- e. These interim pre-approval procedures are only for non-audit services that are less than \$100,000. Requests for non-audit services greater than \$100,000 must be approved by the full Audit Committee.

### 5. On-Going Monitoring of Approved Audit and Non-Audit Services

- a. At each subsequent Audit Committee meeting, the designated Audit Committee members should report to the Committee any interim non-audit service pre-approvals since the last Audit Committee meeting.
- b. At each Audit Committee meeting, Abercrombie management and the independent audit firm will provide the Audit Committee with a summary description of ongoing projects and a year to date report of the actual expenditures against the pre-approved budget for non-audit services and an updated estimate of expenditures for the full year.