



AUDIT COMMITTEE CHARTER

A. Purpose

The purpose of the Audit Committee (the “Committee”) is to:

- assist the Board of Directors (the “Board”) in fulfilling its oversight responsibilities to the shareholders, potential shareholders and the investment community;
- supervise and monitor the soundness of the Destination XL Group, Inc. (the “Company”) audit and its relationship with its independent auditor;
- promote and further the integrity of the Company’s financial statements and the Company’s accounting and financial reporting processes;
- oversee the Company’s independent auditor qualifications, independence and performance; and
- provide the Board of Directors, the independent auditor and the internal auditor direct, unfiltered access to each other on a regular basis.

B. Membership and Organization

1. Number. The Committee shall consist of at least three members of the Board.
2. Independence. Except as otherwise permitted by the Sarbanes-Oxley Act of 2002 (the “Act”) and the rules of Securities and Exchange Commission (the “SEC”) and The Nasdaq Stock Market (“Nasdaq”), each member of the Committee shall be “independent” as defined by such Act and rules.
3. Financial Literacy. Each member of the Committee shall be able to read and understand fundamental financial statements, including the Company’s balance sheet, income statement and cash flow statement at the time of his or her appointment to the Committee. To the extent required by the Act and the rules of the SEC and Nasdaq, at least one member of the Committee shall be a “audit committee financial expert” as defined by the Act and SEC rules and have the level of enhanced financial literacy required by Nasdaq rules.
4. Chair. The Board shall designate one member of the Committee to be Chairperson of the Committee.

5. Compensation. The compensation of Committee members shall be as determined by the Board. No member of the Committee may receive any compensation from the Company other than for services as a director.

6. Selection and Removal. Members of the Committee shall be appointed by the Board. The Board may remove members of the Committee from time to time, with or without cause.

C. Authority and Responsibilities

General

The Committee shall discharge its responsibilities, and shall assess the information provided by the Company's management and the independent auditor, in accordance with its business judgment. The authority and responsibilities set forth in this Charter do not reflect or create any duty or obligation of the Committee to plan or conduct any audit, to determine or certify that the Company's financial statements are complete, accurate, fairly presented, or in accordance with generally accepted accounting principles or applicable law, or to guarantee the independent auditor's report.

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 used by the Company; and for establishing and maintaining internal control over financial reporting. The independent auditor is responsible for auditing the Company's financial statements and the effectiveness internal control over financial reporting, and for reviewing the Company's unaudited interim financial statements.

Oversight of Independent Auditor

1. Selection. The Committee shall be solely and directly responsible for appointing, determining the scope of, evaluating and, when necessary, terminating the relationship with the independent auditor. The Committee shall decide, in accordance with the Act and SEC rules, the extent to which independent public accountants other than the principal auditor are to be used and understand the rationale for using them. The Committee shall direct the principal auditor and secondary accountants to coordinate their work and shall direct the principal auditor to perform an appropriate review of the secondary accountants' work. The Committee may, in its discretion, recommend that the Board seek shareholder ratification of any independent auditor it appoints.

2. Independence. The Committee shall take appropriate action to oversee the independence of the independent auditor. In connection with this responsibility, the Committee shall periodically obtain and review a formal written statement from the independent auditor describing all relationships between the independent auditor and the Company, including the disclosures required by Public Company Accounting Oversight Board ("PCAOB") Ethics and Independence Rule 3526. The Committee shall actively engage in dialogue with the independent auditor concerning any disclosed relationships or services that might impact the objectivity and independence of the auditor.

3. Compensation. The Committee shall have sole and direct responsibility for setting the compensation of the independent auditor. The Committee is empowered, without further action by the Board, to cause the Company to pay the compensation of the independent auditor as established by the Committee.

4. Pre-Approval and Disclosure of Services. The Committee shall pre-approve all audit services and permitted non-audit services (other than de minimis permitted non-audit services as defined and permitted by the Act and SEC rules) in accordance with the Company's Audit and Non-Audit Services Pre-Approval Policy. The Committee shall cause the Company to disclose in its periodic SEC reports the approval by the Committee of any non-audit services to be performed by the independent auditor. The Committee shall further cause the Company to disclose the Company's Audit and Non-Audit Services Pre-Approval Policy in the Company's annual report and proxy statement, and, to the extent required by the Act and the rules of the SEC, PCAOB and Nasdaq, the Audit fees, Audited-Related fees, Tax fees and All Other fees, as defined by the SEC, paid to the Company's independent auditor in the annual report or proxy statement.

5. Oversight. The independent auditor shall report directly to the Committee and the Committee shall have sole and direct responsibility for overseeing the independent auditor for purposes of all work it performs for the Company, including resolution of disagreements between Company management and the independent auditor regarding financial reporting. In connection with its oversight role, the Committee shall from time to time, as appropriate, obtain and review the reports required to be made by the independent auditor pursuant to the Act or otherwise regarding:

- critical accounting policies and practices;
- alternative treatments of financial information within generally accepted accounting principles that have been discussed with Company management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor;
- other material written communications between the independent auditor and Company management, such as any "management letter" or schedule of "unadjusted differences"; and
- matters required to be discussed by Auditing Standard No. 114 (relating to the conduct of the audit).

The Committee shall authorize appropriate changes to be made pursuant to its review and report such changes to the Board.

Review of Audited Financial Statements

1. Discussion of Audited Financial Statements. The Committee shall review and discuss with the Company's management and independent auditor the Company's audited financial statements, including the matters about which Statement on Auditing Standard No. 16 requires discussion, and the financial statements and disclosures under Management's Discussion and Analysis of Financial Condition and Results of Operations to be included in the Company's Annual Report on Form 10-K (or the annual report to shareholders if distributed prior to the filing of Form 10-K), including their judgment about the quality, not just the acceptability, of accounting principles, the reasonableness of significant judgments, and the clarity of the disclosures in the financial statements.

2. Recommendation to Board Regarding Financial Statements. The Committee shall consider whether it will recommend to the Board that the Company's audited financial statements be included in the Company's Annual Report and any other report to the SEC or shareholders.

3. Committee Report. The Committee shall review all proxy statements and prepare the report described in Item 407(d) of Regulation S-K for inclusion where necessary in a proxy statement of the Company relating to an annual meeting of shareholders at which directors are to be elected (or special meeting or written consents in lieu of such meeting).

Review of Other Financial Disclosures

The Committee shall direct the independent auditor to use its best efforts to perform all reviews of interim financial information prior to disclosure by the Company of such information and to discuss promptly with the Committee and the Chief Financial Officer any matters identified in connection with the auditor's review of interim financial information which are required to be discussed by applicable professional standards. The Committee shall review the interim financial statements and disclosures under Management's Discussion and Analysis of Financial Condition and Results of Operations with management and the independent auditor prior to the filing of the Company's Quarterly Report on Form 10-Q. Also, the Committee shall discuss the results of the quarterly review and any other matters required to be communicated to the Committee by the independent auditor under generally accepted auditing standards. The Committee shall direct management to advise the Committee in the event that the Company proposes to disclose interim financial information prior to completion of the independent auditor's review of interim financial information. In any event, the Committee shall review the consistency and adequacy of all interim financial disclosures prior to any public disclosure.

Additional Review

Following completion of any audit or review of financial statements and prior to any public disclosure, the Committee shall review earnings releases, including the use of "pro forma" or "adjusted" non-GAAP information, unusual transactions and accounting estimates, post-audit or post-review matters such as any differences between the planned and actual scope of the audit or review and recent and prospective opinions of the Accounting Principles Board and their impact upon the Company's accounting and financial statements.

Controls

1. **Oversight.** The Committee shall review and oversee the Company's internal accounting controls, disclosure controls and procedures and management information systems. The Committee shall review and discuss with management, the independent auditor and the internal auditor, if any (i) management's process for assessing the effectiveness of internal control over financial reporting and (ii) any major issues as the adequacy of the Company's internal controls, any special steps adopted in light of material control deficiencies and the adequacy of disclosures about changes in internal control over financial reporting. The Committee shall review and discuss with management, the independent auditor, and the internal auditor, if any, the Company's internal controls report, the certifications of the CEO and CFO and the independent auditor's attestation report prior to the filing of the Form 10-K.
2. **Procedures for Complaints.** The Committee shall establish procedures 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.
3. **Investigations.** The Committee shall have the authority to conduct or authorize special audits and investigations into any matters within the scope of its responsibilities as it shall deem appropriate, including the authority to request any officer, employee or advisor of the Company to meet with the Committee or any advisors engaged by the Committee.
4. **Related-Party Transactions.** To the extent required by the Act and the rules of the SEC and Nasdaq, the Committee shall review all related-party transactions on an ongoing basis and all such transactions must be approved by the Committee except as otherwise delegated by the Committee to another independent body of the Board of Directors.

Additional Authorities and Responsibilities

1. **Independent Advisors.** The Committee shall have the authority to engage and determine funding for such independent legal, accounting and other advisors as it deems necessary or appropriate to carry out its responsibilities. Such independent advisors may be the regular advisors to the Company. The Committee is empowered, without further action by the Board, to cause the Company to pay the compensation of such advisors as established by the Committee.
2. **Risk Oversight.** The Committee shall assist the Board with overseeing the management of risks associated with the Company's financial reporting, accounting and auditing matters.
3. **Internal Auditor.** The Committee shall review and discuss with the internal auditor, if any, (i) the scope, progress and results of the internal audit plan and (ii) any reports on the status of significant findings and recommendations of the internal auditor, and management's responses. The Committee shall review and concur on the appointment, replacement, re-assignment or dismissal of the internal audit manager, who shall have direct access to the Committee, and shall annually review the performance on the internal audit function.

4. Charter. Annually, the Committee shall review and reassess the adequacy of this charter and recommend any proposed changes to the Board for approval.

5. Additional Authority. The Committee shall have such other authority and responsibilities as may be delegated from time to time by the Board.

D. Procedures and Administration

1. Meetings. The Committee shall meet at least quarterly and as often as it deems necessary in order to perform its responsibilities. The Committee shall periodically meet separately with: (i) the independent auditor; (ii) the Company's management and (iii) the internal auditor, if any. The Committee and any subcommittee shall keep such records of its meetings as it may deem appropriate.

2. Quorum. The quorum for conducting the business of the Committee shall be a majority of the membership.

3. Subcommittees. The Committee may form and delegate authority to one or more subcommittees (including a subcommittee consisting of a single member), as it deems appropriate from time to time under the circumstances. Any decision of a subcommittee to pre-approve audit or non-audit services shall be reported to the full Committee at its next scheduled meeting.

4. Reports to the Board. The Committee shall regularly report a summary of its actions and the results of its reviews to the Board.

5. Self-Assessment. Annually, the Committee shall review and evaluate the performance of the Committee, including compliance by the Committee with this charter.