

AUDIT COMMITTEE CHARTER

PURPOSE

The Audit Committee (the “Committee”) shall be a standing committee of the Board of Directors of lululemon athletica inc. (the “Company”). The primary purpose of the Committee is to assist the Board of Directors in undertaking and fulfilling its oversight responsibilities in connection with:

- reviewing the financial reports and other financial information prepared by the Company for submission to any governmental or regulatory body or the public and monitoring the integrity of such financial reports;
- reviewing the Company’s systems of internal controls established for finance, accounting, legal compliance and ethics;
- reviewing the Company’s accounting and financial reporting processes generally and the audits of the financial statements of the Company;
- monitoring compliance with legal regulatory requirements;
- monitoring the independence and performance of the Company’s independent public accountants;
- overseeing the Company’s risk assessment and risk management policies, procedures and practices; and
- providing effective communication among the Board of Directors, senior and financial management and the Company’s independent public accountants.

MEMBERSHIP

The Committee shall consist of at least three members of the Board of Directors. Each Committee member shall meet the independence requirements of The Nasdaq Stock Market LLC, Section 10A(m)(3) of the Securities Exchange Act of 1934 (the “Exchange Act”), the rules and regulations of the Securities and Exchange Commission (“SEC”) and, if applicable, the independence requirements set out in Multilateral Instrument 52-110 - Audit Committees published by the Canadian securities regulatory authorities subject to any applicable transition rules reflected therein. Accordingly, the following rules shall govern the membership of the Committee.

- Each member of the Committee:
 - must be an independent, non-executive director, free from any relationship that, in the judgment of the Board of Directors, may interfere with the exercise of the member’s independent judgment;

- must not receive any payments from the Company other than in such member's capacity as a director;
 - must not have participated in the preparation of the financial statements of the Company or any current subsidiary of the Company at any time during the previous three years; and
 - must be financially literate.
- At least one member of the Committee must have past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in such individual's financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities.
 - No director may serve as a member of the Committee if such director serves on the audit committees of more than two other public companies unless the Board of Directors determines that such simultaneous service would not impair such director's ability to serve effectively on the Committee.

Membership on the Committee shall be determined annually by the Board of Directors upon the recommendation of the Nominating Committee. Committee members shall serve until their successors shall be duly elected and qualified. Unless a chairperson of the Committee is elected by the Board of Directors, the members of the Committee may designate a chairperson of the Committee by majority vote of the full Committee membership. The Board of Directors, in consultation with the Nominating Committee, may remove a member of the Committee at any time with or without cause and may appoint an independent director to fill the vacancy for the remainder of the term.

MEETINGS

- The Committee shall meet as often as it determines is necessary to meet its objectives, but no less frequently than quarterly. The Committee's chairperson (or in his or her absence, a member designated by the Committee's chairperson) shall preside at each meeting of the Committee and set the agenda for Committee meetings. The Committee shall have the authority to establish its own rules and procedures for notice and conduct of its meetings so long as they are not inconsistent with the provisions of the Company's bylaws that are applicable to a committee of the Board of Directors.
- Any member of the Committee may call a special meeting of the Committee. Meetings of the Committee may be held in-person or via telephonic conference.
- Except as otherwise provided by statute or this Charter, a majority of the members of the Committee shall be required to constitute a quorum for the transaction of business at any meeting, and the act of a majority of the Committee members present and voting at any meeting at which a quorum is present shall be the act of the Committee. Action may be taken by the Committee without a meeting if all of the members of the Committee indicate their approval in writing.

- The Committee may, in its discretion, invite other directors of the Company, members of the Company's management or any other person, including, without limitation, outside counsel or independent public accountants, whose presence the Committee believes to be desirable and appropriate to attend and observe meetings of the Committee. Individuals who are invited to attend meetings of the Committee shall not (a) participate in any discussion or deliberation of the Committee unless invited to do so by the Committee, and (b) not be entitled to vote on any matter brought before the Committee. The Committee may exclude from its meetings any person it deems appropriate.
- The Committee shall maintain minutes or other records of meetings and activities of the Committee. Minutes of meetings of the Committee shall be distributed periodically to the full Board of Directors.
- A summary of all formal action taken by the Committee (or any subcommittee thereof) shall be reported to the Board of Directors at the next meeting of the Board of Directors following such action.

RELATIONSHIP WITH INDEPENDENT ACCOUNTANTS

The Company's independent public accountants shall be accountable to the Committee, and the Committee shall have sole authority to select, evaluate and replace the Company's independent public accountants. The Committee shall be directly responsible for the compensation and oversight of the work of the independent public accountant (including mediating disagreements between management and the independent public accountants regarding financial reporting) for the purpose of preparing or issuing an audit report, or performing other audit review or attest services or related work. The independent public accountants shall report directly to the Committee. The Committee will ascertain that the independent public accountants will be available to the full Board of Directors at least annually (and more frequently if deemed appropriate by the Committee) to provide the Board of Directors with a timely analysis of significant financial reporting issues. The Committee will not engage the independent public accountants to perform any of the services set forth in Section 10(A)(g) of the Exchange Act.

RESPONSIBILITIES

In furtherance of the Committee's responsibilities, the Committee's policies and procedures will remain flexible to best react to changing conditions and to ensure to the Board of Directors and stockholders that the corporate accounting and reporting practices of the Company are in accordance with applicable requirements and standards. Thus, the following functions are a guide with the understanding that the Committee may diverge from this guide as appropriate given the circumstances

Review of Financial Reports and Press Releases

- The Committee shall review and discuss with management and the independent public accountants the audited financial statements and related footnotes to be included in the Company's Annual Report on Form 10-K (or the Annual Report to Stockholders if distributed prior to the filing of Form 10-K) prior to the filing of the Form 10-K, including the Company's disclosures under "Management's Discussion and Analysis of Financial

Condition and Results of Operations” (“MD&A”) and review and consider with the independent public accountants the matters required to be discussed by Statement of Auditing Standards (“SAS”) No. 61 (as it may be modified or supplemented). The Committee shall recommend to the Board of Directors whether the audited financial statements should be included in the Company’s Form 10-K.

- The Committee shall review with management and the independent public accountants interim financial results to be included in the Company’s quarterly reports on Form 10-Q to be filed with the SEC and the Canadian securities regulatory authorities, MD&A and the matters required to be discussed by SAS No. 71 (as it may be modified or supplemented) prior to the Company’s filing of any Form 10-Q.
- The Committee shall review disclosures made to the Committee by the Company’s Chief Executive Officer and Chief Financial Officer, or the Company’s disclosure committee or any member thereof, during their certification process for the Form 10-K or Form 10-Q and for the certifications required to be filed with the Canadian securities regulatory authorities, as appropriate. In addition, the Committee shall discuss with the Company’s management and independent public accountants whether the Company’s quarterly financial statements as well as significant events, transactions and changes in accounting estimates were considered by the independent public accountants (after performing their required quarterly review) to have affected the quality of the Company’s financial reporting. Such reviews will occur prior to the Company’s filing of the Form 10-K, Form 10-Q and, to the extent practicable, prior to the quarterly earnings release.
- The Committee shall review the Company’s earnings press releases, including the use of “pro-forma” or “adjusted” non-GAAP information (subject to compliance with law and applicable SEC rules, including Regulation G), as well as other publicly disclosed financial information and earnings guidance, prior to the issuance of any earnings press release, and discuss any of the foregoing with management to the extent desired by any member of the Committee. Such discussion may be general in nature (consisting of discussing the types of information to be disclosed and the types of presentations to be made).

Independent Public Accountants

- The Committee has responsibility for the retention and termination of the Company’s independent public accountants and to set its fees.
- The Committee shall review with the independent public accountants the scope of the prospective audit, the estimated fees therefor and such other matters pertaining to such audit as the Committee may deem appropriate.
- The Committee shall pre-approve all auditing services and permitted non-audit services (including the fees for such services and terms thereof) to be performed for the Company or its subsidiary entities by its independent public accountant in one of two methods. For all auditing services, the engagement to render the services would be entered into pursuant to pre-approval policies and procedures established by the Committee, provided (i) the policies and procedures are detailed as to the services to be performed, (ii) the Committee is informed

of each service, and (iii) such policies and procedures do not include delegation of the Committee's responsibilities under the Exchange Act to the Company's management. For non-audit services, the engagement to render the services would be presented to and pre-approved by the Committee (subject to the *de minimis* exceptions for non-audit services described in Section 10A(i)(1)(B) of the Exchange Act that are approved by the Committee prior to the completion of the audit). The Committee's chairperson will have the authority to grant pre-approvals of audit and permissible non-audit services by the independent public accountants, and all pre-approvals by the chairperson must be presented to the full Committee at its next scheduled meeting.

- At least annually, the Committee shall receive and review a report by independent public accountants describing:
 - the Company's internal quality-control procedures, other matters relating to the accounting procedures and the books and records of the Company and the correction of controls deemed to be deficient;
 - any material issues raised by the most recent internal quality-control review, or peer review, of the Company, 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 firm, and any steps taken to deal with any such issues; and
 - all relationships between the independent accountants and the Company. The report shall include a statement as to whether the relationships between the independent public accountant and the Company will impact on the independent public accountant's objectivity and independence.
- The Committee shall obtain the independent public accountant's assurance that the audit was conducted in a manner consistent with the Exchange Act, and other provisions of applicable law.
- The Committee shall take appropriate action to ensure the continuing objectivity and independence of the independent public accountants.
- The Committee shall review and discuss quarterly reports from the Company's independent public accountants regarding:
 - all critical accounting policies and practices to be used;
 - all alternative disclosures and treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent public accountant; and
 - all material written communications between the independent public accountants and management, such as any management letter or schedule of unadjusted differences.

- The Committee shall recommend to the Board of Directors policies for the Company's hiring of partners, employees, former partners or former employees of the independent public accountants who participated in any capacity in the audit of the Company.

Financial Reporting, Accounting Principles and Internal Control Matters

- The Committee shall advise management and the independent public accountants that they are expected to provide the Committee with a timely analysis of significant financial reporting, accounting, or internal control matters.
- The Committee shall review with the Company's management and the independent public accountants their judgments about the quality, not just the acceptability, of accounting principles, the reasonableness of significant judgments, and the clarity and transparency of the disclosures in the financial statements.
- The Committee shall make or cause to be made, from time to time, such other examinations or reviews as the Committee may deem advisable with respect to the adequacy of the systems of internal controls and accounting practices of the Company and its subsidiaries and with respect to current accounting trends and developments, and take such action with respect thereto as may be deemed appropriate.
- The Committee shall adopt and maintain procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
- The Committee may take all other appropriate action, including notifying the SEC, and, if applicable, the Canadian securities regulatory authorities, if the Company fails in any material respect to implement an appropriate response that the Committee has recommended for adoption by the Company.

Risk Oversight

- The Committee shall review the status of compliance with laws, regulations, and internal procedures, contingent liabilities and risks that may be material to the Company, the scope and status of systems designed to assure the Company's compliance with laws, regulations and internal procedures, through receiving reports from management, legal counsel and other third parties as determined by the Committee on such matters, as well as major legislative and regulatory developments, including pronouncements by the Financial Accounting Standards Board, the SEC, the Canadian securities regulatory authorities and other agencies or bodies, on the Company's financial statements.
- The Committee shall meet periodically, but no less than quarterly, with management, the Company's risk and compliance team and the Company's independent auditors to review and discuss the Company's significant financial risk exposures and the steps that management has taken to monitor, control and report such risks.

- The Committee shall regularly evaluate the Company's policies, procedures and practices with respect to enterprise risk assessment and risk management.
- The Committee shall report its risk oversight activities to the Board of Directors on a regular basis, but no less than annually, and in that regard shall make such recommendations to the Board of Directors with respect to risk assessment and risk management as the Committee may deem necessary or appropriate.

Annual Evaluation

- The Committee shall conduct an annual review and evaluation of its own performance. The Committee shall prepare, and report to the Board of Directors the results of, such annual performance evaluation, which shall compare the performance of the Committee with the requirements of this Charter.
- The Committee shall review and reassess the adequacy of this Charter on an annual basis and recommend any proposed changes to the Board of Directors for approval.

Ongoing Matters

- The Committee shall prepare the report required by the rules of the SEC regarding the Committee, to be included in the Company's annual proxy statement and, if applicable, any reports required to be filed with the Canadian securities regulatory authorities. In furtherance thereof, the Committee will include a statement within such report on whether the Committee has recommended that the financial statements be included in the Form 10-K and ensure that a copy of the Committee's Charter is publicly available to the extent required in accordance with applicable SEC rules.
- The Committee shall review with the Company's counsel legal matters that may have a material impact on the financial statements, the Company's compliance policies and any material reports or inquiries received from regulators or governmental agencies.
- The Committee shall periodically review, and make any appropriate recommendations to the Board of Directors concerning updates or changes to, the Company's Code of Business Conduct and Ethics, and ensure that management has established a system to enforce the Code. The Committee shall also review the procedures established by the Company that monitor the compliance by the Company with such code by directors, officers and employees, and compliance by the Company with its loan and indenture covenants and restrictions.
- The Committee shall review and approve any transactions between the Company and related parties in accordance with the Company's Related Party Transaction Policies and Procedures.
- The Committee shall hold such meetings as may be necessary or appropriate with the Company's management and independent public accountants in separate sessions to discuss any matters that the Committee or each of these groups believe should be discussed privately. Such special meetings as may be called by the chairperson of the Committee or at the request of the Company's management or independent public accountants.

- To the extent it deems necessary or appropriate, the Committee may also meet with the Company's investment bankers or with financial analysts who follow the Company.
- The Committee shall consider such other matters in relation to the financial affairs of the Company and its accounts, and in relation to the audit of the Company, as the Committee may, in its discretion, determine to be advisable.

LIMITATION ON COMMITTEE'S ROLE

Although the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and are in accordance with the generally accepted accounting principles. This is the responsibility of management and the independent public accountants.

The Committee recognizes that the Company's management is responsible for preparing the Company's financial statements, and the independent public accountants are responsible for auditing or reviewing those financial statements in compliance with applicable law. The Committee also recognizes that management and independent public accountants have more time, knowledge and more detailed information on the Company than do Committee members. Consequently, in carrying out its oversight responsibility, the Committee will not provide any special assurances as to the Company's financial statements or any professional certification as to the independent public accountants' work. In addition, it is not the duty of the Committee to conduct investigations, to assure that any disagreements, if any, between management and the independent public accountants are satisfactorily resolved, or to assure compliance with laws and regulations.

ACCESS TO RECORDS AND RESOURCES

The Committee will have the resources and authority necessary to discharge its duties and responsibilities. In carrying out its duties and responsibilities, the Committee shall have full access to any relevant records of the Company and may retain experts and outside consultants to advise the Committee. The Committee shall also have authority to obtain advice and assistance from internal or external legal, accounting or other advisors. The Committee shall have sole authority to engage, terminate and determine the compensation and terms of engagement of any experts, outside consultants, external legal, accounting or other advisors. The Committee may also request that any officer or other employee of the Company, the Company's outside counsel or any other person meet with any members of, or consultants to, the Committee. The fees, expenses or compensation owed any person retained by the Committee and any ordinary administrative expenses of the Committee incurred in carrying out its duties and responsibilities shall be borne by the Company.

Any communications between the Committee and legal counsel in the course of obtaining legal advice will be considered privileged communications of the Company and the Committee will take all necessary steps to preserve the privileged nature of those communications.

DELEGATION

In carrying out its duties and responsibilities, the Committee shall be entitled to delegate any or all of its duties or responsibilities to a subcommittee of the Committee, to the extent permitted by law and consistent with the Company's certificate of incorporation, bylaws, and applicable law and rules of markets in which the Company's securities then trade.

Adopted May 30, 2007

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