

THE TALBOTS, INC.

AUDIT COMMITTEE CHARTER

The Audit Committee is appointed by the Board of Directors of The Talbots, Inc. (the “Company”) to assist the Board in monitoring:

- The integrity of the financial statements of the Company.
- The external auditor’s qualifications and independence.
- The performance of the Company’s internal audit function.
- The performance of the external auditors.
- The Company’s compliance with legal and regulatory requirements.

COMPOSITION

The Audit Committee shall consist of at least three (3) members of the Board of Directors. The members of the Audit Committee shall meet the education, independence and experience requirements of the New York Stock Exchange and applicable federal law. The members of the Audit Committee shall be appointed by the Board of Directors, on the recommendation of the Governance Committee. One of the members shall be appointed Audit Committee Chairperson.

MEETINGS

- The Audit Committee shall meet as often as it determines, but not less frequently than four (4) times each year.
- All Audit Committee members shall endeavor to attend each meeting, in person or via telephone or video conference.
- Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. Minutes of meetings will be prepared.
- The Audit Committee may request or invite any officer or employee of the Company, other directors, the external auditor, legal counsel or other persons to attend meetings of the Committee.
- The Audit Committee shall meet, separately, with management, with the internal auditors, and with the external auditor, on a regular basis.

AUTHORITY

- The Audit Committee has authority to:

- Appoint, compensate and replace the external auditor.
- Oversee the work of the external auditor.
- Coordinate the resolution of any accounting or auditing issues brought to the Committee's attention by management or the external auditor.
- Pre-approve the terms of all audit and non-audit services provided by the external auditor.
- Retain independent counsel, accountants, or others to advise the Audit Committee or assist in the conduct of any review or investigation.
- Seek any information it requires from employees or other persons.
- Meet with Company officers, employees, external auditors, legal counsel or other third parties, as necessary.
- Conduct or authorize investigations into any matters within its scope of responsibility.
- The Audit Committee may, when appropriate, delegate authority to one or more of its members or to one or more subcommittees.

RESPONSIBILITIES

The Audit Committee shall:

Financial Statement and Disclosure Matters

- Review and discuss with management and with the external auditor the annual audited financial statements, including disclosures made in management's discussion and analysis ("MD&A"), and recommend to the Board whether the audited financial statements shall be included in the Company's Form 10-K.
- Review and discuss with management and with the external auditor the Company's quarterly financial statements, including the MD&A, prior to the filing of its Form 10-Qs.
- Discuss with management and with the external auditor any significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including any significant changes in the Company's selection or application of accounting principles; any major issues as to the adequacy of the Company's internal controls; the development, selection and disclosure of critical accounting policies and the effect of alternative assumptions, estimates or GAAP methods on the Company's financial statements.

- Discuss with the external auditor any difficulties encountered in the course of their audit or review work.
- Generally discuss with management the types of information to be disclosed or provided, the type of presentation to be made and the procedures management generally follows in preparing and issuing: (1) the Company's earnings press releases and (2) financial information and earnings guidance provided to analysts and rating agencies.
- Discuss with management and the external auditor the effect of regulatory and accounting initiatives brought to the Committee's attention by management or the external auditor.
- Discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.
- Discuss with the external auditor the matters required to be discussed by Statement on Auditing Standards No. 61 relating to the conduct of the audit.
- Prepare all reports required by applicable SEC or NYSE rules, including reports required to be included in the proxy statement, annual report to shareholders or other filings or submissions.

Oversight of the Company's Relationship with the External Auditor

- Review the experience and qualifications of the senior members of the external auditor team.
- Assess the independence of the external auditor, review all relationships between the external auditor and the Company and ensure compliance with all applicable federal and NYSE requirements and guidelines concerning the services of and the Company's relationship with the external auditor.
- Meet with the external auditor prior to the audit to discuss the planning and staffing of the audit.
- Review and pre-approve the terms of all audit and non-audit services of the external auditor.
- Review the performance of the external auditor.
- At least annually, assess the external auditor's internal quality control procedures.
- Establish with management, policies that prohibit the hiring of employees or former employees of the external auditor who has provided audit, review or attest services for the Company during the two previous years in an accounting or financial oversight role, as defined by the SEC.

Oversight of the Company's Internal Audit Function

- Periodically review the functions, responsibility and performance of the senior internal audit executive.
- Review significant reports to management prepared by the internal audit department and management's responses.
- Discuss with the external auditor the internal audit department responsibilities, budget and staffing and any recommended changes in the planned scope of the internal audit function.

Compliance Oversight Responsibilities

- Review with management and the Company's senior internal audit executive compliance with all applicable legal and reporting requirements and the Company's code of business conduct and ethics.
- Review and, if appropriate, approve all material transactions with affiliated entities or other related parties.
- Discuss with management and the external auditor any correspondence with regulators or governmental agencies which raise issues regarding the Company's financial statements or accounting policies.

Procedures For Employee And Other Third Party Complaints And Inquiries

- Establish and periodically review procedures for:
 - the receipt, retention and treatment of any complaints received by the Company concerning any accounting, internal controls, or auditing matters; and
 - the submission by any Company employee of any claims or concerns regarding questionable accounting or auditing matters.
- Coordinate with the Company's internal audit staff, which will be responsible for ensuring that any material claim or other communication concerning the foregoing matters is brought to the attention of the Chairperson of the Audit Committee.

Committee Administration

- Provide regular reports to the Board.
- Review and reassess the adequacy of this charter annually and recommend any proposed changes to the Board for approval.
- Review annually the Audit Committee's own performance.

