

Wilson's The Leather Experts Inc.

Amended and Restated Audit Committee Charter (as of April 14, 2005)

Purpose

There shall be an Audit Committee of the Board of Directors of Wilson's The Leather Experts Inc., a Minnesota corporation (the "Company"). The Committee shall have responsibility for overseeing the Company's management and independent auditor in regard to corporate accounting and financial reporting.

Organization

The Committee shall consist of at least three directors appointed by the Company's Board of Directors. Each director appointed to the Committee shall:

1. be qualified as an "independent director" within the meaning of Rule 4200 of the NASD Manual, meet the criteria for independence under Section 10A(m)(3) of the Securities Exchange Act of 1934, as amended, and the rules and regulations adopted thereunder, 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 past three years, and have no relationship with the Company which, in the opinion of the Board, would interfere with the exercise of independent judgment;
2. be able to read and understand fundamental financial statements, including the Company's balance sheet, income statement and cash flow statement; and
3. be "independent" as defined by other applicable laws, regulations and listing requirements.

At least one member of the Committee shall have past employment experience in finance or accounting, requisite professional certification in accounting or any other comparable experience or background which results in the director's financial sophistication. The Committee shall endeavor to have at all times on the Committee at least one member who satisfies the definition of an "audit committee financial expert" as defined by the Securities and Exchange Commission (the "SEC"), which member shall be deemed to have satisfied the financial sophistication criterion set forth in the immediately preceding sentence.

Each Committee member shall be appointed by the Board on the recommendation of the Governance and Nominating Committee of the Board. Committee members may be removed or replaced by the Board from time to time in its discretion. Committee members shall not serve on the audit committees of more than two other public companies, unless specifically approved by the Board.

The Committee's key supporting staff includes the Company's chief financial officer, vice president of finance and controller. The Committee may ask other members of management to attend meetings and provide pertinent information.

Authority

The Company will provide appropriate funding, as determined by the Committee, for the payment of (i) compensation to any independent auditor engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company; (ii) compensation to any advisors employed by the Committee; and (iii) ordinary administrative expenses of the Committee that are necessary or appropriate.

In carrying out its oversight responsibilities, the Committee may, at Company expense, retain independent counsel, auditors or other advisors and experts of its choosing and may conduct any investigation deemed appropriate, with full access to all Company books, records, facilities, personnel and independent advisors.

Responsibilities

The Committee recognizes that preparation of the Company's financial statements and other financial information is the responsibility of the Company's management and that auditing, or conducting limited reviews, of those financial statements and other financial information is the responsibility of the Company's independent auditor. The Committee's responsibility is to oversee the financial reporting process.

The Company's management, and its independent auditor, in the exercise of their responsibilities, acquire greater knowledge and more detailed information about the Company and its financial affairs than the members of the Committee. Consequently, the Committee is not responsible for providing any expert or other special assurance as to the Company's financial statements and other financial information or any professional certification as to the independent auditor's work, including without limitation their reports on, and limited reviews of, the Company's financial statements and other financial information.

The Committee shall:

Oversight of Relationship with Independent Auditors

1. be directly responsible for the appointment, retention, compensation, evaluation, termination and oversight of the work of any independent auditor engaged (including resolution of disagreements between management and the auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company, and each such independent auditor must report directly to the Committee;

2. obtain and review a report from the independent auditor at least annually regarding:
 - the independent auditor’s internal quality-control procedures;
 - any material issues raised by the most recent internal quality-control review, or peer review, of the independent auditor, 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 auditor;
 - any steps taken to deal with any such issues; and
 - all relationships between the independent auditor and the Company, consistent with Independence Standards Board Standard No. 1 (“ISBS No. 1”);
3. evaluate the qualifications, performance and independence of the independent auditor, including:
 - actively engaging in a dialogue with the independent auditor regarding any relationship or services that may impact the auditor’s objectivity and independence;
 - at least annually, evaluating the independence of the auditor, including assessing whether all relationships between the independent auditor and the Company and the provisions of permissive non-audit services are compatible with maintaining the auditor’s independence;
 - considering whether the independent auditor’s quality controls are adequate; and
 - reviewing and evaluating the qualifications and performance of the Company’s independent auditor, including the independent auditor’s judgment about the quality and appropriateness of the Company’s accounting principles as applied in its financial reporting;
4. meet with the independent auditor prior to the audit to review the planning and staffing of the audit;
5. recommend to the Board guidelines for the Company’s hiring of employees of the independent auditor who were engaged on the Company’s account;
6. pre-approve all audit services and permissible non-audit services by the Company’s independent auditor and have sole authority to approve all audit engagement fees and terms and fees of any non-audit service of the independent auditor;
7. evaluate, together with the Board, whether it is appropriate to adopt a policy of rotating independent auditors on a regular basis and, if so determined by the Committee, recommend that the Board replace the independent auditor;

8. assure regular rotation, as may be specified by applicable laws, regulations and listing requirements, of the lead audit partner, the reviewing audit partner and other significant audit partners of the Company's independent auditor;

Financial Statements and the Disclosure Process

9. review and discuss representations from the independent auditor regarding:
 - critical accounting policies and practices to be used;
 - alternative 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 auditor; and
 - other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences;
10. review with the independent auditor any audit problems or difficulties the auditor may have encountered and management's response thereto, including any difficulties encountered in the course of the audit work and any restrictions on the scope of activities or access to required information;
11. discuss with management and the independent auditor:
 - material financial reporting issues and judgments made in connection with the preparation of the Company's financial statements;
 - any material changes in the Company's selection or application of accounting principles;
 - any material issues for which the national office of the independent auditor was consulted by the Company's audit team;
 - any significant deficiencies or material weaknesses in the design or operation of internal controls that could adversely affect the Company's ability to record, process, summarize and report financial data;
 - management's report on internal controls and the independent auditor's attestation of management's report on internal controls;
 - any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls; and
 - any other matters covered by Section 10A of the Securities Exchange Act of 1934 as determined necessary or appropriate by the Committee to ensure compliance;

12. review with management and the independent auditor the effect of regulatory and accounting initiatives as well as off-balance sheet arrangements (if any) on the Company's financial statements;
13. prepare annually a Committee Report, based upon the review and discussions of the Company's audited financial statements that are to be included in the Company's Form 10-K with the independent auditor and management, as to whether the Committee recommends to the Board that such audited financial statements be included in the Company's Form 10-K for filing with the Securities and Exchange Commission. The Committee, in connection with such a Report, shall:
 - review and discuss the audited financial statements with management and the independent auditors;
 - review and discuss with the independent auditor the items required by Statement on Auditing Standards No. 61; and
 - receive the written disclosures and letter from the independent auditor as required by ISBS No. 1;
14. in connection with the Company's interim financial reporting, be available to meet and confer with management and/or the Company's independent auditor in respect to any report required to be made by such independent auditor to the Committee in accordance with Statement on Auditing Standards No. 71 or in accordance with the terms of such independent auditor's engagement;
15. discuss with management the Company's earnings press releases, including the use of "pro forma" or "adjusted" non-GAAP information, as well as financial information and earnings guidance provided to analysts and rating agencies;
16. receive information from the Company's management about any significant deficiencies and material weaknesses in the design or operation of internal controls that could adversely affect the Company's ability to record, process, summarize and report financial data and any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls;
17. discuss with the independent auditor and management the internal audit responsibilities, staffing and the planned scope of internal audit;
18. review any appointment or replacement of the internal audit firm;

Compliance Oversight Responsibilities

19. establish and review periodically 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 the Company of concerns regarding questionable accounting or auditing matters;

20. except as otherwise directed by the Board, oversee the Company's ethics compliance program and make recommendations to management with respect to program enhancements and the resolution of ethical issues brought to its attention;
21. approve all "related party transactions" (as such term is defined in the SEC's rules and regulations) of the Company;

Other Responsibilities

22. from time to time meet with management, the independent auditor and internal auditor in separate executive sessions;
23. review and reassess annually the adequacy of the Audit Committee Charter;
24. discuss with management guidelines and policies for assessing and managing the Company's risk exposure and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies; and
25. review the Committee's own performance annually.

M1:1040466.03