

AUDIT COMMITTEE CHARTER

This Audit Committee Charter has been approved by the Board of Directors (the “Board”) of Iconix Brand Group, Inc. (the “Company”).

Composition

The Audit Committee shall have at least three (3) members, comprised solely of independent directors, as such term is defined under the applicable rules of the National Association of Securities Dealers (“NASD”) relating to the listing of securities on the Nasdaq Stock Market and under applicable rules of the U.S. Securities and Exchange Commission (“SEC”).

Each member of the Audit Committee shall be able to read and understand fundamental financial statements, including the Company’s balance sheet, income statement and cash flow statement. In addition, at least one member of the Audit Committee shall be a financial expert, as specified in Section 407 of the Sarbanes-Oxley Act of 2002 (the “Act”) and Item 309 of Regulation S-K of the SEC.

The Board shall appoint (i) the members of the Audit Committee and (ii) one member of the Audit Committee as a Chairperson who will have the authority to act on behalf of the Audit Committee between meetings of the Audit Committee. If the Chairperson is not present at a meeting, the members of the Audit Committee may designate an acting Chairperson by a majority vote of the full Audit Committee.

The Audit Committee shall meet at least four times annually and more frequently as circumstances require, one of which shall be an Annual Meeting.

The Audit Committee shall keep written minutes of its meetings, which minutes shall be maintained with the books and records of the Company.

The members of the Audit Committee shall serve until their resignation, retirement or removal by the Board of until their successors shall be appointed and qualify. No member of the Audit Committee shall be removed except by a majority vote of the full Board.

A member of the Audit Committee shall promptly notify the Audit Committee and the Board if the member is no longer an independent director and such member shall be removed from the Audit Committee unless the Board determines that an exception to the independent director requirement is available under the applicable NASD rules with respect to such member’s continued membership and that an exceptions should be made.

Responsibilities

The responsibilities of the Audit Committee are as follows:

- Appoint, compensate and oversee the work of the outside auditor, including resolution of disagreements between management and the outside auditor regarding financial reporting, for the purpose of preparing or issuing an audit report or related work.
- Monitor compliance of the outside auditor of the Company with the audit partner rotation requirements of the Act and with the conflicts of interest provisions of the Act.
- Pre-approve all auditing services and permissible non-audit services provided by the outside auditor to the Company; provided that, the Audit Committee may delegate to one or more designated members of the Audit Committee the authority to grant the foregoing pre-approvals. The decisions of any member of the Audit Committee to whom the authority to grant pre-approvals has been delegated shall be presented to the full Audit Committee at each of its scheduled meetings.
- Engage in a dialogue with the outside auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the outside auditor and be responsible for taking, or recommending that the Board takes appropriate action to oversee the independence of the outside auditor.
- Obtain from the outside auditors a formal written statement delineating all relationships between the outside auditor and the Company consistent with Independence Standards Board Standard 1.
- Prepare annually the report of the Audit Committee required to be contained in the Company's proxy statements relating to the election of directors filed with the SEC.
- Review and discuss with the outside auditors for the Company the following:
 - (i) All critical accounting policies and practices to be used utilized in connection with the preparation of the Company's financial statements;
 - (ii) All alternative treatments of financial information within generally accepted accounting principles that have been discussed with the management of the Company, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the outside auditors; and

- (iii) All material written communications between the outside auditors and the management of the Company, such as any management letter or schedule of unadjusted differences.
- Review and discuss with the Chief Executive Officer and the Chief Financial Officer of the Company making certifications in each of the Company's annual and quarterly reports filed with the SEC the following:
 - (i) Any significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarize, and report financial data, as well as any material weaknesses in the Company's internal controls; and
 - (ii) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls.
- 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.
- Review reports submitted to the Audit Committee pursuant to (i) the reporting provisions of the Code of Ethics of the Company alleging actual or suspected violations of federal, state or local laws or regulations, including anonymous reports of questionable accounting or auditing matters, and (ii) provisions of the Act requiring the Company's counsel to report evidence of a material violation of securities law or breach of fiduciary duty or similar violation by the Company or any agent of the Company, including the Company's directors and officers.
- Approve all related party transactions to be entered into by the Company.
- Review with the outside auditor, the Company's internal auditor, and financial and accounting personnel, the adequacy and effectiveness of the accounting and financial controls of the Company, and elicit any recommendations for the improvement of such internal control procedures or particular areas where new or more detailed controls or procedures are desirable.
- Obtain advice and assistance from internal or external legal, accounting or other advisors as required for the performance of its duties.
- Consider, in consultation with the outside auditor and management of the Company, the audit scope and procedures.
- Review senior financial and accounting personnel succession planning within the Company.

- Review the Company’s Forms 10-Q and 10-K prior to filing with the SEC.
- Review and 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 ratings agencies. Such discussion may be done generally (consisting of discussing the types of information to be disclosed and the types of presentations to be made).
- Discuss policies with respect to risk assessment and risk management.
- Meet with the internal auditor, outside auditor or the management privately to discuss any matters that the Audit Committee, the internal auditor, the outside auditor or the management believe should be discussed privately with the Audit Committee.
- Review and reassess the adequacy of the Audit Committee's charter annually.
- Make such other recommendations to the Board on such matters, within the scope of its functions, as may come to its attention and which in its discretion warrant consideration by the Board.

Authority to Engage Advisors and Determine Their Compensation

The Audit Committee will have the authority to:

- Engage independent counsel and other advisors as it determines necessary to carry out its duties.
- Determine the compensation of (i) the outside auditor employed by the Company for the purpose of rendering or issuing an audit report and (ii) any advisors employed by the Audit Committee.

Limitations

The Audit Committee is responsible for the duties set forth in this charter but is not responsible for either the preparation of the financial statements or the auditing of the financial statements. Management has the responsibility for preparing the financial statements and implementing internal controls and the independent accountants have the responsibility for auditing the financial statements and monitoring the effectiveness of the internal controls. The review of the financial statements by the Audit Committee is not of the same quality as the audit performed by the independent accountants. In carrying out its responsibilities, the Audit Committee believes its policies and procedures should remain flexible in order to best react to a changing environment.