

## **Charter of the Audit Committee**

Adopted on April 25, 2019

**Ollie's Bargain Outlet Holdings, Inc.**  
**Charter of the Audit Committee of the Board of Directors**

**PURPOSE**

The Audit Committee (the "Committee") is appointed by and shall assist the Board of Directors (the "Board") of Ollie's Bargain Outlet Holdings, Inc. (the "Company") in fulfilling its oversight responsibilities. The Committee shall: (a) monitor and oversee the Company's accounting and financial reporting processes, and the integrity of the corporate accounting and financial reporting processes and financial information, including financial statements; (b) review the Company's compliance with legal and regulatory requirements; (c) oversee the Company's processes relating to risk management; (d) oversee the Company's conduct and systems of internal control over financial reporting and disclosure controls and procedures; (e) oversee the annual audit of the Company's financial statements; (f) evaluate the independent auditor's qualifications, engagement, compensation and independence; (g) monitor the performance of the Company's independent auditors as well as any other public accounting firm engaged to perform other audit, review, or attest services; and (h) report regularly on all such matters to the Board.

While the Committee has the duties and responsibilities set forth in this Charter, the key role of the Committee is oversight. The Committee is not responsible for: planning or conducting the audit or determining whether or certifying that the Company's financial statements are complete, accurate, fairly presented or are in accordance with generally accepted accounting principles ("GAAP") or applicable law. Such activities are the responsibility of management and/or the Company's independent auditors. The Committee and its members are not preparers, auditors, or certifiers of the Company's financial statements or guarantors of the Company's independent auditors' reports. It is not the duty or responsibility of the Committee to ensure that the Company complies with all laws and regulations or the Company's Code of Ethical Business Conduct, internal policies, procedures and controls. The Committee and each of its members shall be entitled to rely on: (a) the integrity of those persons and organizations within and outside of the Company from which it receives information, (b) the accuracy of the financial and other information provided to the Committee by such persons or organizations absent actual knowledge to the contrary (which shall be promptly reported to the Board), and (c) representations made by management as to any audit and non-audit services provided by the independent auditors to the Company.

**ORGANIZATION**

**Membership**

The Committee shall at all times consist of least three directors, including its Chairperson, all appointed by the Board, each member to serve until his or her successor is duly appointed, or until his or her earlier death, resignation or removal by the Board.

**Qualifications**

*Knowledge and Experience Requirements:* All members of the Committee shall, in the judgement of the Board, be Financially Literate. At least one member of the Committee shall be an Audit Committee Financial Expert. "Financially Literate" means being able to read and understand

fundamental financial statements, including a company's balance sheet, income statement, and cash flow statement "Audit Committee Financial Expert" means an audit committee financial expert as defined in Item 407(d)(5) of Regulation S-K, as now in effect or as amended from time to time.

*Independence:* Each member of the Committee shall be an "independent" director in accordance with applicable listing standards of the Nasdaq Stock Market and Rule 10A-3 under the Securities Exchange Act of 1934, as amended. Any action duly taken by the Committee shall be valid and effective, regardless whether the members of the Committee at the time of such action are later determined not to have satisfied the requirements for membership provided herein.

## **Meetings**

*Frequency:* The Committee shall meet at least four (4) times per year, and additionally as frequently as the Chairperson of the Committee deems appropriate. The Committee may meet with the independent auditors and management separately, to the extent the Committee deems necessary and appropriate.

*Holding and Recording Meetings:* Committee meetings may be held in person, telephonically or by means of other communications equipment by which all persons participating in the meeting can hear and speak with each other, or action may be taken by written consent. The Committee shall keep written minutes of its meetings.

*Quorum and Voting:* A majority of the members of the Committee shall constitute a quorum. The affirmative vote of a majority of members present at a meeting at which a quorum is present shall constitute the action of the Committee. Action may be taken by unanimous written consent of the members of the Committee.

*Executive Sessions:* The Committee shall meet with any or all of Company management, internal auditors and the independent auditor in one or more separate executive sessions that may occur before, during, or after any regularly scheduled Committee meeting, and from time to time as the Committee deems necessary and appropriate.

## **Compensation of the Committee**

The compensation of Committee members shall be determined by the Board of Directors.

## **AUTHORITY AND RESPONSIBILITIES**

### **Independent Auditors**

*Selection and Engagement of Independent Auditors:* The Committee shall have the sole authority and the direct responsibility for the appointment, compensation, retention, oversight and, if appropriate, replacement of the Company's independent auditors or any other registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company (including the resolution of disagreements between management and the independent auditors regarding financial reporting) and the

independent auditors or any other public accounting firm engaged shall report directly to the Committee.

*Performance and Independence of Independent Auditors:* The Committee shall evaluate the qualifications and performance and confirm the independence of the independent auditors, including the lead partners(s), on an ongoing basis, but not less frequently than annually. The Committee shall obtain and review a report from the Company's independent auditor regarding (a) the auditor's internal quality-control procedures, (b) any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or 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 (c) any steps taken to deal with such issues. The Committee shall confirm receipt from the independent auditors of formal written statements delineating all relationships between the Company and the independent auditors, consistent with applicable requirements of the Public Accounting Oversight Board ("PCAOB"). The Committee shall actively engage in a dialogue with the auditors with respect to any disclosed relationships or services that may impact the objectivity and independence of the auditors and shall take, or recommend that the full Board of Directors take, appropriate action to oversee the independence of the auditors. As part of the independence review, the Committee should also confirm the rotation of the lead, concurring and other audit partners every at least every five years.

*Approval of Independent Auditor Services:* The Committee shall review and approve the independent auditors' annual engagement letter and all pre-approved audit, audit-related, tax and other non-audit permissible services proposed to be provided by the independent auditors, and the fees for such services.

*Review of Independent Auditor Report:* The Committee shall review and, if applicable, discuss with the independent auditors, any reports required to be prepared by the independent auditors on all critical accounting policies and practices to be used; all alternative accounting treatments within GAAP for policies and practices related to material items that have been discussed with management, including the ramifications of using such alternative disclosures and treatments; and any other material written communications between the independent auditors and management, such as any management letter or schedule of unadjusted differences.

*Hiring policies:* The Committee will evaluate the policies regarding, and establish guidelines for the Company concerning the hiring of any current or former employees of the Company's independent auditor who were engaged on or assigned to the Company's Account.

## **Financial Reporting Process**

*Open Communication:* The Committee shall provide and facilitate an open avenue of communication between the independent auditors, the Board, management and the Company's accounting and finance department. The Committee shall provide the independent auditors with access to required records, data and information. The Committee shall also provide and facilitate sufficient opportunity for the internal and independent auditors to meet with members of the Committee without members of management present.

*System of Financial Controls:* The Committee shall oversee the process in which management shall design, implement, amend, maintain, and enforce a comprehensive system of financial controls (including the right internal and external people and resources, policies, processes and enforcement) aimed at ensuring the integrity and compliance of the Company's books and records with GAAP and sound business practices, as well as protecting the value of the Company's assets and safeguarding the credibility of its brand, employees, management team, board of directors, and shareholders. Such system of financial controls will embody the adoption of best practices in financial controls and foster honesty, integrity, accuracy, and transparency in all aspects of the Company's operations. It will include but not be limited to: (a) setting the right tone at the top; (b) active review of business unit performance by executive management, with regular reporting to and oversight by the Board of Directors; (c) an accurate, stable and reliable general ledger; (d) unambiguous compliance with GAAP; and (e) full transparency with the Board of Directors, Audit Committee, Compensation Committee and external auditors. Such system shall also incorporate the principals contained within the Company's Code of Ethical Business Conduct, as adopted by the Board.

The Committee shall discuss, with management, management's process for assessing the effectiveness of internal control(s) over financial reporting under Section 404 of the Sarbanes-Oxley Act, as amended, including the reporting of any material weaknesses or significant deficiencies identified.

The Committee shall review management's report on its assessment of the effectiveness of internal control over financial reporting as of the end of each fiscal year and the independent auditor's report on the effectiveness of internal control over financial reporting. The Committee shall discuss with the independent auditor the characterization of deficiencies in internal control over financial reporting.

The Committee shall also discuss with management, management's remediation plan to address internal control deficiencies. The Committee shall determine that the disclosures describing any identified material weaknesses and management's remediation plans are clear and complete.

The Committee shall discuss with management, and the independent auditor (1) any changes in internal control over financial reporting that have materially affected or are reasonably likely to materially affect the Company's internal control over financial reporting that are required to be disclosed and (2) any other changes in internal control over financial reporting that were considered for disclosure in the Company's filings with the SEC. *Annual Audit Review:* The Committee shall review with management and the independent auditors the Company's financial statements (including footnotes) for each fiscal year, together with the independent auditors' audit and audit report thereon. In performing such review, the Committee shall review the scope of the audit, the audit procedures utilized, any difficulties or disputes encountered during the audit (including disagreements with management, if any), any changes in accounting practices or principles, and any other matters related to the conduct of the audit brought to the Committee's attention by management or the independent auditors, or which are raised by members of the Committee or which discussion shall be required by applicable auditing and related PCAOB standards. In connection with the annual reviews, the Committee shall inquire about and review with management and the independent auditors any significant risks or exposures faced by the Company and discuss with management the steps taken to minimize such risk or exposure. Such

risks and exposures include, but are not limited to, threatened and pending litigation, claims against the Company, tax matters, regulatory compliance and correspondence from regulatory authorities, and environmental exposure.

*Quarterly Reviews:* The Committee shall review with management and the independent auditors the Company's financial statements (including footnotes) each quarter, together with the independent auditors' review thereof pursuant to professional standards and procedures for conducting such reviews, as established by generally accepted auditing standards and related PCAOB standards. In connection with the quarterly reviews, the Committee shall inquire about and review with management and the independent auditors any significant risks or exposures faced by the Company and discuss with management the steps taken to minimize such risk or exposure. The Committee shall also discuss with members of management the Company's type and presentation of information to be included in earnings 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.

*Earnings Release:* Review with members of management the Company's earnings release, including the use of any "proforma" or "adjusted" non-GAAP information, as well as financial information and earnings guidance provided to analysts and rating agencies.

*Significant judgements/estimates:* Review with management and the independent auditor any significant judgement's or financial reporting issues made in management's preparation of the financial statements and view of each as to appropriateness of such judgements, including analyses of the effects of alternative GAAP methods on the financial statements.

*Regulatory and accounting:* The effect of regulatory and accounting initiatives, as well as any off-balance sheet structures, on the financial statements of the Company, as well as the disclosure regarding such transactions and structures in the Company's public filings.

*Review of Controls and Procedures:* The Committee shall consider and review with management and the independent auditors the design and maintenance of the Company's internal control over financial reporting, including information systems controls and security and bookkeeping controls, and disclosure controls and procedures. The Committee shall also review in this regard any findings and recommendations of the independent auditors, including their management letters.

*Review of Audit Scope:* The Committee shall consider and review with management and the independent auditors the scope of the audit for the current fiscal year and the plan of the independent auditors in conducting the audit.

*Certifications:* The Committee shall review and discuss with management and the independent auditors the certifications and any related disclosures made by the Company's Chief Executive

Officer and Chief Financial Officer in the Company's periodic reports about the results of their evaluation of the effectiveness of disclosure controls and procedures and any significant deficiencies or material weaknesses in the design or operation of internal control over financial reporting, and any fraud involving management or other employees who have a significant role in the Company's internal control over financial reporting, prior to the filing of the Company's Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q.

The Committee shall discuss with management its process for performing its required quarterly certifications under Section 302 of the Sarbanes-Oxley Act, including the evaluation of the effectiveness of disclosure controls by the Chief Executive Officer and Chief Financial Officer.

*Legal and Regulatory Compliance; Investigations:* The Committee shall inquire at such times and with such frequency as it deems appropriate with management and the General Counsel regarding any legal and regulatory matters that may have a material impact on the Company.

### **Finance and Investment Oversight**

*Financial Resources:* The Committee shall periodically review and make recommendations to the Board with respect to the Company's financial resources, financing requirements and related matters.

*Investment Practices and Incurrence of Debt or Equivalents:* The Committee shall periodically review the Company's investment policies, as may exist from time to time, and shall, upon its request, receive reports from the Chief Financial Officer regarding the status and performance of the Company's investments. Issuance of debt securities or off-balance sheet financing (excluding operating leases) shall require Committee approval; borrowings under the Company's new or existing revolving credit facilities are not subject to this provision.

*Other Financial Matters:* The Committee shall receive and review reports from management with respect to significant financial matters of the Company as requested by the Board or as deemed appropriate by the Committee from time to time.

### **Risk Management**

Together with management and the independent auditor, the Committee shall review the Company's major business, operational, and financial risk exposures and shall assess the steps management has taken to monitor and control such risks (except with respect to those risks for which oversight has been assigned to other committees of the Board or retained by the Board). With the Committee's oversight, management shall establish guidelines, policies and practices regarding risk management, including, but not limited to, derivative policies, insurance programs and necessary practices and procedures to monitor and control major business, operational and financial risks. The Committee shall review the Company's annual disclosures concerning the role of the Board in the risk oversight of the Company.

### **Code of Conduct, Conflicts of Interest and Complaints**

*Code of Conduct:* The Committee shall establish, maintain and oversee the Company's Code of Ethical Business Conduct including dealing with issues that may arise under the Code of Conduct related to executive officers and directors of the Company. The Committee shall review annually with the General Counsel the scope, implementation, adherence to and effectiveness of the ethics and compliance program.

*Related Person Transactions:* The Committee shall establish, maintain and oversee the Company's Related Person Transaction Policy, including overseeing the process for approval or ratification of all Related Person Transactions (as defined in and governed by such policy).

*Submission of Complaints:* The Committee shall establish, maintain and oversee procedures for (a) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters, and (b) the confidential, anonymous submission by the Company's employees of concerns regarding questionable accounting or auditing matters. The Committee shall review any such complaints or concerns in accordance with the Company's policies established for the review of such complaints or concerns.

### **Access to Records, Legal Counsel and Advisors**

*Access to Records and Personnel:* The Committee shall have full access to any relevant records of the Company that it deems necessary to carry out its responsibilities. The Committee may request that any officer or other employee of the Company or any advisor to the Company meet with members of the Committee or its advisors, at such times and locations and with such frequency as it deems necessary to carry out its responsibilities.

*Independent Advisors:* The Committee shall have the authority to engage and determine funding for such separate and independent legal, accounting and other advisors as it deems necessary to carry out its responsibilities. Such independent advisors may be the regular advisors to the Company. The Committee is empowered to cause the Company to pay the compensation of such advisors as established by the Committee in consultation with the Chairperson of the Board.

### **Funding of the Audit Committee**

*Funding:* The Company shall provide appropriate funding, as determined by the Committee, for payment of compensation to the independent auditors or any other registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company; to any other independent, legal, accounting or other advisors engaged by the Committee; and of ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties in consultation with the Chairperson of the Board.

### **Other Responsibilities**

*Reports to Board of Directors:* The Committee shall report regularly to the Board regarding the meetings of the Committee with such recommendations to the Board as the Committee deems necessary and appropriate.

*Review of this Charter and Self-Evaluations of the Committee:* The Committee shall, on an annual basis, review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for its approval. The Committee shall also conduct annual self-evaluations in accordance with the methodology developed by the Nominating and Corporate Governance Committee.

*Regulatory Developments:* The Committee shall monitor and provide reports to the Board with respect to developments in accounting rules and practices, income tax laws and regulations, and other regulatory requirements that affect matters within the scope of the Committee's authority and responsibilities.



*Other Authority:* The Committee shall perform such other duties as may be required by law or requested, delegated or assigned by the Board or deemed appropriate by the Committee. The Committee shall discharge its responsibilities, and shall assess the information provided to the Committee, in accordance with its business judgment. The Committee shall have the authority to conduct or authorize investigations into any matters within the scope of its responsibilities as it shall deem reasonably appropriate.

*Delegation:* The Committee, by resolution approved by a majority of the Committee, may form and delegate any of its responsibilities to a subcommittee so long as such subcommittee is solely comprised of one or more members of the Committee and such delegation is not otherwise inconsistent with law and applicable rules and regulations of the U.S. Securities and Exchange Commission and the Nasdaq Stock Market.

*Reporting:* Prepare such reports as may be required by the rules of the Securities and Exchange Commission to be included in the Company's annual proxy statement.