

**CHARTER OF THE AUDIT COMMITTEE
OF THE BOARD OF DIRECTORS
OF
THE LOVESAC COMPANY**

This Audit Committee Charter (“Charter”) was adopted by the Board of Directors (the “Board”) of The Lovesac Company (the “Company”) effective as of June __, 2018.

I. Purpose

The purpose of the Audit Committee (the “Committee”) is to assist the Board with its oversight responsibilities regarding: (i) the accounting and financial reporting processes of the Company, (ii) the integrity of the Company’s financial statements; (iii) the Company’s compliance with legal and regulatory requirements; (iv) the registered independent auditor’s qualifications and independence; (v) the performance of the Company’s internal audit function; (vi) the evaluation of the performance of the Company’s registered independent auditor; and (vii) the audits of the Company’s financial statements.

The Committee shall prepare the audit committee report required by the rules of the Securities and Exchange Commission (the “Commission”) to be included in the Company’s annual proxy statement.

In addition to the powers and responsibilities expressly delegated to the Committee in this Charter, the Committee may exercise any other powers and carry out any other responsibilities as are assigned by law, the Company’s certificate of incorporation or bylaws, or as may be delegated to it by the Board from time to time. The powers and responsibilities delegated by the Board to the Committee in this Charter or otherwise shall be exercised and carried out by the Committee as it deems appropriate without requirement of Board approval, and any decision made by the Committee (including any decision to exercise or refrain from exercising any of the powers delegated to the Committee hereunder) shall be at the Committee’s sole discretion.

While acting within the scope of the powers and responsibilities delegated to it, the Committee shall have and may exercise all the powers and authority of the Board. To the fullest extent permitted by law, the Committee shall have the power to determine which matters are within the scope of the powers and responsibilities delegated to it. Notwithstanding the foregoing, the Committee’s responsibilities are limited to oversight. Management of the Company is responsible for the preparation, presentation and integrity of the Company’s financial statements as well as the Company’s financial reporting process, accounting policies, internal audit function, internal accounting controls and disclosure controls and procedures. The registered independent auditor is responsible for performing an audit of the Company’s annual financial statements, expressing an opinion as to the conformity of such annual financial statements with the standards of the Public Company Accounting Oversight Board (the “PCAOB”) and generally accepted accounting principles, and reviewing the Company’s quarterly financial statements. It is not the responsibility of the Committee to plan or conduct audits or reviews or to determine that the Company’s financial statements and disclosure are complete and accurate and in accordance with generally accepted accounting principles and

applicable laws, rules and regulations. Each member of the Committee shall be entitled to rely on the integrity and judgment of those persons within the Company and of the professionals and experts, including contracted non-employees or audit or accounting firms engaged to provide internal audit services (the “internal auditor”), and the Company’s registered independent auditor, from which the Committee receives information and, absent actual knowledge to the contrary, the accuracy of the financial and other information provided to the Committee by such persons, professionals or experts.

Further, auditing literature, particularly Statement of Accounting Standards No. 100, defines the term “review” to include a particular set of required procedures to be undertaken by registered independent auditors. The members of the Committee are not independent auditors, and the term “review” as used in this Charter is not intended to have that meaning and should not be interpreted to suggest that the Committee members can or should follow the procedures required of auditors performing reviews of financial statements.

II. Membership

The Committee shall consist of at least three (3) members of the Board, each to serve until such member’s successor is duly designated or until such member’s earlier resignation or removal. Any member of the Committee may be removed, with or without cause, by the Board upon written notice to the removed member.

No member of the Committee may 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. No member of the Committee may serve simultaneously on the audit committee of more than two other public companies unless the Board has determined that such service would not impair the member’s ability to serve on the Committee and such determination has been disclosed on the Company’s website or in the Company’s proxy statement.

Each member of the Committee shall satisfy (i) the independence, financial literacy, experience and expertise requirements imposed by the Commission and of the Company’s corporate governance guidelines, Section 10A-3 of the Exchange Act and any other Applicable Requirements, subject to any phase-in periods or cure periods permitted by Rule 10A-3(b)(1)(iv)(A) under the Exchange Act and other Applicable Requirements and (ii) any other qualifications determined by the Board from time to time. Determinations of independence, financial literacy, experience and expertise shall be made by the Board as the Board interprets such qualifications in its business judgment.

In addition, either at least one member of the Committee shall be an “audit committee financial expert” within the definition adopted by the Commission or the Company shall disclose in its annual report on Form 10-K the reasons why at least one member of the Committee is not an “audit committee financial expert.”

The Board shall designate a chairman of the Committee (the “Chair”) on the recommendation of the Nominating and Corporate Governance Committee, or, if not so designated, the members of the Committee shall elect a chairperson by a vote of the majority of

the whole Committee. The chairman will chair all regular sessions of the Committee and set the agendas for Committee meetings.

III. Meetings and Procedures

The Chair (or in his or her absence, a member designated by the Chair) shall preside at each meeting of the Committee and set the agenda for each Committee meeting. 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 any provisions of the Company's bylaws or the Company's policies applicable to the Committee.

The Committee shall meet at least once during each fiscal quarter and more frequently as the Committee deems necessary or desirable. A majority of the members then serving on the Committee shall constitute a quorum. Meetings shall be called by the chairperson of the Committee or, if there is no chairperson, by a majority of the members then serving on the Committee.

The Committee shall periodically meet separately with management, with the internal auditor and any person or persons with functional responsibility for internal audit, and with the registered independent auditor in executive session. All non-management directors who are not members of the Committee may attend and observe meetings of the Committee, but shall not participate in any discussion or deliberation unless invited to do so by the Committee, and in any event shall not be entitled to vote. The Committee may, at its discretion, include in its meetings members of the Company's management, representatives of the registered independent auditor, the internal auditor, any other financial personnel employed or retained by the Company or any other persons whose presence the Committee believes to be necessary or appropriate. Notwithstanding the foregoing, the Committee may also exclude from its meetings any persons it deems appropriate, including, but not limited to, any non-management director who is not a member of the Committee.

The Committee may retain any independent counsel, experts or advisors (accounting, financial or otherwise) that the Committee believes to be necessary or appropriate. The Committee, in its discretion, may also use the services of the Company's regular outside legal counsel, special counsel or other advisors to the Company. The Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation to the independent auditor for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company, to any advisors employed by the Committee, and for ordinary administrative expenses of the Committee that are necessary or appropriate for carrying out its duties. The Committee may conduct or authorize investigations into any matters within the scope of the powers and responsibilities delegated to the Committee.

All actions and decisions of the Committee shall require the affirmative vote of a majority of the members then serving on the Committee. Minutes of each meeting will be kept with the regular corporate records. Any action required or permitted to be taken at any meeting of the Committee may be taken without a meeting, if all members of the Committee consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the Committee. The

Chair of the Committee or his or her designee will report on each meeting of the Committee as well as any actions taken by the Committee to the Board at the next meeting of the Board following the meeting of the Committee or any such actions taken by the Committee.

IV. Powers and Responsibilities

1. *Appointment and Oversight.* The Committee shall be directly responsible and have sole authority for the appointment, compensation, retention and oversight of the work of the registered independent auditor (including resolution of any disagreements between Company management and the registered independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work or performing other audit, review or attest services for the Company, and the independent auditor shall report directly to the Committee.

2. *Pre-Approval of Services.* Before the independent auditor is engaged by the Company or its subsidiaries to render audit or non-audit services, the Committee shall pre-approve the engagement. Committee pre-approval of audit and non-audit services will not be required if the engagement for the services is entered into pursuant to pre-approval policies and procedures established by the Committee regarding the Company's engagement of the registered independent auditor, provided the policies and procedures are detailed as to the particular service, the Committee is informed of each service provided, and such policies and procedures do not include delegation of the Committee's responsibilities under the Exchange Act to the Company's management. The Committee may delegate to one or more designated members of the Committee the authority to grant pre-approvals, provided such approvals are presented to the Committee at a subsequent meeting. If the Committee elects to establish pre-approval policies and procedures, the Committee must be informed of each service provided by the registered independent auditor. Committee pre-approval of non-audit services (other than review and attest services) will not be required if such services fall within available exceptions established by the Commission.

3. *Independence of Registered Independent Auditor.* The Committee shall, at least annually, review the independence and quality control procedures of the registered independent auditor and the experience and qualifications of the registered independent auditor's senior personnel who are providing audit services to the Company. In conducting its review: (i) the Committee shall obtain and review a report prepared by the registered independent auditor describing (a) the auditing firm's internal quality-control procedures, and (b) any material issues raised by the most recent internal quality-control review, peer review, or inspection of the auditing firm by the PCAOB, 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 registered independent auditing firm, and any steps taken to deal with any such issues; (ii) the Committee shall ensure that the registered independent auditor prepares and delivers, at least annually, a written statement delineating all relationships between the registered independent auditor and the Company, consistent with Independence Standards Board Standard No. 1. The Committee shall actively engage in a dialogue with the registered independent auditor with respect to any disclosed relationships or services that, in the view of the Committee, may impact the objectivity and independence of the registered independent auditor. If the Committee determines that further inquiry is advisable, the Committee shall take appropriate

action in response to the registered independent auditor's report to satisfy itself of the auditor's independence; (iii) the Committee shall confirm with the independent auditor that the registered independent auditor is in compliance with the partner rotation requirements established by the Commission; (iv) the Committee shall, if applicable, consider whether the registered independent auditor's provision of any permitted information technology, tax or other non-audit services to the Company is compatible with maintaining the independence of the registered independent auditor.

4. *Meetings with Management, the Registered Independent Auditor and the Internal Auditor Concerning the Annual Audit.*

(i) The Committee shall meet with management, the registered independent auditor and the internal auditor in connection with each annual audit to discuss the scope of the audit, the procedures to be followed and the staffing of the audit.

(ii) The Committee shall review and discuss with management and the registered independent auditor: (A) major issues regarding accounting principles and estimates, and financial statement presentation, including any significant changes in the Company's selection or application of accounting principles or estimates, and major issues as to the adequacy of the Company's internal controls and any special audit steps adopted in light of significant deficiencies or material weaknesses; (B) any analyses prepared by management or the registered independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including analyses of the effects of alternative GAAP methods on the Company's financial statements; and (C) the effect of regulatory and accounting pronouncements, including off-balance sheet structures and their associated risks, as well as market risks, on the Company's financial statements.

(iii) The Committee shall review and discuss the annual audited financial statements with management and the registered independent auditor, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations."

5. *Separate Meetings with the Registered Independent Auditor Concerning the Annual Audit.*

(i) The Committee shall review with the registered independent auditor any problems or difficulties the registered independent auditor may have encountered during the course of the audit work, including any restrictions on the scope of activities or access to required information or any significant disagreements with management and management's responses to such matters. Among the items that the Committee should consider reviewing with the registered independent auditor are: (A) any accounting adjustments that were noted or proposed by the auditor but were "passed" (as immaterial or otherwise) by management; (B) any communications between the audit team and the independent auditor's national office or outside specialists, if any, respecting auditing or accounting issues presented by the engagement; and (C) any "management" or "internal control" letter issued, or proposed to be issued, by the registered independent auditor to the Company. The Committee shall obtain from the registered

independent auditor assurances that Section 10A of the Exchange Act has not been implicated by any acts of the Company or its management.

(ii) The Committee shall discuss with the registered independent auditor the report that such auditor is required to make to the Committee regarding: (A) all accounting policies, practices and estimates to be used that the independent auditor identifies as critical; (B) all alternative treatments within GAAP for policies, practices and estimates related to material items that have been discussed among management and the registered independent auditor, including the ramifications of the use of alternative disclosures and treatments, and the treatment preferred by the registered independent auditor; and (C) all other material written communications between the registered independent auditor and management of the Company, such as any management letter, management representation letter, reports on observations and recommendations on internal controls, registered independent auditor's engagement letter, registered independent auditor's independence letter, schedule of unadjusted audit differences and a listing of adjustments and reclassifications not recorded, if any.

(iii) The Committee shall discuss with the registered independent auditor the matters required to be discussed by Statement on Auditing Standards No. 61, "Communication with Audit Committees," as then in effect and, upon adoption and approval by the SEC, the matters required to be discussed by the PCAOB's Proposed Auditing Standard Related to *Communications with Audit Committees*.

6. *Recommendation to Include Audited Financial Statements in Annual Report.* The Committee shall, based on the review and discussions in paragraphs 4 (iii) and 5 (iii) above, and based on the disclosures received from the registered independent auditor regarding its independence and discussions with the auditor regarding such independence pursuant to subparagraph 3 (ii) above, determine whether to recommend to the Board that the audited financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year subject to the audit.

7. *Meetings with Management and the Registered Independent Auditor Concerning Reviewed Periods.* The Committee shall review and discuss the quarterly financial statements with management and the registered independent auditor, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations."

8. *Meetings with Management and the Registered Independent Auditor Concerning Earnings Releases and Other Matters.*

(i) The Committee shall discuss with management and the registered independent auditor the type of financial information and the type of presentation of that information to generally be disclosed in the Company's earnings press releases (with particular focus on any "pro forma" or "adjusted" information or any non-GAAP financial information and compliance with the provisions of Regulation G in this regard). The Committee's discussion in this regard need not take place in advance of each earnings release or each instance in which the Company may provide earnings guidance.

(ii) The Committee shall discuss with management and the registered independent auditor any correspondence from or with regulators or governmental agencies, any employee complaints, or any published reports that raise material issues regarding the Company's financial statements, financial reporting process, accounting policies or audit function.

9. *Related Party Transactions; Conflicts of Interest.* The Committee shall adopt and maintain related party transaction policies and procedures. The Committee shall have the authority to review and approve or ratify all related-party transactions in accordance with those policies and procedures and to review and resolve other actual, apparent or potential conflict of interest situations.

10. *Legal Matters.* The Committee shall discuss with the Company's general counsel, if any, or outside counsel any legal matters brought to the Committee's attention that could reasonably be expected to have a material impact on the Company's financial statements.

11. *Foreign Subsidiaries and Affiliates.* The Committee shall request assurances from management, the registered independent auditor and the internal auditor that the Company's foreign subsidiaries and foreign affiliated entities, if any, are operated in conformity with applicable legal, disclosure and financial reporting requirements, including disclosure of affiliated party transactions.

12. *Risk Assessment and Management.* The Committee shall discuss with management the Company's policies with respect to risk assessment and risk management. The Committee shall discuss with management the Company's significant financial risk exposures and the actions management has taken to limit, monitor, control or mitigate such exposures.

13. *Hiring Policies Regarding Affiliates of Registered Independent Auditor.* The Committee shall set clear hiring policies for employees or former employees of the Company's registered independent auditor that comply with the rules and regulations of the Commission.

14. *Whistleblower Procedures.* The Committee shall establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters. The Committee shall also establish procedures for the confidential and anonymous submission by employees regarding questionable accounting or auditing matters, among other things.

15. *Proxy Statement Report.* The Committee shall provide the Company with the report of the Committee with respect to the audited financial statements required by Item 407(d) of Regulation S-K for inclusion in each of the Company's annual proxy statements.

16. *Code of Business Conduct and Ethics.* The Committee shall review on a periodic basis the Company's Code of Business Conduct and Ethics and provide the Board with any recommendations for amendments to the Code of Business Conduct and Ethics. The Committee shall have the authority to grant waivers of the Code of Business Conduct and Ethics for executive officers and directors.

17. *Reporting to the Board.* The Committee, through its Chair, shall report regularly to, and review with, the Board any issues that arise with respect to the quality or integrity of the Company's financial statements and internal controls, the Company's compliance with legal, regulatory or financial reporting requirements, the performance and independence of the Company's registered independent auditor, the performance of the Company's internal audit function or any other matter the Committee determines is necessary or advisable to report to the Board.

18. *Evaluations.* The Committee shall at least annually perform an evaluation of the performance of the Committee and its members, including a review of the Committee's compliance with this Charter.

19. *Charter Review.* The Committee shall at least annually review and reassess this Charter and submit any recommended changes to the Board for its consideration.