

**STEVEN MADDEN, LTD.**  
**AMENDED & RESTATED AUDIT COMMITTEE CHARTER**

**Purpose**

The Audit Committee (the "Committee") is a committee of the Board of Directors (the "Board") of Steven Madden, Ltd. (the "Corporation"). The purpose of the Committee is to assist the Board in the Board's oversight of (1) the integrity of the financial statements of the Corporation, (2) the Corporation's compliance with legal and regulatory requirements, (3) the qualifications, performance and independence of the Corporation's independent auditor(s) (the "Auditor(s)"), and (4) the performance of the Corporation's internal audit function.

In addition, the Committee shall prepare the report required by the rules of the Securities and Exchange Commission (the "SEC") to be included in the Corporation's annual proxy statement.

**Membership**

The Committee shall consist of at least three directors who shall be appointed by the Board on the recommendation of the Nominating/Corporate Governance Committee of the Board. Each member of the Committee, in the judgment of the Board, shall be an "independent director" of the Corporation as that term is defined by the Sarbanes-Oxley Act of 2002 (the "Act"), Section 10A(m)(3) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), the rules of the The Nasdaq National Market ("Nasdaq") and any other law, rule or regulation applicable to the Corporation. No Committee member shall have participated in the preparation of the financial statements of the Corporation or any of its subsidiaries at any time during the past three years.

Each member of the Committee shall have the ability to read and understand the Corporation's financial statements, including its balance sheet, income statement and cash flow statement. In addition, 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 individual's financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities. Also, at least one member of the Committee shall qualify as a "financial expert" as that term is defined in the Act and the final rules promulgated thereunder and as determined by the Board. A Committee member may be removed with or without cause by action taken by a majority of the whole Board.

**Responsibilities**

The Committee's responsibilities include:

**A) Financial Statement/Reporting Related:**

1. Resolving disagreements, if any, between management and the Auditor(s) regarding financial reporting.
2. Reviewing with management and the Auditor(s):
  - a. Significant financial reporting issues and judgments made in connection with the preparation of the Corporation's financial statements; and
  - b. The adequacy of internal controls that could significantly affect the Corporation's financial statements.

3. Discussing the Corporation's annual audited financial statements and quarterly financial statements, including the Corporation's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," with management and the Auditor(s).
4. Reviewing major issues regarding accounting principles and financial statement presentations, including:
  - (a) any significant or major changes in the Corporation's selection or application of accounting principles and practices;
  - (b) any major issues as to the adequacy of the Corporation's internal controls; and
  - (c) any special audit steps adopted in light of material control deficiencies.
5. Reviewing analyses prepared by management and/or the Auditor(s) setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative generally accepted accounting principles ("GAAP") methods on the Corporation's financial statements, and reviewing the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Corporation.
6. Ensuring review by the Auditor(s) of the Corporation's interim financial information prior to the filing of the Corporation's Quarterly Report on Form 10-Q.
7. Discussing generally (*i.e.*, the types of information to be discussed and the type of presentation to be made) the Corporation's earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies, particularly any use of "proforma" or "adjusted" non-GAAP information.
8. Discussing the Corporation's policies regarding risk assessment and risk management, including the Corporation's major financial risk exposures and the steps management has taken to monitor and control such exposures.
9. Reviewing regularly with the Auditor(s) any audit problems or difficulties encountered in the course of the audit work (and management's responses thereto), including:
  - (a) any restrictions on the scope of the Auditor(s)' activities or on access to requested information;
  - (b) any significant disagreements with management;
  - (c) any accounting adjustments that were noted or proposed by the Auditor(s) but were "passed" on;
  - (d) any communications between the audit team and the Auditor(s)' national office regarding auditing or accounting issues presented by the engagement; and
  - (e) any "management" or "internal control" letter issued, or proposed to be issued, by the Auditor(s) to the Corporation, and management's response.
10. Requesting that the Auditor(s) performing the Corporation's audit timely report to the Committee the following:
  - (a) all critical accounting policies and practices to be used;
  - (b) all alternative treatments of financial information within GAAP that have been discussed with the Corporation's management, potential ramifications of their use, and the treatment preferred by the Auditor(s);

- (c) other material written communications between the Auditor(s) and the Corporation's management, such as any management letter or schedule of unadjusted differences; and
  - (d) significant disagreements with management, if any.
11. Requesting that the officers certifying the Corporation's periodic reports filed under Sections 13(a) and 15(d) of the Exchange Act disclose the following to the Auditor(s) and the Committee on a quarterly basis:
    - (a) all significant deficiencies and material weaknesses in the design or operation of internal controls;
    - (b) any fraud that involves management or other employees who have a significant role in the Corporation's internal controls;
    - (c) any significant changes in internal controls or in other factors that could significantly affect internal controls; and
    - (d) any corrective actions taken with regard to such deficiencies and weaknesses.
  12. Discussing with the Auditor(s) the matters required to be discussed by Statement on Auditing Standards No. 61 relating to the conduct of the audit. Such review should include: any changes required in the planned scope of the audit and any matters communicated by the Auditor(s) to management which the Auditor(s) view as material weaknesses and reportable conditions of material inadequacies as those terms are generally understood by the accounting profession or regulators.
  13. Reviewing legal matters that may have a material impact on the financial statements, the Corporation's compliance policies and any material reports or inquiries received from regulators or governmental agencies with the Corporation's management and outside counsel.
  14. Meeting, as necessary, with management to review the Corporation's major financial risk exposures and the steps management has taken to monitor and control such exposures.

**B) Oversight of External Auditor(s):**

1. Being directly and solely responsible for the appointment, retention and termination, compensation and oversight of the Auditor(s) engaged to prepare or issue an audit report on the Corporation's financial statements or perform other audit, review or attest services for the Corporation, and if applicable, subject to shareholder ratification.
2. Having ultimate authority to approve all audit engagement fees and terms of the Auditor(s), who shall report directly to the Committee.
3. Reviewing and pre-approving all audit, review, attest and non-audit services not prohibited by Section 201 of the Act (as codified in Section 10A(g) of the Exchange Act) and the final rules promulgated thereunder to be provided by the Auditor(s) (except those services that satisfy the *de minimus* exception set forth in Section 10A(i) of the Exchange Act).
4. Reviewing the Auditor(s)' responsibilities, budget and staffing.
5. At least annually, evaluating the qualifications, performance and independence of the Auditor(s), including the lead partner of the audit, after gathering information from management and those responsible for performing the internal audit function and present the results of such evaluation to the Board.
6. At least annually, obtaining and reviewing a report by the Auditor(s) describing:

- (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 Auditor(s), or by any inquiry or investigation by governmental or professional authorities within the preceding five years, regarding one or more audits carried out by the Auditor(s) and any steps taken to deal with such issues; and
  - (c) all relationships between the Auditor(s) and the Corporation, in order to evaluate the Auditor(s)' independence.
7. Confirming that the Corporation's chief executive officer, controller, chief financial officer, chief accounting officer, or any person serving in an equivalent position for the Corporation, were not previously employed by the Auditor(s) and did not participate, as an employee of the Auditor(s), in the Corporation's audit during the one-year period preceding the date of the initiation of the audit and, if necessary, take appropriate action regarding the Auditor(s), including removal and replacement.
  8. Periodically reviewing the Auditor(s) to assure that all partners who perform audit services for the Corporation have not performed audit services for the Corporation in any of the years prohibited by applicable laws and regulations and, if necessary, take appropriate action regarding the Auditor(s), including removal and replacement.
  9. Considering whether, in order to assure continuing independence of the Auditor(s), it is appropriate for the Corporation to adopt a policy of rotating the Auditor(s) on a regular basis.

**C) Internal Audit:**

1. Reviewing the responsibilities, budget and staffing of the Corporation's internal audit function with the Auditor(s) prior to the audit.
2. Reviewing the appointment and replacement of the senior internal auditing executive.
3. Reviewing significant reports to management prepared by the staff of the Corporation that performs the internal audit function and management's responses thereto, if any.

**D) Reporting and Other:**

1. Preparing the report required by the rules of the SEC to be included in the Corporation's annual proxy statement and any other required reports.
2. Reviewing and reassessing the adequacy of this Charter as necessary, but not less than annually, and recommending any proposed changes to the Board for approval.
3. Ensuring inclusion of this Charter in the Corporation's annual proxy statement at least once every three years or as required by SEC rules.
4. Establishing procedures for the receipt, retention and confidential treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters and the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
5. Establishing clear hiring policies for employees and former employees of the Auditor(s).
6. Reviewing any issues that arise with respect to the quality or integrity of the Corporation's financial statements, the Corporation's compliance with legal and regulatory requirements, the performance and independence of the Auditor(s) and the performance of the internal audit function with the full Board.

7. Timely reporting any non-audit service(s) being performed by the Auditor(s) to the Corporation's controller (or such employee of the Corporation that performs a similar function) so that such information may be disclosed in the Corporation's annual and proxy statements.
8. Discussing with management the compliance of the Corporation's subsidiaries and controlled affiliated entities with applicable significant legal requirements and advising the Board of such compliance.
9. Meeting separately, periodically with management, those responsible for the internal audit function and the Auditor(s).
10. Reporting regularly to the Board.

#### **Qualified Legal Compliance Committee**

The Committee shall also serve as the Qualified Legal Compliance Committee ("QLCC"), as such term is defined by the Securities and Exchange Commission in 17 CFR 205, and perform the duties set forth on Attachment 1 to this Charter.

#### **Committee Structure and Operations**

A majority of the Committee shall constitute a quorum. The Board shall designate a member of the Committee as its chairman. The Committee may act by a majority vote of the members present at a duly constituted meeting of the Committee. In the absence or disqualification of a member of the Committee, the members present, whether or not they constitute a quorum, may unanimously appoint another independent member of the Board to act at the meeting in the place of an absent or disqualified member. In the event of a "tie" vote on any issue voted upon by the Committee, the Committee chairman's vote shall decide the issue.

The Committee shall meet in person or telephonically at least four times a year at a time and place determined by the Committee chairman, with additional meetings called when deemed necessary or desirable by the Committee or its chairman. The Committee shall make regular reports to the Board.

The Committee shall have the authority to retain and pay legal, accounting or other advisors as it deems necessary, at the Corporation's expense, to fulfill its duties. The Corporation shall provide for appropriate funding, as determined by the Committee, for payment of compensation to the Auditor(s) for the purpose of rendering or issuing an audit report or performing other audit, review or attest services and to any advisors employed by the Committee and for ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

The Committee shall have the authority to delegate to one or more members of the Committee the authority to pre-approve audit and permitted non-audit services. Such members must report grants of pre-approval to the full Committee at its next scheduled meeting. In addition, the Committee may ask members of management or others whose advice and counsel are relevant to the issues then being considered by the Committee to attend a Committee meeting and to provide such pertinent information as may be requested by the Committee.

#### **Annual Performance Evaluation**

Each year, the Audit Committee shall conduct a self-evaluation. In this regard, the Committee shall compare its performance with the provisions of this Charter, set forth its objectives for the following year, and recommend to the Board changes to the Charter, when deemed appropriate or necessary by the Committee.

**General**

The Committee shall have and may exercise all powers, authority and responsibilities as the Board shall determine and as may be properly granted to the Committee under the laws of the State of Delaware and the Corporation's Certificate of Incorporation and By-laws. While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Corporation's financial statements are presented fairly in accordance with GAAP. This is the responsibility of management as to the Corporation's financial statements and the Auditor(s) as to the plan, extent and execution of the audit. Furthermore, it is not the duty of the Committee to assure compliance with laws and regulations.

Approved and adopted by the Audit Committee on April 13, 2004.  
Approved and adopted by the Board of Directors on April 13, 2004.

**Qualified Legal Compliance Committee ("QLCC")  
DUTIES AND RESPONSIBILITIES**

The QLCC has the authority and responsibility to:

- 1) Adopt written procedures for the confidential receipt, retention and treatment of any report of evidence of a material violation of any applicable United States federal or state securities law, a material breach of fiduciary duty arising under United States federal or state law or a similar material violation of any United States federal or state law ("Material Violation");
- 2) Inform the Corporation's chief legal officer and chief executive officer (or the equivalents thereof) of any report of evidence of a Material Violation, except if the QLCC believes that to do so would be futile;
- 3) Determine whether an investigation is necessary regarding any report of evidence of a Material Violation by the Corporation, its officers, directors, employees or agents and, if it determines an investigation is necessary or appropriate, to:
  - a. notify the full Board of Directors;
  - b. initiate an investigation, which may be conducted either by the chief legal officer (or equivalent) or by outside attorneys; and
  - c. retain such additional expert personnel as the QLCC deems necessary;
- 4) If such investigation was necessary, then at the conclusion, to:
  - a. recommend, by a majority vote, that the Corporation implement an appropriate response to evidence of a Material Violation; and
  - b. Inform the chief legal officer, the chief executive officer (or the equivalents thereof) and the Board of Directors of the results of any such investigation and the appropriate remedial measures to be adopted; and
- 5) By majority vote, to take all other appropriate action, including notifying the authority to notify the Securities and Exchange Commission in the event that the Corporation fails in any material respect to implement an appropriate response that the QLCC has recommended.