

AUDIT COMMITTEE CHARTER

Amended and Restated Charter

Amended and restated charter of the Audit Committee of the Board of Directors of PFSweb, Inc. (As of April 30, 2020)

PURPOSE

The Audit Committee (the "**Committee**") of the Board of Directors (the "**Board**") of PFSweb, Inc. (the "**Company**") is established for the purpose of overseeing the accounting and financial reporting processes of the Company, its accounting, financial reporting and disclosure processes and audits of the financial statements of the Company, including the adequacy of the disclosure system and internal controls. The Committee is established to assist the Board in fulfilling its oversight responsibilities by reviewing and reporting to the Board on the (i) integrity of the financial reports and other financial information provided by the Company to its shareholders, (ii) the compliance with legal and regulatory requirements, (iii) the Company's overall risk management profile, (iv) the independent auditor's qualifications and independence, the performance of the Company's internal audit function and (v) the performance of the Company's ethics and compliance function.

The Committee has the responsibilities and powers set forth in this charter. Management is responsible for the preparation, presentation, and integrity of the Company's financial statements, for the appropriateness of the accounting principles and reporting policies that are used by the Company and for implementing and maintaining internal control over financial reporting. The independent auditors are responsible for auditing the Company's financial statements and internal control over financial reporting, and for reviewing the Company's unaudited interim financial statements.

In fulfilling its responsibilities, the Committee shall endeavor to maintain free and open communication between the Committee, independent auditors, and management of the Company.

ORGANIZATION, MEMBERSHIP, AND MEETINGS

1. The Committee shall be comprised of at least three directors who meet the independence, expertise and other qualification standards required by the federal securities laws and as may be required by the listing standards of the primary securities exchange upon which the Company's securities are traded, including but not limited to Item 407 of Regulation S-K and the NASDAQ Marketplace Rule 4200(a) (15), and to the extent required thereby, the Committee shall endeavor to at all times have at least one member who, as determined by the full board of directors, qualifies as an "audit committee financial expert", as defined by SEC rules, and if not, disclose why not. To qualify as an audit committee financial expert, the member must meet the attributes set forth in Item 407 of Regulation S-K and must have past employment experience in finance and accounting, requisite professional certification in accounting or any other comparable experience or background which results in the member's financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight.
2. Members of the Committee shall be appointed annually by the Board. Members may be replaced by the Board at any time, but shall otherwise serve until a successor has been named.
3. The Committee shall meet at least four times a year, with the authority to convene additional meetings, as circumstances require. The Committee may invite members of management, independent auditors, legal counsel or others to attend meetings and to provide relevant information. At least annually, the Committee shall hold an executive session at which only independent directors and the independent auditor are present. In addition, at least annually, the Committee shall hold an executive session at which only the Company's CEO and CFO are present.

4. The Committee may form and delegate authority to subcommittees when appropriate, or to one or more members of the Committee.
5. The Committee may elect a Chairman of the Committee who, if elected, shall preside at all meetings. At all meetings of the Committee, a majority of the members of the Committee shall constitute a quorum for the transaction of business, and the act of a majority of the members of the Committee present at a meeting at which a quorum is in attendance shall be the act of the Committee. Members of the Committee may participate in any meeting by means of a conference telephone or similar communications equipment by means of which persons participating in the meeting can hear each other, and such participation shall constitute presence in person at such meeting.
6. An agenda, together with materials related to the subject matter of each meeting, shall be sent to members of the Committee prior to each meeting. The Committee shall maintain written minutes of its meetings, which minutes will be filed in the corporate minute book. Any person present at a meeting may be appointed by the Committee as Secretary to record the minutes.
7. The Committee may authorize any action by written consent, including email or other electronic communication.

COMMITTEE AUTHORITY AND RESPONSIBILITIES

Independent Auditor Oversight

1. Be directly responsible for the appointment, discharge, compensation, retention and oversight of the work of any independent auditor employed by the Company (including resolution of disagreements between management and the 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. Each independent auditor shall report directly to the Committee.
2. Meet with the independent auditor prior to commencement of the audit and discuss the scope, planning, staffing and budget of the audit, including the adequacy of staffing and budget.
3. Approve in advance the engagement of the independent auditor for all audit services and non-audit services and approve the fees and other terms of any such engagement. The term "non-audit services" means any professional services provided to the Company by the independent auditor, other than those provided to the Company in connection with an audit or a review of the financial statements of the Company.
4. Obtain periodically from the independent auditor a formal written statement of the matters required to be discussed by PCAOB Ethics and Independence Rule 3526, and, in particular, describing all relationships between the auditor and the Company, and discuss with the auditor any disclosed relationships or services that may impact auditor objectivity and independence. Obtain written affirmation from the independent auditor regarding the auditors' independence with the Company.
5. Obtain and review, at least annually, a report by the independent auditor that describes: (1) the auditors' internal quality control procedures, and (2) any material issues raised by the most recent internal quality review control review or peer review of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, with respect to one or more independent audits carried out by the firm, and any steps taken to deal with any such issues.
6. Evaluate annually the qualifications, independence and performance of the independent auditor.
7. Assure regular rotation of the lead and concurring audit partners, and other significant audit partners as required by Section 203 of the Sarbanes-Oxley Act.
8. Review and discuss with the independent auditor the auditor's responsibilities under generally accepted auditing standards and the responsibilities of management in the audit process; the overall audit strategy, the scope and timing of the annual audit, including the audit of internal controls over financial reporting, if applicable; any significant risks identified during the auditor's risk assessment procedures; when completed, the results, including significant findings, of the annual audit and any other matters required to be discussed by current auditing standards.
9. Review with the independent auditor in conjunction with the quarterly reviews and annual audit:
 - a. The results of the quarterly reviews and audit, including any significant difficulties encountered by the independent auditor during the course of their work, any restrictions on the scope of work or access to required information and any significant disagreement among management and the independent auditor in connection with the preparation of the financial statements.

- b.** Any material accounting adjustments identified by the independent auditor.
- c.** Any material communications between the audit team and the auditor's national office regarding auditing or accounting issues arising in connection with the preparation of the financial statements.
- d.** If applicable, any Management Representation letter or Internal Control Recommendation letter or Schedule of Unadjusted Differences issued, or proposed to be issued, by the auditor to the Company, and management's response.
- e.** Any additional required communications under PCAOB auditing standards.

Financial Information Oversight

- 1.** Review the Company's financial statements included in all filings with the Securities and Exchange Commission, including but not limited to the Quarterly Reports on Form 10-Q and the Annual Report on Form 10-K, and recommend to the Board whether the audited financial statements should be included in the Company's annual report on Form 10-K.
- 2.** Review any certification, report, opinion or review rendered by the independent auditor to the Committee. Report to the Board regarding any audit opinions that contain "going concern" qualifications.
- 3.** Review the Company's disclosure in its Annual Report on Form 10-K and Quarterly Report on Form 10-Q under "Management's Discussion and Analysis of Financial Condition and Results of Operations."
- 4.** Review any disclosures made in connection with the certification of the Company's quarterly and annual reports filed with the SEC of significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting and any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls.
- 5.** Review earnings press releases.
- 6.** Discuss with management and the independent auditor:
 - a.** The selection, application and disclosure of the critical accounting policies and practices used by the Company, as the same are identified by management or the independent auditor, and any changes thereto and the ramifications of such changes and, if applicable, the treatment preferred by the independent auditor.
 - b.** The transparency/robustness of the disclosures in the financial statements.
 - c.** The evaluative criteria identified by management and used in their selection of critical accounting principles and methods.
 - d.** Any significant accounting estimates and judgments made in management's preparation of the financial statements, as so identified by management or the independent auditor, and the view of each as to the appropriateness of such estimates and judgments.
 - e.** Any significant changes in internal controls over financial reporting.
 - f.** The use and presentation of non-GAAP financial measures.
 - g.** Significant, unusual transactions.
 - h.** Any off-balance sheet or structured finance transactions and their effect on the Company's financial results and operations, as well as the disclosure regarding such transactions in the Company's public filings
 - i.** The effect of regulatory and accounting initiatives and improvements identified by management or the independent auditor and the potential impact upon the Company's auditing and accounting principles and practices.
 - j.** Any correspondence with regulators or governmental agencies that raise material issues regarding the Company's financial statements or accounting policies.
 - k.** Any employee complaints that raise material issues regarding the Company's financial statements or accounting policies.

Review and approve all related party transactions required to be disclosed according to SEC Regulation S-K, Item 404, insuring the committee understands then nature of these relationship, the significance of any such relationships and discuss with management the business rationale for the transactions and whether appropriate disclosures have been made. Discuss with the independent auditor its evaluation of the Company's identification of, accounting for, and disclosure of its relationships with, related parties as set forth under the standards of the PCAOB.

Controls Oversight

- 1.** Review and discuss at least annually with management and the independent auditor its assessment of the effectiveness of the Company's internal controls, disclosure controls and procedures for financial reporting.
 - a.** Review annually with the independent auditor and management steps that the Company is taking to evaluate the effectiveness of internal controls over financial reporting in connection with the attestation to, and report on, the assessment of controls made by management.
 - b.** Consider whether any changes to the internal controls or disclosure controls processes and procedures are appropriate in light of management's assessment or the independent auditor's report.
- 2.** If the Company has an internal auditor: (i) the internal auditor shall report directly to the Committee, (ii) the Committee shall review the scope and plans of any internal audit recommended by the internal auditor, (iii) the internal auditor shall report directly to the Committee with the results of all internal audits, (iv) the Committee shall review with the internal auditor all recommendations made by the internal auditor as the result of any internal audit, (v) the Committee shall review with management the implementation of such recommendations by the Company, and (vi) the Committee will set and approve compensation for the internal audit director.
- 3.** Request the principal executive and financial officers of the Company to report on and review:
 - a.** All 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 and any material weaknesses in internal controls.
 - b.** Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls.

Legal Compliance and Ethics Oversight

- 1.** Approve all related-party transactions brought to the attention of the Committee after reviewing each such transaction for potential conflicts of interests and improprieties.
- 2.** Oversee the Company's ethics and compliance program, including the development, assessment and execution of such program within the Company. At least annually, review the results of the Company's assessment of the implementation and effectiveness of its ethics and compliance program. Review annually the activities, organizational structure, staffing and qualifications of the compliance function.
- 3.** Review procedures for receipt, retention and treatment of complaints received by the Company (through the Company's formal whistle blower communication program or other communication processes) 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.
- 4.** Adopt a Code of Ethics for senior financial officers and provide for and review prompt disclosure to the public of any change in, or waiver of such Code of Ethics. Review conduct alleged to be in violation of such Code of Ethics and adopt as necessary or appropriate, remedial, disciplinary, or other measures with respect to such conduct.

Other Matters Oversight

- 1.** Discuss with management the Company's major and financial reporting risk exposures, including fraud risks, and the steps management has taken to monitor and control such exposures.

2. The Committee shall review with senior management the Company's overall antifraud programs and controls.
3. Review and approve the Committee's report required by the rules of the Securities and Exchange Commission to be included in the Company's annual proxy statement.
4. Regularly report to the Board on the Committee's activities, recommendations and conclusions.
5. Review and reassess the Charter's adequacy at least annually, and submit any proposed changes to the Board for approval.
6. Review its own performance, at least annually, for purposes of self-evaluation and to encourage the continuing improvement of the Committee in the execution of its responsibilities and report the results of this review to the Board. Such review shall be conducted by each individual Committee member, and on an aggregate basis of all members, and shall include a review of the Committee chair.

General and Resources

1. The Committee shall have the authority to engage, and pay the fees and expenses of, independent counsel, advisors and experts deemed necessary, as determined by the Committee, to permit the Committee to perform its duties under this charter. The fees and expenses of these counsel, advisors and experts shall be paid by the Company, and the Company shall provide all other funding necessary for the Committee to perform its functions and responsibilities
2. The Committee, at its discretion, shall have the authority to initiate special investigations, and, if appropriate, hire special legal, accounting or other outside advisors or experts to assist the Committee, to fulfill its duties under this charter.
3. The Committee shall also perform such other activities consistent with this charter, the Company's Bylaws and governing law, as the Committee or the Board deems necessary or appropriate.
4. The Charter shall be deemed to include and incorporate such additional provisions as shall be applicable to the Company and required by the federal securities laws and as may be required by the listing standards of the primary securities exchange upon which the Company's securities are traded.