

**JOE'S JEANS INC.  
CORPORATE GOVERNANCE GUIDELINES**

The Board of Directors (the “*Board*”) of Joe’s Jeans Inc. (the “*Company*”) has adopted these guidelines to promote the effective functioning of the Board and its committees.

**Role of the Board**

The Board’s fundamental responsibility is to promote the best interests of the Company and its stockholders by overseeing the management of the Company’s business and affairs. Directors must exercise their business judgment and act in what they reasonably believe to be the best interests of the Company and its stockholders.

The Company’s business is conducted by its employees, managers and officers, under the direction of the chief executive officer (CEO) and the oversight of the Board. The Board is elected by the stockholders to oversee management and to assure that the long-term interests of the stockholders are being served. Directors must fulfill their responsibilities consistent with their fiduciary duties to stockholders and in compliance with applicable laws and regulations.

**Board Composition and Selection; Director Qualifications**

1. **Board Size.** The Board will determine the appropriate size of the Board within the requirements set forth in the Company’s Bylaws. The Company’s Bylaws sets the minimum size for the Company’s Board at seven members. The Nominating and Governance Committee periodically considers and recommends to the Board the appropriate size within these parameters based upon its assessment of the number of directors required to oversee the Company’s business and affairs.
2. **Selection of Board Members.** Directors may be nominated by the Board or by stockholders in accordance with the Company’s Bylaws. The Nominating and Governance Committee will review all nominees for the Board, including proposed nominees of stockholders, in accordance with its charter. In evaluating the suitability of candidates, the Board and the Nominating and Governance Committee take into account many factors, including the nominee’s judgment, experience, independence, character, business acumen and such other factors as the Committee concludes are pertinent in light of the current needs of the Board. The Board believes that its membership should reflect a diversity of experience, gender, race, ethnicity and age. The Nominating and Governance Committee will select qualified nominees and review its recommendations with the Board, which will decide whether to invite the nominees to join the Board. When evaluating the suitability of an incumbent director for nomination or re-election, the Board and the Nominating and Governance Committee also consider the director’s past performance, including attendance at meetings and participation in and contributions to the activities of the Board. The Chairman of the Board should extend the Board’s invitation to join the Board.
3. **Determination of Independence.** A majority of the directors of the Board will be “independent” in accordance with the listing standards of the Nasdaq Stock

Market. The Board will annually review and determine the independence of each director. In making its determination, the Board will carefully consider all facts and circumstances it deems relevant to the determination. Board members have an affirmative obligation to promptly inform the CEO of changes in their circumstances or any transactions or relationships that may impact their designation by the Board as “independent.”

4. **Selection of Chairman and CEO.** The Board believes that whether to have the same person occupy the offices of Chairman of the Board and Chief Executive Officer should be decided by the Board, from time to time, in its business judgment after considering relevant circumstances.

The Board currently separates the offices of Chairman of the Board and CEO. The Board believes that this issue is part of the succession planning process. The Board will periodically make a determination as to the appropriateness of this policy in connection with the recruitment and succession of the Chairman of the Board and/or CEO.

5. **Term Limits.** The Board does not believe it should limit the number of terms for which an individual may serve as director. Directors who have served on the Board for an extended period of time are able to provide valuable insight into the operations and future of the Company based on their experience with and understanding of the Company’s history, policies and objectives. However, to ensure that the Board remains composed of experienced and effective members, the Nominating and Governance Committee will evaluate the qualifications and performance of each incumbent director before recommending the nomination of that director for an additional term.
6. **Other Directorships.** Due to the substantial time commitment required of directors, directors may serve on the boards of other public companies only to the extent that, in the judgment of the Board, such services do not detract from the director’s ability to devote the necessary time and attention to the Company. A director should advise the Chairman of the Nominating and Governance Committee in advance of accepting an invitation to serve on another public company board.
7. **Change in Status.** The Board believes that any director who retires from his or her present employment, or who materially changes his or her position, should inform the Board in light of his or her new occupational status.
8. **Committees of the Board.** The Board has three standing committees: an Audit Committee, a Compensation Committee and a Nominating and Governance Committee. The Board may add new committees or remove existing committees as it deems advisable in the fulfillment of its responsibilities. Each committee will perform its duties as assigned by the Board in compliance with the Company’s Bylaws and the committee’s charter.

Each of the standing committees has its own written charter. The charters set forth the responsibilities, duties and authorities of each committee, the qualifications and procedures of each committee and how the committee will report to the Board. Each committee member must satisfy the membership requirements set forth in the relevant committee charter. At least annually, each committee will conduct an evaluation of its performance and effectiveness.

The Chairman of each committee will determine the frequency of committee meetings, consistent with the committee's charter and the Company's needs.

## **Board Meetings; Director Responsibilities**

1. **Board Meetings and Agenda.** The Board will hold regularly scheduled meetings and will hold additional meetings as necessary. The Chairman of the Board will set the agenda for each Board meeting, taking into account suggestions from other members of the Board. Any director may raise a subject at a meeting that is not on the agenda.

Information relevant to a director's understanding of matters to be addressed at a Board or committee meeting will be provided sufficiently in advance of meetings to the extent practicable to allow directors to prepare for discussion of the items at the meeting.

Directors are expected to prepare for and attend all meetings of the Board and the committees on which they serve. Directors are expected to attend the Company's annual stockholder meeting.

2. **Access to Management and Advisors.** Directors have complete access to the officers, employees and books and records of the Company, as needed to fulfill their oversight responsibilities. The Board may establish a protocol for such access. Any meetings that a director wishes to initiate with officers or employees outside of regularly scheduled meetings should be coordinated through the Chairman of the Board or the Secretary.

The Board welcomes the attendance at Board meetings by senior management of the Company. The Board encourages senior management to, from time to time, invite Company personnel to Board meetings where their presence and expertise would help the Board have a full understanding of matters being considered.

The Board and each committee may retain financial, legal or other independent advisors, at the Company's expense, as the Board or such committee deems necessary and appropriate.

3. **Executive Sessions.** Non-management directors will meet as needed in executive sessions without management present. The Chairman of the Board acts as the chair of the executive sessions of the non-management directors. At least one such meeting each year will be attended only by independent directors.

4. **Director Orientation and Education.** All new directors will participate in an orientation program, which should be conducted as soon as reasonably practicable after the meeting at which a new director is elected. The orientation will include presentations by senior management to familiarize new directors with the Company's business and strategic plans, significant financial, accounting and risk management issues, compliance programs, Code of Conduct, Board procedures, principal officers and internal and independent auditors. The orientation program may also include visits to certain of the Company's facilities, to the extent practical. The Company will facilitate the participation of directors in relevant continuing education programs. All directors are invited to participate in the orientation and continuing education programs.
5. **Annual Performance Evaluations.** At least annually, the Board will evaluate its performance and effectiveness.

The Board will conduct an annual self-evaluation to determine whether the Board and its committees are functioning effectively.

The Nominating and Governance Committee will lead the Board through an annual self-evaluation process to determine whether the Board and its committees are functioning effectively. As soon as practicable following completion of each annual self-evaluation, the Nominating and Governance Committee will report the results of the self-evaluation process to the Board.

Each committee will conduct an annual self-evaluation and report the results to the Nominating and Governance Committee for further report to the Board. Each committee's evaluation should compare the performance of the committee with the requirements of its written charter.

The Nominating and Governance Committee will have responsibility for conducting and overseeing the annual self-evaluations for the Board and each of its committees and reporting such results to the Board. The evaluations will be based on such objective and subjective criteria as the Board and committees deem appropriate. The effectiveness and contributions of individual directors are considered each year in connection with the nomination and election of directors.

6. **Succession Planning.** The Board will regularly review leadership development initiatives and short- and long-term succession plans for the CEO and other senior management positions, including in the event of unanticipated vacancies in those offices.

The Board is responsible for the selection of the CEO. In assessing possible CEO candidates as part of the Board's annual review of succession plans, the independent directors shall identify and periodically update the skills, experience and attributes that they believe are required to be an effective CEO in light of the Company's business strategy, prospects and challenges. The Board will also take

into account perspectives provided by the incumbent CEO relating to the performance of internal candidates.

7. **Director Compensation.** The form and amount of director compensation shall be determined by the Compensation Committee in accordance with the policies and principles set forth in its charter. In determining compensation, the Compensation Committee will take into consideration the responsibilities of the directors and fees and other forms of compensation being paid by other corporations comparable to the Company.

Directors who are also employees of the Company or its subsidiaries receive no separate compensation for serving as directors or as members of Board committees.

8. **Shareholder Communications with the Board.** Interested parties may contact an individual director, the Board as a group, or a specified Board committee or group, including the independent directors as a group by any one of the following means:

- Mail: addressed to the Corporate Office
- E-mail: board@joesjeans.com

Each communication should specify the applicable addressee(s) to be contacted, as well as the general topic of the communication. The Secretary will initially receive and process communications before forwarding them to the addressee.

9. **Board Communications with Third Parties.** The Board believes that management speaks for the Company. Individual Board members may from time to time at the request of management, meet or otherwise communicate with various constituencies that are involved with the Company. If comments from the Board are appropriate, they should, in most circumstances, come from the Chairman of the Board.

10. **Confidentiality.** The Board recognizes the need to maintain the confidentiality of, and protect from disclosure, all non-public information entrusted to or obtained by a director by reason of his or her position as a director of the Company (“*Confidential Information*”). Confidential Information includes, but is not limited to:

- non-public information about the Company’s financial condition, prospects or plans, its marketing and sales programs and research and development information, as well as information relating to mergers and acquisitions, stock repurchases and divestitures;
- non-public information concerning possible transactions with other companies or information about the Company’s customers, suppliers or joint venture

partners that the Company is under an obligation to maintain as confidential;  
and

- non-public information about discussions and deliberations relating to business issues and decisions between and among employees, officers and directors, as well as individual comments and observations by employees, officers and directors and information relating to Board dynamics and relationships.

Safeguarding Confidential Information and protecting it against unauthorized disclosure is consistent with the Board's fiduciary duties of care and loyalty.

Except when disclosure is legally required or specifically authorized by the Board, a director shall not, either during or after his or her service as a director,

- disclose Confidential Information to any person or entity outside the Company (including, without limitation, the principals or employees of any entity that employs the director or that has sponsored the director's election to the Board), or
- use Confidential Information for the personal benefit of a director, employee or any person or entity outside of the Company.