

LIZ CLAIBORNE, INC.
AUDIT COMMITTEE CHARTER
(as amended as of March 15, 2005)

This Audit Committee Charter ("Charter") was originally adopted by the Board of Directors (the "Board") of Liz Claiborne, Inc. (the "Company") at its May 20, 2000 meeting. The Audit Committee of the Board (the "Committee") shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.

Role and Independence; Organization

The Committee is appointed by the Board to assist the Board in fulfilling its responsibility for oversight of (i) the quality and integrity of the accounting, auditing and financial reporting practices and the financial statements of the Company; (ii) the independence, qualifications and performance of the Company's independent registered public accounting firm; (iii) the Company's compliance with legal and regulatory requirements; and (iv) the performance of the Company's internal audit function and any internal audit firm. It may also have such other duties as may from time to time be assigned to it by the Board.

The membership of the Committee shall consist of at least three directors, each of whom shall (i) have no material relationship with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company) as affirmatively determined by the Board and (ii) satisfy the independence and financial literacy requirements of Section 10A of the Securities Exchange Act of 1934 (the "1934 Act") and the rules of the New York Stock Exchange (the "NYSE") for serving on audit committees, and at least one who shall qualify as an audit committee financial expert under Section 10A of the 1934 Act. The members of the Committee shall be appointed by the Board on the recommendation of the Nominating and Governance Committee. Committee members may be replaced by the Board. The Committee may, as appropriate, form, and delegate authority to, subcommittees (which may consist of one or more members of the Committee), including the authority to grant pre-approvals of audit and permitted non-audit services, provided that decisions of such subcommittee to grant pre-approvals shall be presented to the full Audit Committee at its next scheduled meeting.

One member of the Committee shall, on the recommendation of the Nominating and Governance Committee, be appointed by the Board as Chair. The Chair shall be responsible for leadership of the Committee, including scheduling and presiding over meetings, preparing agendas, and making regular reports to the Board. The Chair will also maintain regular liaison with the CEO, the CFO, the lead audit partner of the independent registered public accounting firm and the internal audit function. The Committee shall meet at least four times each year.

The Committee shall maintain free and open communication (including periodic private executive sessions) with the independent registered public accounting firm, the internal auditors, and Company management. In discharging its role, the Committee shall have full access to all Company books, records, facilities, personnel and outside professionals. The Committee may retain special legal, accounting or other consultants as advisors as it deems necessary for the fulfillment of its responsibilities, and shall have sole authority to approve the fees and other retention terms of such consultants and advisors.

The Committee shall be provided with appropriate funding, as determined by the Committee, for payment of (i) compensation to any firm of independent auditors engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company; (ii) compensation to any advisors employed by the Committee; and (iii) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

The performance of the Committee shall be evaluated annually.

Responsibilities

The Committee's job is one of oversight. Management is primarily responsible for the Company's financial reporting process, including maintaining and reporting on the system of internal controls, and the preparation of the Company's consolidated financial statements in accordance with generally accepted accounting principles, as well as the objectivity and integrity of such statements. The independent registered public accounting firm are responsible for auditing those financial statements, expressing an opinion based on their audit as to whether, in all material respects, the statements are presented in conformity with generally accepted accounting principles, testing the effectiveness of, and attesting to management's report on, the Company's internal controls and discussing with the Committee any issues the firm believes should be raised with the Committee. The Committee and the Board recognize that management and the independent registered public accounting firm have more resources and time and more detailed knowledge and information regarding the Company's accounting, financial and auditing practices than do Committee members.

Although the Board and the Committee may wish to consider other duties from time to time, general recurring activities of the Committee in carrying out its oversight role are described below. The independent registered public accounting firm shall report directly to the Committee. The Committee shall be directly responsible for the appointment, compensation, retention, termination and oversight of the work of the independent registered public accounting firm and any other accounting firm engaged for the purpose of preparing an audit report or performing other audit, review or attest services for the Company (including resolution of disagreements between management and the

independent registered public accounting firm regarding financial reporting) for the purpose of preparing its audit report or related work. The Committee shall also be responsible for:

Independent Registered Public Accounting Firm

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- Reviewing, and approving in advance, the retention of the independent registered public accounting firm or any of its affiliates, including the terms of such retention and related fees, for any audit services, and the annual audit plan.

- Reviewing, and approving in advance, the retention of the independent registered public accounting firm or any of its affiliates, including the terms of such retention and related fees, for any non-audit services that are not prohibited under applicable law, rule or regulation and determining in advance that any such retention of the firm for non-audit services is consistent with maintaining the objectivity and independence of the firm, or establishing pre-approval policies and procedures for such services.

- Obtaining annually from the independent registered public accounting firm and reviewing and discussing a formal written statement consistent with Independence Standards Board Standard No. 1. The Committee shall discuss with the firm any disclosed relationships or any other relationships or services that may impact the objectivity and independence of the firm.

- Discussing with the independent registered public accounting firm the matters relating to the conduct of audits required to be disclosed by Statement of Auditing Standards No. 61.

- Overseeing the relationship with the independent registered public accounting firm, including (i) receiving and reviewing audit reports; and (ii) reviewing separately with the firm and management (a) any problems or difficulties encountered during the course of the audit, including any restrictions on the scope of the work or access to requested information, (b) any accounting adjustments that were noted or proposed by the firm, but were "passed" (as immaterial or otherwise), (c) any management or internal control letters issued or proposed to be issued or other material written communications provided by the firm, (d) any communications between the firm's audit team and the firm's national office regarding auditing or accounting issues presented by the engagement, and (e) any significant disagreement between management and the firm, and the Company's response to each.

- Reviewing at least annually (i) the performance, experience and qualifications of the senior members of the independent registered public accounting firm's audit team; (ii) the independent registered public accounting firm's quality control procedures, including review of an annual report from the firm describing the firm's internal quality control procedures, and any material issues raised by the

most recent internal quality control review or peer review of the firm, 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 firm, and any steps taken to deal with any such issues; and (iii) the independent registered public accounting firm's partner statement on professional responsibility. The experience and qualifications of any new senior member of the independent registered public accounting firm's audit team shall be reviewed in advance by the Committee.

- Ensuring the rotation of the audit partner as required by applicable law or regulation and considering whether, in order to assure continuing auditor independence, it is appropriate to adopt a policy of rotating the independent registered public accounting firm on a regular basis.

- Establishing a policy addressing the Company's hiring of any employee or former employee of the independent registered public accounting firm who was previously engaged to work on the Company's account, and overseeing any policy adopted in this regard.

- Reviewing, and approving annually, the document retention policy of the independent registered public accounting firm with regard to their work for the Company, with any changes to such policy to be approved by the Committee in advance.

Internal Audit and Controls

- Reviewing the annual audit plans of the internal auditors to ensure that there is an appropriate control process in place for reviewing and approving the Company's internal transactions and accounting.

- Discussing with management, the internal auditors and the independent registered public accounting firm the quality and adequacy of the Company's internal controls, including a review of (i) the internal control report prepared by management, including management's assessment of the effectiveness and adequacy of the Company's internal control structure and procedures for financial reporting and any special steps adopted in light of material control deficiencies; (ii) the independent registered public accounting firm's attestation and report on the assessment made by management; and (iii) any special audit steps adopted in light of any control deficiencies.

- Discussing with management, the internal auditors and the independent registered public accounting firm the quality and adequacy of the Company's internal audit function's organization, responsibilities, plans, results, budget and staffing, and providing oversight to internal audit activities, including a review of significant reports prepared by the internal auditors, and management's response to each.

- Reviewing with management, the internal auditors and the independent registered public accounting firm the Company's major risk exposures and the steps management has taken to monitor, control and manage such exposures, including the Company's risk assessment and risk management guidelines and policies.

- Reviewing, and approving in advance, the retention of any firm to provide internal audit services, including the terms of such retention, and evaluating on an annual basis the performance of the Company's internal auditors.

Financial Reporting Processes

- Reviewing and discussing with management, the independent registered public accounting firm and the internal auditors the Company's annual audited financial statements and the Company's quarterly financial statements. Also, reviewing and discussing with management, the independent registered public accounting firm and the internal auditors the Company's filings with the S.E.C. on Form 10-K and Form 10-Q, including the disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" and making its recommendation to the Board as to the inclusion of the audited financial statements in the Annual Report on Form 10-K

- Reviewing and discussing with management, the independent registered public accounting firm and the internal auditors the Company's earnings press releases, including the use of "pro forma" or "adjusted" non-GAAP information, and any financial information and earnings guidance provided to analysts and rating agencies.

- Discussing with management (including the Company's general counsel), the internal auditors, and the independent registered public accounting firm any legal, regulatory or compliance matters (including the status of pending litigation, the Company's compliance programs and the Company's Code of Ethics and Business Practices).

- Reviewing periodically, with management, the independent registered public accounting firm and the internal auditors, the Company's auditing and accounting principles and practices and financial statement presentation, including any proposed changes or issues with respect to such policies, practices and presentation. Such review shall include a review of any significant financial reporting issues and the selection, application and disclosure of the Company's critical accounting policies used in connection with the preparation of the Company's financial statements, including those policies for which management is required to exercise discretion or judgment regarding the implementation thereof, and discussing alternatives to, the ramifications of, and the rationale for, the decisions made with respect to such policies (including the treatment

preferred by the independent registered public accounting firm).

- Establishing procedures for the receipt, retention and treatment of any complaint or other communication received by the Company regarding accounting, internal control or auditing matters, and the confidential, anonymous submission by employees of concerns regarding accounting or auditing matters.

- Reviewing with management and the independent registered public accounting firm all off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the Company with unconsolidated entities or other persons, that may have a material current or future effect on the Company's financial condition, results of operations, liquidity, capital resources, or capital reserves or significant components of the Company's revenues or expenses.

- Reviewing the effects of regulatory and accounting initiatives on the financial statements of the Company.

General

- Preparing annually a report to be included in the Company's proxy statement as required by the rules of the Securities and Exchange Commission.

- Reporting regularly to the Board.