

Phillips-Van Heusen Corporation
Audit Committee of the Board of Directors
Charter

I. Purpose

The Audit Committee is a committee of the Board of Directors. It shall provide assistance to the Board in fulfilling the Board's oversight functions relating to the quality and integrity of the Company's financial reports, monitor the Company's financial reporting process and internal audit function, monitor the outside auditing firm's qualifications, independence and performance and perform such other activities consistent with this Charter and the Company's By-laws as the Committee or the Board deems appropriate. It shall have such additional functions as are required by the New York Stock Exchange, the Securities and Exchange Commission (the "Commission") and the federal securities laws.

II. Composition

The Audit Committee shall be composed of three or more directors. The members of the Audit Committee shall meet the independence and experience requirements of the New York Stock Exchange, Section 10A(m)(3) of the Securities Exchange Act of 1934 (the "Exchange Act") and the rules and regulations of the Commission. At least one member of the Audit Committee shall be an "audit committee financial expert" as defined by the Commission. Audit Committee members shall not simultaneously serve on the audit committees of more than two other public companies unless the Board determines, prior to a member's acceptance of an additional audit committee appointment beyond the other two committees, that such simultaneous service would not impair the ability of such member to effectively serve on the Company's Audit Committee. Any such determination shall be disclosed in the Company's proxy statement for its annual meeting of stockholders.

The members of the Audit Committee shall be elected by the Board of Directors at the annual organizational meeting of the Board and shall serve until the next annual organizational meeting or until their respective successors shall be duly elected and qualified; provided, however, that members of the Committee may be removed by the Board.

III. Meetings

The Audit Committee shall meet at least four times annually. In addition to other matters considered at such meetings, one meeting shall review the audit plan of the internal auditing staff, one meeting shall review the audit plan of the outside auditing firm, one meeting shall review the Company's annual audited financial statements prior to their issuance, and one meeting shall review the post-audit findings of the outside auditing firm. At least annually, the Committee shall meet with the outside auditing firm and the internal auditing staff in separate executive sessions to discuss any matters that the Committee or these groups believe should be

discussed privately with the Committee. A quorum for the meetings referred to in this paragraph shall be a majority of the members.

The Audit Committee shall also meet at least three times annually to confer with the outside auditing firm and management to review the Company's interim financial results prior to their public announcement. A quorum for the meetings referred to in this paragraph shall be one of the members.

The Audit Committee may also hold any special meetings as may be called by the Chairman of the Committee, a majority of the members of the Committee or at the request of the outside auditing firm or the internal auditing staff or management. Members of senior management, the outside auditing firm, the internal auditing staff and others may attend meetings of the Committee at the invitation of the Committee and shall provide pertinent information as necessary.

The Chairman of the Audit Committee shall set the agenda of each meeting and arrange for the distribution of the agenda, together with supporting material, to the Committee members prior to each meeting. The Chairman will also cause minutes of each meeting to be prepared and circulated to the Committee members. The Committee may meet via telephone conference calls.

The Audit Committee shall report regularly to the Board of Directors as to its activities.

IV. Relationship with Outside Auditing Firm

The outside auditing firm is ultimately accountable to the Board of Directors and the Audit Committee, as representatives of the Company's stockholders, but shall report directly to the Committee. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of the outside auditing firm (including resolution of disagreements between management of the Company and the outside auditing firm regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. All auditing services and non-audit services provided to the Company by the outside auditing firm shall be preapproved by the Committee. The Committee may delegate, subject to any rules or limitations it may deem appropriate, to one or more designated members of the Committee the authority to grant such preapprovals; provided, however, that the decisions of any member to whom authority is so delegated to preapprove an activity shall be presented to the Committee at its next meeting.

V. Functions

The Audit Committee's primary functions are to:

Documents/Reports Review

1. Review and assess the adequacy of this Charter at least annually.
2. Review all public announcements of financial results prior to any release to the public or investors, including the use of "proforma" or "adjusted" non-GAAP information.
3. Review all financial information and earnings guidance provided to analysts and rating agencies.

4. Review all quarterly and annual financial statements and reports (including disclosures under Management's Discussion and Analysis of Financial Condition and Results of Operations) prior to any filing of Forms 10-Q or 10-K with the Securities and Exchange Commission.
5. Recommend to the Board of Directors that the audited financial statements be included in the Company's annual report on Form 10-K for filing with the Securities and Exchange Commission.
6. Prepare the report of the Audit Committee required to be included in the Company's proxy statement in connection with the annual stockholders meeting.
7. Review and evaluate disclosures made to the Audit Committee by the Company's Chief Executive Officer and Chief Financial Officer during their certification process for the Form 10-K and Form 10-Q about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal controls.

Outside Auditing Firm

8. Review and evaluate the lead partner of the outside auditing firm.
9. Approve the appointment and compensation of the outside auditing firm prior to any engagement.
10. Review all relationships the outside auditing firm has with the Company to determine their independence and obtain and review a report from the outside auditing firm concerning the auditors' internal quality control procedures; 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. The outside auditing firm shall annually provide to the Audit Committee a written statement delineating all such matters.
11. Review the annual audit plan of the outside auditing firm and evaluate their performance.
12. Review the experience and qualifications of the senior members of the outside auditing firm team.
13. Obtain and review a report from the outside auditing firm at least annually as to (a) all critical accounting policies to be used, (b) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management of the Company, the ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the outside auditing firm, and (c) other material written communications between the outside auditing firm and management of the Company, including management letters and schedules of unadjusted differences.

14. Discuss with the national office of the outside auditing firm issues on which it was consulted by the Company's audit team.
15. Require the rotation of the "audit partners" (as defined in the Exchange Act) on a regular basis in accordance with the requirements of the Exchange Act.
16. Review the Company's hiring of employees or former employees of the outside auditing firm who participated in any capacity in the audits of the Company.

Financial Reporting Processes

17. Consult with the outside auditing firm concerning the completeness and accuracy of the Company's financial statements.
18. Consult with the outside auditing firm concerning the quality of the Company's accounting principles as applied in its financial statements and reporting.
19. Review any significant judgments made in management's preparation of the financial statements and the view of the outside auditing firm as to the appropriateness of such judgments.
20. Review any significant difficulties encountered during the course of the audit or review, including any restrictions on the scope of the outside auditing firm's work or access to reviewed information.
21. Review any disagreements between management and the outside auditing firm in connection with any public announcements of financial results and quarterly and annual financial statements and reports.
22. Review changes to the Company's accounting principles as recommended by the outside auditing firm or management.
23. Review with the outside auditing firm and internal auditing staff the adequacy of the Company's system of internal controls and disclosure controls and procedures, including computerized information system controls and security, and any related significant findings and recommendations of the outside auditing firm, together with management's responses thereto.
24. Review with the outside auditing firm and Company management, the internal audit department's annual audit plan, organization structure, budget and staff qualifications and any recommended changes in the scope of audits planned.
25. Review periodically with the Company's general counsel, legal and regulatory matters that could have a significant effect on the Company's financial statements.
26. Discuss with management and the outside auditing firm the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements.

27. Review any correspondence with regulators or governmental agencies and any published reports which raised material issues regarding the Company's financial statements or accounting policies.

Other

28. Review with the Board of Directors any issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance and independence of the Company's outside auditing firm or the performance of the internal audit function.
29. Review periodically the Company's compliance with its Conflict of Interest policy.
30. Establish procedures for (a) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters, and (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
31. Discuss the Company's policies with respect to risk assessment and risk management.
32. Perform an annual evaluation of the Audit Committee.
33. Investigate any other matter brought to its attention within the scope of its duties which it deems appropriate for investigation.

The Audit Committee shall have the authority to engage outside legal, accounting or other advisors as it determines necessary to carry out its functions, and the Company shall provide adequate funding for the same.

Limitation of Audit Committee's Role

The Audit Committee has only the functions set forth in this Charter. It is not the duty of the Committee to plan or conduct audits, to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations or to establish and operate the Company's system of internal controls and disclosure controls and procedures. The responsibility to plan and conduct audits, and to express an opinion on the financial statements based on its audit, is that of the outside auditing firm. The Company's management has the responsibility to determine that the Company's disclosures and financial statements are complete and accurate and in accordance with generally accepted accounting principles and applicable rules and regulations as well as to establish and operate the Company's system of internal controls and disclosure controls and procedures. It is also not the duty of the Committee to assure the Company's compliance with laws and regulations or compliance with the Company's Code of Business Conduct and Ethics. The primary responsibility for these matters rests with the Company's management.