

# LIMITED BRANDS, INC.

## Compensation Committee Charter

Adopted February 6, 2004

### **Purpose**

The Compensation Committee of the Board of Directors of the Company shall (i) oversee the Company's compensation and benefits philosophy and policies generally, (ii) evaluate the chief executive officer's performance and oversee and set compensation for the chief executive officer, (iii) oversee the evaluation process and compensation structure for other members of the Company's senior management, and (iv) fulfill the other responsibilities set forth in this Charter.

### **Membership**

The Compensation Committee shall consist of at least two members, comprised solely of directors meeting the independence and other requirements of the New York Stock Exchange and other applicable laws and regulations. The Nominating and Governance Committee shall recommend nominees for appointment to the Compensation Committee annually and as vacancies or newly created positions occur. Compensation Committee members shall be appointed by the Board and may be removed by the Board at any time. The Nominating and Governance Committee shall recommend to the Board, and the Board shall designate, the Chair of the Compensation Committee.

### **Authority and Responsibilities**

In addition to any other responsibilities that may be assigned from time to time by the Board, the Compensation Committee is directly responsible for the following matters.

#### *Compensation Policies and Plans*

- The Compensation Committee shall review and approve the Company's compensation and benefits philosophy and policies generally (subject, if applicable, to shareholder ratification), including reviewing and approving any incentive-compensation plans and equity-based plans of the Company. In reviewing such compensation and benefits policies, the Compensation Committee may consider the recruitment, development, promotion, retention, and compensation of members of senior management and other employees of the Company and any other factors that it deems appropriate.

#### *Chief Executive Officer Compensation*

- The Compensation Committee shall review and approve (either as a Committee or together with the other independent members of the Board, as directed by the Board) for the Company's chief executive officer his or her (i) annual base salary level, (ii) annual incentive compensation, (iii) long-term incentive compensation, (iv) employment, severance, and change-in-control

agreements, if any, and (v) any other compensation, ongoing perquisites, or special benefit items. In so reviewing and approving the chief executive officer's compensation, the Compensation Committee shall, among other things:

- identify corporate goals and objectives relevant to chief executive officer compensation;
- evaluate the chief executive officer's performance in light of such goals and objectives and set the chief executive officer's compensation based on such evaluation and such other factors as the Compensation Committee deems appropriate and in the best interests of the Company (including the cost to the Company of such compensation); and
- determine any long-term incentive component of the chief executive officer's compensation based on awards given to such executive in past years, the Company's performance, shareholder return, and the value of similar incentive awards relative to such targets at comparable companies, and such other factors as the Compensation Committee deems appropriate and in the best interests of the Company (including the cost to the Company of such compensation).

#### *Compensation of Other Members of Senior Management*

- The Compensation Committee shall oversee the evaluation process and compensation structure for other members of the Company's senior management (including the structure of (i) annual base salaries, (ii) annual incentive compensation, (iii) long-term incentive compensation, (iv) employment, severance, and change-in-control agreements, if any, and (v) any other compensation, ongoing perquisites, or special benefit items).
- In undertaking such responsibilities, the Compensation Committee may consider the matters identified under "Chief Executive Officer Compensation" above, as well as any other factors it considers appropriate.

#### *Disclosure*

- The Compensation Committee shall prepare the report on executive compensation that Securities and Exchange Commission rules require to be included in the Company's annual proxy statement.

#### *Reporting to the Board*

- The Compensation Committee shall report to the Board periodically. This report shall include a review of any recommendations or issues that arise with respect to Company compensation and benefits policies, executive compensation, and any other matter that the Compensation Committee deems appropriate or is requested to be included by the Board.
- At least annually, the Compensation Committee shall evaluate its own performance and report to the Board on such evaluation.

- The Compensation Committee will review and reassess the adequacy of this charter and recommend any proposed changes to the Nominating and Governance Committee.

### **Procedures**

The Compensation Committee shall meet as often as it determines is appropriate to carry out its responsibilities under this charter. The Chair of the Compensation Committee, in consultation with the other committee members, shall determine the frequency and length of the committee meetings and shall set meeting agendas consistent with this charter.

The Compensation Committee has the sole authority to retain and terminate any compensation consultant assisting the Compensation Committee in the evaluation of CEO or senior executive compensation, including sole authority to approve all such compensation consultant's fees and other retention terms.

The Compensation Committee may delegate its authority to subcommittees or the Chair of the Compensation Committee when it deems appropriate and in the best interests of the Company. In addition, the Compensation Committee may delegate to one or more officers of the Company the authority to make grants and awards of stock rights or options to any non-Section 16 officer of the Company under such of the Company's incentive-compensation or equity-based plans as the Compensation Committee deems appropriate, in the best interests of the Company, and in accordance with the terms of such plans.