

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

This Compensation Committee Charter (the "Charter") was originally adopted by the Board of Directors (the "Board") of Liz Claiborne, Inc. (the "Company") at its March 12, 2003 meeting. The Compensation 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 carrying out its responsibilities relating to compensation of the Company's executives. The Committee has overall responsibility for evaluating and approving the executive compensation and benefit plans, policies and programs of the Company.

The membership of the Committee shall consist of at least three directors. Each Committee member shall meet the applicable independence requirements of the New York Stock Exchange. The Committee's membership shall be such as to enable the Committee, or a subcommittee thereof, to qualify as a committee of "outside directors" under Section 162(m) of the Internal Revenue Code. 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, or other committees which shall be composed entirely of independent Directors, and shall have a published charter.

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 Committee shall meet at least three times each year.

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 compensation, legal, accounting or other consultants or advisors as it deems necessary for the fulfillment of its responsibilities, and shall have the sole authority to approve the fees and other retention terms of such consultants and advisors. The Committee shall have the sole authority to retain and terminate any compensation consultant to be used to assist the Committee in the evaluation of Chief Executive Officer or senior executive compensation or the Board and any of its committees in

evaluating Director compensation, and shall have sole authority to approve the consultant's fees and other retention terms.

The performance of the Committee shall be evaluated annually.

Responsibilities

Although the Board and the Committee may wish to consider other duties from time to time, general recurring responsibilities of the Committee in carrying out its duties are described below. The Committee shall have direct responsibility for:

- Reviewing and approving on an annual basis corporate goals and objectives relevant to the compensation of the Chief Executive Officer (the "CEO"), evaluating the CEO's performance in light of those goals and objectives, and recommending to the Board, for determination by the Committee together with the other independent Directors, the CEO's compensation levels based on this evaluation. In determining the long-term incentive component of the CEO's compensation, the Committee will consider, among other things, the Company's performance and relative shareholder return, the value of similar incentive awards to CEOs at comparable companies, and the awards given to the CEO in past years. Notwithstanding the foregoing, if any grant or award to the CEO is intended to qualify for the performance-based compensation exemption from the limitations on deductibility of executive compensation imposed by Section 162(m) of the Internal Revenue Code or any successor thereto, the Committee shall approve such award. Nothing in this Charter should be construed as precluding discussion of CEO compensation with the Board generally. Except as otherwise required by applicable law, regulation or exchange listing standards, Committee decisions may be discussed with, and considered by, the Board as a whole.
- Making determinations with respect to non-CEO compensation, including incentive compensation and equity-based plans.
- Reviewing and approving, for the CEO and the other executive officers, the following:
 - base salary level;
 - annual incentive opportunity level;
 - long-term incentive opportunity level;
 - employment agreements, severance arrangements, and change of control agreements/provisions; and
 - special or supplemental benefits.
- Providing oversight of management's decisions concerning the performance and compensation of the Company's other officers.
- Monitoring the Company's compliance with the requirements under the Sarbanes-Oxley Act of 2002 relating to the Company's 401(k) Plan and loans to directors and executive officers and with other applicable laws and regulations affecting compensation and benefits.

- Overseeing the Company's compliance with the rules of the New York Stock Exchange with respect to the requirement for shareholder approval of equity compensation plans.
- Establishing and reviewing, and monitoring compliance by the Company's officers with, the Company's share ownership requirements.
- Administering the Company's Section 162 (m) Cash Bonus Plan and Long Term Performance Plan, including recommending any amendment thereto and determining the awards for participants thereunder.
- Administering the Company's stock incentive plans, including recommending any amendments thereto, and making award decisions under such plans, subject to delegation of authority with respect to certain grants to non-executive officers in compliance with such plans and applicable law.
- Making recommendations to the full Board with respect to the adoption and administration of incentive compensation plans, equity-based plans and other Company compensation and benefit plans and programs.
- Preparing annually a Committee report on executive compensation 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.