

Saks Incorporated

Human Resources and Compensation Committee Charter

Amended and Restated February 22, 2006

Purpose

The primary purpose of the Human Resources and Compensation Committee of the Board of Directors of Saks Incorporated is to (i) discharge the Board's responsibilities relating to compensation of the Company's directors and executive officers and (ii) review and recommend to the Board human resource plans, policies, and programs, as well as approve individual executive officer compensation, intended to attract, motivate, retain, and appropriately reward associates in order to motivate their performance in the achievement of the Company's business objectives and align their interests with the long-term interests of the Company's shareholders.

Composition of the Committee

The Committee will be comprised of three or more directors, each of whom (i) meets the independence requirements of the New York Stock Exchange, (ii) meets the requirements for a "Non-Employee Director" contained in Rule 16b-3 under the Securities Exchange Act of 1934, as amended, and (iii) meets the requirements for an "outside director" for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended. Determinations as to whether a particular director satisfies the requirements for membership of the Committee will be made by the Board.

The members of the Committee will be appointed by the Board on the recommendation of the Corporate Governance Committee and will serve for such terms as the Board may determine, or until their earlier resignation, death or removal by the Board.

Meetings

The Committee will meet with such frequency and at such intervals as it will determine is necessary to carry out its duties and responsibilities. The Board will designate one member of the Committee to serve as its chairperson. The Committee will meet at such times as determined by its chairperson or as requested by any two of its members. Notice of all meetings will be given, and waiver thereof determined, pursuant to the provisions contained in the Company's bylaws. The chairperson will preside, when present, at all meetings of the Committee. The Committee may meet by telephone or video conference and may take action by written consent.

Each member of the Committee will have one vote. One-third of the members, but not less than two persons, will constitute a quorum. The Committee will be authorized to take any permitted action only by the affirmative vote of a majority of the Committee members present at any meeting at which a quorum is present, or by the unanimous written consent of all of the Committee members.

The Committee will maintain copies of minutes of each meeting of the Committee, as well as each written consent to action taken without a meeting, reflecting the actions so authorized or taken by the Committee. A copy of the minutes of each meeting and all consents will be placed in the Company's minute book.

Delegation

The Committee may form, and delegate authority to, subcommittees when it deems appropriate.

External Advisors

The Committee will have the sole authority to retain and terminate compensation consultants to assist in the evaluation of director, CEO or executive officer compensation, including sole authority to approve the consultants' fees and other retention terms. The Committee will also have authority to obtain advice and assistance from any officer or employee of the Company or any outside legal expert or other advisor.

Duties and Responsibilities

The Committee will:

1. Annually review and approve corporate goals and objectives relevant to CEO compensation, evaluate the CEO's performance in light of those goals and objectives and determine and approve the CEO's compensation on the basis of this evaluation. In determining the long-term incentive component of the CEO's compensation, the Committee will consider the Company's performance and shareholder returns relative to comparable companies, the value of similar incentive awards to CEOs at comparable companies and the awards given to the CEO in past years.
2. Review and make recommendations to the Board regarding the Company's incentive compensation plans and equity-based plans, policies and programs.
3. Provide oversight of the Company's leadership development and succession processes and assist the Board in developing and evaluating potential candidates for executive positions, including the CEO.
4. Review and make recommendations to the Board regarding compensation for certain non-CEO executives.

5. Approve grants and awards of restricted stock, stock options and other forms of equity-based compensation under the Company's stock option, incentive compensation and equity-based plans.
6. Review and approve, for the CEO and other executive officers of the Company, when and if appropriate, employment agreements, severance agreements and change in control provisions and agreements.
7. Evaluate and recommend to the full Board appropriate compensation for the Company's directors, including compensation and expense reimbursement policies for attendance at Board and committee meetings.
8. Prepare the annual report on executive compensation required to be included in the Company's annual proxy statement.
9. Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
10. Conduct an annual performance evaluation of the Committee.
11. Report to the Board on a regular basis and make such recommendations with respect to any of the above and other matters as the Committee deems necessary or appropriate.
12. Perform such other duties and responsibilities, consistent with this Charter, delegated to the Committee by the Board or required under the provisions of any compensation or benefit plan maintained by the Company.