

**LIZ CLAIBORNE, INC.**  
**FINANCE COMMITTEE CHARTER**  
(as amended March 4, 2004)

This Finance Committee Charter (the "Charter") has been adopted by the Board of Directors (the "Board") of Liz Claiborne, Inc. (the "Company") at its March 12, 2003 meeting. The Finance 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 advise the Board on a variety of corporate finance issues.

The membership of the Committee shall consist of at least three directors, none of which shall be a member of management. 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.

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 finance, 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 or advisors.

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 be responsible for:

- Monitoring the Company's financial condition, capital structure and financing requirements and strategies, including reviewing and evaluating the terms and conditions of all proposed significant credit arrangements, equity and debt offerings, stock splits, and other significant finance programs and vehicles prior to their presentation to the full Board for approval.

- Monitoring the Company's short-term and long-term capital expenditure plans, cash management program and working capital position and advising the Board on significant capital expenditures.
- Monitoring the Company's debt portfolio, interest rate risk management, credit facilities, and liquidity.
- Monitoring the Company's relationships with credit rating agencies and the ratings given to the Company.
- Reviewing and evaluating the Company's dividend policy and recommending to the Board dividend schedules and rates.
- Reviewing and evaluating the Company's stock repurchase programs and activities and recommending to the Board any stock repurchase programs and activities deemed necessary or desirable by the Committee.
- Reviewing and evaluating any existing or proposed off-balance sheet transactions, financing transactions by and between subsidiaries and other affiliated companies, the formation of, and transactions with, special purpose entities, and any significant guarantees or other financial commitments to third parties.
- Reviewing and evaluating the Company's principal policies, procedures and controls with respect to derivative, foreign exchange and hedging transactions.
- Reviewing and evaluating the Company's principal policies, procedures and controls with respect to managing insurable risks, including levels and cost of purchased insurance, including Directors' and Officers' Liability Insurance.
- Reviewing and advising the Board with respect to business development matters, including the terms and conditions of all proposed acquisitions and divestitures, prior to their presentation to the full Board for approval.
- Reviewing at least annually with the fiduciaries thereunder the performance of the investment options available to participants under the Company's 401(k) Savings and Profit Sharing Plan and the notational investments under the Supplemental Executive Retirement Plan.
- Reviewing the investment policies of the Liz Claiborne Foundation, and reviewing at least annually, with appropriate representatives of the Foundation, the performance of the Foundation's investments.
- Reporting to the Board on a regular basis.