



Carter's, Inc.


CRI NYSE

Retail - Apparel / Accessories

Market Capitalization USD:

\$1,773.25 mm

CONCERN LEVEL: LOW

- 1 The CEO's total remuneration is within the typical market range for the relevant industry and market cap.
- 2 The ratio between the CEO's pay and the median pay of the other named executive officers is 3X or less.
- 3 The CEO's annual cash incentives rose or fell in line with annual performance.
- 4 The CEO received no more than one annual cash bonus this fiscal year.
- 5 The CEO's equity remuneration reflected the company's share price movement over the last five years.
- 6 The company only pays long-term incentives to the CEO for above median performance against a peer group.
- 7 The company's dilution from equity incentives is 10 percent or less.
- 8 Unvested equity lapses when the CEO's employment is terminated. 
- 9 The CEO's potential cash severance payment is capped at two times annual cash remuneration.
- 10 The accrued benefits of the CEO's post-retirement income are within the typical market range for the relevant market cap bracket.

CEO: Michael D. Casey

Age: 51

CEO Since: 2008

	2009	2010	2011
Base Salary	\$700,000	\$739,231	\$760,000
Discretionary Bonus	\$0	\$0	\$0
Annual Cash Incentive	\$1,960,426	\$2,280,000	\$855,000
Benefits and Perquisites	\$110,315	\$22,000	\$22,000
TOTAL ANNUAL COMPENSATION	\$2,770,741	\$3,041,231	\$1,637,000
Increase in Post-Retirement Benefits	\$0	\$0	\$0
Stock Option Awards	\$763,000	\$951,200	\$960,000
Stock Awards	\$907,000	\$1,121,600	\$3,408,800
TOTAL COMPENSATION	\$4,440,741	\$5,114,031	\$6,005,800
Median of Other Named Executive Officers Total Compensation	\$1,513,322	\$2,434,090	\$1,459,241
Value Realized on Exercise of Stock Option	\$0	\$0	\$6,311,738
Value Realized on Vesting of Stock	\$94,200	\$548,590	\$2,512,788
TOTAL REALIZED EQUITY COMPENSATION	\$94,200	\$548,590	\$8,824,526

Proxy Date: 12 Apr 2012

Annual Meeting Date: 17 May 2012

Equity Reserves: 10.31%

Stock Option Run Rate: 0.79%

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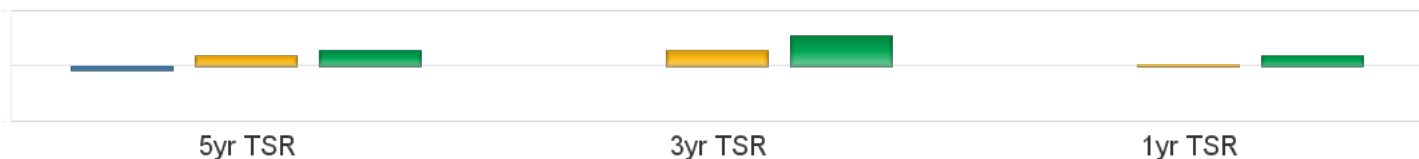
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Performance Comparison

■ S&P500 ■ Industry ■ CRI



Peer Comparisons (TRBC) =Retail - Apparel / Accessories

Total Summary CEO Compensation

Ticker	Company Name	2009	2010	2011	Market Cap
CRI	Carter's, Inc.	\$4,440,741	\$5,114,031	\$6,005,800	\$1,773,254,006
URBN	Urban Outfitters, Inc.	\$3,169,739	\$29,944,180		\$3,433,925,326
FL	Foot Locker, Inc.	\$2,848,230	\$8,060,791	\$14,059,147	\$3,072,918,746
GES	Guess?, Inc.	\$15,220,426	\$9,799,620		\$2,643,234,849
AEO	American Eagle Outfitters, Inc.	\$17,946,755	\$9,214,977		\$2,284,241,970
ASNA	Ascena Retail Group, Inc.	\$1,932,613	\$6,747,800		\$2,097,196,302
CHS	Chico's FAS, Inc.	\$4,254,305	\$3,767,788		\$1,968,133,540

To insure consistency, peer comparisons are based on a combination of TRBC Industry and Sector classifications and company market caps. Missing peer pay figures for 2011 are due to differences in company filing schedules.

Pay Peer Group

Aeropostale, Inc., American Eagle Outfitters, Inc., Ann, Inc., Ascena Retail Group, Inc., Chico's FAS, Inc., The Children's Place Retail Stores, Inc., Coach, Inc., Coldwater Creek Inc., Collective Brands, Inc., Columbia Sportswear Company, Guess?, Inc., Hanesbrands Inc., Jones Group, Inc., Pacific Sunwear of California, Inc., Quiksilver, Inc., The Warnaco Group, Inc.

Performance Peer Group

NA

COMPENSATION COMMITTEE MEMBERS

Director	Membership	Age	Gender	Tenure	Independence
Paul Fulton	Chairman	77	Male	10	Outside Related
A. Bruce Cleverly	Member	66	Male	4	Outside
Jevin S. Eadle	Member	45	Male	2	Outside
John R. Welch	Member	80	Male	9	Outside