

THE WARNACO GROUP, INC.

COMPENSATION COMMITTEE CHARTER

Purpose

The primary purpose of the Committee is to discharge the responsibilities of the Board of directors relating to all compensation, including equity compensation, of the Company's executive officers. The Committee has overall responsibility for evaluating and making recommendations to the Board regarding (i) compensation of the Company's executive officers and (ii) equity-based and incentive compensation plans, policies and programs of the Company. In addition, the Committee is responsible for producing an annual report on executive compensation for inclusion in the Company's annual proxy statement, in accordance with applicable rules and regulations.

Composition

1. Members. The Committee shall consist of as many members as the Board shall determine, but in any event not fewer than three members. The members of the Committee shall be appointed annually by a majority vote of the Board at the first meeting to be held following each annual meeting of stockholders of the Company, upon the recommendation of the Nominating and Corporate Governance Committee.
2. Qualifications. Each member of the Committee shall meet all applicable independence and other requirements of law and requirements of the New York Stock Exchange (the "NYSE"). Each member of the Committee shall also be a "non-employee director" within the meaning of the rules promulgated under Section 16(b) of the Securities Exchange Act of 1934, as amended ("Section 16") and an "outside director" for purposes of the regulations promulgated under Section 162(m) of the Internal Revenue Code of 1986, as amended ("*Section 162(m)*"), and shall satisfy any other necessary standards of independence under the federal securities and tax laws.
3. Chair. The Chair of the Committee shall be appointed by the Board upon recommendation of the Nominating & Corporate Governance Committee.
4. Removal and Replacement. Any vacancies on the Committee shall be filled by a majority vote of the Board at the next meeting of the Board following the occurrence of the vacancy, upon the recommendation of the Nominating and Corporate Governance Committee. No member of the Committee may be removed except by majority vote of the independent directors then in office. In addition, membership on the Committee shall automatically end at such time as the Board determines that a member (i) ceases to meet the independence requirements of NYSE, (ii) ceases to be a "non-employee director" for purposes of Section 16, or (iii) ceases to be an outside director for purposes of Section 162(m).

Operations

1. Rules of Procedure. The Committee shall fix its own rules of procedure, which shall be consistent with the By-laws of the Company and this Charter.
2. Meetings. The Chair of the Committee, in consultation with the Committee members, shall determine the schedule and frequency of the Committee meetings, provided that the Committee shall meet at least quarterly. The Chair or a majority of the members of the Committee may also call special meetings of the Committee.
3. Quorum. A majority of the members of the Committee present in person or by means of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other shall constitute a quorum.
4. Agenda. The Chair of the Committee shall develop and set the Committee's agenda, in consultation with other members of the Committee, the Board and management. The agenda and information concerning the business to be conducted at each Committee meeting shall, to the extent practical, be communicated to the members of the Committee sufficiently in advance of each meeting to permit meaningful review. Furthermore, the Chair of the Committee may request that any directors, officers or employees of the Company, or other persons whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such pertinent information as the Committee requests. The Chair of the Committee shall develop an annual schedule of planned activities at scheduled meetings, in consultation with other Members of the Committee.
5. Report to Board. At each Board meeting, the Committee shall deliver to the Board a report on any Committee meetings that have been held since the preceding Board meeting, including a description of all actions taken by the Committee during such period. The Committee shall submit to the Board the minutes of its meetings.
6. Self-Evaluation; Assessment of Charter. The Committee shall conduct an annual performance self-evaluation and shall report to the Board the results of the self-evaluation. The Committee shall assess the adequacy of this Charter periodically and shall deliver to the Board a written report setting forth the results of its evaluation, including any recommended amendments to this Charter and any recommended changes to the Company's or the Board's policies or procedures.

Authority and Duties

1. The Committee shall approve and oversee the total compensation package for the Company's executive officers including, without limitation, their base salaries, annual incentives, deferred compensation, stock options and other equity-based compensation, incentive compensation, special benefits, perquisites and incidental benefits. The Committee shall make all determinations and take any actions that are reasonably appropriate or necessary in the course of establishing the compensation of the Company's executive officers. The Committee shall perform such duties and

- responsibilities as may be assigned to the Committee under the terms of any executive compensation plan.
2. The Committee shall review and approve corporate goals and objectives relevant to the compensation of the Company's Chief Executive Officer, evaluate the performance of the Company's Chief Executive Officer in light of those goals and objectives, and set the compensation level of the Company's Chief Executive Officer based on this evaluation. In determining the long-term incentive component of the Company's Chief Executive Officer's compensation, the Committee shall consider, without limitation, the Company's performance and relative shareholder return, the value of similar incentive awards to Chief Executive Officers at comparable companies, and the awards given to the Company's Chief Executive Officer in past years.
 3. The Committee shall review the results of and procedures for the evaluation of the performance of other executive officers by the Company's Chief Executive Officer.
 4. The Committee shall review periodically and make recommendations to the Board regarding any long-term incentive compensation or equity plans, programs or similar arrangements that the Company establishes for, or makes available to, its directors, employees and consultants (collectively, the "*Plans*"), the appropriateness of the allocation of benefits under the Plans and the extent to which the Plans are meeting their intended objectives and, where appropriate, recommend that the Board modify any Plan that yields payments and benefits that are not reasonably related to employee performance.
 5. The Committee shall ratify participation in Plans, as approved by the Company's Chief Executive Officer or, in the case of employees with base salary in excess of \$400,000, as approved by the Chair of the Committee.
 6. The Committee shall administer the Plans in accordance with their terms, construe all terms, provisions, conditions and limitations of the Plans and make factual determinations required for the administration of the Plans.
 7. The Committee shall review and approve, in its sole discretion, all Plans, including those that are not subject to stockholder approval under the listing standards of NYSE.
 8. The Committee shall review and make recommendations to the Board regarding all new employment, consulting, retirement and severance agreements and arrangements proposed for the Company's executive officers. The Committee shall periodically evaluate existing agreements with the Company's executive officers for continuing appropriateness.
 9. The Committee shall determine and certify the attainment of performance goals pursuant to Section 162(m).
 10. The Committee shall provide feedback on a quarterly basis to management regarding the Committee's interim assessment of the Company's progress against goals, as applicable to any incentive Plans.

11. The Committee shall adopt and periodically review a comprehensive statement of executive compensation philosophy, strategy and principles that has the support of management and the Board, and administer the Company's compensation program fairly and consistently in accordance with these principles.
12. The Committee shall select peer groups of companies that shall be used for purposes of determining competitive compensation packages.
13. The Committee shall make recommendations to the Board as to the appropriate level of ownership of Company securities by each director and executive officer.
14. The Committee shall review and approve changes to benefit programs. The Committee shall periodically review benefit program changes with no financial impact, with authority to make such changes delegated to management.
15. The Committee shall review annually the estimated potential severance costs and payments for executive officers and other key employees.
16. The Committee shall review the Company's compensation disclosure contained in its annual proxy statement with management and any outside professionals as the Committee considers appropriate, including the Company's disclosures under "Compensation Discussion and Analysis", before the filing of the Company's proxy statement. Based on its review, the Committee shall provide a report to be included in the Company's proxy statement which indicates whether it has recommended to the Board of Directors whether the "Compensation Discussion and Analysis" be included in the proxy statement.

The foregoing list of duties is not exhaustive, and the Committee may, in addition, perform such other functions as may be necessary or appropriate for the performance of its duties. The Committee shall have the power to delegate its authority and duties to subcommittees as it deems appropriate in accordance with applicable laws, regulations and listing standards; *provided, however*, that no subcommittee shall consist of fewer than two members.

The Committee may conduct or authorize investigations into or studies of matters within the Committee's scope or responsibilities, and shall have the power to retain, at the Company's expense, compensation consultants having special competence to assist the Committee in evaluating director and executive compensation. The Committee may also, at the Company's expense, retain counsel, accountants or other advisors as it deems appropriate. The Committee shall have the sole authority to retain and terminate the consultants or advisors and to review and approve the consultant or advisor's fees and other retention terms.