

POLO RALPH LAUREN CORPORATION

CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

The Audit Committee of the Board of Directors (the “Board”) of Polo Ralph Lauren Corporation (the “Corporation”), by resolutions dated February 4, 2003, has adopted this Audit Committee Charter, which supersedes the charter previously adopted on June 23, 2000. The Audit Committee of the Board (the “Audit Committee”) shall review and reassess this charter annually and recommend any proposed changes to the Board for approval.

I. Purpose

The primary objective of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities with respect to (a) the Corporation’s financial statements, (b) the Corporation’s compliance with legal and regulatory requirements, (c) the independent auditors’ qualifications and independence, and (d) the performance of the Corporation’s internal audit function and independent auditors.

Although the Audit Committee has the powers and responsibilities set forth in this Charter, the role of the Audit Committee is oversight. The members of the Audit Committee are not full-time employees of the Corporation and may or may not be accountants or auditors by profession or experts in the fields of accounting or auditing and, in any event, do not serve in such capacities. Consequently, it is not the duty of the Audit Committee to conduct audits or to determine that the Corporation’s financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the independent auditors.

II. Organization

The Audit Committee shall consist of three or more directors, each of whom shall satisfy the independence, financial literacy and experience requirements of Section 10A of the Securities Exchange Act, the New York Stock Exchange and any other regulatory requirements. The members of the Audit Committee shall be appointed by the Board.

The Audit Committee may form and delegate authority to subcommittees when appropriate.

III. Meetings

The Audit Committee shall meet at least four times per year on a quarterly basis, or more frequently as circumstances require. As part of its job to foster open communication, the Audit Committee shall meet periodically with management, the chief internal auditor and the

independent auditors in separate executive sessions to discuss any matters that the Audit Committee or any of these groups believe should be discussed privately.

The members of the Audit Committee shall select a chairperson who will preside at each meeting of the Audit Committee and, in consultation with the other members of the Audit Committee, shall set the frequency and length of each meeting and the agenda of items to be addressed at each upcoming meeting. The chairperson shall ensure that the agenda for each upcoming meeting of the Audit Committee is circulated to each member of the Audit Committee in advance of the meeting.

The chairperson of the Audit Committee will appoint someone to act as Secretary of each meeting who will prepare minutes of the meeting. After approval by the Audit Committee members, the Secretary of the Corporation will maintain files of the minutes. Copies will be furnished to each Director of the Corporation who is not a member of the Audit Committee.

IV. Authority and Responsibilities

The Audit Committee shall have the sole authority and responsibility to select, evaluate and, where appropriate, replace the independent auditors (or to nominate the independent auditors for stockholder approval), and shall approve all audit engagement fees and terms and all significant non-audit engagements with the independent auditors. The Audit Committee shall consult with management and the internal audit group but shall not delegate these responsibilities.

To fulfill its responsibilities, the Audit Committee shall:

With respect to the independent auditors:

1. Be directly responsible for the appointment, compensation and oversight of the work of the independent auditors (including resolution of disagreements between management and the independent auditors regarding financial reporting and reviewing with management and the independent accountants instances where management has obtained “second opinions” from other accountants) for the purpose of preparing the audit report or related work.
2. Inform the independent accountants and management that the Audit Committee will maintain open communication with the independent accountants at all times, and that the Audit Committee Chairman may call a special meeting with them whenever necessary.
3. Have the sole authority to review in advance, and grant any appropriate pre-approvals of (a) all auditing services to be provided by the independent auditors and (b) all non-audit services to be provided by the independent auditors as permitted by Section 10A of the Securities Exchange Act, and in connection therewith to approve all fees and other terms of engagement. The Audit Committee shall also review and approve disclosures required to be included in Securities and Exchange Commission periodic reports filed under Section 13(a) of the Securities Exchange Act with respect to non-audit services.

4. Review on an annual basis the performance of the independent auditors.
5. Ensure that the independent auditors submit to the Audit Committee on an annual basis a written statement consistent with Independent Standards Board Standard No. 1, discuss with the independent auditors any disclosed relationships or services that may impact the objectivity and independence of the independent auditors, and satisfy itself as to the independent auditors' independence.
6. At least annually, obtain and review an annual report from the independent auditors describing (a) the independent auditors' internal quality control procedures and (b) any material issues raised by the most recent internal quality control review, or peer review, of the independent auditors, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the independent auditors, and any steps taken to deal with any such issues.
7. Confirm that the lead audit partner, the concurring partner and the other audit partners have not performed audit services for the Corporation in contravention of the rotation requirements of Rule 2-01(c)(b) of Regulation S-X.
8. Review all reports required to be submitted by the independent auditors to the Audit Committee under Section 10A of the Securities Exchange Act.
9. Review, based upon the recommendation of the independent auditors and the chief internal auditor, the scope and plan of the work to be done by the independent auditors.

With respect to the annual financial statements:

10. Review and discuss with management and the independent auditors the Corporation's annual audited financial statements, including disclosures made in "Management's Discussion and Analysis of Financial Condition and Results of Operations."
11. Discuss with the independent auditors the matters required to be discussed by Statement on Auditing Standards No. 61, as amended, relating to the conduct of the audit.
12. Recommend to the Board, if appropriate, that the Corporation's annual audited financial statements be included in the Corporation's annual report on Form 10-K for filing with the Securities and Exchange Commission.
13. Prepare the report required by the Securities and Exchange Commission to be included in the Corporation's annual proxy statement and any other reports of the Audit Committee required by applicable securities laws or stock exchange listing requirements or rules.

With respect to quarterly financial statements:

14. Review and discuss with management and the independent auditors the Corporation's quarterly financial statements, including disclosures made in "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Annual reviews:

15. Discuss with management and the independent auditors any major issues relating to the accounting principles used in the preparation of the Corporation's financial statements, including any significant changes in the Corporation's selection or application of accounting principles. Review and discuss analyses prepared by management and/or the independent auditors setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative approaches under GAAP on the financial statements.

Periodic reviews:

16. Periodically review separately with management and the independent auditors (a) any significant disagreement between management and the independent auditors or the internal audit group in connection with the preparation of the financial statements and (b) any difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.

Discussions with management:

17. Discuss with management the Corporation's earnings press releases, including the use of non-GAAP financial measures (as defined in Regulation G), as well as financial information and earnings guidance provided to analysts and rating agencies. This may be done generally (i.e., discussion of the types of information to be disclosed and the type of presentation to be made); the Audit Committee need not discuss in advance each earnings release or each instance in which the Corporation may provide earnings guidance.
18. Review and discuss with management the Corporation's major risk exposures and the steps management has taken to monitor, control and manage such exposures, including the Corporation's risk assessment and risk management guidelines and policies.

With respect to the internal audit function and internal controls:

19. Review, based upon the recommendation of the independent auditors and the chief internal auditor, the scope and plan of the work to be done by the internal audit group and the responsibilities, budget and staffing needs of the internal audit group.
20. Review on an annual basis the performance of the internal audit group.
21. In consultation with the independent auditors, review major issues as to the adequacy of the Corporation's internal controls and any special audit steps adopted in light of material deficiencies in controls.

22. Establish procedures for (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters and (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding the questionable accounting or auditing matters.
23. Review (i) the internal control report prepared by management, including management's assessment of the effectiveness of the Corporation's internal control structure and procedures for financial reporting and (ii) the independent auditors' attestation, and report, on the assessment made by management.

Other:

24. Review and approve (a) any change or waiver in the Corporation's code of ethics for the chief executive officer, the chief operating officer and senior financial officers and (b) any public disclosure of such change or waiver.
25. Establish a policy addressing the Corporation's hiring of employees or former employees of the independent auditors who were engaged on the Corporation's account.
26. Review and reassess the adequacy of this Charter annually and recommend to the Board any changes deemed appropriate by the Audit Committee.
27. Review its own performance annually.
28. Report regularly to the Board and review with the full Board any issues that may arise with respect to the quality or integrity of the Corporation's financial statements, its compliance with applicable legal and regulatory requirements, the performance and independence of the independent auditors and the performance of the internal audit group.
29. Perform any other activities consistent with this Charter, the Corporation's by-laws and governing law as the Audit Committee or the Board deems necessary or appropriate.

V. Resources

The Audit Committee shall have the authority to retain independent legal, accounting and other consultants to advise the Audit Committee. The Audit Committee shall determine the extent of funding necessary for payment of compensation to any independent legal, accounting and other consultants retained to advise the Audit Committee. The Audit Committee may request any officer or employee of the Corporation or the Corporation's outside counsel or independent auditors to attend a meeting of the Audit Committee or to meet with any members of, or consultants to, the Audit Committee.