

**AUDIT COMMITTEE CHARTER
OF
KENNETH COLE PRODUCTIONS, INC.
(Amended April 21, 2005)**

This Audit Committee Charter (“Charter”), as amended and restated, has been adopted by the Board of Directors (the “Board”) of Kenneth Cole Productions, Inc. (the “Company”) in April 2003. The Audit 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 assist the Board in fulfilling its responsibility for oversight of (i) the quality and integrity of the accounting, auditing and financial reporting practices and the financial statements of the Company; (ii) the independence, qualifications and performance of the Company’s independent registered public accounting firm; (iii) the Company’s compliance with legal and regulatory requirements; and (iv) the performance of the Company’s internal audit function. It may also have such other duties as may from time to time be assigned to it by the Board.

The membership of the Committee shall consist of at least three directors, each of whom shall (i) be free of any relationship that, in the opinion of the Board, may interfere with such member’s individual exercise of independent judgment, and (ii) satisfy the independence and financial literacy requirements of Section 10A of the Securities Exchange Act of 1934 (the “1934 Act”) and the rules of the New York Stock Exchange (the “NYSE”) for serving on audit committees, and at least one who shall qualify as an audit committee financial expert under Section 10A of the 1934 Act and the rules of the NYSE. The members of the Committee shall be appointed by the Board. 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 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 Chair will also maintain regular liaison with the Chief Executive Officer, the Chief Financial Officer, the lead partner from the independent registered public accounting firm and the Director of Internal Audit. The Committee shall meet at least four times each year.

The Committee shall maintain free and open communication (including private executive sessions) with the independent registered public accounting firm, the internal auditors, and Company management. 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 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 and advisors.

The performance of the Committee shall be evaluated annually.

RESPONSIBILITIES

The Committee’s job is one of oversight. Management is primarily responsible for the Company’s financial reporting process, including maintaining the system of internal controls, and the preparation of the Company’s consolidated financial statements in accordance with generally accepted accounting principles, as well as the objectivity and integrity of such statements, and the independent registered public accounting firm are responsible for auditing those financial statements, expressing an opinion based on their audit as to whether, in all material respects, the statements are presented in conformity with generally accepted

accounting principles, testing the effectiveness of the Company's internal controls and discussing with the Committee any issues the auditors believe should be raised with the Committee. The Committee and the Board recognize that management and the independent registered public accounting firm have more resources and time and more detailed knowledge and information regarding the Company's accounting, financial and auditing practices than do Committee members.

In recognition of the fact that the independent registered public accounting firm are ultimately accountable to the Committee, the Committee shall have the sole authority and responsibility to select, evaluate and, where appropriate, replace the independent registered public accounting firm (or to nominate the independent registered public accounting firm for shareholder approval), and shall approve all audit engagement fees and terms and all permitted non-audit engagements with the independent registered public accounting firm. The Committee may consult with management, but it shall not delegate these responsibilities.

Although the Board and the Committee may wish to consider other duties from time to time, general recurring activities of the Committee in carrying out its oversight role are described below. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of the independent registered public accounting firm (including resolution of disagreements between management and the independent registered public accounting firm regarding financial reporting) for the purpose of preparing its audit report or related work.

The Committee shall also be responsible for:

Independent registered public accounting firm:

- Obtaining annually from the independent registered public accounting firm a formal written statement describing all relationships between the auditors and the Company, consistent with Independent Standards Board Standard No. 1. The Committee shall actively engage in a dialogue with the independent registered public accounting firm with respect to any disclosed relationships that may impact the objectivity and independence of the auditors and shall recommend that the Board take appropriate actions to satisfy itself as to the auditors' independence.
- Reviewing, and approving in advance, the retention of the independent registered public accounting firm or any of its affiliates, including the terms of such retention and related fees, for any audit services and any non-audit services that are not prohibited under Section 10A of the 1934 Act or the rules of the NYSE and that are not subject to the de minimis exception under Section 10A of the 1934 Act, and determining in advance that any such retention of the auditors for non-audit services is consistent with maintaining the objectivity and independence of the independent registered public accounting firm.
- Establishing a policy addressing the Company's hiring of any employee or former employee of the independent registered public accounting firm who were previously engaged to work on the Company's account, and overseeing any policy adopted in this regard.
- Reviewing the annual audited financial statements of the Company, including disclosure under "Management's Discussion and Analysis of Financial Condition and Results of Operations," and discussing them with management and the independent registered public accounting firm. These discussions shall include the matters required to be discussed under Statement of Auditing Standards No. 61, as modified or supplemented, and consideration of the quality of the Company's accounting principles as applied in its financial reporting. Such discussions may include a review of particularly sensitive accounting estimates, reserves and accruals, review of judgmental areas, review of audit adjustments, review of risk exposures that may have a material impact on the Company's financial statements and the steps management has taken to monitor and control such exposures, and other such inquiries as the Committee or the independent registered public accounting firm shall deem appropriate. Based on its review, the Committee shall make its recommendation to the Board as to the inclusion of the Company's audited financial statements in the Company's Annual Report on Form 10-K.
- Reviewing with management and the independent registered public accounting firm the Company's quarterly financial statements, including "Management's Discussion and Analysis of

Financial Condition and Results of Operations,” and the independent registered public accounting firm’ review of such statements, prior to the Company’s filing of each Quarterly Report on form 10-Q.

- Reviewing periodically with management and the independent registered public accounting firm the selection, application and disclosure of the critical accounting policies used in connection with the preparation of the Company’s financial statements, including those policies for which management is required to exercise discretion or judgment regarding the implementation thereof, and discussing alternatives to, and the rationale for, the decisions made with respect to such policies.
- Reviewing significant changes to the Company’s auditing and accounting principles and practices as suggested by the independent registered public accounting firm, the internal auditors or management.
- Overseeing the relationship with the independent registered public accounting firm, including (i) discussing with the auditors the planning and staffing of the audit and the nature and rigor of the audit process; (ii) receiving and reviewing audit reports; (iii) reviewing separately with the auditors and management any problems or difficulties encountered during the course of the audit, including any restrictions on the scope of the work or access to requested information, any management letters provided by the auditors, and any significant disagreement between management and the independent or internal auditors, and the Company’s response to each; and (iv) providing the auditors full access to the Committee and the Board to report on all appropriate matters.
- Reviewing at least annually (i) the experience and qualifications of the senior members of the independent auditor team; (ii) an annual report from the independent registered public accounting firm describing the independent registered public accounting firm’s internal quality control procedures, and any material issues raised by the most recent internal quality control review or peer review of the independent registered public accounting firm, 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 registered public accounting firm, and any steps taken to deal with any such issues; and (iii) the independent registered public accounting firm’s lead partner statement on professional responsibility. Any new senior members of the independent audit team shall be approved in advance by the Committee.

Internal Audit and Controls

- Discussing with management, the internal auditors and the independent registered public accounting firm the quality and adequacy of the Company’s internal controls and the internal audit function’s organization, responsibilities, plans, results, budget and staffing, as well as providing oversight to internal audit activities.
- Evaluating on an annual basis the performance of the Company’s internal auditors.

Financial Reporting Processes:

- Reviewing significant changes to the Company’s auditing and accounting principles and practices as suggested by the independent registered public accounting firm, the internal auditors or management.
- Discussing with management (including the Company’s general counsel), the internal auditors, and the independent registered public accounting firm any legal, regulatory or compliance matters (including the status of pending litigation) that may have a material impact on the Company’s financial statements, and any material reports or inquiries from regulatory or governmental agencies.
- Establishing procedures for the receipt, retention and treatment of any complaint or other communication received by the Company regarding accounting, internal control or auditing matters, and the confidential, anonymous submission by employees of concerns regarding accounting or auditing matters.
- Reviewing with management and the independent registered public accounting firm the information to be disclosed in the Company’s earnings press releases, including the use of any

“pro forma” or “adjusted” non-GAAP information, and the earnings guidance provided to analysts and rating agencies.

- Reviewing with management and the independent registered public accounting firm all off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the Company with unconsolidated entities or other persons, that may have a material current or future effect on the Company’s financial condition, results of operations, liquidity, capital resources, or capital reserves or significant components of the Company’s revenues or expenses.
- Preparing annually a report to be included in the Company’s proxy statement as required by the rules of the Securities and Exchange Commission, and submitting such report to the Board for approval.

General:

- Reporting regularly to the Board.
- The Audit Committee shall meet separately and periodically with Management, the Internal Auditors, and with the Independent Registered Public Accounting Firm.
- Reviewing with management, the internal auditors and the independent registered public accounting firm the Company’s major risk exposures and the steps management has taken to monitor, control and manage such exposures, including the company’s risk assessment and risk management guidelines and policies.