

KATE SPADE & COMPANY
CORPORATE GOVERNANCE GUIDELINES

(as amended effective as of May 21, 2014)

The following Corporate Governance Guidelines have been adopted by the Board of Directors (the “Board”) of Kate Spade & Company (the “Company”) to assist the Board in the exercise of its responsibilities. These Guidelines are the most recent version of the Guidelines originally adopted in 1995. The Guidelines are not intended to change or interpret any applicable rule, law or regulation, including the Delaware General Corporation Law, the rules of the New York Stock Exchange, or the Company’s Certificate of Incorporation or By-laws. These Guidelines are subject to modification by the Board from time to time.

BOARD MEMBERSHIP

Board Membership Criteria

In seeking new Director candidates, and in evaluating incumbent Directors, the overarching criterion shall continue to be the ability to fulfill a Director’s fiduciary duties in the best interests of the Company and all of its shareholders. In this spirit, Directors should have:

- Unquestioned integrity, strength of character, vision, imagination and loyalty to the Company and its shareholders
- Practical and mature judgment, with ability to evaluate and appraise objectively the Company’s strategies and financial position and fulfill the role of fiduciary oversight
- Substantial business experience, with practical application to the Company’s needs
- Willingness and ability to make a significant commitment of time and attention to the Board’s processes and affairs, including meetings and preparation
- Ability to work with fellow Directors as members of a collegial group, without necessarily always agreeing with them
- Absence of conflicts of interest that would interfere with Board service
- Commitment to having a meaningful, long-term equity ownership stake in the Company in compliance with the Director Stock Ownership Guidelines adopted by the Board.

Responsibilities of Directors

The Board believes that the primary responsibilities of Directors are to exercise their business judgment in good faith and to act in what they reasonably believe is in the best interests of the Company and all of its shareholders. Directors must fulfill their responsibilities consistent with their fiduciary duty to shareholders, in compliance with all applicable laws, rules and regulations. Directors shall be entitled to rely in good faith on the honesty and integrity of the Company’s senior executives and its outside advisors and auditors. The Directors shall be entitled to have the Company purchase directors’ and officers’ liability insurance on their behalf, to the benefits of indemnification to the fullest extent permitted by law, and to exculpation as provided by state law and the Company’s Certificate of Incorporation.

Directors are expected to prepare for, attend regularly and participate actively and constructively at meetings of the Board and its Committees. Directors are expected to attend the annual meeting of stockholders except in the event of exigent circumstances. Directors are expected to review the

material that is distributed in advance of any Board or Committee meeting.

Directors are expected to become and remain informed about the Company's business, performance, operations and management; general business, industry and economic trends affecting the Company; and principles and practices of sound corporate governance.

A Director will not participate in the discussion of or decision on any matter in which he or she has a personal, business or professional interest other than his or her interest as a shareholder of the Company. Directors shall promptly inform the Chair of the Nominating and Governance Committee regarding any actual or potential conflict of interest. All Directors are expected to comply with the Company's policies and Code of Ethics and Business Practices, including with respect to conflicts of interest.

Size of the Board

The Board believes that its tradition of being a relatively small "working" group leads to meaningful participation by all Directors in the Board's discussions and decision making processes, and should be continued.

The current view is that the optimal size of the Company's Board is between 9 and 12 Directors, the exact number to be dependent on the availability of outstanding candidates.

"Independence" of Directors; Categorical Standards for Immaterial Relationships

A substantial majority of the Directors shall be "independent," as that term is defined from time to time under the listing standards of the New York Stock Exchange and determined as provided for in these Guidelines.

As required by such listing standards, in assessing independence, the Board shall make a determination whether a Director or any member of his or her immediate family has any material relationship with the Company, either directly or indirectly as a partner, shareholder or officer of an organization that has a relationship with the Company. In making a determination regarding a Director's independence, the Board shall consider all relevant facts and circumstances, including the Director's commercial, industrial, banking, consulting, legal, accounting, charitable and familial relationships and such other criteria as the Board may determine from time to time.

The Board has adopted a set of categorical standards under which relationships falling within any of the categories set forth on Annex A to these Guidelines will be deemed immaterial for purposes of the Board's independence determinations. Relationships that do not fall within such categories will not necessarily be deemed to be material.

Selection of New Director Candidates; Director Orientation

The Board is itself responsible for selecting its own members. The Nominating and Governance Committee acts as the nominating committee and is responsible to make recommendations regarding Director candidates and nominees.

The Board is committed to maintaining the Company's tradition of inclusion and diversity within the Board, and confirms that the Company's policy of non-discrimination based on sex, sexual preference, race, religion or national origin applies in the selection of Directors.

Company shareholders may propose Director nominees through procedures set out in the Company's Certificate of Incorporation. The process to be followed is stated in the Company's annual proxy statement. In addition, the Nominating and Governance Committee will consider Director nominees proposed by shareholders that comply with procedural requirements that may be communicated to shareholders from time to time.

A profile/criteria will be developed in advance of each new Director search, with the goal of balancing expertise/experience in light of the then current mix of Directors. The Nominating and Governance Committee will continue to seek ongoing input from the Chief Executive Officer and incumbent Directors, with the goal of identifying and informally approaching possible Director candidates in advance of actual need.

The Secretary of the Company shall arrange for orientation sessions for newly elected Directors, including briefings by senior managers, to familiarize new Directors with the Company's overall business and operations, strategic plans and goals, financial statements, accounting and risk management issues, and key policies and practices, including corporate governance matters.

The Board shall itself determine in each case the manner by which an invitation to join the Board shall be extended.

Director Resignation

Under Section 6 of Article II of the By-Laws, in an uncontested election, each director shall be elected by a majority vote. In that connection, the Board should not nominate for director any director candidate who is an incumbent director unless and until such director candidate has submitted in writing his or her irrevocable resignation as a director, which resignation would be effective upon the director's failure to receive the required majority vote in any uncontested election and the Board's acceptance of such resignation. If a resignation is not submitted by an incumbent director prior to the election of directors, it is the policy of the Board that if such director fails to receive the required majority vote in an uncontested election, he or she shall, promptly after certification of such vote, tender his or her resignation to the Chairman of the Board which resignation would be effective upon its acceptance by the Board.

If an incumbent director is not elected by a majority of the votes cast (unless, pursuant to Section 6 of Article II of the By-Laws, the director election standard is a plurality of the votes cast), such incumbent director shall promptly tender his or her resignation to the Board. A recommendation on whether to accept such resignation shall be made by the Nominating and Governance Committee, or, if a majority of such committee did not receive the required majority vote at the most recent meeting of stockholders at which directors stood for election, a majority of the Board shall appoint a special committee of independent directors for such purpose of making a recommendation to the Board (the "Special Nominating Committee"). If there are less than three independent directors on the Board (excluding directors who failed to receive the required majority vote at the most recent meeting of stockholders at which directors stood for election), the Board shall act on the resignation offers. The applicable committee, if any, shall make a recommendation to the Board on whether to accept or reject the director's resignation, or whether other action should be taken. The Board shall act on any such resignation offer within 90 days from the date of the certification of the election results. The Board's actions with respect to any such resignation offer may include: (i) accepting the resignation offer, (ii) deferring acceptance of the resignation offer until a replacement director with certain necessary qualifications held by the subject director (e.g., accounting or related financial management expertise) can be identified and elected to the Board, (iii) maintaining the director but addressing what the Board believes to be the underlying cause of the "against" votes, (iv) maintaining the director but resolving that the director will not be re-nominated in the future for election, or (v) rejecting the resignation offer. The Board's decision and an explanation of any determination not to accept the director's resignation shall be disclosed promptly in a Form 8-K filed with the United States Securities and Exchange Commission. Notwithstanding the foregoing, if acceptance by the Board of all the offers of resignation then pending would result in the Company having (i) fewer than a majority of the directors who were in office before the election or (ii) less than a majority of independent Directors as required under the rules of the New York Stock Exchange, the Board may determine to extend such 90-day period by an additional 90 days upon the conclusion that such an extension is in the best interests of the Company. If any director's resignation offer is not accepted by the Board, such director shall continue to serve until his or her successor is duly elected and qualified, unless he or she shall cease to serve by reason of death, resignation or other cause. If a director's offer of resignation is accepted by the Board, or if a nominee for director is not elected and the nominee is not an incumbent director, then the

Board, acting on the recommendation of the Nominating and Governance Committee, or Special Nominating Committee, as may be applicable, may, pursuant to the By-Laws or Certificate of Incorporation, fill the resulting vacancy or decrease the size of the Board.

The Board expects an incumbent director that fails to receive the required majority vote in any uncontested election to exercise voluntary recusal from participation in meetings to consider any resignation arising from such election, except in limited circumstances, in any consideration by the Nominating and Governance Committee (or such other committee as may be designated pursuant to the policy set forth above) and by the Board with respect to whether to accept or reject such director's resignation or whether other action should be taken; provided that if the number of independent directors (excluding directors who were not successful incumbents at the most recent meeting of stockholders at which directors stood for election) is fewer than three, all directors may participate in the decisions of the Board pursuant to these resignation and recusal policies.

Term Limits

The Board does not believe that term limits for Directors are necessary or appropriate at the present time, especially in light of its requirement that Directors' effectiveness be evaluated on a periodic basis.

Other Directorships

The Board will consider other commitments, including board service, in assessing each Director's and potential candidate's ability to serve on the Board and fulfill his or her responsibilities. Each Director is expected to notify the Chairman and the Chairperson of the Nominating and Governance Committee in advance of accepting an invitation to serve as a member of another public company board of directors.

Retirement Age

The Board believes that it is in the best interests of the Company and its shareholders to refresh board membership when appropriate, but not to constrain the Board with a mandatory retirement age for Directors that does not take individual circumstances into consideration, including a Director's unique qualifications, contributions, skills or relationships. Accordingly, a Director who has turned 75, or who will turn 75 prior to the next Annual Meeting of Shareholders, will be expected to offer to the Nominating and Governance Committee at least 6 months prior to the next Annual Meeting of Shareholders a letter of resignation effective at such Annual Meeting. The presumption would be that the offer would be accepted and that the Director would not be nominated for re-election at the next Annual Meeting. However, the Board reserves the right, based on the recommendation of the Nominating and Governance Committee, to nominate such Director for re-election if it believes under the circumstances that such Director's continued service on the Board is in the best interests of the Company and its shareholders.

Former Chief Executive Officer's Board Membership

The Board will consider on a case-by-case basis whether a retiring Chief Executive Officer should be invited to remain on as a Director past his or her then current term.

Change in Directors' Responsibilities or Circumstances

The Board of Directors expects any director who has a material change in his or her other responsibilities or circumstances, including retiring from his or her present employment, changing job responsibility in any significant way, becoming employed, retained or affiliated with any competitor of the Company, or experiencing a significant change in his or her personal circumstances that can reasonably be expected to have an adverse effect on the director's ability to serve on the Board or on the director's reputation or the reputation of the Company, to offer his or her resignation as a board member, thereby giving the Board an

opportunity to review the appropriateness of continued Board tenure. Upon receipt of such offer, the Nominating and Governance Committee will promptly evaluate whether the Board should accept the resignation and make its recommendation on the matter to the full Board. The evaluation will be based upon a review of the appropriateness of such director's continued service taking into account the changed responsibility, and whether the director continues to satisfy the Board's criteria for service and, as applicable, director independence standards.

Director Education

Appropriate education opportunities shall be made available from time to time for Directors in areas such as corporate governance, financial reporting and executive compensation and in other areas of interest or concern to the Board.

Director Stock Ownership Guideline

The Board has adopted a policy, which it reviews periodically, expressing the expectation that each Director shall, over a reasonable period of time, accumulate a holding of Company shares having a value equal to three times (3x) the value of the annual Board stock retainer.

BOARD ORGANIZATION AND OPERATIONS

Selection of Chairman and Chief Executive Officer

The Board does not believe that mandating any single structure regarding the separation of the roles of Chairman and Chief Executive Officer is necessary or appropriate. The Board reserves to itself the right to determine the appropriate leadership structure for the Board on a case-by-case basis, taking into account at any particular time the Board's assessment of its and the Company's needs, as well as the people and situation involved.

Executive Sessions of Outside Directors

It shall continue to be the policy of the Board that the non-management Directors (or Outside Directors) shall meet in executive session (i.e., without management present) at each regular meeting, as well as when they as a group deem such meeting necessary or appropriate. In the absence of a non-executive Chairman, the Chair of the Nominating and Governance Committee shall preside at such sessions; in the absence of such person, the Outside Directors present will select another Committee chair to preside at such session. The Director who presides at these executive sessions will be disclosed in the annual proxy statement. If the group of Outside Directors includes any Directors who are not "independent" (as such term is defined from time to time under the listing standards of the New York Stock Exchange and determined as provided for in these Guidelines), an executive session of the independent Directors shall be scheduled at least once per year.

Frequency and Length of Meetings

The Board will have at least five regularly scheduled Board meetings per year, at least one of which will include a formal presentation and review of management's strategic long range plan.

The practice of convening a Directors' dinner in advance of certain Board meetings is encouraged, as is the scheduling of periodic Director/management sessions.

Selection of Agenda Items for Board Meetings

Although Board agendas are primarily the responsibility of the Chairman, it shall continue to be the Board's policy that Directors are encouraged to request at any time that relevant items be placed on

the Board's agenda.

Board Materials Distributed in Advance

It shall continue to be the policy of the Board that all Directors are entitled to be fully informed in advance of all major proposals, in order that they have the opportunity to make a meaningful and deliberate contribution to the decision making process. As a general rule, Directors should continue to receive supporting documentation with respect to significant agenda items in advance of Board or Committee meetings, so that meeting time may be conserved and discussion time will be focused on questions which the Board or Committee may have on the subject matter. Directors are expected to review in advance the materials sent to them before each Board and Committee meeting.

The current practice of circulating a basic informational packet (containing operating and financial data along with management commentary, as well as relevant press and analyst reports) together with special presentation materials in advance of each meeting should be continued. The type of information circulated, as well as its presentation, is subject to ongoing input from all Directors.

Presentations

Although management presentations are often useful, meeting time should continue to be kept available for a full discussion of issues which need to be addressed.

Regular Attendance of Non-Directors at Board Meetings

As a general rule, in light of its tradition as a "working" Board, the Board believes that invitees to Board meetings should continue to be limited so as not to inhibit a full and free discussion of issues. Management is encouraged to continue to invite, from time to time, Company executives to attend portions of Board meetings, where they can provide valuable insight into particular issues and/or where it is believed that such executives have future potential and should be given exposure to, and the opportunity to interact with, the Board.

The Board is comfortable with the current practice of inviting certain non-Directors to meetings, together with Company executives, from time to time to make presentations. Should the Chairman wish to add additional invitees on a regular basis, it is expected that this suggestion be submitted to the full Board for its concurrence.

Board Compensation

In order to attract and maintain a qualified Board, the Company seeks to set Director compensation levels on a competitive basis. Each Director acting as Chair of a Committee shall receive an additional stipend for such service. The Board believes that continuing to pay a portion of the Directors' annual retainer in shares of Company stock is appropriate.

The Nominating and Governance Committee shall periodically review the Directors' compensation package in light of the compensation paid by similarly situated companies as well as the time commitments required of the Board, and shall report to the full Board as to competitiveness and recommendations.

Board Access to Management and Advisors

The Outside Directors shall continue to have complete access to the executives of the Company, without senior corporate management present.

The Outside Directors shall continue to have complete access to the Company's outside advisors, with the ability to hire their own at the Company's expense, without the need to obtain the approval of

management.

Board and Committee Evaluations

The Nominating and Governance Committee shall continue to oversee reviews of Board and Committee performance and effectiveness. Such reviews shall be conducted, and reviewed by the full Board, annually.

Formal Evaluation of the Chief Executive Officer

The Nominating and Governance Committee, together with the Compensation Committee, shall oversee the annual performance review of the Company's Chief Executive Officer in accordance with a forward agenda to be determined annually, and the full Board will review and discuss the results of such review. The scope, format and criteria of such reviews shall be determined in consultation with the Board as a whole.

Succession Planning

At the present time, the Board believes that planning for corporate succession, including in the event of an emergency or the retirement of the Chief Executive Officer, is the responsibility of the full Board. This topic shall be discussed at the executive sessions of the Outside Directors, and, as such group determines, at full Board meetings. The Chief Executive Officer should make available to the Board his or her recommendations and evaluations of potential successors, along with a review of any development plans recommended for such individuals.

Management Development

At the present time, the Board believes that planning for management development is the responsibility of the full Board. The forward calendar of the Board shall require that this topic be placed at least annually on the Board's agenda; it shall also be a topic for discussion at the executive sessions of the Outside Directors.

Board Interaction With Shareholders and Interested Parties

As a general rule, the Chairman, Chief Executive Officer and management speak for the Company, with responsibility for maintaining open communication with shareholders and other constituencies.

Stockholders and other interested parties may communicate with the Board, the non-management Directors as a group, any Committee of the Board or any individual member of the Board, including the Chair of the Nominating and Governance Committee, by either writing care of the Company's Corporate Secretary at 2 Park Avenue, New York, New York 10016 or by electronically mailing the Company's Corporate Secretary at corporate.secretary@katespade.com. All communications will be reviewed by the Company's Corporate Secretary, who will then forward such communications or a summary thereof to the appropriate Directors. Any communication related to accounting, internal controls or auditing matters will be brought promptly to the attention of the Chair of the Audit Committee

BOARD COMMITTEES

Committees

The Board currently has three Committees: Audit; Compensation; and Nominating and Governance (formerly the Committee on Directors), each with its own charter. Each Committee charter sets forth the purposes, goals, and responsibilities of the Committee as well as qualifications for Committee membership, procedures for Committee member appointment and removal, Committee structure and operations and Committee reporting to the Board. Each charter also provides for an annual performance

evaluation of the Committee. The Audit, Compensation and Nominating and Governance Committees shall be composed solely of Directors who are “independent” (as such term is defined from time to time under the listing standards of the New York Stock Exchange and determined as provided for in these Guidelines). The members of the Audit Committee shall also satisfy any additional requirements with respect to independence as provided for under the listing standards of the New York Stock Exchange and the rules and regulations under the Securities Exchange Act of 1934, and meet such additional requirements as are provided from time to time in the Charter of such Committee.

The Board may establish such additional committees that the Board may deem necessary and appropriate from time to time.

Committee Chairs and Agendas

The Nominating and Governance Committee shall recommend to the Board the appointment of a Chair of each Committee (other than the Nominating and Governance Committee, whose Chair will be selected by the Board), to be responsible for calling and chairing meetings and ensuring the Committee’s forward agenda is compiled and adhered to. Each Committee should seek to formulate a forward agenda for each year, which should be circulated for comment.

Assignment of Committee Members

The Nominating and Governance Committee shall annually review the make-up and effectiveness of each Board Committee, as well as Committee Chairs, and make its recommendations as to assignment of Committee members and Chairs to the full Board.

ANNEX

A

Categorical Standards for Immaterial Relationships between a Director and the Company for Purposes of Independence Determinations

A Director will not qualify as independent unless the Board of Directors affirmatively determines, after consideration of all relevant factors, that the Director has no material relationship with the Company.

The Board has adopted the following set of categorical standards under which relationships falling within any of the categories set forth below will be deemed immaterial for purposes of the Board's independence determinations. Relationships that do not fall within these categories will not necessarily be deemed to be material:

1. A Director (or an immediate family member) serves as a director, executive officer or employee of an Entity that, in the ordinary course of business of the Company and the Entity, makes payment for goods and services received from the Company, or receives payment for goods and services (other than professional services) provided to the Company, if the gross amount of such payments in any fiscal year of the Company does not exceed the lesser of (x) 1% of the revenues of the Company for its most recently completed fiscal year; (y) 1% of the revenues of the Entity for its most recently completed fiscal year; and (z) \$1 million, if the Director (or immediate family member) is an executive officer or employee of the Entity, and \$20 million, if the Director (or immediate family member) is a director of the Entity.
2. A Director (or an immediate family member) serves as a director or trustee of, or is otherwise affiliated with, a charity, hospital or other not-for-profit organization to which the Company or the Fifth & Pacific Foundation has made discretionary charitable contributions (excluding matching contributions) not exceeding \$100,000 in any of the three preceding fiscal years of the Company.
3. A Director (or an immediate family member) beneficially owns for investment purposes less than 5% of the outstanding voting securities of a publicly traded company having a business relationship, directly or through one or more subsidiaries, with the Company, provided that the Director (or immediate family member) is not a director, executive officer or employee of the publicly traded company.
4. A Director (or an immediate family member) serves as a director, executive officer or employee of an Entity that, in the ordinary course of its business, participates in a credit or similar facility entered into by the Company, as lender but not as agent, in an amount that does not exceed the lesser of (x) 10% of the total participations in the facility; (y) 2% of the net assets of the Entity as of the end of its most recently completed fiscal quarter; and (z) \$10 million, if the Director (or immediate family member) is an executive officer or employee of the Entity, and \$100 million, if the Director (or immediate family member) is a director of the Entity.
5. A Director (or an immediate family member) serves as a director, executive officer or employee of an Entity that, in the ordinary course of its business, holds for investment purposes publicly issued debt securities of the Company (including debt securities issued in so-called Rule 144A transactions) in an amount that does not exceed the lesser of (x) 10% of the total principal amount of the debt securities of any issue outstanding; (y) 2% of the net assets of the Entity as of the end of its most recently completed fiscal quarter; and (z) \$10 million, if the

Director (or immediate family member) is an executive officer or employee of the Entity, and \$100 million, if the Director (or immediate family member) is a director of the Entity.

For purposes of these categorical standards:

“Company” means Kate Spade & Company and any controlled affiliate.

“Entity” means a corporation, partnership, limited liability company or other organization in which the Company director, alone or together with members of his or her immediate family, does not beneficially own in excess of 0.5% of the outstanding equity securities.

“Immediate Family Member” has the meaning provided in Rule 404(a) of Regulation S-K under the Securities Exchange Act.