

PHILLIPS VAN HEUSEN CORP /DE/

Form DEF 14A

May 24, 2010

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**SCHEDULE 14A**  
**(Rule 14a-101)**  
**INFORMATION REQUIRED IN PROXY STATEMENT**  
**SCHEDULE 14A INFORMATION**  
**Proxy Statement Pursuant to Section 14(a) of the Securities**  
**Exchange Act of 1934 (Amendment No. 1)**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

**Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Under Rule 14a-12

PHILLIPS-VAN HEUSEN CORPORATION

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials:

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

(1) Amount previously paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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**PHILLIPS-VAN HEUSEN CORPORATION**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

The Annual Meeting of Stockholders of PHILLIPS-VAN HEUSEN CORPORATION (the Company), a Delaware corporation, will be held at The Graduate Center City University of New York, 365 Fifth Avenue, Proshansky Auditorium, Concourse Level, New York, New York, on Thursday, June 24, 2010, at 10:00 a.m., for the following purposes:

- (1) to elect 13 directors of the Company to serve for a term of one year;
- (2) to ratify the appointment of auditors for the Company to serve for the current fiscal year; and
- (3) to consider and act upon such other matters as may properly come before the meeting.

Only stockholders of record at the close of business on April 29, 2010 are entitled to vote at the meeting.

Attendance at the meeting will be limited to holders of record as of the record date of the Company's Common Stock or their proxies, beneficial owners having evidence of ownership and guests of the Company. If you hold stock through a bank or broker, a copy of an account statement from your bank or broker as of the record date will suffice as evidence of ownership. Attendees also must present a picture ID to be admitted to the meeting.

You are requested to fill in, date and sign the enclosed proxy, which is solicited by the Board of Directors of the Company, and to mail it promptly in the enclosed envelope.

By order of the Board of Directors,

Mark D. Fischer  
*Secretary*

New York, New York  
May 24, 2010

**IMPORTANT: The prompt return of proxies will save the Company the expense of further requests for proxies. A self-addressed envelope is enclosed for your convenience. No postage is required if mailed within the United States.**

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**PHILLIPS-VAN HEUSEN CORPORATION**

**PROXY STATEMENT FOR ANNUAL MEETING OF STOCKHOLDERS  
June 24, 2010**

**GENERAL INFORMATION**

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors of PHILLIPS-VAN HEUSEN CORPORATION to be used at the Annual Meeting of Stockholders, which will be held at The Graduate Center - City University of New York, 365 Fifth Avenue, Proshansky Auditorium, Concourse Level, New York, New York, on Thursday, June 24, 2010, at 10:00 a.m., and at any adjournments thereof.

Our principal executive offices are located at 200 Madison Avenue, New York, New York 10016-3903. The approximate date on which this Proxy Statement and the enclosed proxy card were first sent or given to stockholders was May 24, 2010.

Disclosures in this Proxy Statement generally pertain to matters related to our most recently completed fiscal year, which ended on January 31, 2010. References herein to 2009 refer to that fiscal year, as the fiscal year commenced in calendar 2009. Similarly references to 2008, 2010, 2011 and 2012 are to our fiscal years that commenced or will commence in the referenced calendar year.

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS  
FOR THE ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON JUNE 24, 2010**

**Our Annual Report to Stockholders for our fiscal year ended January 31, 2010, this Proxy Statement and all other proxy materials are available at <http://www.pvhannualmeetingmaterials.com>.**

**VOTING INFORMATION**

Stockholders who execute proxies retain the right to revoke them at any time by notice in writing to the Secretary of the Company, by revocation in person at the meeting or by presenting a later dated proxy. Beneficial owners of our Common Stock who are not holders of record and wish to revoke their proxy should contact their bank, brokerage firm or other custodian, nominee or fiduciary to inquire about how to revoke their proxy. Unless so revoked, the shares represented by proxies will be voted at the meeting. The shares represented by the proxies solicited by the Board of Directors will be voted in accordance with the directions given therein. Shares will be voted FOR each of the matters to be voted on at the meeting, as set forth in items (1) and (2) of the notice to which this Proxy Statement is attached, if no directions are given in a valid proxy.

Stockholders vote at the meeting by casting ballots (in person or by proxy), which are tabulated by one or more inspectors of elections who are appointed by the Board of Directors and who have executed and verified an oath of office. Abstentions and broker non votes are included in the determination of the number of shares present at the

meeting for quorum purposes. Abstentions will have the same effect as negative votes, except that abstentions will have no effect on the election of directors because directors are elected by a plurality of the votes cast. Broker non votes are not counted in the tabulations of the votes cast on proposals presented to stockholders because shares held by a broker are not considered to be entitled to vote on matters as to which broker authority is withheld. A broker non vote occurs when a nominee holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have discretionary voting power with respect to that item and has not received instructions from the beneficial owner. Banks, brokers and other nominees have discretionary voting power with respect to the ratification of the appointment of our auditor, as the proposal is considered to be a routine matter under New York Stock Exchange rules. The election of directors, even in an uncontested election, is no longer considered to be routine due to a change in New York Stock Exchange rules subsequent to the date of our last annual meeting. As a result, brokers cannot vote on the election of directors and, therefore, we encourage all beneficial owners to vote their shares.



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Common stockholders of record at the close of business on April 29, 2010, the record date set by the Board of Directors for the 2010 Annual Meeting of Stockholders, will be entitled to one vote for each share of our Common Stock then held. There were 57,937,944 shares of Common Stock outstanding on such date. The Common Stock is the only class of voting stock that was outstanding as of the record date. Subsequent to the record date, we issued:

8,223,841 shares of Common Stock to the shareholders of Tommy Hilfiger B.V. in connection with our acquisition of Tommy Hilfiger B.V. and certain affiliated entities (which we refer to collectively as Tommy Hilfiger ); and

8,000 shares of our Series A convertible preferred stock.

Although these shares issued in connection with our acquisition of Tommy Hilfiger cannot be voted at the meeting, certain disclosures in this Proxy Statement do take into account the completion of the acquisition, including certain stock ownership information and information about the nominees for director who were appointed as directors in connection with the acquisition.

**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT****5% Stockholders**

The following table presents certain information with respect to the persons who are known by us to be the beneficial owners of more than five percent of each class of our voting stock. The information below is as of April 29, 2010, the record date for the meeting, and May 6, 2010, the date of the completion of our acquisition of Tommy Hilfiger. The information in the table for ownership as of May 6, 2010 is provided as if our Series A convertible preferred stock had been converted on that date, as the holders of such stock are generally entitled to vote with the holders of our Common Stock on an as-converted basis. The Series A convertible preferred stock is currently convertible into 4,189,360 shares of Common Stock.

The persons listed below have advised us that they have sole voting and investment power with respect to the shares listed as owned by them, except as otherwise indicated.

Name and Address of Beneficial Owner	As of April 29, 2010		As of May 6, 2010	
	Amount Beneficially Owned	Percent of Class	Amount Beneficially Owned	Percent of Class
FMR LLC <sup>1</sup> 82 Devonshire Street Boston, MA 02109	8,576,658	14.8	8,576,658	12.2
BlackRock, Inc. <sup>2</sup> 40 East 52nd Street New York, NY 10022	3,669,841	6.3	3,669,841	5.2
Apax affiliates <sup>3</sup>			5,463,435	7.8
LNK Partners affiliates <sup>4</sup> 81 Main Street White Plains, NY 10601			2,094,680	3.0
MSD Brand Investments, LLC <sup>5</sup> 645 Fifth Avenue, 21st Floor			2,094,680	3.0

New York, NY 10022

- <sup>1</sup> Fidelity Management & Research Company ( Fidelity ), a wholly-owned subsidiary of FMR LLC and an investment adviser registered under Section 203 of the Investment Advisers Act of 1940, is the beneficial owner of 8,576,658 shares of our Common Stock as a result of acting as investment adviser to various investment companies registered under Section 8 of the Investment Company Act of 1940 and their related funds. Edward C. Johnson 3d and FMR LLC, through its control of Fidelity, such investment companies and such funds, each has sole power to dispose of the 8,576,658 shares. Members of the family of Edward C. Johnson 3d, Chairman of FMR LLC, are the predominant owners, directly or through trusts, of Series B voting common shares of FMR LLC,

*(Footnotes continued on following page)*

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representing 49% of the voting power of FMR LLC. The Johnson family group and all other Series B shareholders have entered into a shareholders' voting agreement under which all Series B voting common shares will be voted in accordance with the majority of Series B voting common shares. Accordingly, through their ownership of voting common shares and the execution of the shareholders' voting agreement, members of the Johnson family may be deemed, under the Investment Company Act of 1940, to form a controlling group with respect to FMR LLC. Neither FMR LLC nor Edward C. Johnson 3d, Chairman of FMR LLC, has the sole power to vote or direct the voting of the shares, which are owned directly by the referenced funds. The power to vote the shares resides with the applicable fund's Board of Trustees. Fidelity carries out the voting of the shares under written guidelines established by the fund's Board of Trustees. Information (other than percentage ownership) reported on the table and in this footnote is based on the Statement of Beneficial Ownership on Schedule 13G filed by FMR LLC on May 10, 2010 with the Securities and Exchange Commission (which we refer to as the SEC).

<sup>2</sup> BlackRock, Inc., a parent holding company or control person in accordance with Rule 13d-1(b)(1)(ii)(G) under the Securities Exchange Act of 1934 (which we refer to as the Exchange Act), may be deemed to be the beneficial owner of 3,669,841 shares of Common Stock. Information (other than percentage ownership) reported on the table and in this footnote is as of December 31, 2009 and is based on the Statement of Beneficial Ownership on Schedule 13G filed by BlackRock, Inc. on January 29, 2010 with the SEC.

<sup>3</sup> Tommy Hilfiger Holding S.à.r.l. (THH Sarl) acquired beneficial ownership of the 5,463,435 shares (7.8%) of Common Stock reported on the table as owned by the Apax affiliates (the THH Sarl Shares) in connection with our acquisition of Tommy Hilfiger. The THH Sarl Shares were received in exchange for the shares of Tommy Hilfiger that THH Sarl beneficially owned prior to the acquisition. Apax WW Nominees Ltd. holds approximately 60.18% of the interests in THH Sarl, directly or indirectly, as nominee for Apax Europe VI-A, L.P. and Apax Europe VI-1, L.P. (collectively, the Apax Europe Funds). Apax US VII, L.P. holds approximately 19.64% of the interests in THH Sarl.

Apax Europe VI GP L.P. Inc. is the general partner of each of the Apax Europe Funds and Apax Europe VI GP Co. Limited is the general partner of Apax Europe VI GP L.P. Inc. Apax Partners Europe Managers Ltd has been appointed by Apax Europe VI GP L.P. Inc. as discretionary investment manager of the investments of the Apax Europe Funds.

Apax US VII GP, L.P. is the general partner of Apax US VII, L.P. and Apax US VII GP, Ltd. is the general partner of Apax US VII GP, L.P. John F. Megrue, the Chief Executive Officer of Apax Partners, L.P., owns 100% of the equity interests of Apax US VII GP, Ltd.

Following the closing of our acquisition of Tommy Hilfiger, THH Sarl was placed into voluntary liquidation, with Nova Liquidator Ltd (the Liquidator) serving as the liquidator managing the voluntary liquidation of THH Sarl. Subject to certain conditions, the THH Sarl Shares will be distributed to the holders of interests of THH Sarl pursuant to the voluntary liquidation in accordance with instructions from the Liquidator. These conditions include the holding in escrow of 5,395,894 of the THH Sarl Shares, as required by the Purchase Agreement pursuant to which our acquisition of Tommy Hilfiger was effected. As part of these escrow arrangements, a portion of such shares may be forfeited to satisfy certain indemnity or purchase price adjustment payments to be made to us.

The principal office of THH Sarl is located at 41, Boulevard du Prince Henri, L-1724 Luxembourg. The registered office address of the Liquidator is 3rd floor, Geneva Place, Waterfront Drive, PO Box 3175, Road Town, Tortola, British Virgin Islands. The ultimate beneficial owner of the Liquidator is Alain Steichen, a partner at Bonn Schmitt Steichen, a legal firm, the principal office address of which is 22-24, rives de Clausen L-1265 Luxembourg. The

registered office address of each of Apax US VII, L.P., Apax US VII GP, L.P. and Apax US VII GP, Ltd. is P.O. Box 908GT, George Town, Grand Cayman, KY1-9002, Cayman Islands. The registered office address of each of Apax Europe VI-A, L.P., Apax Europe VI-1, L.P., Apax Europe VI GP L.P. Inc. and Apax Europe VI GP Co. Limited is Third Floor Royal Bank Place, 1 Gategny Esplanade, St. Peter Port, Guernsey GY1 2HJ. The principal office address of Apax Partners Europe Managers Ltd, is 33 Jermyn Street, London, SW1Y 6DN. The principal office address of John F. Megrue is 601 Lexington Avenue, 53rd Floor, New York, New York 10022.

Each of Apax US VII, L.P., Apax US VII GP, L.P., Apax US VII GP, Ltd., Mr. Megrue, the Apax Europe Funds, Apax Europe VI GP L.P. Inc., Apax Europe VI GP Co. Limited and Apax Europe Managers Ltd, as a result of the relationships described in the foregoing paragraphs, may be deemed to have or share beneficial ownership of the THH Sarl Shares. In addition, the Liquidator, as a result of its ability to instruct the voting or disposition of the THH Sarl Shares in its role as liquidator managing the liquidation of THH Sarl, may be deemed to have or share beneficial ownership of such shares of Common Stock. We refer to this group as the Apax affiliates. Information (other than percentage ownership) reported on the table and in this footnote is based on the Statement of Beneficial Ownership on Schedule 13D filed by the Apax affiliates on May 17, 2010 with the SEC.

- <sup>4</sup> LNK GenPar, L.P. is the general partner of each of LNK Partners, L.P. and LNK Partners (Parallel), L.P. LNK MGP, LLC is the sole general partner of LNK GenPar, L.P. and accordingly, the ultimate general partner of LNK Partners, L.P. and LNK Partners (Parallel), L.P. LNK Partners, L.P. owns 3,724.59 shares, or 46.6%, of our Series A convertible preferred stock and LNK Partners (Parallel), L.P. owns 275.41 shares, or 3.4%, of our Series A convertible preferred stock. The shares of Series A convertible preferred stock owned by LNK Partners, L.P. and LNK Partners (Parallel), L.P. are currently convertible into an aggregate of 2,094,680 shares of our Common Stock and generally can be voted with the Common Stock on an as-converted basis. LNK GenPar, L.P., LNK MGP, LLC and David A. Landau, the President and sole managing member of LNK MGP, LLC, may be deemed to beneficially own the shares of Series A convertible preferred stock owned by each of LNK Partners, L.P. and LNK Partners (Parallel), L.P., as well as the shares of Common Stock into which they may be converted. We refer collectively to the foregoing entities controlled by Mr. Landau as LNK Partners.
- <sup>5</sup> MSD Brand Investments, LLC (which we refer to in this Proxy Statement as MSD Brand ) owns 4,000 shares, or 50% of our Series A convertible preferred stock. The shares of Series A convertible preferred stock owned by MSD Brand are currently convertible into 2,094,680 shares of our Common Stock and generally can be voted with the Common Stock on an as-converted basis. MSD Capital, L.P., the sole manager of MSD Brand, may be deemed to beneficially own the shares of Series A convertible preferred stock owned by MSD Brand, as well as the shares of Common Stock into which they may be converted.

**Table of Contents****Directors, Nominees for Director and Executive Officers**

The following table presents certain information with respect to each class of our voting stock beneficially owned as of April 29, 2010 and May 6, 2010 by the following persons:

each of our directors;

each of the nominees for director;

our Chief Executive Officer, our Chief Financial Officer and our three most highly compensated executive officers with respect to our most recently completed fiscal year, other than our Chief Executive Officer and Chief Financial Officer; and

our directors, the nominees for director and our executive officers, as a group.

The information in the table for ownership as of May 6, 2010 is provided as if our Series A convertible preferred stock had been converted on that date, as the holders of such stock are generally entitled to vote with the holders of our Common Stock on an as-converted basis. The Series A convertible preferred stock is currently convertible into 4,189,360 shares of Common Stock.

Each of the persons named below has sole voting and investment power with respect to the shares listed as owned by him or her except as otherwise indicated below.

	As of April 29, 2010		As of May 6, 2010	
	Amount Beneficially Owned <sup>1</sup>	Percent of Class	Amount Beneficially Owned <sup>1</sup>	Percent of Class
Mary Baglivo	4,205	*	4,205	*
Emanuel Chirico	774,324	1.3	774,324	1.1
Edward H. Cohen	50,100	*	50,100	*
Francis K. Duane	107,448	*	107,448	*
Joseph B. Fuller	76,300	*	76,300	*
Fred Gehring <sup>2</sup>	0		1,941,733	2.8
Margaret L. Jenkins	2,165	*	2,165	*
David A. Landau <sup>3</sup>	0		2,094,680	3.0
Bruce Maggin	63,289	*	63,289	*
V. James Marino	4,905	*	4,905	*
Paul Thomas Murry	70,426	*	70,426	*
Henry Nasella	20,000	*	20,000	*
Rita M. Rodriguez	23,905	*	23,905	*
Craig Rydin	8,980	*	8,980	*
Michael A. Shaffer	121,254	*	121,254	*
Allen E. Sirkin	345,728	*	345,728	*
Christian Stahl <sup>4</sup>	0		0	
All directors, nominees for director and executive officers as a group	1,673,029	2.8	5,709,442	7.9

\* Less than 1% of class.

<sup>1</sup> The figures in the table are based upon information furnished to us by our directors, nominees for director and executive officers and upon company records. The figures include the shares held for the benefit of our executive officers in a trust for the PVH Stock Fund. The PVH Stock Fund is one of the investment options under our Associates Investment Plan, which is an employee benefit plan under Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended. We refer to the Associates Investment Plan as the AIP. Participants in the AIP who make investments in the PVH Stock Fund may direct the vote of shares of Common Stock held for their benefit in the trust for the PVH Stock Fund.

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As of each of April 29, 2010 and May 6, 2010, the following persons have the right to cast votes equal to the following number of shares held in the trust for the PVH Stock Fund (which have been rounded to the nearest full share): Emanuel Chirico, 8,073 shares; Francis K. Duane, 422 shares; Michael A. Shaffer, 6,625 shares; Allen E. Sirkin, 17,996 shares; and all of our directors, nominees for director and executive officers as a group, 33,116 shares.

The Trustee of the trust for the PVH Stock Fund has the right to vote shares in the trust that are unvoted as of two days prior to the meeting in the same proportion as the vote by all other participants in the AIP who have cast votes with respect to their investment in the PVH Stock Fund. The committee that administers the AIP makes all decisions regarding the disposition of Common Stock held in the trust for the PVH Stock Fund, other than the limited right of a participant to receive a distribution of shares held for his or her benefit. As such, the committee may be deemed to be a beneficial owner of the Common Stock held in the trust. Mr. Shaffer is a member of that committee. The figures in the table do not include shares in the trust for the PVH Stock Fund (other than applicable to Mr. Shaffer's investment in the PVH Stock Fund) to the extent that, as a member of the committee, he may be deemed to have beneficial ownership of the shares held in the trust. There were 722,894 shares of Common Stock (1.3% of the outstanding shares) held in the trust for the PVH Stock Fund as of April 29, 2010 and 764,067 shares (1.1%) as of May 6, 2010.

The table also includes the following shares which each of the individuals and the group listed on the table have the right to acquire within 60 days of both April 29, 2010 and May 6, 2010 upon the exercise of options granted to them: Emanuel Chirico, 736,500 shares; Edward H. Cohen, 48,000 shares; Francis K. Duane, 102,500 shares; Joseph B. Fuller, 60,000 shares; Bruce Maggin, 48,000 shares; Paul Thomas Murry, 66,875 shares; Henry Nasella, 20,000 shares; Rita M. Rodriguez, 20,000 shares; Craig Rydin, 7,500 shares; Michael A. Shaffer, 110,000 shares; Allen E. Sirkin, 299,936 shares; and all of our current directors, nominees for director and executive officers as a group, 1,519,311 shares.

The table also includes shares of Common Stock that are subject to awards of restricted stock units, the restrictions on which will lapse within 60 days of both April 29, 2010 and May 6, 2010. The following sets forth for each of the individuals and group listed, the number of such awards on which restrictions will lapse within 60 days of April 29, 2010: Mary Baglivo, 2,165 shares; Margaret L. Jenkins, 2,165 shares; Bruce Maggin, 500 shares; V. James Marino, 2,165 shares; Rita M. Rodriguez, 2,165 shares; Craig Rydin, 740 shares; and all of our current directors, nominees for director and executive officers as a group, 9,900 shares.

- <sup>2</sup> The 1,941,733 shares of Common Stock beneficially owned by Mr. Gehring are registered under the name of Cinquecento B.V., a Dutch company ( Cinquecento ), of which Mr. Gehring is the sole member of the Managing Board. Cinquecento received such shares in connection with our acquisition of Tommy Hilfiger as consideration for the sale of securities (depository receipts and options to purchase option depository receipts) corresponding to common shares of Tommy Hilfiger B.V. These securities were initially issued by Stichting Administratiekantoor Elmira ( Elmira ), a shareholder of Tommy Hilfiger, to Mr. Gehring and to Messrs. Ludo Onnink, Daniel Grieder and Michael Arts, who are also senior executives of Tommy Hilfiger. Prior to our acquisition of Tommy Hilfiger, Mr. Gehring transferred some of his securities in Elmira to a foundation for the benefit of his two daughters (the Gehring Foundation ). All securities issued by Elmira and held by Mr. Gehring and the Gehring Foundation were subsequently contributed to Cinquecento. The Gehring Foundation subsequently transferred its shares in Cinquecento to Mr. Gehring's daughters, as a result of which the daughters of Mr. Gehring became direct shareholders of Cinquecento. Prior to our acquisition of Tommy Hilfiger, Mr. Onnink also transferred some of his securities in Elmira to a foundation for the benefit of his two sons (the Onnink Foundation ), which securities, along

with all of the Elmira securities held by Mr. Onnink, were subsequently contributed to Cinquecento. Prior to our acquisition of Tommy Hilfiger, Messrs. Grieder and Arts also contributed to Cinquecento some of the securities issued to them by Elmira. Of the 1,941,733 shares of Common Stock registered in the name of Cinquecento, (i) 1,402,371 shares of Common Stock were distributed to Cinquecento as consideration for all the securities initially issued by Elmira to Mr. Gehring (of which (a) 1,231,522 shares of Common Stock were received as consideration for the securities contributed to Cinquecento by Mr. Gehring directly and (b) 170,849 shares of Common Stock were received as consideration for the securities contributed to Cinquecento by the Gehring Foundation); (ii) 282,608 shares of Common Stock were distributed to Cinquecento as consideration for all the securities initially issued by Elmira to Mr. Ludo Onnink (of which (a) 248,404 shares of Common Stock were received as consideration for the securities contributed to Cinquecento by Mr. Onnink directly and (b) 34,204 shares of Common Stock were received as consideration for the securities contributed to Cinquecento by the Onnink Foundation), (iii) 128,377 shares of Common Stock were distributed to Cinquecento as consideration for the portion of the securities issued by Elmira to Mr. Daniel Grieder that he subsequently contributed to Cinquecento and (iv) 128,377 shares of Common Stock were distributed to Cinquecento as consideration for the portion of the securities issued by Elmira to Mr. Michael Arts that he subsequently contributed to Cinquecento. As the sole member of the Managing Board of Cinquecento, Mr. Gehring has voting power over the 1,941,733 shares of Common Stock held by Cinquecento and, as such, may be deemed to beneficially own all such shares. However, pursuant to the articles of association of Cinquecento, the Managing Board is required, in order to vote the shares of Common Stock held by Cinquecento, to obtain the prior approval of each of Cinquecento's stockholders with respect to their allocable number of shares of Common Stock held by Cinquecento (*i.e.*, the amounts identified in clauses (i) through (iv) in the second sentence preceding this sentence). Mr. Gehring disclaims beneficial ownership of the aggregate of 539,362 shares of Common Stock referred to in this Note 2 as having been contributed to Cinquecento by Mr. Onnink, the Onnink Foundation, Mr. Grieder and Mr. Arts. Mr. Gehring does not disclaim beneficial ownership of the 170,849 shares of Common Stock contributed to Cinquecento by his daughters (through the Gehring Foundation), as Mr. Gehring is the representative of his two daughters in respect of these securities. The shares of Common Stock reported on the above table are currently held in escrow pursuant to various escrow arrangements entered into in connection with our acquisition of Tommy Hilfiger. As part of these arrangements, a portion of such shares may be forfeited to satisfy certain indemnity or purchase price adjustment payments to be made to us or because certain employment-related vesting conditions are not met.

Not included in the figure reported in the above table are 60,562 shares of our Common Stock (0.1%) beneficially owned by THH Sarl, over which the Liquidator currently has voting and dispositive power, as described in Note 3 to the immediately preceding table. However, upon satisfaction of certain conditions (which conditions will not be satisfied within the next 60 days), such Liquidator may

*(Footnotes continued on following page)*



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*(Footnotes continued from previous page)*

distribute these 60,562 shares of Common Stock (or a portion thereof) to Stichting Pakera, a holder of interests in THH Sarl, over which Mr. Gehring would, at such time, have voting power as the sole member of the Managing Board of Stichting Pakera.

- <sup>3</sup> Includes 4,000 shares of Series A convertible preferred stock beneficially owned by LNK Partners and its affiliates. *See* Note 4 to the prior table. Mr. Landau is the sole managing member of LNK Partners ultimate general partner. Accordingly, Mr. Landau may be deemed to be an indirect beneficial owner of shares held by LNK Partners.
- <sup>4</sup> Mr. Stahl is a partner of Apax Partners, L.P. Certain affiliates of Apax Partners, L.P. may be deemed to beneficially own 5,463,435 shares of our Common Stock. *See* Note 3 to the prior table.

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**ELECTION OF DIRECTORS**

**Directors**

The Board of Directors was expanded from 10 to 13 members on March 14, 2010 in connection with the Board's approval of our acquisition of Tommy Hilfiger. On April 29, 2010, the Board appointed Fred Gehring, David A. Landau and Christian Stahl to fill the three vacancies effective upon the closing of the Tommy Hilfiger acquisition, which occurred on May 6, 2010.

All members of the Board of Directors elected by the stockholders at the meeting will serve for a term of one year or until their successors are elected and qualified. All of the nominees for director were elected directors of the Company at last year's Annual Meeting of Stockholders, other than Messrs. Gehring, Landau and Stahl, who were appointed to the Board as described above. At this time, the Board of Directors knows of no reason why any nominee might be unable to serve.

The election of directors requires the affirmative vote of a plurality of the votes cast in person or by proxy at the meeting. In determining whether a director nominee has received the requisite vote for election, abstentions and broker non votes will have no effect.

We entered into certain agreements in connection with our acquisition of Tommy Hilfiger pursuant to which certain members of the Board have been nominated for election. One of the agreements is a Stockholders Agreement we entered into with certain of the Apax affiliates and one other former shareholder of Tommy Hilfiger. Under this agreement, Apax Europe VI-A, L.P., one of the Apax affiliates, has the right to designate one person as a nominee for election as a director, so long as Apax Europe VI-A, L.P. and its affiliates continue to hold at least a number of shares of our Common Stock equal to the greater of (i) 50% of the shares of Common Stock that the Apax affiliates received in connection with our acquisition of Tommy Hilfiger and (ii) 4% of the then outstanding shares of Common Stock. We are also obligated under that Stockholders Agreement to appoint that designee, if elected, to serve on the Board's Nominating & Governance Committee, provided that such person is qualified to serve. Mr. Stahl is the designee of Apax Europe VI-A, L.P. pursuant to that Stockholders Agreement.

We also entered into a Stockholder Agreement with LNK Partners in connection with the issuance and sale of shares of our Series A convertible preferred stock. We sold shares of our Series A convertible preferred stock to LNK Partners to raise a portion of the purchase price for our acquisition of Tommy Hilfiger. Under that Stockholder Agreement, LNK Partners has the right to designate one person as a nominee for election as a director, so long as LNK Partners continues to hold at least 80% of the Series A convertible preferred stock sold to them (or of the shares of Common Stock into which they are convertible). Mr. Landau is LNK Partners' designee pursuant to that Stockholder Agreement.

In connection with the acquisition of Tommy Hilfiger, we requested that Fred Gehring, the Chief Executive Officer of Tommy Hilfiger who, with the completion of the Tommy Hilfiger acquisition has assumed the additional duties of Chief Executive Officer of our international operations, join the Board. It is our current intention that, so long as Mr. Gehring continues to serve in such capacity, he be included in our slate of nominees for re-election as a director.

**The Board of Directors recommends a vote FOR the election of the 13 nominees named below. Proxies received in response to this solicitation will be voted FOR the election of the nominees unless otherwise specified in a proxy.**



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<b>Name</b>	<b>Principal Occupation</b>	<b>Age</b>	<b>Year Became a Director</b>
Mary Baglivo	Chief Executive Officer of New York and Chair of the Americas, Saatchi & Saatchi Worldwide, an advertising agency	52	2007
Emanuel Chirico	Chief Executive Officer of the Company	53	2005
Edward H. Cohen	Retired; Counsel, Katten Muchin Rosenman LLP, a law firm	71	1987
Joseph B. Fuller	Founder, Director and Vice-Chairman, Monitor Group GP, LLC, an international management consulting firm	53	1991
Fred Gehring	Chief Executive Officer of Tommy Hilfiger and International Operations of the Company	55	2010
Margaret L. Jenkins	Founder and Owner, Margaret Jenkins & Associates, a marketing and philanthropic services consulting firm; Former Senior Vice President and Chief Marketing Officer, Denny's Corporation	58	2006
David A. Landau	Partner and Co-Founder, LNK Partners, a private equity investment firm	44	2010
Bruce Maggin	Principal, The H.A.M. Media Group, LLC, a media investment company	67	1987
V. James Marino	President and Chief Executive Officer, Alberto-Culver Company, a personal care products company	60	2007
Henry Nasella	Partner and Co-Founder, LNK Partners, a private equity investment firm	63	2003
Rita M. Rodriguez	Senior Fellow, Woodstock Theological Center at Georgetown University	67	2005
Craig Rydin	Chairman of the Board of Directors, Yankee Holding Corp.; Executive Chairman, The Yankee Candle Company, Inc., a designer, manufacturer and branded marketer of premium scented candles	58	2006
Christian Stahl	Partner of Apax Partners, L.P., an international private equity investment group	39	2010



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***Additional Information***

**Other Public Company Directorships**

Several of our directors also currently serve as directors of other public companies:

- Mr. Chirico is a director of Dick's Sporting Goods, Inc.;
- Mr. Cohen is a director of Gilman Ciocia, Inc.;
- Mr. Maggin is a director of Central European Media Enterprises, Ltd.;
- Mr. Marino is a director of Alberto-Culver Company;
- Dr. Rodriguez is a director of Affiliated Managers Group, Inc. and Enscopl; and
- Mr. Rydin is a director of priceline.com Incorporated and Yankee Holding Corp.

Several of our directors held directorships at other public companies during the last five years:

- Mr. Cohen served as a director of Levcor International, Inc. from 1990 to 2007, Merrimac Industries from 1997 to 2010 and Franklin Electronic Publishers from 1987 to 2010;
- Mr. Landau served as a director of the Company from 2003 to 2005 and Life Time Fitness, Inc. from 2000 to 2007;
- Mr. Maggin served as a director of Media & Entertainment Holdings, Inc. from 2005 to 2006;
- Mr. Nasella served as a director of Denny's Corporation from 2004 to 2008; and
- Mr. Stahl served as a director of Central European Media Enterprises Ltd. from 2006 to 2009.

**Other Employment Information**

Each of our directors has been engaged in the principal occupation indicated in the foregoing table for more than the past five years, except:

- Mr. Chirico, who had been our President and Chief Operating Officer from June 2005 to February 2006 and our Chief Financial Officer from February 1999 to June 2005;
- Mr. Gehring, who, in addition to having served as Chief Executive Officer of Tommy Hilfiger B.V. since April 2006, was Chief Executive Officer of its subsidiary, Tommy Hilfiger U.S.A., Inc., from April 2006 to November 2009 and from 1997 to April 2006 was the Chief Executive Officer of Tommy Hilfiger Europe B.V. when it was a third party licensee of Tommy Hilfiger Licensing, LLC, the worldwide owner and licensee of the *Tommy Hilfiger* trademarks;
- Ms. Jenkins, who was Senior Vice President and Chief Marketing Officer of Denny's Corporation, a full service family restaurant chain, from June 2002 to August 2007;
- Mr. Maggin, who was Executive Vice President and Secretary of Media & Entertainment Holdings, Inc., a blank check company that sought acquisition opportunities, particularly in the entertainment, media and communications industries, from 2005 to 2009 and Treasurer of Media & Entertainment Holdings, Inc. from 2007 to 2009;
- Mr. Marino, who was President of Alberto-Culver Consumer Products Worldwide, a division of Alberto-Culver Company, from October 2004 to November 2006, and President of Alberto Personal Care Worldwide, a division of Alberto-Culver Company, from July 2002 to October 2004;
- Mr. Nasella, who was a Venture Partner of Apax Partners, an international private equity investment group, from 2001 until 2005;
- Dr. Rodriguez, who has also been self-employed in the field of international finance since 1999 and was a full-time member of the Board of Directors of the Export-Import Bank of the United States from 1982 to 1999; and
- Mr. Rydin, who was Chief Executive Officer of Yankee Holding Corp. and The Yankee Candle Company, Inc. from 2001 to 2009.



**Table of Contents*****Independence of our Directors***

The Board of Directors has determined the independence (or lack thereof) of each of the directors and nominees for director and, as a result thereof, concluded that a majority of our directors are independent, as required under the rules of the New York Stock Exchange, on which exchange our Common Stock is listed for trading. Specifically, the Board determined that Messrs. Chirico and Gehring, as officers of the Company, are not independent, and that Mr. Landau is not independent due to the fees we paid to a company controlled by him in connection with our sale of shares of Series A convertible preferred stock to affiliates of LNK Partners. The Board also determined that Dr. Rodriguez, Ms. Baglivo, Ms. Jenkins and each of Messrs. Cohen, Fuller, Maggin, Marino, Nasella, Rydin and Stahl are independent under Section 303A.02 of the New York Stock Exchange rules.

In making the determinations of the independence (or lack thereof) of our directors, the Board of Directors considered (i) whether a director had, within the last three years, any of the relationships under Section 303A.02(b) of the New York Stock Exchange rules with us which would disqualify a director from being considered independent, (ii) whether the director had any disclosable transaction or relationship with us under Item 404 of Regulation S-K of the Exchange Act, which relates to transactions and relationships between directors and their affiliates, on the one hand, and us and our affiliates (including management), on the other, and (iii) the factors suggested in the New York Stock Exchange's Commentary to Section 303A.02, such as a commercial, consulting and other relationships, or other interactions with management that do not meet the absolute thresholds under Section 303A.02 or Item 404(a) but which, nonetheless, could reflect upon a director's independence from management. In considering the materiality of any transactions or relationships that do not require disqualification under Section 303A.02(b), the Board considered the materiality of the transaction or relationship to the director, the director's business organization and us and whether the relationship between (i) the director's business organization and the Company, (ii) the director and the Company and (iii) the director and his business organization interfered with the director's business judgment. Messrs. Chirico, Gehring and Landau each had relationships with us that disqualify them from being independent under Section 303A.02 of the New York Stock Exchange rules. None of the other directors, except for Messrs. Cohen and Nasella, had any relationship with us that required any further consideration.

The Board of Directors considered that during 2009 and prior years we received legal services from Katten Muchin Rosenman LLP in making its independence decision with respect to Mr. Cohen. Mr. Cohen is a retired partner of the law firm and receives a pension and retirement benefits, as well as consulting fees from the firm. Mr. Cohen does no legal work for us and there is no relation between the amounts received by Mr. Cohen and the amounts that we pay in fees to Katten Muchin Rosenman or our engagement of the law firm to provide legal services. The Board also considered Mr. Cohen's *de minimis* limited partnership interest in LNK Partners.

The Board of Directors considered Mr. Nasella's relationship with LNK Partners when making its independence an indirect decision with respect to him. In concluding that Mr. Nasella is independent, the Board noted that (i) Mr. Nasella (a) has an indirect capital commitment of less than 1% in LNK Partners; (b) has limited economic interest in LNK Partners' existing investments; and (c) is only an employee of, and has no control or management rights with respect to, LNK Partners; (ii) Mr. Nasella's interest in and income earned from LNK Partners in his capacity as an employee would not be affected by LNK Partners' investment in PVH; (iii) the one-time commitment and transaction fees in an aggregate amount of \$5 million to be paid by us in connection with the LNK Partners investment in our Series A convertible preferred stock (*see* the discussion under the heading "Transactions With Related Persons" in this Proxy Statement) was to be paid to an entity that is solely owned and controlled by Mr. Landau; (iv) there would be no on-going fees paid to LNK Partners in connection with its investment in us; (v) LNK Partners' ownership of Series A preferred stock would constitute approximately 3% to 4% of our Common Stock on an as-converted basis; and (vi) the New York Stock Exchange determined that the investment by LNK Partners was not a related party transaction under Section 312.03 of the New York Stock Exchange rules (which is different than an independence analysis) because Mr. Nasella does not have a substantial direct or indirect interest in,



nor is he an affiliate of, LNK Partners.

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No family relationship exists between any director or executive officer of the Company.

***Experience, Qualifications, Attributes and Skills of Directors***

The Nominating & Governance Committee considers a variety of factors in selecting our directors. These include a person's qualification as independent under the New York Stock Exchange rules, as well as consideration of skills and experience in the context of the needs of the Board of Directors. Important factors considered by the Committee are a person's understanding of our business, experience as a director of other public companies, leadership, financial skills, business experience and skills that are relevant to our operations and plans for growth and expansion and, for an existing director, his or her tenure and contributions made as a director of the Company.

The following sets forth the specific experience, qualifications, attributes or skills that led to the conclusion that each of the nominees for director should continue to serve as a director:

**Mary Baglivo** brings to the Board valuable marketing, advertising and strategic planning expertise, developed during her professional career, including as Chief Executive Officer of New York and Chair of the Americas at Saatchi & Saatchi Worldwide, an advertising agency.

**Emanuel Chirico** has extensive knowledge of the operational and financial aspects of the Company, acquired during his five years as the Company's Chief Executive Officer and six years as Chief Financial Officer. In addition, Mr. Chirico provides the Board with valuable insight into the Company's business and management's strategic vision.

**Edward H. Cohen** provides the Board with essential legal experience and judgment, which were developed during his over 40 years of practice. Mr. Cohen advised us for 35 years and has extensive knowledge of our operations and corporate structure. In addition, Mr. Cohen has significant experience as a director and member of various audit, compensation and governance committees of numerous public companies' boards of directors, including over 20 years on our Board.

**Joseph B. Fuller** has extensive experience advising management with respect to strategy, corporate finance, governance and marketing, which he developed as a co-founder and executive of an international management consulting firm. In addition, Mr. Fuller brings to the Board his knowledge of channel management, pricing trends and pressures and innovation.

**Fred Gehring** has extensive senior executive leadership experience in the apparel industry, including more than 10 years of experience managing the global and European operations of Tommy Hilfiger as Chief Executive Officer. Mr. Gehring's knowledge of the Tommy Hilfiger operations, as well as his experience in the apparel industry outside of the United States, will provide the Board valuable insight into the Tommy Hilfiger business in particular and the expansion of our heritage business in Europe.

**Margaret L. Jenkins** brings to the Board more than 30 years of experience in the consumer marketing and advertising industries. Also, as the founder of a marketing and philanthropic services firm and the former Chief Marketing Officer for Denny's Corporation, Ms. Jenkins possesses significant management expertise.

**David A. Landau** has served as director on numerous boards of public and private companies, including three years on our Board, and brings to the Board a wealth of management experience in the consumer and retail businesses developed during his many years of experience working in private equity and consulting firms.

**Bruce Maggin** has served as one of our directors for over 20 years. As a result, he has a deep understanding of our operations and strategy, as well as our financial reporting and internal controls through his stalwart service on our Audit Committee. Mr. Maggin brings to the Board financial, operational and development expertise, which he gained in various executive positions in the media industry.

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**V. James Marino**, as the President and Chief Executive Officer of a large consumer products company, brings to the Board significant senior executive leadership experience in the consumer products industry, including in channels of distribution in which we have not traditionally had significant levels of business.

**Henry Nasella** has significant management experience, gained in senior executive positions in publicly traded retail companies and as a partner in private equity firms. In addition, Mr. Nasella has extensive experience serving on boards of directors and board committees of retail companies.

**Rita Rodriguez** has extensive international finance experience, which she developed over 16 years as a full-time member of the Board of Directors of the Export-Import Bank of the United States, a presidential appointment. In addition, Dr. Rodriguez has expertise in financial reporting and internal controls as a result of her service on the audit committees of several public and private company boards of directors.

**Craig Rydin** has significant management and leadership experience, which he gained in various executive positions in the consumer products and retail industry over 30 years. In addition, Mr. Rydin has extensive experience serving on the audit and compensation committees of several public and private company boards of directors.

**Christian Stahl** has served on the boards of several public and private companies and brings to the Board significant management and strategic consulting experience developed during a career working in private equity and with the companies in which his firms invested.

### ***Diversity***

Although the Nominating & Governance Committee does not have a specific policy with regard to the consideration of diversity in identifying director nominees, the Committee does consider the diversity of its members and potential candidates in selecting new directors. This consideration includes the diversity of business and financial talents, skills, abilities and experiences, as well as the race, ethnicity and gender of qualified candidates. We are proud of the diversity of backgrounds that characterize our current Board and believe that the diversity that exists on the Board provides significant benefits to us.

### **Meetings**

Our Corporate Governance Guidelines provide that each member of the Board of Directors is expected to use reasonable efforts to attend, in person, or by telephone, all meetings of the Board and of any committees of which they are a member, as well as the annual meeting of stockholders. All of the current members of the Board, other than the three directors who were just appointed effective May 6, 2010 in connection with the completion of the Tommy Hilfinger acquisition, attended the 2009 Annual Meeting of Stockholders.

There were eight meetings of the Board of Directors during 2009. All of the current directors who were directors during 2009 attended at least 75% of the aggregate number of meetings of the Board and the Committees of the Board on which they served held during the fiscal year.

Our non-management directors meet regularly in executive sessions or in separate meetings without management or the management director. Mr. Nasella, our presiding director, presides at the executive sessions of the non-management directors.

### **Committees**

The Board of Directors has a standing Audit Committee, a standing Compensation Committee, a standing Nominating & Governance Committee, a standing Performance Evaluation Committee and a standing Corporate Social Responsibility Committee.

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***Audit Committee***

The Audit Committee is currently composed of Dr. Rodriguez and Messrs. Cohen and Maggin (Chairman), each of whom served on the Committee for the entirety of 2009. Each of Dr. Rodriguez and Messrs. Cohen and Maggin has been determined by the Board to be independent for purposes of audit committee service under the New York Stock Exchange's listing standards and Rule 10A-3 of the Exchange Act and an audit committee financial expert, as defined in Item 407 of Regulation S-K under the Exchange Act.

The Board of Directors has adopted a written charter for the Audit Committee. A copy of the charter is available without charge on our website, [www.pvh.com](http://www.pvh.com). The charter provides for the Committee to be composed of three or more directors all of whom must meet the independence requirements under the New York Stock Exchange rules and Rule 10A-3 of the Exchange Act. Pursuant to its charter, the Committee is charged with providing assistance to the Board of Directors in fulfilling the Board's oversight functions relating to the quality and integrity of our financial reports, monitoring our financial reporting process and internal audit function, monitoring the outside auditing firm's qualifications, independence and performance and performing such other activities consistent with its charter and our By-laws, as the Committee or the Board deems appropriate. The Committee will also have such additional functions as are required by the New York Stock Exchange, the SEC and federal securities law. The Committee is directly responsible for the appointment, compensation and oversight of the work of the outside auditing firm.

The Audit Committee held nine meetings during 2009.

***Compensation Committee***

The Compensation Committee is currently composed of Ms. Baglivo and Messrs. Nasella (Chairman) and Rydin, each of whom served on the Committee for the entirety of 2009. Our Chief Executive Officer, Chief Financial Officer, Senior Vice President, Human Resources and General Counsel regularly attend and participate in meetings, although they generally excuse themselves from the meetings during discussions or votes on sensitive or personal matters.

The Compensation Committee is responsible for the compensation of our Chief Executive Officer and all of our other executive officers. Executive officers is defined for these purposes by a New York Stock Exchange rule as all officers and executive officers under Rule 16a-1(f) of the Exchange Act and includes all of our Named Executive Officers, whose compensation is discussed in this Proxy Statement under the headings Compensation Discussion and Analysis and Executive Compensation, as well as four other senior executives. The Committee is also the administrative committee for all of our incentive compensation plans. The Committee also has overall responsibility for approving or recommending to the Board approval of and/or evaluating all of our compensation plans, policies and programs.

The Board of Directors has adopted a written charter for the Compensation Committee, which is available without charge on our website, [www.pvh.com](http://www.pvh.com). The charter provides for the Committee to be composed of three or more directors. All Committee members must be independent under the rules of the New York Stock Exchange, and must qualify as outside directors under Section 162(m) of the Internal Revenue Code of 1986, as amended, and as non-employee directors under Rule 16b-3 under the Exchange Act. The Board has determined that all current members satisfy such requirements. The Committee is charged with discharging the Board of Director's responsibilities relating to the compensation of our Chief Executive Officer and all of our other executive officers as defined under New York Stock Exchange rules and covers both executive officers and officers under the Exchange Act. The Committee also has overall responsibility for approving or recommending to the Board approval of and/or evaluating all of our compensation plans, policies and programs and is responsible for preparing the disclosure required by Item 407(e)(5) of Regulation S-K to be included in the Proxy Statement for each Annual Meeting of Stockholders.



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Our Chief Executive Officer provides significant input on the compensation, including annual salary adjustments and grants of awards under our incentive plans, of the other executive officers. As discussed below in Compensation Discussion and Analysis Compensation Procedure and Philosophy Administration of Compensation Programs, the Compensation Committee approves the compensation of these officers, taking into consideration the recommendations of the Chief Executive Officer.

The Compensation Committee has delegated limited authority our Chief Executive Officer to make equity awards under our 2006 Stock Incentive Plan. Pursuant to this authority, the Chief Executive Officer may grant, on an annual basis, a maximum of 100,000 shares, with each option treated as one share and each restricted stock unit granted treated as two shares, and may grant up to 5,000 options and 1,700 restricted stock units to each grantee. The authority to grant equity awards to individuals whose compensation is set by the Committee, such as Section 16 officers and employees who are, or could be, a covered employee within the meaning of Section 162(m) of the Internal Revenue Code, however, rests with the Committee.

The Compensation Committee meets regularly throughout each year. Compensation decisions regarding the most recently completed fiscal year (*i.e.*, determination of bonuses under our Performance Incentive Bonus Plan and payouts under our Long-Term Incentive Plan and 2006 Stock Incentive Plan, as well as discretionary bonuses) and the current fiscal year (*i.e.*, establishing base salary, setting bonus and performance share targets and granting of option and restricted stock unit awards) are generally made at the meetings during the first quarter of the year. In addition, the Committee considers and approves at these meetings any new incentive compensation plans or arrangements that need to be approved by the Board and/or our stockholders. The other meetings are typically focused on reviewing our compensation programs generally and discussing potential changes to the program, including replacement or additional incentive compensation plans, as well as specific issues that arise during the course of the year (such as the need to amend plans as a result of regulatory changes or to address compensation issues relating to changes in and promotions among the executive officers).

For 2009, the Compensation Committee engaged a compensation consultant, Executive Compensation Advisors, an affiliate of Korn/Ferry International, for a portion of the year and ClearBridge Compensation Group for the remainder of the year, to advise it on all matters related to the compensation of our Chief Executive Officer and the other executive officers and our compensation plans. The Committee used Executive Compensation Advisors in establishing compensation from 2007 into 2009.

The Compensation Committee directs the compensation consultant, approves the scope of the compensation consultant's work each year and approves the compensation consultant's fees. The compensation consultant meets and works with the Committee, and the Chairman of the Committee, as well as with our Chief Executive Officer and our Senior Vice President, Human Resources, in developing each year's compensation packages and any compensation plans to be considered by the Committee. The Committee identifies in advance of setting compensation for each year the aspects of the compensation program that it wishes to review and challenge in depth and instructs the compensation consultant to provide information, analysis and recommendations to the Committee. The composition and appropriateness of our peer group, the performance measures used to establish performance targets, performance cycles and payouts under our incentive compensation plans were the aspects of the program that were reviewed prior to setting 2009 compensation and awards. The Senior Vice President, Human Resources reviews drafts of the materials the compensation consultant prepares for distribution to the Committee to ensure the accuracy of our internal data and, together with our General Counsel, provides additional guidance to the Committee regarding applicable matters such as employee perceptions and reactions, legal and disclosure developments and the like. The compensation consultant is used primarily to compile peer data, prepare tally sheets, help identify the appropriate types and terms of incentive compensation plans and address developments in executive compensation. Additionally, the consultant is used to address specific issues identified by the Committee and assists the Committee in conducting an assessment of risk considerations in our compensation programs.



Executive Compensation Advisors also advised the Board's Nominating & Governance Committee on director compensation from 2007 into 2009.

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In the second half of 2009, the lead consultant with whom the Compensation Committee had worked at Executive Compensation Advisors and prior consulting firms departed Executive Compensation Advisors to join ClearBridge Compensation Group. As a result, the Compensation Committee changed its compensation consulting firm to ClearBridge Compensation Group. The Committee consulted with our Senior Vice President, Human Resources and our Chief Executive Officer in making this decision. ClearBridge Compensation Group is providing advice with respect to compensation for 2010.

We have established a policy that management will not retain the compensation consultant used by the Board or any of its committees for any purpose without first informing and obtaining the approval of the Compensation Committee. No such approval has been sought by management.

The Compensation Committee held seven meetings during 2009.

### ***Nominating & Governance Committee***

The Nominating & Governance Committee currently consists of Ms. Jenkins and Messrs. Fuller (Chairman), Marino and Stahl, each of whom, other than Mr. Stahl, served on the Committee for the entirety of 2009. The Board of Directors has adopted a written charter for the Committee, which is available without charge on our website, [www.pvh.com](http://www.pvh.com). The charter provides for the Committee to be composed of three or more directors, all of whom must meet the independence requirement under the rules of the New York Stock Exchange. The Board has determined that all current members satisfy such requirement.

Pursuant to the charter, the Nominating & Governance Committee is charged with (1) assisting the Board of Directors by identifying individuals qualified to become Board members and recommending to the Board director nominees for the next annual meeting of stockholders, (2) recommending to the Board Corporate Governance Guidelines applicable to us, (3) overseeing the annual evaluation of the Board and management and (4) recommending to the Board director nominees for each committee.

The Nominating & Governance Committee will consider for election to the Board of Directors a nominee recommended by a stockholder if the recommendation is made in writing and includes (i) the qualifications of the proposed nominee to serve on the Board of Directors, (ii) the principal occupations and employment of the proposed nominee during the past five years, (iii) each directorship currently held by the proposed nominee and (iv) a statement that the proposed nominee has consented to the nomination. The recommendation should be addressed to our Secretary.

The Nominating & Governance Committee seeks and evaluates individuals qualified to become Board members for recommendation to the Board when and as appropriate. In evaluating potential candidates, and the need for new directors, the Committee may consider such factors, including, without limitation, professional experience and business, charitable or educational background, performance, age, service on other boards of directors and years of service on the Board, as the members deem appropriate.

The Nominating & Governance Committee held four meetings during 2009.

### ***Performance Evaluation Committee***

The Performance Evaluation Committee is currently composed of Messrs. Fuller, Maggin and Nasella.

The Board of Directors has adopted a written charter for the Performance Evaluation Committee, which is available without charge on our website, [www.pvh.com](http://www.pvh.com). The charter provides for the Committee to be composed of three or

more directors, including the Chairman of each of the Audit, Compensation and Nominating & Governance Committees of the Board or their designees from their respective committees. All Committee members must be independent under the rules of the New York Stock Exchange. The Board has determined that all current members satisfy such requirement. The Performance Evaluation Committee is charged with fulfilling the Board's responsibilities under the rules of the New York Stock Exchange relating to the evaluation of our Chief Executive Officer or other person serving as the principal executive officer of the Company.

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The Performance Evaluation Committee did not meet formally during 2009, having completed an extensive evaluation of our Chief Executive Officer and putting in place a development program for him in 2008, with the help of an outside consultant. The non-management directors regularly discuss Mr. Chirico's performance and succession issues during their executive sessions, in which Mr. Chirico participates from time to time.

### ***Corporate Social Responsibility Committee***

The Corporate Social Responsibility Committee is currently composed of Dr. Rodriguez (Chairperson) and Messrs. Cohen and Maggin.

The Board of Directors has adopted a written charter for the Corporate Social Responsibility Committee, which is available without charge on our website, [www.pvh.com](http://www.pvh.com). The charter provides for the Committee to be composed of two or more directors, all of whom must meet the independence requirement under the rules of the New York Stock Exchange. The Board has determined that all current members satisfy such requirement. The Committee is charged with acting in an advisory capacity to the Board and management with respect to policies and strategies that affect the Company's role as a socially responsible organization.

The Corporate Social Responsibility Committee held two meetings during 2009.

## **Other Corporate Governance Policies**

### ***Corporate Governance Guidelines***

The Board of Directors has adopted Corporate Governance Guidelines applicable to us. The Nominating & Governance Committee reviews the Guidelines annually to determine whether to recommend changes to the Board to reflect new laws, rules and regulations and developing governance practices. The Guidelines address several key areas of corporate governance, including director qualifications and responsibilities, Board committees and their charters, the responsibilities of the presiding director, director independence, director access to management, director compensation, director orientation and education, evaluation of the Chief Executive Officer, management development and succession planning, and annual performance evaluations for the Board. The Guidelines are available on our website, [www.pvh.com](http://www.pvh.com).

### ***Leadership Structure of the Board***

Currently, our Chief Executive Officer serves as Chairman of the Board of Directors. Our Corporate Governance Guidelines provide for the independent directors to elect annually one of the independent directors to serve as presiding director for any annual period that the Chief Executive Officer serves as the Chairman of the Board of Directors. The Nominating & Governance Committee is responsible for nominating an independent director to serve in such role. Mr. Nasella currently serves as our presiding director.

The duties of the presiding director include the following:

- presiding at all meetings of the Board of Directors at which the Chairman is not present, including executive sessions of the non-management directors;

- serving as liaison between the Chairman and the non-management directors;

- discussing with management and/or approving non-routine information sent to the Board;

reviewing and approving Board meeting agendas;

assuring that there is sufficient time for discussion of all agenda items;

having the authority to call meetings of the independent directors; and

if reasonably requested by major stockholders, ensuring that he or she is available for consultation and direct communication.

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The Board of Directors believes that no single leadership model is right for the Company. The Board believes that whether the offices of Chief Executive Officer and Chairman of the Board of Directors should be combined or separate depends on the circumstances. For most of our recent history, the Board of Directors has determined that combining these two roles was the most effective leadership structure for us. Mr. Chirico's combined role as Chief Executive Officer and Chairman has promoted unified leadership and direction for the Board and executive management and has allowed for a single, clear focus for the chain of command to execute our strategic initiatives and business plans. Mr. Chirico's extensive knowledge of and tenure at the Company places him in a unique leadership role. The Board believes that having Mr. Chirico serve as both Chief Executive Officer and Chairman, coupled with a presiding director with the duties described above, is the most effective leadership structure for the Company.

To assure effective independent oversight, the Board of Directors has adopted a number of governance practices, including:

requiring that the members of all key committees of the Board must be independent under the rules of the New York Stock Exchange;

holding executive sessions of the non-management directors after every Board meeting; and

requiring a strong, independent, clearly-defined presiding director role (as discussed above).

### ***Director Education***

We encourage directors to pursue educational opportunities to enable them to better perform their duties and learn about emerging issues. In addition, we provide educational materials, including New York Stock Exchange materials, in-house education materials and outside publications, to directors on a regular basis. We have not budgeted or limited the amount to be spent on director education. Instead, we allow directors to determine the amount of education that they deem appropriate.

In our Corporate Governance Guidelines, we strongly encourage directors to attend at least one external director education program per year. Over the past two years, all but one of the directors who were elected at the 2009 Annual Meeting of Stockholders attended at least one external director education program.

### ***Risk Oversight***

The Board of Directors oversees the management of risks related to the operation of our business. As part of its oversight, the Board receives regular reports from members of senior management, including members of our enterprise risk management task force (including our Director of Risk Management and Group Vice President, Internal Audit and Security Administration), members of our financial reporting group (including our Group Vice President, Taxes) and our General Counsel. The Board also receives reports from management relating to our business continuity planning. In addition, the Board receives reports on risks associated with our business units and corporate functions when reviewing those units and functions.

The committees of the Board of Directors also oversee the management of risks that fall within their respective areas of responsibility. In performing this function, each committee has full access to management, as well as the ability to engage advisors. The Chairperson of each committee reports on the applicable committee's activities at each Board meeting and would have the opportunity to discuss risk management with the full Board at that time.

As required under its charter and by New York Stock Exchange rules, the Audit Committee discusses our policies with respect to risk assessment and risk management. As an extension of this role, the Audit Committee oversees the

operation of our enterprise risk management program. On an annual basis, the Audit Committee receives an enterprise risk management report from our enterprise risk management team, consisting of over 15 corporate and divisional executives, identifying our most significant operating risks and the mitigating factors that exist to control those risks. The Audit Committee also meets privately on a regular basis with representatives of our independent auditors to discuss our auditing and accounting processes and management.

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The Compensation Committee considers as part of its oversight of our executive compensation program the potential for risky behavior in connection with our executive compensation program and the incentives created by the compensation awards that it administers. The Committee receives a risk assessment from its compensation consultant that analyzes the risks represented by each component of our executive compensation program, as well as mitigating factors. We discuss this in further detail in this Proxy Statement under the heading Risk Considerations In Compensation Programs.

***Code of Ethics; Code of Business Conduct and Ethics***

We have a Code of Ethics for our Chief Executive Officer and our senior financial officers. In addition, we have a Code of Business Conduct and Ethics for our directors, officers and employees. These codes are posted on our website, [www.pvh.com](http://www.pvh.com). We intend to disclose on our website any amendments to, or waivers of, the Code of Ethics that would otherwise be reportable on a current report on Form 8-K. Such disclosure would be posted within four days following the date of the amendment or waiver.

**SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Based upon our review of the filings furnished to us pursuant to Rule 16a-3(e) promulgated under the Exchange Act and on representations from our executive officers and directors, all filing requirements of Section 16(a) of the Exchange Act were complied with during the fiscal year ended January 31, 2010.

**COMPENSATION COMMITTEE REPORT**

The Compensation Committee of the Board of Directors has reviewed and discussed with management the Compensation Discussion and Analysis section of this Proxy Statement. Based on this review and discussion, the Committee has recommended to the Board that the Compensation Discussion and Analysis section be included in this Proxy Statement.

Compensation Committee

Henry Nasella, Chairman  
Mary Baglivo  
Craig Rydin



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**COMPENSATION DISCUSSION AND ANALYSIS**

**Overview**

The following discussion and analysis is intended to provide you with an explanation of our current compensation program, with particular regard towards the compensation of our Chief Executive Officer, our Chief Financial Officer and our three most highly compensated executive officers, other than our Chief Executive Officer and Chief Financial Officer. We refer to these executive officers, collectively, as our Named Executive Officers throughout this Proxy Statement. As of January 31, 2010, these individuals constituted all of our executive officers and, together with one other senior executive, comprised all of the members of our operating committee.

The discussion includes our compensation philosophy and the program's objectives, the elements of compensation used to pay our executives, and historical information regarding how our program has developed and how that relates to how our executive officers are currently compensated. We also address the particulars of the compensation we paid to our Named Executive Officers in 2009 and how our compensation program is administered. Although the discussion and analysis contained in this section is framed in terms of our (*i.e.*, management's) approach to compensation and also speaks to actions taken by the Compensation Committee of the Board of Directors, it should be noted that the entirety of our compensation program is a cooperative effort among management, the Compensation Committee and the full Board of Directors, with advice from an outside, independent compensation consultant, and the discussion and analysis is a reflection of that cooperative effort.

**2009 Summary**

During 2009:

Base salaries for our Named Executive Officers other than Mr. Sirkin were unchanged from 2008.

Cash bonuses were earned at the maximum level by our Named Executive Officers for 2009, as discussed below under the heading 2009 Compensation Overview.

Payouts of performance share awards for the three-year performance cycle ending in 2009 to our Named Executive Officers were between threshold (minimum) and plan (target) levels, as discussed under the heading 2009 Compensation Overview.

We made upfront multi-year grants to Mr. Chirico of stock options and restricted stock units that otherwise might have been expected to be granted to Mr. Chirico in 2010 and 2011. These awards will vest in accordance with the vesting schedule that would have been used if they had been granted in those years.

We added performance-based conditions, which are intended to satisfy the conditions for the deductibility of the awards under Section 162(m) of the Internal Revenue Code, to the time-based vesting of the restricted stock unit awards made to Mr. Chirico in 2009.

We made cash awards under our Long-Term Incentive Plan, instead of performance share awards, to our Named Executive Officers. These awards cover a two-year performance cycle, as opposed to the typical three-year cycle, due to the difficult economic environment resulting in a lack of visibility, which made setting goals for a three-year performance cycle extremely difficult.

**2009 Compensation Overview**

After facing a very challenging environment in 2008, we experienced improved financial performance during 2009. As discussed below and disclosed in the Executive Compensation section of this Proxy Statement, this improvement was reflected in the compensation paid to our Named Executive Officers with respect to 2009 and the long-term performance cycle that ended with 2009. We believe that the compensation paid reflects our pay for performance compensation philosophy (which is discussed further below).

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We anticipated at the beginning of 2009 that the difficulties that our business experienced during 2008 would continue through 2009. As a result, we adjusted performance targets under our annual incentive plan to permit payouts within a broader performance range than we had in the past, lowering the minimum level of performance required for a payout (as a percentage of that required for the target payout), while maintaining (from 2008) the percentage payout at a level lower than threshold payments had been typically set at, and increasing the level of performance required for the maximum payout (as a percentage of that required for the target payout). We made this change because we felt that performance in a difficult economic environment was more difficult both to predict and to achieve. However, we set the level of performance required for the maximum payout at the amount equal to our 2008 performance because we felt that it would not be appropriate to make the maximum payout unless our 2009 performance met our 2008 performance.

The performance of our business began to improve significantly over the course of 2009. The improvement in all of our businesses was significant enough that all of our Named Executive Officers earned bonuses at the maximum level under our Performance Incentive Bonus Plan. Additionally, all of our Named Executive Officers had performance share awards under our 2006 Stock Incentive Plan with a three-year performance cycle that ended in 2009. Their payouts were between the threshold and target levels as a result of our strong performance in 2007 and 2009 offsetting the diminished earnings levels in 2008.

## **Compensation Objectives**

Our compensation program is structured to incentivize our executive officers to improve our financial performance, profitably grow our business and increase stockholder value and to reward them if they attain these objectives. While we include a competitive base salary as an element of our compensation program in order to compensate our executive officers on an annual basis with a stable, secure cash salary at a market competitive level to retain and motivate these individuals and to attract new executives when necessary, the bulk of each Named Executive Officer's targeted total compensation package includes short-term and long-term incentives to attain certain financial targets and to reward certain accomplishments or activities and equity awards that link compensation to long term increases in value created for our stockholders by the efforts of these individuals. Consistent with this pay for performance philosophy, the incentive components comprise approximately 55% to 85% of our Named Executive Officers' compensation packages and historically have been tied directly to stock performance (in the case of stock options and restricted stock units) and the attainment of earnings per share, return on equity and/or divisional earnings improvement (in the case of other incentives) in order for our Named Executive Officers to earn the majority of their potential compensation.

Both objective and subjective factors are considered in making compensation decisions for individuals and in establishing compensation plans, policies and programs. These factors include, but are not limited to, compensation practices of competitors, relative compensation within our executive group, individual, business unit and corporate performance, tenure with the Company, job responsibility, potential for advancement and the recommendations of our Chief Executive Officer and Senior Vice President, Human Resources (other than for themselves). There is no specific weight assigned to these factors and no one factor nor group of factors is dispositive in establishing the compensation packages for our Named Executive Officers.

## **Compensation Procedure and Philosophy**

The compensation of our executive officers is based upon the philosophy that executive compensation should be aligned with financial performance and stockholder value. We strive to attract and retain highly qualified talent by rewarding superior, measurable performance. The Compensation Committee annually reviews practices within our peer group and the marketplace to ensure that our practices are consistent with stockholder interests and applicable compliance requirements and enable us to recruit, retain and motivate qualified employees. The Compensation Committee engaged an independent compensation consultant, Executive Compensation Advisors for a portion of the

year and ClearBridge Compensation Group for the remainder of the year, to advise it on all matters related to the compensation of our Chief Executive Officer and the other executive officers and our compensation plans.

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### ***Compensation Components***

Compensation for our executive officers includes the following:

- (i) short-term components consisting of base salary and annual cash bonuses, principally under our Performance Incentive Bonus Plan;
- (ii) long-term components consisting of time-based stock options and restricted stock units, cash awards under our Long-Term Incentive Plan and/or performance share awards; and
- (iii) a benefits component.

Our 2006 Stock Incentive Plan permits the granting of the equity awards identified above, as well as restricted stock, stock appreciation rights and other stock-based awards. As discussed below, the Compensation Committee began granting restricted stock units and performance share awards in 2007 in addition to stock options. In establishing future executive officer compensation packages, the Committee may utilize the other types of awards available under the Plan and/or adopt additional long term incentive and/or annual incentive plans to meet the needs of changing employment markets and economic, accounting and tax conditions.

Our compensation program does not rely to any significant extent on pension and welfare benefits or perquisites. However, we believe that, taken as a whole, our pension and welfare benefit plans are generally competitive. We also believe that the benefits offered under these plans and programs to executive officers serve a different purpose than do the other components of compensation. In general, they are designed to provide a safety net of protection against the financial catastrophes that can result from illness, disability or death, and to provide a reasonable level of retirement income based on compensation and years of service. Benefits offered to executive officers are those that are offered to the general employee population, with some variation, including to promote tax efficiency and replacement of benefit opportunities lost due to regulatory limits.

### ***Administration of Compensation Programs***

Our management, the Compensation Committee, the Board of Directors and the compensation consultant work in a cooperative fashion. Annually, the Committee, with the assistance of the compensation consultant, reviews the overall compensation program covering our group of senior executives. Management reports to the Committee and the compensation consultant on executive performance, particular business issues facing an executive or his or her division, and management's views on the efficacy of and incentives behind the compensation program in order to assist in the establishment of performance goals, the adjustment of salaries, the award of discretionary bonuses and related matters. The Committee and the compensation consultant then work with management to develop specific packages for the executive officers, with particular emphasis on the Chief Executive Officer and the other Named Executive Officers, for the year. Any significant changes to the overall program would first be presented by the Committee to, and approved by, the independent members of the Board. The independent members of the Board also review annually the proposed compensation package for our Chief Executive Officer, prior to its approval by the Committee, and approve any material changes in our Chief Executive Officer's compensation arrangements.

Our Chief Executive Officer provides input on and makes recommendations with respect to the compensation, including annual salary adjustments and grants of awards under our incentive plans, of the officers whose compensation is set by the Compensation Committee, including the other Named Executive Officers. The Committee approves the compensation of these officers taking into consideration his input and recommendations. Our Chief Executive Officer also discusses his own compensation with the Chairman of the Committee. These discussions are considered by the Committee in connection with the Committee's annual compensation decisions with respect to our

Chief Executive Officer.

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On a program-wide basis, the Compensation Committee considers whether our incentive plans provide appropriate means of compensating our executives (*e.g.*, cash versus equity, time-based versus performance-based incentives, etc.), the proximity of the expiration of existing plans, stock availability under existing plans and developments in the field of incentive compensation. We seek to use generally accepted and commonly used types of plans and awards that provide clear accounting treatment and that are understandable to stockholders and executives alike. We have designed our plans to be flexible in their application so that we have the tools available to develop compensation packages with the appropriate mix of fixed and at-risk components, short- and long-term incentives, and cash and equity awards with appropriate terms. In making decisions regarding changes to our compensation program and our executive officers' compensation packages, the Committee is guided by the philosophy that a significant portion of all executive officers' compensation packages, and a majority of our Named Executive Officers' compensation packages, should consist of components that are linked to business performance and/or stockholder value creation through metrics such as earnings per share and return on equity.

The Compensation Committee's annual review also includes consideration of the various elements of our executive compensation packages, including whether there should be general or specific salary increases, whether potential payouts as a percentage of salary should change, and whether to alter the mix between cash and equity compensation. This review also addresses the more specific issues of setting targets under our incentive plans and whether an individual executive's performance, promotion or change in circumstances warrant changes to his or her compensation package that are different from the other executives as a group.

New plans and plan amendments are developed through an integrated process involving the Compensation Committee, our General Counsel, our Senior Vice President, Human Resources, the compensation consultant and outside counsel. The Committee then presents them to the Board for review and approval.

### ***Industry Peer Group***

The Compensation Committee considers a study compiled by the compensation consultant of compensation packages for an industry peer group, generally culled from public filings and published compensation benchmark surveys, as part of its review when considering the packages. The companies in the peer group are identified by the compensation consultant and approved by the Committee on an annual basis. The peer group is used to provide market context for compensation decisions, both because these are the companies with which we compete for executive talent and because their general similarity in size, business and economics aid the Committee in assessing the reasonableness of our compensation packages. In formulating the peer group, the consultant identifies companies with a similar business mix, channels of distribution and a comparable size to us. Our peer group, with two exceptions, consists of public companies in the wholesale apparel industry that had revenues for the most recent fiscal year that are between approximately 40% and 250% of our annual revenue. However, we exclude from the peer group companies in the wholesale apparel industry whose business mix does not match that of ours, even if those companies fall within these revenue parameters. The peer group for 2009 consisted of:

- Burberry Limited;
- Coach, Inc.;
- Guess?, Inc.;
- Hanesbrands Inc.;
- Jones Apparel Group, Inc.;
- Kenneth Cole Productions, Inc.;
- Liz Claiborne, Inc.;
- Oxford Industries, Inc.;
- Perry Ellis International, Inc.;
- Polo Ralph Lauren Corporation;

Quiksilver, Inc.;  
The Timberland Company;  
VF Corp.; and  
Warnaco Group, Inc.



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VF Corp. and Kenneth Cole Productions, Inc. are the two exceptions to the revenue parameters identified above: VF Corp. is above them while Kenneth Cole Productions, Inc. falls below them. The revenue parameters we have established serve as a guideline for identifying potential peer companies. We believe it is appropriate at times to consider companies outside of these parameters so that our peer group consists of companies with businesses similar to ours and we have a sufficient number of companies in our peer group for data to be meaningful for benchmarking purposes.

The peer group is reviewed annually, and companies have come into or out of the group over the years due to going public, going private, being acquired, or emerging from bankruptcy. For example, Kellwood Co., which was included in our peer group in 2008, was removed for 2009 because it ceased to be a public company in February 2008.

Beginning in 2008, we compared the cash compensation of Mr. Murry, the President and Chief Executive Officer of our Calvin Klein, Inc. subsidiary, to that of comparable executives in the ICR Luxury Goods Survey in addition to the comparable peer group index position for benchmarking purposes. We do this because a significant portion of the Calvin Klein businesses for which Mr. Murry has responsibility is more comparable to the businesses operated by the group covered by this survey. However, we are unable to compare Mr. Murry's total compensation to the comparable executives in the ICR Luxury Goods Survey because the survey does not provide total compensation data. There were nine companies in the ICR Luxury Goods Survey with executives holding comparable positions to that of Mr. Murry. Although we were provided with compensation data for these executives, the identities of these executives and their companies are confidential and were not provided to us.

Participants in the ICR Luxury Goods Survey currently include the following companies:

Alfred Dunhill of London, Inc.;	J Crew Group, Inc.;
Bose Corporation;	Karl Lagerfeld LLC;
Bulgari Retail USA Srl;	Kenneth Cole Productions, Inc.;
Burberry Limited;	Kohler Co.;
Carolina Herrera Ltd. Inc.;	Lilly Pulitzer, Inc.;
Chanel U.S.A., Inc.;	Limited Brands Inc.;
Chloe, Inc.;	Liz Claiborne, Inc.;
Christian Dior Inc.;	Loro Piana S.p.A.;
Clarins USA, Inc.;	Louis Vuitton North America, Inc.;
Coach, Inc.;	LVMH Fashion Group America, Inc.;
Cole Haan Holdings, Inc.;	Marc Jacobs Inc.;
Design Within Reach, Inc.;	Michael Kors (USA) Inc.;
DFS Group, Ltd.;	Montblanc, Inc.;
Dolce & Gabbana USA, Inc.;	Movado Group Inc.;
Donna Karan International, Inc.;	Polo Ralph Lauren Corporation;
Elie Tahari Ltd.;	Prada USA Corp.;
Ermenegildo Zegna Corporation;	Richemont North America, Inc.;
Escada (USA) Inc.;	Saks Fifth Avenue, Inc.;
Fendi North America, Inc.;	St. John Knits, Inc.;
Ferragamo USA, Inc.;	The Swatch Group, Ltd.;
Giorgio Armani Corporation;	Tiffany & Co.;
Gucci America, Inc.;	Tommy Hilfiger Corporation;
Harry Winston, Inc.;	Tumi Inc.;
Hermes of Paris, Inc.;	Versace USA Inc.; and
Hickey Freeman Co., Inc.;	Zale Corporation.



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### ***Use of Tally Sheets***

We use tally sheets when reviewing the compensation packages for our Named Executive Officers. The tally sheets cover prior year compensation, proposed compensation for the then current year and eight different termination of employment scenarios, including termination with or without cause or for good reason, voluntary termination, normal and early retirement, death, and termination after a change in control, and 12 elements of compensation, including severance, value receivable under cash incentive, equity, pension, savings and deferred compensation plans, as well as the value of any tax gross-ups.

The tally sheets provide both a snapshot of current compensation opportunities and benefits and a quantification of payments and other value an executive would receive in various termination of employment scenarios. As such, they enable the Compensation Committee to see and evaluate the full range of executive compensation, understand the magnitude of potential payouts as a result of retirement, change in control and other events resulting in termination of employment, and consider changes to our compensation program, arrangements and plans in light of best practices and emerging trends. The Committee considers the information provided through the tally sheets, along with financial and market performance, individual performance, internal pay equity and peer and market data in making its compensation decisions.

The tally sheets, in certain circumstances, show different information than is shown on the Potential Payments Upon Termination and Change In Control Provisions table presented in the Executive Compensation section of this Proxy Statement. This difference is because the Compensation Committee is considering payouts in certain situations such as retirement, as to which a Named Executive Officer may not currently qualify. In such a situation, the disclosure on the table would show no payout was due, while the tally sheets will project a payout for when the executive becomes eligible to retire. The tally sheets also show the full walk away values, meaning that they show pension and savings plan payouts in addition to the amounts payable as a result of the termination of employment. The tally sheets may also reflect current or projected stock prices, as opposed to using year end stock prices and make other or different assumptions as compared to those used in preparing the table.

### ***Consideration of Wealth Accumulation and Walk Away Value***

While the Compensation Committee does look at wealth accumulation calculations how much an executive is projected to earn or accrue over time through cash and equity compensation or receive through certain benefits it does not believe it to be a determinative factor on its own, but rather must be looked at considering all relevant factors. The reason for this view is two-fold. First, we believe it both necessary and appropriate to continue to compensate our executives for their on-going individual performance and our on-going performance and provide pension and other post-employment benefits that properly reflect years of service. We believe that were we to discontinue incentive compensation awards, benefit accruals or other components of compensation, there could be less of an incentive for our executives to continue to perform at the high levels at which we believe they have performed and could even cause them to seek alternative employment at a competitor who would offer a full range of incentive compensation. Reducing an executive's compensation as a result of the amount of prior compensation (which is largely dependent upon our financial and stock performance) would unfairly penalize an executive for the executive's and our past success. Moreover, because the most significant vehicle for wealth accumulation is equity awards, and the amount of the benefit of equity awards is largely dependent on creating stockholder value through increases in the price of our stock, executives receive the full benefit from equity awards only with improved company performance and the resulting improvement in share price. This is consistent with aligning stockholder and management's interests. We do, of course, consider factors such as whether the mix of compensation needs to change over time to reflect changes relative to the Company (such as a change in growth trajectory), and the individual executive (such as proximity to retirement). We also consider whether existing long-term awards already provide sufficient incentives to retain and motivate our executives, such that an additional award is not warranted with respect to an overlapping period, and

whether existing awards payout as expected and produce the desired results. In addition, other adjustments will be made as the need arises, for instance as a result of changes in applicable tax or accounting rules, to encourage different desirable results.

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Second, we historically have had executives with long tenures. All of our prior chief executive officers were employed with us for more than 30 years. The average tenure (including, in one case, service with a business we acquired) of