PHILLIPS VAN HEUSEN CORP /DE/
Form PRE 14A
April 27, 2011

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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

Filed by the Registrant þ

Filed by a Party other than the Registrant o

Check the appropriate box:

þ Preliminary Proxy Statement
o Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
o Definitive Proxy Statement
o Definitive Additional Materials
o 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):

þ No fee required.

o 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:

o Fee paid previously with preliminary materials:

o 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 23, 2011, 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 consider and act upon an amendment to the Company s Certificate of Incorporation to change the name of the Company to PVH Corp. ;

(3) to consider and act upon a proposal to approve the material terms of the Company s 2006 Stock Incentive Plan;

(4) to consider and act upon an advisory resolution on the Company s executive compensation;

(5) to consider and act upon a resolution regarding the frequency of future stockholder advisory votes on the Company s executive compensation;

(6) to ratify the appointment of auditors for the Company to serve for the current fiscal year; and

(7) 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 26, 2011 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 [9], 2011

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 23, 2011

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 23, 2011, 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 [9], 2011.

Disclosures in this Proxy Statement generally pertain to matters related to our most recently completed fiscal year, which ended on January 30, 2011. References herein to 2010 refer to that fiscal year, as the fiscal year commenced in calendar 2010. Similarly, references to 2009, 2011, 2012 and 2013 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 23, 2011

Our Annual Report to Stockholders for our fiscal year ended January 30, 2011, 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) through (6) 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. 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 and will have no effect on the resolution regarding the frequency of future stockholder advisory votes on the Company s executive compensation, both because the number of choices means that no one option may receive a majority of the votes and the vote is only advisory and the choice that receives the most votes does not need to be implemented. 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 and the proposal to amend our Certificate of Incorporation, as these proposals are considered to be routine matters under New York Stock Exchange rules. Under New York Stock Exchange rules, brokers do not have discretionary voting power with respect to the election of directors, the proposal to approve the material terms of our 2006 Stock Incentive Plan, the advisory proposal on our executive compensation and the advisory proposal regarding the frequency of future stockholder advisory votes on our executive compensation. Because brokers cannot vote on certain matters, we encourage all beneficial owners to vote their shares.

Common stockholders of record at the close of business on April 26, 2011, the record date set by the Board of Directors for the 2011 Annual Meeting of Stockholders, will be entitled to one vote for each share of our Common Stock then held. The holders of our Series A convertible preferred stock on the record date will be entitled to vote with the holders of our Common Stock on an as-converted basis. As of such date, there were [ ] shares of Common Stock outstanding and our Series A convertible preferred stock was convertible into 4,189,360 shares of Common Stock. The Series A convertible preferred stock was sold by us in connection with our financing of our May 2010 acquisition of Tommy Hilfiger B.V. and certain related companies. We refer to the companies acquired as Tommy Hilfiger , collectively, and to the acquisition as the Tommy Hilfiger 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 as of the record date for the meeting. The information in the table is provided as if our Series A convertible preferred stock had been converted on the record 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 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	Amount Beneficially Owned	Percent of Class
FMR LLC[1] 82 Devonshire Street Boston, MA 02109	10,055,218	[ ]
Apax affiliates[2]	5,463,435	[ ]
Prudential Financial, Inc.[3] 751 Broad Street Newark, NJ 07102-3777	5,062,590	[ ]
Jennison Associates LLC[4] 466 Lexington Avenue New York, NY 10017	5,034,243	[ ]
BlackRock, Inc.[5] 40 East 52nd Street New York, NY 10022	3,720,958	[ ]
LNK Partners affiliates[6] 81 Main Street White Plains, NY 10601	2,094,680	[ ]
MSD Brand Investments, LLC[7]	2,094,680	[ ]

645 Fifth Avenue
New York, NY 10022

[1] 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 9,948,407 shares of our Common Stock as a result of acting as investment adviser to various investment companies registered under Section 8 of the Investment

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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 power to dispose of these 9,948,407 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, 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. Strategic Advisers, Inc., 82 Devonshire Street, Boston, MA 02109, a wholly-owned subsidiary of FMR LLC and an investment adviser registered under Section 203 of the Investment Advisers Act of 1940, provides investment advisory services to individuals. As such, FMR LLC s beneficial ownership includes 51 shares of our Common Stock, beneficially owned through Strategic Advisers, Inc. Pyramis Global Advisors, LLC (PGALLC), 900 Salem Street, Smithfield, Rhode Island, 02917, an indirect 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 99,760 shares of our Common Stock as a result of its serving as investment adviser to institutional accounts, non-U.S. mutual funds, or investment companies registered under Section 8 of the Investment Company Act of 1940 owning such shares. Edward C. Johnson 3d and FMR LLC, through its control of PGALLC, each has dispositive power over 99,760 shares and sole power to vote or to direct the voting of 99,760 shares of our Common Stock owned by the institutional accounts or funds advised by PGALLC as reported above. FIL Limited (FIL), Pembroke Hall, 42 Crow Lane, Hamilton, Bermuda, and various foreign-based subsidiaries provide investment advisory and management services to a number of non-U.S. investment companies and certain institutional investors. FIL, which is a qualified institution under section 240.13d-1(b)(1)(ii), is the beneficial owner of 7,000 shares of our Common Stock. Partnerships controlled predominantly by members of the family of Edward C. Johnson 3d, Chairman of FMR LLC and FIL, or trusts for their benefit, own shares of FIL voting stock with the right to cast approximately 39% of the total votes which may be cast by all holders of FIL voting stock. Information (other than percentage ownership) reported on the table and in this footnote is based on the Statement of Beneficial Ownership on Schedule 13G/A filed by FMR LLC on February 14, 2011 with the Securities and Exchange Commission (which we refer to as the SEC).

2 Tommy Hilfiger Holding S.à.r.l. (THH Sarl) acquired beneficial ownership of the 5,463,435 shares 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. 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.

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 Glategny 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.

[3] Prudential Financial, Inc. (Prudential), a parent holding company 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 5,062,590 shares of our Common Stock, including 82,059 shares with respect to which it has sole voting power and sole dispositive power,

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1,160,881 shares with respect to which it has shared voting power and 4,980,531 shares of which it has shared dispositive power. Information (other than percentage ownership) reported on the table and in this footnote is as of December 31, 2010 and is based on the Statement of Beneficial Ownership on Schedule 13G filed by Prudential on February 8, 2011 with the SEC.

4 Jennison Associates LLC (Jennison), an Investment Adviser in accordance with Rule 13d-1(b)(1)(ii)(E) under the Exchange Act, furnishes investment advice to several investment companies, insurance separate accounts, and institutional clients (Managed Portfolios). As a result of its role as investment adviser of the Managed Portfolios, Jennison may be deemed to be the beneficial owner of the shares of our Common Stock held by such Managed Portfolios. Jennison may be deemed to be the beneficial owner of 5,034,243 shares of our Common Stock, including 3,570,172 shares with respect to which it has sole voting power and as to all 5,034,243 of which it has shared dispositive power. 100% of the equity interests of Jennison are indirectly owned by Prudential. As a result, Prudential may be deemed to have the power to exercise or to direct the exercise of such voting and/or dispositive power that Jennison may have with respect to our Common Stock held by the Managed Portfolios. Information (other than percentage ownership) reported on the table and in this footnote is as of December 31, 2010 and is based on the Statement of Beneficial Ownership on Schedule 13G filed by Jennison on February 11, 2011 with the SEC.

5 BlackRock, Inc., a parent holding company or control person in accordance with Rule 13d-1(b)(1)(ii)(G) under the Exchange Act, may be deemed to be the beneficial owner of 3,720,958 shares of Common Stock. Information (other than percentage ownership) reported on the table and in this footnote is as of December 31, 2010 and is based on the Statement of Beneficial Ownership on Schedule 13G filed by BlackRock, Inc. on February 8, 2011 with the SEC.

6 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.

7 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.

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 26, 2011 by the following persons:

each of our directors;

each of the nominees for director;

our Chief Executive Officer, our Chief Financial Officer and our four 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 is provided as if our Series A convertible preferred stock had been converted on the record date, as the holders of such stock are generally entitled to vote with the holders of our Common Stock on an as-converted basis. *See* discussion under Voting Securities.

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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.

	Amount Beneficially Owned[1]	Percent of Class
Mary Baglivo		
Emanuel Chirico		
Edward H. Cohen		
Francis K. Duane		
Juan R. Figuereo		
Joseph B. Fuller		
Fred Gehring[2]		
Margaret L. Jenkins		
David A. Landau[3]		
Bruce Maggin		
V. James Marino		
Paul Thomas Murry		
Henry Nasella		
Rita M. Rodriguez		
Craig Rydin		
Michael A. Shaffer		
Allen E. Sirkin		
Christian Stahl[4]		
All directors, nominees for director and executive officers as a group		

* Less than 1% of class.

1 The figures in the table are based upon information furnished to us by our directors, nominees for director and executive officers and upon our 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 a defined contribution plan (a so-called 401(k) plan) under 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.

As of the record date, 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, [ ] shares; Francis K. Duane, [ ] shares; Michael A. Shaffer, [ ] shares; Allen E. Sirkin, [ ] shares; and all of our directors, nominees for director and executive officers as a group, [ ] 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 [ ] shares of Common Stock ([ ]% of the outstanding shares) held in the trust for the PVH Stock Fund as of April 26, 2011.

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 the record date upon the exercise of options granted to them: Emanuel Chirico, [ ] shares; Edward H. Cohen, [ ] shares; Francis K. Duane, [ ] shares; Joseph B. Fuller, [ ] shares; Bruce Maggin, [ ] shares; Paul Thomas Murry, [ ] shares; Henry Nasella, [ ] shares; Rita M. Rodriguez, [ ] shares; Craig Rydin, [ ] shares; Michael A. Shaffer, [ ] shares; Allen E. Sirkin, [ ] shares; and all of our current directors, nominees for director and executive officers as a group, [ ] shares.

The table also includes the following shares of Common Stock that are subject to awards of restricted stock units made to the individuals and as a group, the restrictions on which will lapse within 60 days of the record date: Mary Baglivo, [ ] shares; Margaret L. Jenkins, [ ] shares; Bruce Maggin, [ ] shares; V. James Marino, [ ] shares; Rita M. Rodriguez,

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[ ] shares; Craig Rydin, [ ] shares; and all of our current directors, nominees for director and executive officers as a group, [ ] shares.

2 The 1,941,733 shares of Common Stock beneficially owned by Mr. Gehring are registered under the name of Elmira 5 B.V. (f/k/a Cinquecento B.V.), a Dutch company (Elmira 5), of which Mr. Gehring is the sole member of the Managing Board. Elmira 5 received such shares in connection with our acquisition of Tommy Hilfiger as consideration for the sale of securities (depositary receipts and options to purchase option depositary receipts) corresponding to common shares of Tommy Hilfiger B.V. These securities were initially issued by Stichting Administratiekantoor Elmira (Stichting 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 B.V, Messrs. Gehring and Onnink, along with family foundations to which they transferred certain securities but which transferred their interest in such securities back to Messrs. Gehring and Onnink after the acquisition, contributed to Elmira 5 the securities issued to Messrs. Gehring and Onnink by Stichting Elmira, and Messrs. Grieder and Arts contributed to Elmira 5 some of the securities issued to them by Stichting Elmira. Of the 1,941,733 shares of Common Stock registered in the name of Elmira 5, (i) 1,402,371 shares of Common Stock were distributed to Elmira 5 as consideration for all the securities initially issued by Stichting Elmira to Mr. Gehring; (ii) 282,608 shares of Common Stock were distributed to Elmira 5 as consideration for all the securities initially issued by Stichting Elmira to Mr. Ludo Onnink; (iii) 128,377 shares of Common Stock were distributed to Elmira 5 as consideration for the portion of the securities issued by Stichting Elmira to Mr. Daniel Grieder that he subsequently contributed to Elmira 5; and (iv) 128,377 shares of Common Stock were distributed to Elmira 5 as consideration for the portion of the securities issued by Stichting Elmira to Mr. Michael Arts that he subsequently contributed to Elmira 5. As the sole member of the Managing Board of Elmira 5, Mr. Gehring has voting power over the 1,941,733 shares of Common Stock held by Elmira 5 and, as such, may be deemed to beneficially own all such shares. However, pursuant to the articles of association of Elmira 5, the Managing Board is required, in order to vote the shares of Common Stock held by Elmira 5, to obtain the prior approval of each of Elmira 5 s stockholders with respect to their allocable number of shares of Common Stock held by Elmira 5 (*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 that were distributed by Stichting Elmira to Mr. Onnink, Mr. Grieder and Mr. Arts and contributed to Elmira 5. As of April 26, 2011, the shares of Common Stock reported on the above table were held in escrow pursuant to an escrow agreement entered into in connection with our acquisition of Tommy Hilfiger. A portion of such shares may be forfeited if certain employment-related vesting conditions are not met.

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 2 to the immediately preceding table. However, upon satisfaction of certain conditions, the Liquidator may 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.

3 Includes 4,000 shares of Series A convertible preferred stock beneficially owned by LNK Partners and its affiliates. *See* Note 6 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.

4 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 2 to the prior table.

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ELECTION OF DIRECTORS

Directors

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 Mr. Juan R. Figuereo, who was nominated to replace Mr. Edward H. Cohen, who, after 24 years as a director, has reached the mandatory retirement age for directors and is not standing for election. 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 the Tommy Hilfiger acquisition 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) 2,180,552 shares of Common Stock 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.

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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Name	Principal Occupation	Age	Year Became a Director
Mary Baglivo	Chairman and Chief Executive Officer of the Americas, Saatchi & Saatchi Worldwide, an advertising agency	53	2007
Emanuel Chirico	Chief Executive Officer of the Company	54	2005
Juan R. Figuereo	Executive Vice President and Chief Financial Officer of Newell Rubbermaid, Inc., a consumer and commercial products company	55	N/A
Joseph B. Fuller	Founder, Director and Vice-Chairman, Monitor Group GP, LLC, an international management consulting firm	54	1991
Fred Gehring	Chief Executive Officer of Tommy Hilfiger and PVH International Operations	56	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	59	2006
David A. Landau	Partner and Co-Founder, LNK Partners, a private equity investment firm	45	2010
Bruce Maggin	Principal, The H.A.M. Media Group, LLC, a media investment company	68	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	64	2003
Rita M. Rodriguez	Senior Fellow, Woodstock Theological Center at Georgetown University	68	2005
Craig Rydin	Chairman of the Board of Directors, Yankee Holding Corp.; Non-Executive Chairman, The Yankee Candle Company, Inc., a designer, manufacturer and branded marketer of premium scented candles	59	2006
Christian Stahl	Partner of Apax Partners, L.P., an international private equity investment group	40	2010

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Other Director

The following director has reached the mandatory retirement age for directors and will not be nominated for re-election:

Name	Principal Occupation	Age	Year Became a Director
Edward H. Cohen	Retired; Counsel, Katten Muchin Rosenman LLP, a law firm	72	1987

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. and Full Circle Capital Corporation;
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 Ensco plc; 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. 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;
Mr. Figuereo, who was Executive Vice President and Chief Financial Officer of Cott Corporation, a manufacturer of private label soft drinks, from 2007 to September 2009, and Vice President, Mergers and Acquisitions of Wal-Mart International, Inc., from 2003 to 2007.
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;

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.

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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, Figuereo, 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 2010 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. In addition, in 2010 Mr. Cohen received 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 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 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 paid to an entity that is solely owned and controlled by Mr. Landau; (iv) there are no on-going fees paid to LNK Partners in connection with its investment in us; (v) LNK Partners ownership of Series A preferred stock constitutes approximately 3% 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.

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

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Experience, Qualifications, Attributes and Skills of our Directors

The Nominating & Governance Committee considers a variety 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 Chairman and Chief Executive Officer 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.

Juan R. Figuereo has a strong background in finance and accounting (principally with large multi-national public companies), consumer goods, and retail. His resume includes experience living and working in international markets where the Company has or is planning to have operations. Mr. Figuereo has also considerable experience in brand building and driving innovation at established companies.

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, provides valuable insight to the Board 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 a prior three year term on our Board (2003-2006), 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.

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 internationally and 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 of Directors 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 attended the 2010 Annual Meeting of Stockholders.

There were 12 meetings of the Board of Directors during 2010. All of the current directors 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 or, in the case of Messrs. Gehring, Landau and Stahl, who were not directors for the entire year, 75% of the aggregate number of meetings held during the period in which they served as directors.

Our non-management directors meet regularly in executive sessions without management or the management directors. The independent directors also periodically continue these sessions, with the non-independent, non-management director leaving. Mr. Nasella, our presiding director, presides at the executive sessions of the non-management and independent directors.

Committees

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

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 2010. 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. 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 2010.

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 2010. 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 five 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. 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 (the Code), 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.

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 2,500 restricted stock units to each grantee. However, the authority to grant equity awards to individuals whose compensation is set by the

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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 Code, 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 2010, the Compensation Committee engaged a compensation consultant, ClearBridge Compensation Group, 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 has used ClearBridge Compensation Group in establishing compensation since 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 2010 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.

ClearBridge Compensation Group also advised the Board s Nominating & Governance Committee on director compensation during 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 11 meetings during 2010.

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 2010. Mr. Stahl joined the Committee upon joining the Board in May 2010. *See* the discussion of the Stockholders Agreement with certain Apax affiliates on page 7. The Board of Directors has adopted a written charter for the Committee, which is available without charge on our website, 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 (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 2010.

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. 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 three meetings during 2010.

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 management, management development and succession planning, and annual performance evaluations for the Board. The Guidelines are available on our website, 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 and independent 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.

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 serves 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, periodically, continuing these sessions with only the independent directors present; 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, six of the directors attended at least one external director education program and all but four of the directors, including the three directors first elected in 2010, have attended at least one such program in the past four years.

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.

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. 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 30, 2011.

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

Introduction

The following discussion and analysis explains our current compensation program, with particular focus on the compensation of our Chief Executive Officer, our Chief Financial Officer, and our four most highly compensated executive officers, other than our Chief Executive Officer and Chief Financial Officer. We refer to these executive officers, information about whom follows, collectively, as our Named Executive Officers throughout this Proxy Statement.

Name and Title	Age	Divisional Responsibilities	Years in Position/ Years with Company
Emanuel Chirico Chairman and Chief Executive Officer (principal executive officer)	54		5/18
Michael Shaffer Executive Vice President and Chief Financial Officer (principal financial officer)	48		5/21
Allen Sirkin President and Chief Operating Officer	69		5/26
Fred Gehring Chief Executive Officer of Tommy Hilfiger and PVH International Operations	56	Tommy Hilfiger International	5/15[1]
Francis K. Duane Vice Chairman, Wholesale Apparel	54	Dress furnishings and sportswear (Calvin Klein, Tommy Hilfiger North America and Heritage Brands)	5/13
Paul Thomas Murry President and Chief Executive Officer of Calvin Klein, Inc.	60	Calvin Klein licensing and retail	2/15[2]

1 Includes employment by Tommy Hilfiger entities and predecessors prior to our acquisition of Tommy Hilfiger in 2010.

2 Includes employment by Calvin Klein, Inc. prior to its acquisition by us in 2003.

SEC rules require us to disclose the compensation of our principal executive officer, principal financial officer and the three most highly compensated executive officers other than the principal executive and principal financial officers. We include an additional executive officer in order to present compensation information for all of our executive officers and to have a consistent group of Named Executive Officers from year to year. However, because Mr. Gehring became an executive officer only upon our acquisition of Tommy Hilfiger in May 2010 (after compensation packages were already established), as well as because he is based in Europe and had existing compensation arrangements in place, his compensation package is structured somewhat differently than the other Named Executive Officers. Accordingly, not all of the discussion regarding the Named Executive Officers will pertain to him.

Although this discussion and analysis is framed in terms of our (*i.e.*, management s) approach to compensation and speaks to actions taken by the Compensation Committee of the Board of Directors, our compensation program is a cooperative effort among management, the Committee and the full Board, with advice from an independent compensation consultant. This discussion and analysis reflects that cooperative effort.

2010 Compensation Overview

We are one of the world s largest apparel companies and enhanced our position in 2010 by acquiring Tommy Hilfiger. Our owned brands include our heritage brands (*Van Heusen, IZOD, ARROW* and *G.H. Bass & Co.*), *Calvin Klein* and *Tommy Hilfiger*. We also offer apparel under numerous well-known brands that we license from third parties. We aggregate our business segments into three main business units: (i) Calvin Klein, which consists of our Calvin Klein licensing, dress furnishings, men s sportswear and outlet retail divisions; (ii) Tommy Hilfiger, which consists of our Tommy Hilfiger North America and Tommy Hilfiger International divisions; and (iii) Heritage Brands, which consists of our wholesale dress furnishings, wholesale sportswear and retail divisions that utilize our heritage and licensed brands. Corporate executives (Messrs. Chirico, Shaffer and Sirkin) receive incentive awards based on our overall performance, while the other Named Executive Officers receive incentive awards based both on our overall performance and on the performance of the divisions for which they have responsibility.

We experienced significant growth and achieved substantially improved financial performance in 2010, building upon the strong momentum begun in the second half of 2009, after the global recession adversely impacted 2008 results and the first half of 2009. Highlights include increases in revenue and earnings per share (on a non-GAAP basis) of 93% and 51%, respectively, over 2009 performance. (Earnings per share is a performance measure used for some of our incentive awards.) Importantly, all of our operating divisions exceeded budgeted plans for revenue and operating income. In addition, as shown in the charts below, we outperformed our current peer group for the one-, two- and three-year periods ended 2010 in key performance metrics, putting our performance well above median and generally near the 75th percentile overall for each of those periods. We believe this performance is particularly notable as it is measured against our new peer group but covers periods prior to the acquisition of Tommy Hilfiger (which necessitated the change in peer group). *See* discussion on page 22.

(Footnotes continued on following page)

(1) Excludes extraordinary items and accounting charges permitted under GAAP and reported as such.

(2) Over percentile ranking excludes TSR vs. S&P 1500

As a result of our strong performance in 2010:

- cash bonuses were paid out at maximum levels;
- payouts of cash for the two-year performance cycle ending in 2010 were at the maximum level; and
- payouts of performance share awards for the three-year performance cycle ending in 2010 were between threshold and plan (target) levels, although the Compensation Committee used negative discretion and did not pay out Mr. Chirico s award (*see* discussion on page 34).

We anticipated that business and financial markets would continue to improve and return to a less volatile pattern when we made our compensation and performance goal decisions for 2010 and the performance cycle beginning in 2010. As a result, and also attributable to increased responsibilities relating to the Tommy Hilfiger acquisition, during 2010 we:

- increased base salaries;
- returned values of annual stock options and restricted stock unit awards to pre-2009 levels, at minimum;
- made long-term incentive awards in the form of performance shares instead of making cash awards;
- established performance targets for bonus and performance share awards using parameters generally consistent with those used prior to 2009; and
- increased the potential payouts (as a percentage of base salary) of bonuses.

We also took actions in 2010 to refine and improve further our compensation program, including:

- adding a performance condition to the otherwise time-based vesting of restricted stock unit awards made to Named Executive Officers (*see* discussion on page 30);
- eliminating tax gross-ups under all Named Executive Officer employment agreements; and
- eliminating Mr. Sirkin s right to certain guaranteed equity awards in connection with the extension of his employment agreement. (No other executives have guaranteed awards.)

Other actions taken in 2010 were as a result of the Tommy Hilfiger acquisition. First, we established a compensation package for Mr. Gehring that parallels the packages of the other Named Executive Officers in terms of the mix of salary and annual and long-term incentive compensation. This involved a significant reduction of his salary coupled with a significant increase in his annual incentive opportunity and the addition of significant long-term incentives. However, the long-term elements of Mr. Gehring s compensation packages are expected to include more value in cash-based awards and less in equity-based awards. This is because he has substantial stock holdings as a result of the shares of our common stock he received in the acquisition as consideration for his ownership interest in Tommy Hilfiger. *See* stock ownership information on page 5. Additionally, we established two long-term compensation programs relating to the growth and integration of Tommy Hilfiger. One is a cash bonus program for the senior executives of Tommy Hilfiger, including Mr. Gehring, based upon the performance of Tommy Hilfiger over the three-year period after the acquisition closing. The other is a performance share program for our non-Tommy Hilfiger senior executives, including all other Named Executive Officers, based on the performance of the entire Company for the same period.

Compensation Philosophy, Objectives and Procedure

Our compensation program is a pay-for-performance model based upon the philosophy that we should incentivize our executive officers to improve our financial performance, profitably grow our businesses and increase stockholder value, and reward them only if they attain these objectives. While we include a competitive base salary as an element of our compensation program in order to provide steady and secure cash payments at a market competitive level, the bulk o approximately 65% to 85% o of each Named Executive

Officer s compensation package generally consists of short-term and long-term awards that only pay out if we achieve specific financial targets and equity awards that are linked to increases in stock value over time. *See* page 26 for further discussion on pay mix. The Compensation Committee considers the potential for risky behavior in connection with the performance-based awards it makes to ensure that these incentives do not motivate the executive officers to take actions that are not in our long-term best interests. *See* Risk Considerations In Compensation Programs on page 63.

The Compensation Committee undertakes annually a comprehensive review of our compensation program. This includes keeping abreast of regulatory changes, following marketplace developments and analyzing practices within our peer group. This effort is intended to ensure that our practices are consistent with stockholder interests, while continuing to enable us to recruit, retain and motivate qualified employees. The Committee has retained an independent compensation consultant, ClearBridge Compensation Group, to advise it on all matters related to the compensation of our executive officers and our compensation plans.

Compensation Components

Compensation packages for our executive officers typically include the following:

- short-term components consisting of base salary and annual cash bonuses;
- long-term components consisting of time-based stock options, time and performance-based restricted stock units, and performance-based cash awards; and
- benefits.

We consider both objective and subjective factors in formulating individual compensation packages. Examples of these factors include compensation of comparable executives at peer group companies; 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 management. There is no specific weight assigned to these factors and no one factor or group of factors is dispositive.

Our compensation program does not rely to any significant extent on pension and welfare benefits or perquisites.

Administration of Compensation Programs

The Compensation Committee annually establishes the individual compensation packages for all of our Named Executive Officers.

On a program-wide basis, the Compensation Committee considers matters such as the composition of our peer group; the mix of compensation (*e.g.*, cash versus equity, time-based versus performance-based incentives, fixed versus at-risk components, etc.); the performance measures and payouts utilized with incentive awards; and the need to amend or replace plans due to the upcoming expiration of existing plans, stock availability, developments in the field of incentive compensation or other reasons. We use generally accepted types of plans and awards that provide clear accounting treatment and are understandable to stockholders and executives alike. Our plans are designed to be flexible in their application so that we can develop compensation packages with the appropriate mix of awards on appropriate terms.

In establishing the program for a year, the Compensation Committee also considers the various elements of our executive compensation packages, including whether to increase salaries in general or for specific executives; whether to change potential payouts as a percentage of salary; and whether to alter the mix between cash and equity compensation. This review also addresses 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.

Management, principally the Chief Executive Officer and the Senior Vice President o Human Resources, 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

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the compensation program. This insight helps the Committee establish performance goals, adjust salaries, award discretionary bonuses and take other related actions. Additionally, our Chief Executive Officer discusses his own compensation with the Chairman of the Committee. The Committee and the compensation consultant then work with management to develop specific packages for the senior executives for whom the Committee has responsibility. Any significant changes to the overall program are first 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.

Performance targets keyed to corporate performance are typically measured on a non-GAAP basis, as permitted under the Code. The Compensation Committee determines at the time it establishes the targets certain expenses, costs and other matters (such as costs related to acquisitions, changes in accounting rules and changes in tax law that are incurred or occur after the awards are made) that it believes should not affect the calculation of the achievement of a performance goal. Similarly, divisional performance targets typically exclude corporate allocations, costs associated with corporate initiatives, start-up ventures or other matters that management recommends to the Committee not to be considered when measuring performance. The performance measures discussed in this Proxy Statement all include such adjustments and exclusions (*e.g.*, 2010 earnings per share excludes restructuring costs relating to the Tommy Hilfiger acquisition and 2009 earnings per share excludes exit costs associated with a business we closed and a restructuring in our neckwear business) and such adjustments and exclusions may be different than those used by management when providing guidance and discussing results.

Industry Peer Group

The Compensation Committee considers a study compiled by the compensation consultant of compensation packages for executives in an industry peer group, generally culled from public filings and published compensation benchmark surveys, as part of its review when considering compensation packages. On an annual basis, the consultant identifies retail, apparel and footwear companies with a similar business mix that use similar channels of distribution and are of a comparable size to us and the Committee reviews, considers and approves the group. 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 it helps the Committee assess the reasonableness of our compensation packages.

We used two peer groups in setting 2010 compensation. When granting stock option and restricted stock unit awards in early April 2010, the Compensation Committee used a peer group that was similar to the one used in setting 2009 compensation. When it became apparent that the Tommy Hilfiger acquisition would be consummated, the Compensation Committee began using a new peer group that the Committee approved after directing the compensation consultant to identify companies in our industry that reflected the changes in our overall business mix that resulted from the acquisition. Specifically, the Committee determined that with the expected doubling of our revenues, the smaller companies in the existing peer group were no longer appropriate peers. In addition, the Committee determined that the significant European and specialty retail components of the Tommy Hilfiger business warranted including European competitors and specialty retailers in the new peer group.

The original peer group consisted of public companies with businesses meeting the parameters mentioned above that, with two exceptions, had revenues for the most recent fiscal year between approximately 40% and approximately 250% of our annual revenue. We included companies outside of the revenue parameters so that we would have a sufficient number of companies, as recommended by the compensation consultant, for data to be meaningful for benchmarking purposes. This peer group consisted of:

Burberry Limited
Coach, Inc.

Columbia Sportswear Company
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.
Warnaco Group, Inc.

VF Corp. and Kenneth Cole Productions, Inc. were the two exceptions to the revenue parameters for the original peer group. VF Corp. is above the applicable revenue parameters and Kenneth Cole Productions, Inc. falls below them.

The new peer group consists of public companies within the same business and revenue parameters (with one exception, for the same reason discussed above), reflecting our changed business mix and using our estimated annual revenue after giving effect to the Tommy Hilfiger acquisition. This peer group consists of:

Abercrombie & Fitch Co.
American Eagle Outfitters, Inc.
Burberry Limited
Coach, Inc.
Esprit Holdings Limited
Guess?, Inc.
Hanesbrands Inc.
Jones Apparel Group, Inc.
Levi Strauss & Co.
Limited Brands, Inc.
Liz Claiborne, Inc.
Nordstrom, Inc.
Polo Ralph Lauren Corporation
The Gap, Inc.
VF Corp.
Warnaco Group, Inc.

The Gap, Inc., which is above the applicable revenue parameters, is the exception in the new peer group.

We compare the cash compensation of Mr. Murry to that of both comparable executives (from an operational perspective) in the ICR Luxury Goods Survey and the comparable indexed executive (*e.g.*, fifth-ranked executive) from the peer group 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 the ICR Luxury Goods Survey than by comparing him to another company s fifth-most highly paid executive. However, we cannot compare Mr. Murry s total compensation to the comparable executives in the ICR Luxury Goods Survey because the survey does not provide that data. There were nine companies (the companies are not identified to us for confidentiality reasons) in the ICR Luxury Goods Survey with executives holding comparable positions to that of Mr. Murry. Participants in the ICR Luxury Goods Survey currently include the following companies:

Bose Corporation
Burberry Limited
Calvin Klein, Inc.
Carolina Herrera Ltd. Inc.

Chanel U.S.A., Inc.
Clarins USA, Inc.
Coach, Inc.
DFS Group, Ltd.
Donna Karan International, Inc.
Ermenegildo Zegna Corporation
Escada (USA) Inc.

Ferragamo USA, Inc.
Fossil, Inc.
Giorgio Armani Corporation
Harry Winston, Inc.
J Crew Group, Inc.
Kohler Co.
Liz Claiborne, Inc.
Louis Vuitton North America, Inc.
Michael Kors (USA) Inc.
Montblanc, Inc.
Movado Group Inc.
Polo Ralph Lauren Corporation
Prada USA Corp.
St. John Apparel LLC;
Tiffany & Co.
Tory Burch LLC
Tumi Inc.
Zale Corporation

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 and proposed compensation for the then current year, including all elements of cash compensation, incentive compensation, perquisites and benefits. They also cover 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. The termination scenarios include 12 elements of compensation, including severance pay and value receivable under cash incentive, equity, pension, savings and deferred compensation plans.

The tally sheets illustrate compensation opportunities and benefits and quantify payments and other value an executive would receive in various termination of employment scenarios, meaning they show full walk away values. 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.

Consideration of Wealth Accumulation

The Compensation Committee looks 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 as part of its review process. However, for several reasons, it does not believe that wealth accumulation should be used to set a limit on what an executive can earn in the future.

First, we believe it is 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. If we were to discontinue incentive compensation awards, benefit accruals or other components of compensation, our executives could be less motivated to continue to perform at the high levels at which we believe they have performed and could seek alternative employment at a competitor that would offer a full range of incentive compensation. Reducing an executive s compensation because of the amount of prior compensation would unfairly penalize the executive for the executive s and our past success.

Second, 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 if stockholders reap a similar benefit. 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) or the individual executive

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(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 pay out 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.

Moreover, we have executives with long tenures. The average tenure (including, in two cases, service with a business we acquired) of our Named Executive Officers is over 17 years. As a result, retirement plan values are significant. The largest portion of these plan values are typically from plans such as the AIP (our 401(k) plan) and Supplemental Savings Plan (a non-qualified deferred compensation plan), that are primarily funded by the executive through payroll deductions. Therefore, we do not believe that they should serve to curtail on-going compensation.

We have employment agreements with our Named Executive Officers that provide severance benefits. We believe it is appropriate under certain circumstances to pay severance regardless of the amount of compensation previously paid to an executive. The decision to provide severance benefits is based upon the executive s position, the ability of the executive to find a similar position following certain terminations of employment, and the value to us of the restrictive covenants, including non-competition and non-solicitation covenants, by which our executives have agreed to be bound in exchange for the severance arrangements which we have agreed to provide. *See* Employment Contracts on pages 44 to 48.

Target Compensation

The compensation levels of our Named Executive Officers are targeted to approximate the peer group median if we achieve our budget, to approximate or exceed the 75th percentile of competitive compensation levels if we exceed our budget, and to be below the competitive median (near the 25th percentile) if our budget is not attained. We focus on the range between the 25th and 75th percentiles of the peer group data to understand the competitive compensation market. The compensation consultant has demonstrated that this approach diminishes the disproportionate effect caused by the outliers that pay well above or well below the balance of the group.

We believe that the above percentiles should be used as a guide but the Compensation Committee is not required to target compensation at those exact levels. Not all of our peer companies have executives with positions comparable to those of all of our Named Executive Officers. Accordingly, we also consider how the compensation of a Named Executive Officer compares to that of executives at companies in our peer group with the same compensation ranking.

When establishing annual compensation for our Named Executive Officers, the Compensation Committee considers the following as constituting total potential compensation:

- base salary;
- annual performance bonus potential;
- potential value to be received under performance-based long-term incentive awards; and
- stock option and restricted stock unit grant values.

When making the awards of annual performance bonuses and long-term incentives, the Committee establishes a threshold goal (performance below which no payout would be made), target goal, and maximum goal (performance above which no additional payout would be made). Inasmuch as annual performance bonus and long-term incentive awards are dependent upon, and vary with, our performance, the value of these awards, as well as each Named

Executive Officer s total compensation, is considered at threshold, target and maximum levels. For this purpose, stock option grants are valued using the Black-Scholes-Merton option pricing methodology. We do this in order to provide a consistent comparison to the value of stock option grants made to executives at the companies in our peer group, which the compensation consultant values using the same methodology. Restricted stock units are valued based on the market price of our common stock.

At the beginning of each fiscal year, we compare the potential total compensation that a Named Executive Officer can earn to the most comparable executives at the companies in our peer group to ensure that the amounts are consistent with the desired benchmarking for each Named Executive Officer s compensation.

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At the end of each fiscal year, we calculate the total compensation paid or expected to be paid to our Named Executive Officers for that fiscal year and compare that amount to the total compensation paid to such comparable executives.

The following charts are the benchmarking comparisons reviewed by the Compensation Committee for the 2010 actual total cash compensation and actual total compensation of each of our Named Executive Officers. Total cash compensation consists of salary and bonus, and total compensation consists of salary, bonus, the value of stock option and restricted stock unit grants made in 2010 and the value of the payouts received from long-term incentive awards for performance cycles ending with 2010. Consistent with the charts on page 19 that show that our strong performance for 2010 and the two- and three-year periods then ended as compared to our new peer group, on an overall basis, compensation paid to our Named Executive Officers generally approximated the 75th percentile as compared to their peer group counterparts, with variation occurring for the reasons discussed above.

(1) Mr. Duane and Mr. Murry are compared to peer group business unit heads (boxes) and the average of the 4th and 5th ranked peer group executives (triangles)

Internal Pay Equity

We do not have a policy regarding the ratio of total compensation of the Chief Executive Officer to that of the other executive officers but we do review compensation levels to ensure that appropriate equity exists. In some cases there are differences in the compensation packages awarded to our Named Executive Officers, such as differences in the percentage of base salary payable under our incentive awards. These differences are largely the result of benchmarking but also reflect the Named Executive Officer s seniority, relative pay, tenure in his position and similar considerations. With these exceptions, our policies and decisions relating to our Named Executive Officer compensation packages are substantially identical.

During the past three years, our Chief Executive Officer s compensation has been less than three times the compensation of the next highest paid executive officer (excluding Mr. Gehring), which we believe is an acceptable multiple.

Allocation Among Compensation Components

Our compensation program does not prescribe a specific formula for the mix of base salary and annual and long-term incentive components so that we have flexibility in developing appropriate compensation packages. Generally, we would like salaries to approximate the median for the peer group and the majority of the other compensation components to be subject to our performance and the performance of our common stock and to be at-risk. The chart below shows the mix of these elements for each of the Named Executive Officer s 2010 compensation package.

We believe that the pay mix for each of the Named Executive Officers is appropriate for our Company and as compared to our peer group. The values attributed to bonuses and long-term incentives (which for 2010 consisted of grants of options ([ ]-[ ]%), restricted stock units ([ ]-[ ]%) and performance stock awards([ ]-[ ]%)) for purposes of the chart are based on the target performance level and would represent a lower percentage of total compensation at threshold performance levels and a higher percentage at maximum performance levels. The differences in the mix of components among the Named Executive Officers is largely attributable to job responsibility, with the corporate executives compensation packages being slightly more heavily weighted towards long-term incentives.

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Timing of Equity Awards

Our equity award policy provides that the annual equity grant to our senior executives, including our Named Executive Officers, generally will be approved by the Compensation Committee at a meeting held during the period commencing two days after the public release of the prior year s earnings results and ending two weeks prior to the end of the first fiscal quarter of the current year. Equity awards may be made to our Named Executive Officers outside of the annual grant process in connection with a promotion, assumption of new or additional duties or other appropriate reason. All such grants to Named Executive Officers must be approved by the Committee and generally will be made on the first business day of the month following the effective date of the precipitating event. The Committee retains the discretion not to make grants at the times provided in the policy if the members determine it is not appropriate to make a grant at such time. Additionally, the Committee retains the discretion to make grants, including an annual equity grant, at times other than as provided in the policy if the members determine circumstances, such as changes in accounting and tax regulations, warrant making a grant at such other times.

Key Elements of Compensation

Base Salaries

Purpose. We pay base salaries to provide our executive officers with a stable and secure source of income at a market-competitive level in order to retain and motivate these individuals.

Considerations. Annual salaries are determined by evaluating our overall performance and expected performance, the performance of each individual executive officer, and the performance of the executive s division (for operational executives), as well as by considering market forces, peer data and other factors the Compensation Committee believes to be relevant. Examples of these other factors include time between salary increases, promotion (and, if applicable, the base salary of the predecessor in the position), expansion of responsibilities, advancement potential, and the execution of special or difficult assignments. Additionally, the Committee takes into account the relative salaries of our Named Executive Officers. No specific weight is attributed to any of the factors; the Committee considers all factors and makes a subjective determination, based upon the experience of its members, the information and analysis provided by the compensation consultant and the recommendations of the Chief Executive Officer and the Senior Vice President, Human Resources (other than for themselves).

2010 Decisions and Analysis. We increased the annual base salaries of Messrs. Chirico (from $1,000,000 to $1,250,000 (25%)), Shaffer (from $475,000 to $600,000 (26%)), Duane (from $800,000 to $900,000 (13%)) and Murry (from $850,000 to $900,000 (6%)) during 2010 due to significant changes and increases in their job responsibilities as a result of the Tommy Hilfiger acquisition and because none of these officers, other than Mr. Shaffer, had his base salary increased since 2006. We also increased the base salary of Mr. Sirkin by $50,000 (to $1,000,000) as required under his employment agreement.

After our acquisition of Tommy Hilfiger, the Compensation Committee established a new compensation package for Mr. Gehring to reflect his responsibilities as the Chief Executive Officer of Tommy Hilfiger and PVH International Operations. At the time of the acquisition, Mr. Gehring was employed under an agreement that paid him a high salary but provided him with a relatively low annual bonus opportunity and no other incentive compensation. Mr. Gehring also held a significant ownership interest in Tommy Hilfiger. To reflect our pay-for-performance philosophy and to better incentivize Mr. Gehring, we negotiated a new employment agreement with him under which his base salary was decreased by approximately 30% (from 1,200,000 to 850,000) but his annual bonus opportunity was increased significantly and he was also given a significant long-term incentive opportunity.

Short-Term Incentives

Performance Incentive Bonus Plan

Purpose. The purpose of our Performance Incentive Bonus Plan is to provide cash compensation on an annual basis that is at-risk and contingent on the achievement of overall Company performance or divisional

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performance goals, as appropriate. The Plan allows for goals to be set based upon numerous performance criteria but, to date, the Compensation Committee has set targets based on our earnings per share or the net earnings of our businesses during the applicable year. These goals were chosen because they support our strategic business objectives, are easily understood by participants, and are aligned with the creation of stockholder value.

Considerations. Bonuses under our Performance Incentive Bonus Plan for Messrs. Chirico, Shaffer and Sirkin are based solely on annual earnings goals for the Company as a whole. Typically, to pay out at the target level, the Company must have earnings per share that falls within the middle of the earnings per share guidance range that management provides to the financial market at the beginning of each fiscal year. Our earnings guidance is based on the budget approved by the Board of Directors.

Bonus compensation in the case of Messrs. Duane and Murry is principally based on the annual earnings goals for their respective divisions but also has a component based on the same annual earnings targets for the Company as are established for the other Named Executive Officers. The divisional earnings goals are the budgeted earnings included in the annual budget approved by the Board.

Mr. Gehring, as discussed in detail below, did not receive an award in 2010 under our Performance Incentive Bonus Plan but did receive an award opportunity based on the 2010 budget for Tommy Hilfiger (two-thirds) and the same earnings per share targets as the other Named Executive Officers (one-third).

2010 Decisions and Analysis. The Compensation Committee established targets for 2010 for our Named Executive Officers participating in our Performance Incentive Bonus Plan in April 2010. The earnings per share targets were as follows:

Threshold Earnings Per Share ($)	Decrease From Prior Year EPS (%)	Target Earnings Per Share ($)	Decrease From Prior Year EPS (%)	Maximum Earnings Per Share ($)	Increase Over Prior Year EPS (%)
3.00	(13)	3.33	(3)	4.00	16

The earnings per share goals set forth above reflected our expectation that the economy had stabilized as compared to the volatility in 2009 but would not grow significantly and that 2009 earnings had also included a tax benefit that would not be included in 2010 earnings. In contrast, the threshold, target and maximum earnings per share goals for 2009 were 13% lower than the 2008 threshold goal, 27% lower than the 2008 target goal and the same as our 2008 earnings per share, respectively. In 2010:

- the maximum earnings per share goal was set at 16% higher than 2009 earnings per share;
- the target earnings per share goal was substantially flat; and
- the threshold earnings per share goal represented a decrease from our 2009 earnings per share.

These performance targets were in a narrower performance range than we used for 2009 to address the heightened difficulty in establishing reasonable targets that year. The 2010 target range was consistent with those that we had used in prior years. Specifically, the minimum level of performance required for a payout was 90% of the target level for 2010, versus 81% in 2009; and the level of performance required for the maximum payout was 120% of the target level, versus 137% in 2009.

Our 2010 earnings per share of $4.38 represented a 27% increase over 2009 earnings per share. As a result, each of the Named Executive Officers earned bonuses with respect to our 2010 corporate earnings at the maximum levels.

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The potential payouts (as a percentage of base salary) and actual payouts (as a percentage of base salary and in dollars) were as follows with respect to Messrs. Chirico, Sirkin and Shaffer, the Named Executive Officers who received payouts based solely on our annual corporate earnings:

Name	Threshold (%)	Target (%)	Maximum (%)	Actual (%)	Actual ($)
Mr. Chirico	37.5	150	300	300	3,750,000
Mr. Shaffer	25	75	175	175	1,050,000
Mr. Sirkin	20	75	195	195	1,950,000

Potential payouts for Messrs. Chirico and Shaffer were increased in 2010 as part of the enhanced compensation packages awarded to them to reflect their additional responsibilities arising from our acquisition of Tommy Hilfiger. Mr. Chirico s potential payouts increased from the 2009 threshold, target and maximum payouts of 25%, 100% and 200%, respectively, of base salary. Mr. Shaffer s potential payouts increased from the 2009 threshold, target and maximum payouts of 15%, 60% and 150%, respectively, of base salary.

Messrs. Duane and Murry were eligible to receive bonus payouts based upon our total corporate earnings and the net earnings of the business divisions for which each has overall responsibility. The divisional targets, which were based on net earnings, were as set forth below:

Name	Threshold ($)	Increase From Prior Year Net Earnings (%)	Target ($)	Increase From Prior Year Net Earnings (%)	Maximum ($)	Increase Over Prior Year Net Earnings (%)
Mr. Duane	183,900,000	2.6	190,511,000	6.3	210,400,000	17.4
Mr. Murry	201,000,000	3.0	207,740,000	6.5	228,100,000	16.9

Mr. Duane received the maximum bonus payout based on the aggregate net earnings of $212,111,000 of our wholesale dress furnishings and sportswear divisions and Mr. Murry received the maximum bonus payout based on the aggregate net earnings of $244,262,000 of our Calvin Klein licensing and retail divisions. Messrs. Duane and Murry also received maximum payouts with respect to our total corporate earnings.

The potential payouts (as a percentage of base salary) and actual payouts (as a percentage of base salary and in dollars) for these executives were as follows:

Name	Earnings Component	Threshold (%)	Target (%)	Maximum (%)	Actual (%)	Actual ($)

	Company	2.5	10.0	25.0	25.0	225,000
Mr. Duane	Divisional	12.5	50.0	125.0	125.0	1,125,000
	Total	15.0	60.0	150.0	150.0	1,350,000
	Company	2.5	10.0	25.0	25.0	225,000
Mr. Murry	Divisional	12.5	50.0	125.0	125.0	1,125,000
	Total	15.0	60.0	150.0	150.0	1,350,000

2010 Bonus Arrangement for Mr. Gehring

The Compensation Committee established a separate bonus arrangement for 2010 for Mr. Gehring, who did not receive an award under our Performance Incentive Bonus Plan due to the timing of the Tommy Hilfiger acquisition and the negotiation of his new compensation package after completion of the acquisition. Mr. Gehring, nonetheless, was awarded a bonus opportunity similar to other divisional executives, with two-thirds of the opportunity based upon the net earnings of our Tommy Hilfiger businesses, based upon our management s budget estimates developed in connection with the acquisition, and one-third based on the same corporate earnings per share targets established for the other Named Executive Officers.

The potential payouts (as a percentage of base salary) and actual payouts (as a percentage of base salary and in dollars, based upon the exchange rate as of March 30, 2011 (the date of payment)) for Mr. Gehring were as follows:

Earnings Component	**Threshold (%)**	**Target (%)**	**Maximum (%)**	**Actual (%)**	**Actual ($)**
Company	25	50	100	100	1,110,610
Divisional	50	100	200	200	2,221,220
Total	75	150	300	300	3,331,830

Mr. Gehring received a maximum bonus payout based on Tommy Hilfiger s earnings of $[?], which exceeded budgeted earnings by 21%. Mr. Gehring also received a maximum payout with respect to our corporate earnings.

Discretionary Bonuses

The Compensation Committee from time to time awards discretionary bonuses for undertaking additional duties, accomplishing specific projects or achieving specific benefits for the Company, such as special efforts or accomplishments in connection with a transaction or a corporate initiative. The Committee may also award discretionary bonuses based on other factors. The Committee has the authority to place restrictions, such as a vesting period, on any discretionary bonus it awards to an executive officer. In 2010, we paid a discretionary bonus of $100,000 to Mr. Shaffer in recognition of his efforts in connection with our acquisition of Tommy Hilfiger.

Long-Term Incentives

Stock Options and Restricted Stock Units

Purpose. We make annual grants of stock options and restricted stock units to our Named Executive Officers in order to align their interests with those of our stockholders. The value of these awards is at-risk.

Considerations. Generally, the stock options we grant may not be exercised until the first anniversary of the grant date and become fully exercisable in equal annual installments through the fourth anniversary of the grant date. These stock options typically remain exercisable during employment until the tenth anniversary of the date of grant. We believe that stock options provide an incentive to recipients to increase stockholder value over the long term, since the maximum benefit of the options granted cannot be realized unless stock price appreciation occurs over a number of years. Moreover, we believe that stock options have the potential to deliver more value to an executive than restricted stock units.

Restricted stock units generally vest in increments of 25%, 25% and 50% on the second, third and fourth anniversaries of the date of grant, respectively, and are settled by the delivery of stock as soon as practicable after the vesting date. We grant restricted stock units because we believe that while stock options provide a greater incentive to increase our stock price, restricted stock units better reflect the interests of stockholders, as both increases and decreases in our stock price have the same effect on holders of restricted stock units as they do on stockholders. Additionally, they serve as a constant incentive, regardless of fluctuations in stock price. We start the vesting for restricted stock units later than we do for stock options because restricted stock units provide holders with value immediately upon vesting, regardless of the stock price, and we believe that the later start better aligns employees interests with those of longer-term stockholders and provides an effective retention tool.

We target 60% of the overall value of the annual equity awards granted to our Named Executive Officers to be in the form of options and 40% to be in the form of restricted stock units. We believe that the use of both options and restricted stock units is consistent with our compensation philosophy, as each aligns our executives with stockholder interests in different ways. We put more value into stock options because we believe that options better capture pay-for-performance by providing a reward only if our stock price increases.

2010 Decisions and Analysis. During 2010, we granted both options and restricted stock units to our Named Executive Officers, with two exceptions. We did not grant stock options to Mr. Sirkin because his employment agreement provided that he was to receive only restricted stock units. We did not grant stock options or restricted stock units to Mr. Chirico because the awards of stock options and restricted stock units made to him in 2009 were intended as his standard annual 2009 grant, as well as upfront grants of his standard awards for 2010 and 2011.

We increased the value of the 2010 annual equity awards granted to Messrs. Shaffer, Duane and Murry to restore them to 2008 (pre-recession) levels and, in the case of Mr. Shaffer, made an additional increase to reflect his increased responsibilities resulting from our acquisition of Tommy Hilfiger. The value of the annual awards made in 2009 was approximately 20% less than in 2008, reflecting a general practice in the marketplace in light of the economic environment, our declining stock price at the time of grant, and our share availability at the time awards are typically granted by us. Mr. Sirkin s equity awards were made as required under his employment agreement and were the same value as those made in 2009.

In addition to the service-based criteria for vesting, the annual restricted stock unit awards granted to Messrs. Duane and Murry during 2010 were also made subject to performance-based conditions that are intended to satisfy the conditions for the deductibility of the awards under Section 162(m) of the Code. Specifically, the awards required us to achieve $50,000,000 of adjusted net income for any of 2010, 2011, 2012 or 2013. Adjusted net income for any of the above fiscal years refers to our net income for the applicable year, adjusted by the applicable automatic adjustments to the performance goals for such year. Automatic adjustments are established by the Compensation Committee in accordance with Section 162(m). We achieved the required level of adjusted net income for 2010. As a result, each of these officers will vest in his award, assuming he remains employed by us through each of the service-based vesting dates, which end in 2014. There are no performance conditions associated with Mr. Shaffer s restricted stock unit award, as he is not a covered employee for purposes of Section 162(m).

We made two grants of restricted stock units to Mr. Sirkin in 2010. Both grants to Mr. Sirkin in 2010 have service-based and performance-based vesting conditions. The first award was made on the same date as the grants made to Messrs. Duane and Murry and has the same performance vesting condition as their awards. The second award was made on the date of the 2010 Annual Meeting of Stockholders and required us to achieve $30,000,000 of adjusted net income for the second, third and fourth quarters of 2010 (in the aggregate) or $50,000,000 of adjusted net income for any of 2011, 2012 or 2013. We achieved the required level of adjusted net income for 2010 and the second, third and fourth quarters of 2010, as applicable. As a result, Mr. Sirkin will vest in the awards, assuming he remains employed by us for the period required under his award agreements. Both of the grants to Mr. Sirkin were required under a 2008 amendment to his employment agreement that provided for the delay of his retirement and extension of his employment through the date of our 2011 Annual Meeting of Stockholders. Pursuant to the terms of the amendment, the award made on the date of the 2010 annual meeting had a grant date value of approximately $500,000, which was intended as consideration for his agreeing to enter into the amendment. The first award had a grant date value of approximately $1,250,000, which was the agreed upon value of Mr. Sirkin s annual grant pursuant to the amendment. Although Mr. Sirkin agreed in 2010 to amend his employment agreement to further delay his retirement to no earlier than the date of our 2012 Annual Meeting of Stockholders, the 2010 amendment does not provide for his continued receipt of any guaranteed equity awards. The 2008 amendment to Mr. Sirkin s employment agreement was the only time we provided a contractual guarantee of equity awards and we would not expect to do so again, except in other unusual circumstances. We made grants of restricted stock units and stock options to Mr. Gehring at the time his new employment agreement was entered into. Mr. Gehring s awards had an approximate aggregate value of 1,200,000 (approximately $1.7 million based on the average exchange rate for the period from the date of grant to January 30, 2011) on the date of grant, split 60% of value in stock options and 40% in restricted stock units.

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Long-Term Incentive Plan and Performance Share Awards

Purpose. We make performance-based long-term incentive awards to our Named Executive Officers under our Long-Term Incentive Plan and our 2006 Stock Incentive Plan. The Long-Term Incentive Plan is cash-based, while awards under the 2006 Stock Incentive Plan are made in the form of performance shares (which pay out in shares of our common stock). The purpose of these long-term awards is to provide compensation that is at-risk and contingent on the achievement of the selected performance criteria over an extended period. Performance shares have an additional link to performance in that their value will increase if our stock price is higher at the end of the performance cycle than it was on the grant date (and will decrease if the stock price is lower). These awards also have retentive value because they only pay out if the participant remains employed for the performance cycle, subject to certain exceptions.

Considerations. The performance-based long-term incentive awards that we have made have required us to achieve certain performance targets during a period of two or three years, although they can cover shorter or longer periods (but not less than 12 months). The Compensation Committee s decision to grant cash or stock awards depends on the factors it considers appropriate. The length of the cycles established has depended, in part, on the general state of the economy and its impact on our ability to plan our business over an extended period. While the performance goals always require significant performance over the performance cycles based on the facts known at the time the awards are made, the Compensation Committee uses shorter cycles when longer range forecasts are impractical and potentially unreasonable. 2009 is an example. With the global economy still in recession but moving slowly towards recovery, it was not clear how to plan appropriately beyond 2010, as there were predictions that the economy could fall into a double dip recession, while a more robust recovery could not be ruled out. Additionally, at the time we made awards, we had share availability limitations and the stock market continued to be unsettled. As a result, we made cash awards under our Long-Term Incentive Plan for a performance cycle covering two years.

The Compensation Committee can choose from an extensive list of performance measures to evaluate performance but, to date, has only used cumulative earnings growth as measured by cumulative earnings per share targets and, in most cases, improvement in return on equity over the applicable performance cycle. Earnings per share is the principal component of all awards to date, as it is viewed by our executive officers as the best measure of performance, with the best alignment of interest with stockholders. Return on equity has been used as a check to ensure that the earnings are achieved while maintaining return on equity at desirable levels.

Potential payouts are based on the executive officer s base salary. Potential payouts for cash awards are equal to a percentage of base salary that is assigned to each performance target. Potential payouts of performance shares are determined by taking the applicable percentage of the recipient s base salary and converting the dollar amount to a number of shares based on the value of our common stock when the award is granted. Payouts for performance at a level between goals is typically proportionate between the two payouts established for each of the goals but can be on any basis established by the Compensation Committee.

2010 Decisions and Analysis New Awards

Annual Grant of Performance-Based Long-Term Incentive Awards

All of our Named Executive Officers, other than Mr. Gehring, received awards of performance shares in 2010 with respect to a performance cycle covering 2010 through 2011. The earnings per share growth targets for the performance cycle are as follows:

Threshold

Cumulative Earnings Per Share ($)	Compound Growth (%)	Target Cumulative Earnings Per Share ($)	Compound Growth (%)	Maximum Cumulative Earnings Per Share ($)	Compound Growth (%)
6.31	7.5	6.99	15	7.96	25

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These goals are presented solely for the purpose of describing our compensation program. They are not management s estimates of results or other guidance. Investors should not apply these goals to other contexts.

The following table shows the potential payouts in shares of common stock (and the approximate percentage of salary used to calculate the number of shares issuable) that were established when the performance goals were set:

Name		Threshold	Target	Maximum
Mr. Chirico	Shares (#)	11,798	31,461	70,788
	% of Salary	60	160	360
Mr. Shaffer	Shares (#)	1,180	2,360	4,719
	% of Salary	12.5	25	50
Mr. Sirkin	Shares (#)	1,573	3,933	8,652
	% of Salary	10	25	55
Mr. Duane	Shares (#)	1,416	2,832	5,663
	% of Salary	10	20	40
Mr. Murry	Shares (#)	1,416	2,832	5,663
	% of Salary	10	20	40

Potential payouts for Messrs. Chirico and Shaffer were increased in 2010 as part of the enhanced compensation packages awarded to them to reflect their additional responsibilities arising from our acquisition of Tommy Hilfiger. Mr. Chirico s potential payouts for this award increased from the threshold, target and maximum potential payouts for 2009 of 40%, 100% and 220%, respectively, of base salary. Mr. Shaffer s potential payouts increased from threshold, target and maximum potential payouts of 10%, 20% and 40%, respectively.

We used a two-year performance cycle for 2010 for two reasons. First, we could not gauge the scope or depth of the global economic recovery over an extended period. Second, we were on the verge of completing the transformative Tommy Hilfiger acquisition when awards were made and it was impractical to establish realistic performance goals for a period that would extend beyond the initial transition and integration process.

We used performance share awards instead of cash awards in 2010 because we believed that the stock market would be less volatile than in 2009, the share availability constraints present in 2009 no longer existed and our higher stock price, coupled with the recovery of the stock market in general, mitigated the concern we had in 2009 that a sudden and sharp increase in stock price after the awards were made could inappropriately reward recipients. The 2010 awards did not include return on equity as an additional performance measure because the awards were made prior to the closing of the Tommy Hilfiger acquisition and related financings, in connection with which significant (and then unquantifiable) amounts of equity were to be issued, thereby making it impossible to set a realistic goal.

Growth Incentive Plan Awards

The Compensation Committee made awards of performance shares to all of our non-Tommy Hilfiger senior executives under a program that we refer to as the Growth Incentive Plan. These awards were made shortly after the Tommy Hilfiger acquisition was closed. This program was adopted to incentivize these executives to achieve the benefits of the acquisition and create stockholder value.

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All of our Named Executive Officers, other than Mr. Gehring, received awards of performance shares under this program with respect to a performance cycle covering the second quarter of 2010 through the first quarter of 2013. The earnings per share growth targets are as follows:

Threshold Cumulative Earnings Per Share ($)	Target Cumulative Earnings Per Share ($)	Maximum Cumulative Earnings Per Share ($)
12.55	13.67	15.51

These goals are presented solely for the purpose of describing our compensation program. They are not management s estimates of results or other guidance. Investors should not apply these goals to other contexts.

The following table shows the potential payouts in shares of common stock (and the approximate percentages of salary used to calculate the number of shares issuable) that were established when the performance goals were set:

Name		Threshold	Target	Maximum
Mr. Chirico	Shares (#)	24,415	48,830	97,660
	% of Salary	100	200	400
Mr. Shaffer	Shares (#)	9,766	19,532	39,064
	% of Salary	83	166	333
Mr. Sirkin	Shares (#)	9,766	19,532	39,064
	% of Salary	50	100	200
Mr. Duane	Shares (#)	9,766	19,532	39,064
	% of Salary	56	111	222
Mr. Murry	Shares (#)	9,766	19,532	39,064
	% of Salary	56	111	222

Payouts under LTIP for 2009 2010 Performance Cycle

All of our Named Executive Officers, other than Mr. Gehring, received payouts in the current fiscal year of awards under our Long-Term Incentive Plan at the maximum levels with respect to the two-year performance cycle covering 2009 and 2010, based on our attainment of $7.85 cumulative two-year earnings per share and a return on equity of 18.4%. The earnings per share growth targets with respect to the two-year performance cycle ended January 30, 2011 were as follows:

Threshold Cumulative Earnings	Negative Compound	Target Cumulative	Negative Compound	Maximum Cumulative	Compound

Per Share ($)	Growth (%)	Earnings Per Share ($)	Growth (%)	Earnings Per Share ($)	Growth (%)
4.00	(23)	4.55	(16)	5.90	0

The average return on equity goals were 8.9% at threshold, 10.1% at target and 12.7% at maximum. The earnings per share goals reflected our expectation that the difficulties that our business experienced during 2008 would continue through 2009 and that the direction of 2010 was, at best, difficult to predict. As a result, the awards allowed for decreases in earnings per share except at the maximum goal, which required no growth (or loss). We selected this structure because we felt that performance in a difficult economic environment was more difficult to predict and achieve.

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Potential payouts (as percentages of base salary) and actual payouts (as a percentage of base salary and in dollars) were as follows:

Name	Threshold (%)	Target (%)	Maximum (%)	Actual (%)	Actual ($)
Mr. Chirico	40	100	220	220	2,750,000
Mr. Shaffer	10	20	40	40	240,000
Mr. Sirkin	10	25	55	55	550,000
Mr. Duane	10	20	40	40	360,000
Mr. Murry	10	20	40	40	360,000

Payouts of Performance Share Awards for 2008 2010 Performance Cycle

All of our Named Executive Officers, except Mr. Gehring, received performance share awards for the three-year performance cycle ended January 30, 2011. The earnings per share growth targets with respect to this performance cycle were as follows:

Threshold Cumulative Earnings Per Share ($)	Compound Growth (%)	Target Cumulative Earnings Per Share ($)	Compound Growth (%)	Maximum Cumulative Earnings Per Share ($)	Compound Growth (%)
10.63	5	11.68	10	14.01	20

The average return on equity goals were 14.7% at threshold, 15.9% at target and 18.5% at maximum.

The earnings per share goals reflected our expectation that the growth would continue but not at rates achieved in prior periods and did not anticipate the global economic downturn and its after-effects. Nonetheless, as a result of a strong 2010, our earnings per share and average return on equity for the performance cycle were $10.77 and 16.7%, respectively, resulting in payouts to the Named Executive Officers just above threshold levels, except for Mr. Chirico. The Compensation Committee elected to use negative discretion on Mr. Chirico s award and did not make a payout based on the totality of the compensation paid and remaining on outstanding awards granted to Mr. Chirico for the periods ended 2010.

Potential and actual payouts in shares of common stock (and the approximate percentage of salary at the time of the grant of the performance share awards to calculate the number of shares issuable) were as follows:

Name		Threshold	Target	Maximum	Actual
Mr. Chirico	Shares (#)	9,650	24,100	53,000	
	% of Salary	40	100	220	0

Mr. Shaffer	Shares (#)	1,150	2,300	4,600	1,625
	% of Salary	10	20	40	
Mr. Sirkin	Shares (#)	2,200	5,500	12,100	3,565
	% of Salary	10	25	55	
Mr. Duane	Shares (#)	1,900	3,850	7,750	2,707
	% of Salary	10	20	40	
Mr. Murry	Shares (#)	1,500	3,050	6,150	2,142
	% of Salary	7.5	15	30	

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Other Long-Term Awards

Establishment of Tommy Hilfiger Growth and Retention Incentive Bonus Pool

Mr. Gehring participates in a bonus pool established for Tommy Hilfiger senior executives in connection with our acquisition of Tommy Hilfiger that is intended to incentivize the executives to stay in Tommy Hilfiger s employment and grow the business. The bonus pool is 50 million ($63.6 million based on exchange rates at the time of the transaction) of which 25% would be paid out at threshold, 50% would be paid out at target and 100% would be paid out at maximum. The performance measure for the pool is based upon the earnings before interest, taxes, depreciation and amortization (EBITDA) of the Tommy Hilfiger business for the three-year period following the acquisition.

Payouts under the Tommy Hilfiger bonus pool are equal to a percentage of a participant s share of the bonus pool based on the achievement of the EBITDA goals agreed upon with Tommy Hilfiger management, as reviewed with the Compensation Committee and the Board and approved as part of the transaction. The EBITDA of the Tommy Hilfiger business was selected as the basis for payouts under the bonus pool because it was determined that EBITDA was the best proxy for the contribution of the Tommy Hilfiger business to our corporate earnings.

The Tommy Hilfiger three-year EBITDA targets (based upon the average exchange rate for the period from transaction date to January 31, 2011 under the bonus pool are as follows:

Threshold EBITDA ($)	Target EBITDA ($)	Maximum EBITDA ($)
1,334,000	1,364,000	1,701,000

Mr. Gehring s share of the bonus pool is $1,633,250 at threshold, $3,266,500 at target and $6,533,000 at maximum.

Other Benefits

Our Named Executive Officers, except Mr. Gehring, participate in our Pension Plan, Supplemental Pension Plan, AIP, Supplemental Savings Plan and Executive Medical Reimbursement Insurance Plan. Mr. Gehring participates in the Zwitserleven Pensioen Plan (a defined contribution plan of our Tommy Hilfiger B.V. subsidiary). In addition, Messrs. Chirico, Sirkin and Duane are parties to capital accumulation program agreements with the Company. See Executive Compensation Pension Plans, Executive Compensation Nonqualified Deferred Compensation and Executiv Compensation Summary Compensation Table for a description of these programs.

We believe that the benefits offered under our pension and welfare plans 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 to promote tax efficiency and replace benefit opportunities lost due to regulatory limits.

Perquisites are limited and generally consist of discounts in our retail stores available to all employees and, in certain cases, clothing allowances and gym memberships. We also own a car and employ a driver who drives executives and provides other work services (such as messenger services). We acquired the car and driver as part of the Tommy Hilfiger acquisition and decided to continue to offer the driver s services. Although the majority of the car and driver s services are for business purposes, we do allow Mr. Chirico to use the service for personal purposes, generally his daily commute, as we believe this service enables him to be more productive during this time. Mr. Gehring is also allowed certain personal use of the car and driver, as it was a service provided to him prior to the acquisition. Additionally, as part of certain of our marketing activities, including as the naming rights sponsor of the *IZOD Center* sports and entertainment arena and separate sponsorships of the National Football League s New York Giants and the National Basketball Association s New Jersey Nets, we have a limited number of tickets to all events at the *IZOD Center,* certain professional football games at the New Meadowlands Stadium, and Nets home games. These are provided at no cost to us and may, at times, be used personally by our Named Executive Officers, as they are available to all of our employees on a non-discriminatory basis.

Employment Agreements and Severance

We have employment agreements with our Named Executive Officers that provide them with severance benefits. These arrangements are intended to attract and retain qualified executives who could have other job alternatives that might appear to them to be less risky absent these arrangements. These agreements include restrictive covenants, including non-competition and non-solicitation covenants, in favor of us in exchange for the severance benefits. We believe that these covenants provide us with significant value in prohibiting our executives from competing against us, using our confidential information, and hiring our best talent if they wish to leave our employment.

The employment agreements also provide for severance payments to be made after a change in control. These change in control benefits mitigate a potential disincentive for executives when they are evaluating a potential acquisition of the Company, particularly when it appears that the services of the executive officers may not be required by the acquiring company. The change in control arrangements for our Named Executive Officers are double trigger, meaning that severance payments are not awarded upon a change in control unless the executive s employment is terminated involuntarily (other than for cause) or voluntarily for good reason within the two-year period following the transaction. We believe this structure strikes a balance between the incentives and the hiring and retention effects described above, without providing these benefits to executives who continue to enjoy employment with an acquiring company following a change in control. We also believe this structure is more attractive to potential acquiring companies, who may place significant value on retaining members of our executive team and who may perceive this goal to be undermined if executives receive significant severance payments in connection with such a transaction whether or not they are offered continued employment.

The compensation consultant and the Compensation Committee reviewed the severance benefits provided by other companies and determined that our employment agreements provide benefits that are generally market, particularly within our industry peer group. The compensation consultant advised the Committee that one feature of Mr. Chirico s employment agreement the inclusion in his severance payable in connection with a change in control of a factor relating to any amounts paid to him under our Long-Term Incentive Plan was uncommon. As a result, we amended Mr. Chirico s employment agreement during 2010 to eliminate the amounts, if any, paid to him under our Long-Term Incentive Plan. Mr. Chirico agreed to these changes in light of emerging trends in best practices in executive compensation. We do not include such amounts in any other severance arrangement and will not include them in any further employment agreements.

Our employment agreements with our executive officers traditionally provided for tax gross-ups, which required us to make payments that protected the executives in the event that the payments to them upon the termination of their employment subjected them to excise tax on excess parachute payments under the Code. We entered into amendments in 2010 with all of the Named Executive Officers (other than Mr. Gehring, who did not have such a provision) eliminating their tax gross-ups. To mitigate the potential adverse effect of having to pay the excise tax, the agreements were also amended to provide that if the severance (payments and benefits) to be received by an officer would subject him to the excise tax, his severance will be reduced by the amount required to avoid the excise tax if such a reduction would give him a better after-tax result than if he had received the full severance amount.

Change In Control Provisions in Equity Plans and Awards

Under the terms of stock option, restricted stock unit and performance share awards, any unvested awards would vest upon the completion of certain transactions that would result in a change in control, such as stockholder approval of a liquidation or dissolution or the consummation of a reorganization, merger, consolidation or a sale or other disposition of all or substantially all of our assets, other than where all or substantially all of the individuals and entities that were the beneficial owners of our outstanding shares and securities entitled to vote generally in the election of directors, immediately prior to such transaction, beneficially own, directly or indirectly, more than 50% of the then-outstanding shares of our common stock and more than 50% of the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors. This vesting feature, approved by stockholders in 2006, is in place because we believe that utilizing a single event to vest awards provides a simple and certain approach for treatment of equity awards in a transaction that will likely result in the elimination or de-listing of our stock. This provision recognizes that such transactions have the potential to significantly disrupt or change employment relationships and thus treats all employees the same regardless of their employment status after the transaction. It also recognizes that because we may no longer exist after the change in control, employees should not be required to have the value of their outstanding equity awards linked to the acquiring company s future success. In addition, it provides our employee option holders with the same opportunities as our other stockholders who are free to realize the value created at the time of the transaction by selling their equity. The compensation consultant also regularly reviews the change in control provisions in the equity plans and awards of other companies and determined that the plans we provided were market, particularly within our industry peer group.

Posthumous Compensation and Benefits

We do not provide any special benefits or compensation, such as posthumous equity awards or severance pay, that is payable upon the death of any of our Named Executive Officers. As is shown on the tables under the heading Executive Compensation Potential Payments Upon Termination and Change In Control Provisions starting on page 59, the only compensation a Named Executive Officer s estate receives upon his death relates to outstanding equity awards, incentive compensation awards and deferred compensation arrangements. In the case of performance awards under our Performance Incentive Bonus Plan, Long-Term Incentive Plan and 2006 Stock Incentive Plan and the annual bonus arrangement established for Mr. Gehring, payouts are on a pro rata basis based on the portion of the performance cycle elapsed prior to the Named Executive Officer s death.

Federal Income Tax Deductibility of Executive Compensation

Section 162(m) of the Code limits the amount of compensation a publicly held corporation may deduct as a business expense for Federal income tax purposes. The deductibility limit, which applies to a company s chief executive officer and the three other most highly compensated executive officers, other than the chief financial officer, is $1 million, subject to certain exceptions. The exceptions include the general exclusion of performance-based compensation from the calculation of an executive officer s compensation for purposes of determining whether his compensation exceeds the deductibility limit. Compensation paid or received under our Performance Incentive Bonus Plan, our Long-Term Incentive Plan and our 2006 Stock Incentive Plan (other than time-based restricted stock units) is generally intended to satisfy the requirements for full deductibility. Nonetheless, the Compensation Committee recognizes that in certain instances it may be in our best interest to provide compensation that is not fully deductible and has done so, such as with many of the restricted stock units granted in 2007, 2008 and 2009 and, beginning in 2010, the base salary payable to Mr. Chirico.

Stock Ownership

To ensure that management s interests remain aligned with stockholders interests, we encourage our key executives to retain shares acquired pursuant to the exercise of stock options and upon the vesting of restricted stock units. In addition, our employees, including our Named Executive Officers, may acquire our common stock through our AIP, subject to certain limitations on the amount an employee can contribute to or hold in the PVH Stock Fund. Many of our Named Executive Officers have significant investments in the PVH Stock Fund investment option under the AIP.

Our stock ownership guidelines currently require our Chief Executive Officer to hold, directly or indirectly, common stock with a value equal to six times his annual base salary and our other Named Executive Officers to hold common stock with a value equal to one time their annual base salary. All of our Named Executive Officers are in compliance with the guidelines as of the date of this Proxy Statement.

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EXECUTIVE COMPENSATION

SUMMARY COMPENSATION TABLE

The Summary Compensation Table includes the 2010 compensation data for Mr. Gehring and the 2008, 2009 and 2010 compensation data for our other Named Executive Officers.

l Position	Years of Service[1]	Fiscal Year	Salary ($)	Bonus ($)	Stock Awards[2] ($)	Option Awards[3] ($)	Non-Equity Incentive Plan Compensation[4] ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings[5] ($)	All Other Compensation[6] ($)	
Chirico, and cutive	16	2010	1,166,667	0	4,468,313	0	6,500,000	612,501	108,891	12
an		2009	1,000,000	0	3,472,120	5,339,780	2,000,000	700,591	44,875	12
on		2008	1,000,000	0	1,973,305	1,332,100	1,874,205	100,228	90,608	6
. Shaffer,	20	2010	558,333	100,000	1,498,636	600,882	1,290,000	145,774	54,965	4
Vice and		2009	475,000	0	253,294	341,700	712,500	105,477	29,125	1
ncial		2008	475,000	0	396,853	399,630	0	39,960	44,485	1
an on Duane,	12	2010	866,667	0	1,530,576	599,400	1,710,000	481,992	75,829	5
rman, Apparel, an		2009	800,000	0	295,984	402,000	1,200,000	476,377	21,958	3
on		2008	800,000	0	507,205	472,290	299,873	164,239	63,368	2
ing, cutive ommy nd	14	2010	832,958	0	9,968,984	1,022,127	3,331,830	0	131,360	15

national										
s										
nas										
e 60	8	2010	883,333	0	1,416,424	412,920	1,710,000	430,538	95,847	4
and Chief										
Officer,		2009	850,000	0	210,604	291,450	1,275,000	308,956	59,455	2
ein, Inc.		2008	850,000	0	282,403	217,980	0	225,254	97,711	1
irkin,										
	24	2010	983,333	0	3,004,514	0	2,500,000	484,226	43,270	7
and Chief										
Officer,		2009	936,667	0	1,842,785	0	1,852,500	368,719	42,992	5
an										
on		2008	910,000	0	1,212,868	0	466,158	87,942	43,515	2