

ABERCROMBIE & FITCH CO /DE/  
Form DEF 14A  
May 11, 2012  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**SCHEDULE 14A INFORMATION**

**Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934**

**(Amendment No. )**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240. 14a-12

**Abercrombie & Fitch Co.**

(Name of Registrant as Specified In Its Charter)

**(Name of Person(s) Filing Proxy Statement, if other than the Registrant)**

Payment of Filing Fee (Check the appropriate box):

- No fee required
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(1) Title of each class of securities to which transaction applies:

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- (2) Aggregate number of securities to which transaction applies:
  
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- (4) Proposed maximum aggregate value of transaction:
  
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**Abercrombie & Fitch Co.**

**6301 Fitch Path**

**New Albany, Ohio 43054**

**(614) 283-6500**

May 11, 2012

Dear Fellow Stockholders:

You are cordially invited to attend the Annual Meeting of Stockholders to be held at 10:00 a.m., Eastern Daylight Saving Time, on Thursday, June 14, 2012, at our home office located at 6301 Fitch Path, New Albany, Ohio 43054. We hope that you will be able to attend and participate in the Annual Meeting, at which time we will have the opportunity to review the business and operations of our Company.

The formal Notice of Annual Meeting of Stockholders and Proxy Statement are attached, and the matters to be acted upon by our stockholders are described in them.

It is important that your shares be represented and voted at the Annual Meeting. After reading the attached Proxy Statement, please complete, date, sign and return the accompanying form of proxy. Alternatively, you may vote electronically through the Internet or by telephone by following the instructions on your form of proxy. If you hold your shares through an account with a brokerage firm, bank or other nominee, please follow the instructions you receive from the holder of record to vote your shares. Your vote is important regardless of the number of shares you own.

Michael S. Jeffries  
*Chairman and Chief Executive Officer*

Craig R. Stapleton  
*Lead Independent Director*

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*This summary highlights information contained elsewhere in this Proxy Statement. This summary does not contain all of the information that you should consider, and you should read the entire Proxy Statement carefully before voting.*

**Annual Meeting of Stockholders**

Time and Date	10:00 a.m., Eastern Daylight Saving Time, June 14, 2012
Place	Abercrombie & Fitch Home Office  6301 Fitch Path  New Albany, Ohio 43054
Record Date	April 25, 2012
Voting	Stockholders as of the record date are entitled to one vote. Each share of Common Stock is entitled to one vote for each director nominee and one vote for each of the other proposals to be voted on.

**Meeting Agenda and Voting Matters**

	<b>Board Vote Recommendation</b>	<b>Page Reference (for more detail)</b>
Election of Three Directors	FOR EACH DIRECTOR NOMINEE	13
Other Company Proposals:		
Approve Advisory Resolution on Executive Compensation	FOR	39
Ratify PricewaterhouseCoopers LLP as independent registered public accounting firm for Fiscal 2012	FOR	74
Re-approve Abercrombie & Fitch Co. Incentive Compensation Performance Plan	FOR	74

**Election of Directors to One-Year Term**

**First Director Election under Phased Elimination of Classified Structure of the Board:** This is the first election of the directors under the phased elimination of the classified structure of our Board of Directors (the Board) approved by the stockholders at last year's Annual Meeting of Stockholders. **Each director nominee is to be elected for a one-year term and would be up for re-election in 2013**, together with the three continuing directors whose terms are to expire in 2013.

**Majority Voting Standard Applies:** Each director nominee must be elected by a majority of the votes cast.

**Table of Contents****Board Nominees:**

Name	Age	Director Since
Michael S. Jeffries Chairman and CEO of the Company	67	1996
John W. Kessler Chairman of Executive Committee Nonindependent Director	76	1998
James B. Bachmann Chairman of Audit Committee Independent Director	69	2003

Please see the description of the respective backgrounds of the Board's nominees on page 15 of this Proxy Statement under the caption **Nominees**. We believe these director nominees bring particular expertise, leadership skills and institutional and community knowledge that make them invaluable to the Company. In particular:

Mr. Jeffries currently serves as Chairman and CEO of the Company. He is not only the founder of the modern day Abercrombie & Fitch brand but also the creator of each of the Hollister, abercrombie kids and Gilly Hicks brands. We believe he has been critical to the Company's long-term success and is critical to the success of our ongoing international expansion. As both the principal executive officer and the senior creative talent, Mr. Jeffries has more knowledge of the Company's operations than any other individual.

Mr. Kessler currently serves as the chairman of the Executive Committee of the Board. His institutional knowledge of the Company and his recognized leadership in the Central Ohio business community, where the Company's home office is located, as well as his demonstrated relationship building skills are invaluable to the Company.

Mr. Bachmann currently serves as the chairman of the Audit Committee of the Board. His significant public company accounting and financial expertise, thorough review of the financial and risk management issues applicable to the Company and diligent engagement with management have helped the Company navigate the increasingly complex financial and risk management issues we have faced and will continue to face as we continue our international expansion.

**Other Company Proposals**

**Approval of Advisory Vote on Executive Compensation:** We are asking stockholders to approve on an advisory basis our named executive officer compensation. The Board recommends a **FOR** vote because we believe our executive compensation policies and practices are effective in achieving the Company's goals of aligning executive pay with the achievement of financial and operational objectives, creating and sustaining long-term stockholder value and reflecting the strong team-based culture of the Company; and we believe that we have listened to our stockholders' message at the 2011 Annual Meeting of Stockholders and in subsequent engagement and responded in a meaningful and appropriate manner.



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***Ratification of Appointment of Independent Registered Public Accounting Firm:*** As a matter of good governance, we are asking stockholders to ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for Fiscal 2012. The Board recommends a ***FOR*** vote.

***Re-Approval of the Abercrombie & Fitch Co. Incentive Compensation Performance Plan:*** We are asking stockholders to re-approve the Abercrombie & Fitch Co. Incentive Compensation Performance

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Plan for purposes of preserving the tax deductibility of annual cash incentive payments as performance-based compensation. If such re-approval is not obtained, the Company would still expect to have an annual cash incentive component to its compensation program for senior management; however, any such annual cash incentive payments would no longer be deductible for federal income tax purposes. The Board recommends a **FOR** vote.

## **Executive Compensation Highlights**

We believe that our executive compensation policies and practices are effective in achieving the Company's goals of aligning executive pay with the achievement of financial and operational objectives, creating and sustaining long-term stockholder value and reflecting the strong team-based culture of the Company. In evaluating this year's say on pay proposal, we recommend that you review our **COMPENSATION DISCUSSION AND ANALYSIS** section that begins on page 41 of this Proxy Statement, which explains how and why the Compensation Committee arrived at its executive compensation actions and decisions for Fiscal 2011 and the changes made for Fiscal 2012 and beyond.

***The CEO Compensation Reflected in the Fiscal 2011 Summary Compensation Table is Based on an Employment Agreement Entered into with the CEO in December 2008***

The CEO's employment agreement was entered into at a critical juncture in December 2008 as the Company was embarking on a major international expansion. The Board considered retention of the CEO to be critical.

The Company's international expansion has been extremely successful with the number of international stores growing from 15 in two countries at the end of Fiscal 2008 to 99 in 15 countries at the end of Fiscal 2011, and international store sales growing to \$876.6 million in Fiscal 2011. This growth has been highly profitable, creating significant stockholder value.

The CEO has played a central and vital role in both the design and execution of this international expansion strategy. The Board believes it is very unlikely that the success the Company has achieved would have occurred without the CEO's retention and ongoing involvement.

***The CEO's Employment Agreement includes a Strong Pay for Performance Alignment***

Approximately 94% of the CEO's 2011 total direct compensation is in the form of equity compensation, derived from semi-annual awards made in March 2011 and September 2011, as further described in the section captioned ***Compensation for Fiscal 2011 related to Mr. Jeffries*** beginning on page 47 of this Proxy Statement.

The value of each semi-annual equity award to the CEO is based on 2.5% of the total stockholder return over the applicable semi-annual measurement period (as defined in the CEO's employment agreement) as long as such total stockholder return exceeds all previous high-water marks since the December 2008 beginning of the CEO's employment agreement, and then only to the extent that the value created exceeds any cash compensation paid to or earned by the CEO and any increase in the CEO's pension benefits accrued with respect to the semi-annual period to which the grant relates.

All of the equity compensation awarded to the CEO in Fiscal 2011 was in the form of stock appreciation rights (SARs), which only have value to the CEO if the market price of the Company's Common Stock increases above the market price on the grant date.

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The 1,590,908 SARs awarded on March 22, 2011 represent the performance-based grant earned for the measurement period with respect to the second half of Fiscal 2010, which was based on an overall increase in total stockholder return of approximately \$1.7 billion. These SARs have an exercise price of **\$54.87** per share but are currently underwater and have no intrinsic value.

The 288,287 SARs awarded on September 20, 2011 represent the performance-based grant earned for the measurement period with respect to the first half of Fiscal 2011, which was based on an

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overall increase in total stockholder value of approximately \$300 million. These SARs have an exercise price of **\$67.83** per share but are currently underwater and have no intrinsic value.

The following table shows the intrinsic value of the SARs awarded in Fiscal 2011 based on various prices of our Common Stock. As reflected in the table, in order for the SAR awards to have an intrinsic value equal to the grant date fair value reported in the **Fiscal 2011 Summary Compensation Table**, the price of the Company's Common Stock would need to be **\$79.85** or 63% above the record date stock price. At the record date stock price, the awards are underwater by \$14.9 million and, therefore, have no intrinsic value. In addition, equity awards granted to the CEO are subject to time-based vesting requirements which must lapse before any value can be realized.

**Intrinsic Value of Fiscal 2011 CEO Awards Versus Common Stock Price**

The CEO did not earn a semi-annual grant in March 2012 because the price of our Common Stock during the measurement period with respect to the second half of Fiscal 2011 declined as compared to prior semi-annual periods.

Since Fiscal 2008, the CEO has received no increase in the base salary set by his employment agreement.

The CEO participated in the annual incentive compensation program for Fiscal 2011 on the same basis as other participants, earning an annual cash incentive of 66% of the aggregate target on an annualized basis. Incentive payments were made at 165% of target for Spring 2011 when we exceeded operating income goals, but no incentive payments were made for Fall 2011 since we did not meet our operating income goals. Please see the section captioned **Annual Incentive Compensation Plan** beginning on page 49 of this Proxy Statement for more information.

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### ***We Considered Last Year's Say or Pay Vote and Made Changes for Fiscal 2012, including an Amendment of the CEO's Employment Agreement***

After last year's Annual Meeting of Stockholders, the Compensation Committee and the Board reviewed the results of the 2011 say on pay vote related to Fiscal 2010 compensation actions and decisions and took those results into account in changing the design of certain elements of our executive compensation program and negotiating revisions in the CEO's employment agreement.

In connection with last year's Annual Meeting of Stockholders, and recognizing that the CEO's employment agreement was entered into in 2008, we made a commitment to our largest stockholder at the time (and now), FMR LLC (Fidelity), to recommend to our Compensation Committee that it review the employment agreement of our CEO in light of the current landscape and current practices. We also agreed to consider adding objective criteria in determining whether equity awards would be made to our other executive officers.

After last year's Annual Meeting of Stockholders, we continued our ongoing dialogue with our stakeholders. We have engaged in further discussions with Fidelity and communicated with other stakeholders who have corresponded with the Company. Recognizing that the use of performance-based vesting in compensation programs is increasing, the Compensation Committee determined it was appropriate to consider whether performance-based vesting triggers that would apply to future semi-annual equity grants to our CEO should be established and negotiated an amendment to his employment agreement that incorporates such triggers.

Responding to its dialogue with investors both before and after last year's Annual Meeting of Stockholders as well as evolving compensation practices, the Compensation Committee made several changes to the design of our executive compensation program for Fiscal 2012, including:

Negotiating an amendment to our CEO's employment agreement to provide that 80% of the total fair value of any semi-annual equity grants earned during the remaining term of his employment agreement will be awarded in the form of SARs or stock options<sup>1</sup> and 20% will be awarded in the form of restricted stock or restricted stock units.<sup>2</sup> The restricted stock units will be subject to the same target and threshold adjusted earnings per share performance levels that apply to the performance shares granted to our Executive Vice Presidents (described below), as well as the time-based vesting requirements specified in our CEO's employment agreement.

Under this amendment to our CEO's employment agreement, 100% of the restricted stock units will be eligible to vest if the target adjusted earnings per share performance level is achieved or exceeded. Only 50% of the restricted stock units will be eligible to vest if the threshold adjusted earnings per share performance level is achieved and 50% of the restricted stock units will be forfeited. Interpolation will be used to determine the percentage of the restricted stock units that will be eligible to vest if adjusted earnings per share are between the threshold and target performance levels. If actual adjusted earnings per share are less than the threshold adjusted earnings per share performance level, the CEO will forfeit 100% of the restricted stock units.

Adding performance shares to the mix of long-term incentives granted to the Executive Vice Presidents with awards vesting only if earnings per share growth targets are achieved. During Fiscal 2011, we had granted Executive Vice Presidents time-vested SARs and performance-based restricted stock units that will vest over a four-year period, only if our adjusted non-GAAP net income is positive. In Fiscal 2012, we added performance shares as a third component to the long-term incentive program.

Implementing objective criteria used to adjust the number of SARs and performance-based restricted stock units that would be granted under our fixed share guidelines, including an assessment by the Compensation Committee of our prior year's performance with respect to earnings per share growth and total sales growth as compared to long-term targets and the Company's relative performance versus the performance of our peer retail companies with respect to such metrics.

<sup>1</sup> Unless the context otherwise makes it clear, references in any discussion of the Fiscal 2012 amendment to our CEO's employment agreement within this Proxy Statement to SARs shall be deemed to include both SARs and stock options.

<sup>2</sup> Unless the context otherwise makes it clear, references in any discussion of the Fiscal 2012 amendment to our CEO's employment agreement within this Proxy Statement to restricted stock units shall be deemed to include both restricted stock and restricted stock units.



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***Through Continued Engagement with our Stockholders and Consideration of Best Practices, We Expect to Make Further Changes in Our Compensation Practices***

The Compensation Committee intends to continue to review the mix of long-term incentives granted to the Executive Vice Presidents and officers below the Executive Vice President level. Over time, the Compensation Committee expects the proportion of performance shares to increase relative to the total long-term incentive opportunity for all of these officers.

The Compensation Committee intends to consider then current best practices in connection with the negotiation of any new employment agreement or other compensation arrangement with our CEO or any new arrangements with any of our other executive officers.

***Our Commitment to Moving Towards Best Practices in Corporate Governance is Exemplified by Numerous Changes We Have Made in the Past Several Years***

Adoption of majority voting in uncontested director elections

Adoption of the phased declassification of our Board

Adoption of Stock Ownership Guidelines for executive officers and directors

Adoption of director resignation policies for (1) failure to obtain majority support in an uncontested director election or (2) a major job change

Adoption of a director retirement policy

The creation of a Lead Independent Director role with a substantive list of duties intended to provide independent Board leadership

Recommendation and adoption of an annual say on pay vote to facilitate transparency and communication among our stockholders, directors and members of the management team

A stringent Clawback Policy that allows the Company to seek repayment of any incentive amounts that were erroneously paid, without any requirement of misconduct on the part of the plan participant

A comprehensive derivatives and hedging policy within our Insider Trading Policy that prohibits directors and officers, among others, from engaging in hedging transactions with respect to any equity securities of the Company held by them

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**Abercrombie & Fitch Co.**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

May 11, 2012

TO OUR STOCKHOLDERS:

The 2012 Annual Meeting of Stockholders (the Annual Meeting ) of Abercrombie & Fitch Co. (the Company ) will be held at the home office of the Company located at 6301 Fitch Path, New Albany, Ohio 43054, on Thursday, June 14, 2012, at 10:00 a.m., Eastern Daylight Saving Time, for the following purposes:

1. To elect three directors, each to serve for a term of one year to expire at the 2013 Annual Meeting of Stockholders.
2. To approve the advisory resolution on executive compensation.
3. To ratify the appointment of PricewaterhouseCoopers LLP as the Company s independent registered public accounting firm for the fiscal year ending February 2, 2013.
4. To re-approve the Abercrombie & Fitch Co. Incentive Compensation Performance Plan.

**Your Board of Directors recommends that you vote *FOR* the election of the director nominees listed in the Company s Proxy Statement for the Annual Meeting under the section captioned **PROPOSAL 1 ELECTION OF DIRECTORS** , *FOR* the advisory resolution to approve executive compensation, *FOR* the ratification of the appointment of PricewaterhouseCoopers LLP as the Company s independent registered public accounting firm for the fiscal year ending February 2, 2013 and *FOR* the re-approval of the Abercrombie & Fitch Co. Incentive Compensation Performance Plan.**

If you were a stockholder of record, as shown by the transfer books of the Company, at the close of business on April 25, 2012, you will be entitled to receive notice of and to vote at the Annual Meeting.

To obtain directions to our home office in order to attend the Annual Meeting and vote in person, please call our Investor Relations telephone number at (614) 283-6500. Directions to our home office may also be found on our website ([www.abercrombie.com](http://www.abercrombie.com)) on the Investors page under the Directions To A&F link.

By Order of the Board of Directors,

Michael S. Jeffries

*Chairman and Chief Executive Officer*



**PLEASE COMPLETE, DATE AND SIGN THE ACCOMPANYING FORM OF PROXY AND RETURN IT IN THE ENVELOPE PROVIDED AS PROMPTLY AS POSSIBLE, WHETHER OR NOT YOU PLAN TO ATTEND THE ANNUAL MEETING. ALTERNATIVELY, SUBMIT YOUR VOTING INSTRUCTIONS ELECTRONICALLY VIA THE INTERNET OR TELEPHONICALLY. PLEASE SEE THE PROXY STATEMENT AND FORM OF PROXY FOR DETAILS ABOUT ELECTRONIC VOTING. IF YOU LATER DECIDE TO REVOKE YOUR PROXY FOR ANY REASON, YOU MAY DO SO IN THE MANNER DESCRIBED IN THE ATTACHED PROXY STATEMENT. IF YOU HOLD YOUR SHARES THROUGH AN ACCOUNT WITH A BROKERAGE FIRM, BANK OR OTHER NOMINEE, PLEASE FOLLOW THE INSTRUCTIONS YOU RECEIVE FROM THE HOLDER OF RECORD TO VOTE YOUR SHARES.**

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**Abercrombie & Fitch Co.**

**6301 Fitch Path**

**New Albany, Ohio 43054**

**(614) 283-6500**

**PROXY STATEMENT**

**Dated May 11, 2012**

**ANNUAL MEETING OF STOCKHOLDERS**

**To Be Held On June 14, 2012**

**GENERAL INFORMATION ABOUT THE ANNUAL MEETING AND VOTING**

**When and where will the Annual Meeting of Stockholders be held?**

The 2012 Annual Meeting of Stockholders of Abercrombie & Fitch Co. (the Annual Meeting ) will be held on Thursday, June 14, 2012 at 10:00 a.m., Eastern Daylight Saving Time, at our home office located at 6301 Fitch Path, New Albany, Ohio 43054. The purposes of the Annual Meeting are set forth in the Notice of Annual Meeting of Stockholders to which this Proxy Statement is attached. All references in this Proxy Statement to the Company, we, us, or Abercrombie & Fitch refer to Abercrombie & Fitch Co.

**Why am I receiving these proxy materials?**

We are providing these proxy materials to holders of shares of the Company's Class A Common Stock, par value \$0.01 per share (the Common Stock ), in connection with the solicitation of proxies by the Company's Board of Directors (the Board ) for use at the Annual Meeting. These proxy materials were first sent or given on or about May 11, 2012 to holders of the Company's Common Stock as of the close of business on April 25, 2012 (the Record Date ).

**What is included in these proxy materials?**

These proxy materials include:

our Annual Report on Form 10-K for the fiscal year ended January 28, 2012 ( Fiscal 2011 );

the Notice of Annual Meeting of Stockholders;

this Proxy Statement; and

a form of proxy solicited by the Board for use at the Annual Meeting.

**Who can vote at the Annual Meeting?**

The only shares entitled to vote at the Annual Meeting are shares of Common Stock, with each share entitling the holder of record to one vote. To be able to vote your shares at the Annual Meeting, the records of the Company must show that you held your shares as of the close of

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business on the Record Date. At the close of business on the Record Date, there were 84,841,792 shares of Common Stock outstanding.

### **If I am a registered stockholder, how do I vote?**

You may ensure your representation at the Annual Meeting by completing, signing, dating and promptly returning the accompanying form of proxy. A return envelope, which requires no postage if mailed in the United States, has been provided for your use. Alternatively, you may give voting instructions electronically via the Internet or by using the toll-free telephone number stated on the form of proxy. The deadline for stockholders to transmit voting instructions electronically via the Internet or telephonically is 11:59 p.m., Eastern Daylight Saving Time, on June 13, 2012. The Internet and telephone voting procedures are designed to authenticate

stockholders' identities, to allow stockholders to give their voting instructions and to confirm that stockholders

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voting instructions have been properly recorded. If you vote through the Internet or by telephone, you should understand that there may be costs associated with electronic access, such as usage charges from Internet access providers and telephone companies that you will pay.

### **If I am a stockholder holding shares in street name, how do I vote?**

If you hold your shares in street name with a broker, brokerage firm, broker-dealer, bank or other nominee, you should review the information provided to you by the holder of record. This information will describe the procedures you must follow in instructing the holder of record how to vote your street name shares and how to revoke your previous instructions.

### **How can I revoke my proxy or change my vote?**

If you are a registered stockholder, you may revoke your proxy at any time before it is actually voted at the Annual Meeting by giving notice of revocation to the Company in writing, by accessing the designated Internet site prior to the deadline for transmitting voting instructions electronically, by using the toll-free number stated on the form of proxy prior to the deadline for transmitting voting instructions electronically or by attending the Annual Meeting and giving notice of revocation in person. You may also change your vote by choosing one of the following options: executing and returning to the Company a later-dated form of proxy; submitting a later-dated vote through the designated Internet site or the toll-free telephone number stated on the form of proxy prior to the deadline for transmitting voting instructions electronically; or voting at the Annual Meeting. Attending the Annual Meeting will not, by itself, revoke your proxy.

If you hold your shares in street name, you must follow the instructions provided by the holder of record in order to revoke your previous instructions.

### **Who is paying for the cost of this proxy solicitation?**

The Company will pay the costs of preparing, assembling, printing and mailing this Proxy Statement, the accompanying form of proxy and any other related materials and all other costs incurred in connection with the solicitation of proxies on behalf of the Board, other than the Internet access and telephone usage charges mentioned above. Although the Company is soliciting proxies by mailing the proxy materials to stockholders, proxies may be solicited by Company employees or, as referred to by the Company, associates, via mail or by telephone, facsimile, electronic transmission or personal contact without additional compensation. The Company has retained Innisfree, New York, New York, to aid in the solicitation of proxies with respect to shares held by brokers, brokerage firms, broker/dealers, banks and other custodians, fiduciaries and nominees for a fee of approximately \$15,000 plus expenses. The Company will reimburse its transfer agent, brokers, brokerage firms, broker/dealers, banks and other custodians, fiduciaries and nominees for their reasonable costs in sending proxy materials to stockholders who beneficially own our shares.

### **Are there any cumulative voting rights in the election of directors?**

No.

### **What constitutes a quorum to hold and transact business at the Annual Meeting?**

A quorum for the Annual Meeting is one-third of the outstanding shares of Common Stock. Shares of Common Stock represented by properly executed proxies returned to the Company prior to the Annual Meeting or represented by properly authenticated Internet or telephone voting instructions will be counted toward the establishment of a quorum for the Annual Meeting.

### **How are votes tabulated?**

The results of stockholder voting will be tabulated by the inspectors of election appointed for the Annual Meeting.

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### **How will my shares be voted?**

If you vote by mail, through the Internet, by telephone or in person, your shares of Common Stock will be voted as you direct.

All valid proxies received prior to the Annual Meeting which do not specify how shares of Common Stock are to be voted will be voted, except in the case of broker non-votes, where applicable, as recommended by the Board.

We recommend that you vote as follows:

**FOR** the election of each of the director nominees listed under the caption **PROPOSAL 1 ELECTION OF DIRECTORS** beginning on page 13;

**FOR** the approval of the advisory resolution on executive compensation, as described in **PROPOSAL 2 ADVISORY VOTE ON EXECUTIVE COMPENSATION** beginning on page 39;

**FOR** the ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for the fiscal year ending February 2, 2013, as described in **PROPOSAL 3 RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM** on page 74; and

**FOR** the re-approval of the Abercrombie & Fitch Co. Incentive Compensation Performance Plan, as described in **PROPOSAL 4 RE-APPROVAL OF THE ABERCROMBIE & FITCH CO. INCENTIVE COMPENSATION PERFORMANCE PLAN** beginning on page 74.

### **What is a broker non-vote ?**

A broker non-vote occurs when a stockholder holds our shares of Common Stock in street name through a broker or similar organization, and the stockholder does not provide the broker with instructions within the required timeframe before the Annual Meeting as to how to vote the shares on non-routine matters. Under the rules of the New York Stock Exchange ( NYSE ), your broker cannot vote your shares on non-routine matters unless your broker receives instructions from you as to how to vote.

### **Which proposals are routine and which are non-routine ?**

The only proposal this year which is considered routine is the ratification of the appointment of the Company's independent registered public accounting firm. The other proposals are considered non-routine where your broker can only vote your shares if it receives instructions from you.

Your broker will send you directions on how to instruct your broker to vote your shares. If you want your shares to be voted, you must instruct your broker how to vote: (i) for the election of our director nominees; (ii) for the proposal to approve the advisory resolution on executive compensation; and (iii) for the proposal to re-approve the Abercrombie & Fitch Co. Incentive Compensation Performance Plan.

### **What are the voting requirements for the proposals discussed in the Proxy Statement?**

#### ***Proposal 1 Election of Directors***

The Company and the stockholders have implemented majority voting for uncontested director elections. Under the Company's Amended and Restated Bylaws, each nominee must be elected by a majority of the votes cast (i.e., the votes cast for such nominee's election must exceed the vote cast against such nominee's election). Broker non-votes and abstentions will not be treated as votes cast.

As a non-routine matter, if your shares of Common Stock are held in street name by a broker, the broker does not have discretion to vote your shares. The broker can only vote your shares if the broker receives instructions from you.



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### ***Proposal 2 Advisory Vote on Executive Compensation***

This advisory vote is non-binding but the Board and the Compensation Committee will give careful consideration to the results of voting on this proposal. The approval of the advisory resolution on executive compensation requires the affirmative vote of a majority in voting interest of the stockholders present in person or by proxy and voting thereon. Broker non-votes will not be treated as votes cast. Abstentions will not be counted as votes **FOR** or **AGAINST** the proposal.

As a non-routine matter, if your shares of Common Stock are held in street name by a broker, the broker does not have discretion to vote your shares. The broker can only vote your shares if the broker receives instructions from you.

### ***Proposal 3 Ratification of Appointment of Independent Registered Public Accounting Firm***

The ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for the fiscal year ending February 2, 2013 requires the affirmative vote of a majority in voting interest of the stockholders present in person or by proxy and voting thereon. Abstentions will not be counted as votes **FOR** or **AGAINST** the proposal.

As a routine matter, if your shares of Common Stock are held in street name by a broker, the broker has the discretion to vote your shares even if the broker does not receive voting instructions from you.

### ***Proposal 4 Re-Approval of the Abercrombie & Fitch Co. Incentive Compensation Performance Plan***

Re-approval of the Abercrombie & Fitch Co. Incentive Compensation Performance Plan requires the affirmative vote of a majority in voting interest of the stockholders present in person or by proxy and voting thereon. Broker non-votes will not be treated as votes cast. Abstentions will be treated as votes cast and will have the effect of a vote **AGAINST** the proposal.

As a non-routine matter, if your shares of Common Stock are held in street name by a broker, the broker does not have discretion to vote your shares. The broker can only vote your shares if the broker receives instructions from you.

## **NOTICE REGARDING INTERNET AVAILABILITY OF PROXY MATERIALS**

**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders of Abercrombie & Fitch Co. to be Held on June 14, 2012:** This Proxy Statement, the Notice of Annual Meeting of Stockholders and the Company's Annual Report on Form 10-K for Fiscal 2011 are available at [www.proxyvote.com](http://www.proxyvote.com).

To obtain directions to our home office so that you may attend the Annual Meeting and vote in person, please call our Investor Relations telephone number at (614) 283-6500. Directions to our home office may also be found on our website ([www.abercrombie.com](http://www.abercrombie.com)) on the Investors page under the Directions To A&F link.

## **PROPOSAL 1 ELECTION OF DIRECTORS**

There are currently nine directors—three in the class whose terms expire at the Annual Meeting, three in the class whose terms expire in 2013 and three in the class whose terms expire in 2014.

At last year's Annual Meeting, the stockholders approved amendments to Section 1 of Article SIXTH of the Company's Amended and Restated Certificate of Incorporation (the Certificate) to provide for the phased elimination of the classified structure of the Board through the election of directors whose terms are then expiring for one-year terms. As the amendments do not shorten the existing term of a director, the directors who were elected prior to the effectiveness of the amendments (including the directors elected at last year's Annual Meeting) will complete their respective terms and be eligible thereafter for re-election for one-year terms. Beginning with the 2014 Annual Meeting of Stockholders, the entire Board will be elected annually.

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Three directors are standing for election at the Annual Meeting. Directors elected at the Annual Meeting will hold office for a one-year term expiring at the 2013 Annual Meeting of Stockholders or until their respective successors are elected and qualified. The nominees of the Board for election as directors at the Annual Meeting, each of whom was unanimously recommended by the Nominating and Board Governance Committee, are identified below.

The individuals named as proxies in the form of proxy solicited by the Board intend to vote the shares of Common Stock represented by the proxies received under this solicitation for the Board's nominees, unless otherwise instructed. If any nominee who would otherwise receive the required number of votes becomes unable or unwilling to serve as a candidate for election as a director, the individuals designated to vote as proxies will have full discretion to vote the shares of Common Stock represented by the proxies they hold for the election of the remaining nominees and for the election of any substitute nominee designated by the Board upon recommendation by the Nominating and Board Governance Committee. The Board has no reason to believe that any of the Board's nominees will be unable or unwilling to serve as a director if elected.

### **Majority Vote Standard in Uncontested Director Elections**

In an uncontested election of directors, which will be the case at the Annual Meeting, each nominee must be elected by a majority of the votes cast (i.e., the votes cast for such nominee's election must exceed the votes cast against such nominee's election). Broker non-votes, if any, and abstentions will not be treated as votes cast. Proxies may not cast votes for more than three nominees.

The Board has adopted a resignation policy, included in the Company's Corporate Governance Guidelines, which requires that an incumbent director who receives less than a majority of the votes cast in an uncontested election tender his or her resignation and outlines the procedures by which the Board will consider whether to accept such resignation. The resignation policy provides:

a director who fails to receive the required number of votes for re-election must offer to resign;

the Nominating and Board Governance Committee and the Board will evaluate any such resignation in light of the best interests of the Company and its stockholders in determining whether to accept or reject the resignation, or whether other action should be taken, and may consider any factors they deem relevant in making such determination;

if the Board does not accept the resignation, the director who offered to resign will continue to serve on the Board until the next annual meeting of stockholders at which such director's class is to be considered for election and until the director's successor is elected and qualified or until the director's death, resignation or removal;

if the Board accepts the resignation, the Nominating and Board Governance Committee will recommend to the Board whether to fill the resulting vacancy or to reduce the size of the Board; and

the Board will publicly disclose its decision regarding the resignation within 90 days after the results of the election are certified.



**Table of Contents****Nominees**

The information set forth in the table below concerning the principal occupation, other affiliations and business experience, as of April 25, 2012, of each nominee for election as a director has been furnished to the Company by each nominee.

Name (Age)	Business Experience		Director Since
	Other Information	During Past Five Years and	
<i>Nominees for Terms Expiring at the 2013 Annual Meeting of Stockholders</i>			
James B. Bachmann (69)	Mr. Bachmann retired in 2003 as Managing Partner of the Columbus, Ohio office of Ernst & Young LLP, after serving in various management and audit engagement partner roles in his 36 years with the firm. Mr. Bachmann also serves as the lead independent director and Chair of the Audit Committee of Lancaster Colony Corporation, a company which manufactures and markets food products and for which he has served as a director since 2003.		2003
	Mr. Bachmann currently serves as our Audit Committee chairman. His significant public company accounting and financial expertise, thorough review of the financial and risk management issues applicable to the Company and diligent engagement with management have helped the Company navigate the increasingly complex financial and risk management issues we have faced and will continue to face as we continue our international expansion. In addition, his operational experience as the Managing Partner of Ernst & Young's Columbus, Ohio office provides us with valuable operational insights.		
Michael S. Jeffries (67)	Mr. Jeffries has served as Chairman of the Company since May 1998, and as Chief Executive Officer of the Company since February 1992. From February 1992 until May 1998, Mr. Jeffries held the title of President of the Company. Pursuant to the terms of the Employment Agreement, entered into as of December 19, 2008, between the Company and Mr. Jeffries, the Company is obligated to cause Mr. Jeffries to be nominated as a director of the Company during his employment term.		1996
	Mr. Jeffries is not only the founder of the modern day Abercrombie & Fitch brand but also the creator of each of the Hollister, abercrombie kids and Gilly Hicks brands. We believe he has been critical to the Company's long-term success and is critical to the success of our ongoing international expansion. As both the principal executive officer and the senior creative talent, Mr. Jeffries has more knowledge of the Company's operations than any other individual.		
John W. Kessler (76)	Mr. Kessler has been the owner of John W. Kessler Company, a real estate development company, since 1972 and Chairman of The New Albany Company, a real estate development company, since 1988. Mr. Kessler has also served as a director of Commercial Vehicle Group, Inc. since 2008, a director of Columbus Regional Airport Authority since 1991 and a member of the Advisory Board of The John Glenn School of Public Affairs at The Ohio State University since 2009.		1998

As a member of the Columbus Partnership, which includes many of the city's corporate and community leaders, Mr. Kessler has significant knowledge of cultural, political and community issues in Central Ohio, where the Company's home office is located. Mr. Kessler currently serves as our Executive Committee chairman. Mr. Kessler's institutional knowledge of the Company and his recognized leadership in the Central Ohio business community as well as his demonstrated relationship building skills are invaluable to the Company.

**THE BOARD UNANIMOUSLY RECOMMENDS A VOTE *FOR***

**EACH OF THE NOMINEES IDENTIFIED ABOVE.**

**Table of Contents****Continuing Directors**

The information set forth in the table below concerning the principal occupation, other affiliations and business experience, as of April 25, 2012, of each continuing director has been furnished to the Company by each director.

Name (Age)	Business Experience		Director Since
	Other Information	During Past Five Years and	
<i>Directors Whose Terms Continue until the 2013 Annual Meeting of Stockholders</i>			
Michael E. Greenlees (65)	Since 2007, Mr. Greenlees has served as Chief Executive Officer of Ebiquity plc, a U.K.-based company that provides data-driven insights to the global media and marketing community and is listed on the London Stock Exchange's AIM market. Mr. Greenlees was one of the original founding partners of Gold Greenlees Trott, or The GGT Group plc, an international advertising and marketing group. The GGT Group plc was listed on the London Stock Exchange in 1986 at which time Mr. Greenlees became Chairman and Chief Executive Officer, a role he occupied for over 10 years until the company's sale to Omnicom Group Inc., a holding company for a number of advertising and marketing services businesses, in 1998. At that time, Mr. Greenlees joined the Board of Directors of Omnicom Group Inc. and served as President and Chief Executive of TBWA Worldwide Inc., a subsidiary with offices in nearly 70 countries. In 2001, Mr. Greenlees became Executive Vice President of Omnicom Group Inc. and served in that role until 2003. From 2004 to 2006, he served as Chief Executive Officer of FastChannel Network, Inc., a software solutions business targeting the advertising and media community. Mr. Greenlees has served on the boards of several public companies, including Omnicom Group Inc., Hewitt Associates Inc. and Ebiquity plc.		2011
	Mr. Greenlees currently serves as our Compensation Committee chairman. Mr. Greenlees' experience in the role of chief executive officer and service with several public companies, in addition to his significant experience within the global media and marketing community are extremely valuable to the Company. In addition, as a U.K. native and current resident, Mr. Greenlees adds to the Company's international experience and profile.		
Kevin S. Huvane (53)	Since October 1995, Mr. Huvane has been a partner and Managing Director of Creative Artists Agency, a leading entertainment and sports agency, based in Los Angeles with offices in New York, London, Nashville and Beijing. Mr. Huvane works in the Los Angeles office and represents many of the world's leading actors, writers and directors in film, theatre and television. Among his many charitable activities, he is on the Board of Directors of the Entertainment Industry Foundation, a leading charitable organization of the entertainment industry, and the National Board of Directors of Communities in Schools, a leading dropout prevention organization.		2011

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**Business Experience**

**During Past Five Years and**

<b>Name (Age)</b>	<b>Other Information</b>	<b>Director Since</b>
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Given his role as a partner at Creative Artists Agency, Mr. Huvane has significant experience as an executive and, in particular, in negotiating complex arrangements, including compensation agreements involving leaders in the entertainment industry, which the Company believes is valuable to the Board. In addition, Mr. Huvane has broad-ranging knowledge of pop culture in the United States and around the world, not only in the entertainment area but also in the areas of music, sports and fashion, which is also beneficial to the Company as our international presence continues to grow.

Craig R. Stapleton (67)

Since 2009, Mr. Stapleton has served as a senior advisor to Stone Point Capital, a private equity firm. Mr. Stapleton served as United States Ambassador to France from 2005 to 2009. He also served as United States Ambassador to the Czech Republic from 2001 until 2004. Mr. Stapleton served as President of Marsh and McLennan Real Estate Advisors of New York, a commercial real estate firm, from 1982 until 2001. He has been a co-owner of the St. Louis Cardinals baseball team since July 2009 and was a co-owner of the Texas Rangers baseball team from 1989 until 1998. Mr. Stapleton has served on the Board of Directors of Flamel Technologies, S.A. since July 2011. He also has served as a member of the Board of Directors of the George W. Bush Library and Foundation since January 2006, and as a member of the Board of Directors of the National September 11 Memorial and Museum at the World Trade Center since January 2009.

2009

Mr. Stapleton's experience as a United States Ambassador provides a valuable perspective as the Company continues its significant international expansion. His real estate and private equity background give him a broad perspective of real estate and capital strategies. Mr. Stapleton was appointed and continues to serve as the Company's first Lead Independent Director. In this role, he has exemplified strong, effective leadership as the complexity of the issues faced by the Company have continued to increase as the Company expands internationally. Mr. Stapleton also currently serves as our Nominating and Board Governance Committee chairman.

**Table of Contents****Business Experience****During Past Five Years and**

Name (Age)	Other Information	Director Since
<i>Directors Whose Terms Continue until the 2014 Annual Meeting of Stockholders</i>		
Lauren J. Brisky (61)	<p>Ms. Brisky retired February 1, 2009 as the Vice Chancellor for Administration and Chief Financial Officer of Vanderbilt University, after serving 10 years in that capacity. As the Vice Chancellor for Administration and Chief Financial Officer, she served as the financial liaison for Vanderbilt University's Audit, Budget and Executive Committees and was responsible for Vanderbilt University's financial management as well as administrative infrastructure, which included such areas as facilities and construction, human resources, information systems and business operations. She served as Associate Vice Chancellor for Finance of Vanderbilt University from 1988 until her 1999 appointment to Vice Chancellor. Ms. Brisky has also held positions at the University of Pennsylvania, Cornell University and North Carolina State University. She serves as Chair of the Board of Trustees for Simmons College, where she has served as a member of the Board since 2000. Ms. Brisky has also served as a member of the Board of Directors of the Metropolitan Sports Authority of Nashville since 2004.</p>	2003
Archie M. Griffin (57)	<p>Ms. Brisky has valuable experience as Chief Financial Officer of Vanderbilt University, where she also was responsible for the university's human resources. Her financial expertise and her knowledge of college-age students, a group that comprises a significant portion of the Company's target customers and its store associate recruitment base, is valuable to the Company.</p> <p>Since July 2010, Mr. Griffin has been the Senior Vice President of Alumni Relations at The Ohio State University. Mr. Griffin has also served as President and Chief Executive Officer of The Ohio State University Alumni Association, Inc. since January 2004 and as an ex-officio member of the Board of Directors of The Ohio State University Foundation since January 2004. Mr. Griffin served as the Associate Director of Athletics at The Ohio State University from 1994 to 2003, after serving more than nine years in various positions within the Athletic and Employment Services Departments at The Ohio State University. Mr. Griffin has also served as a director of Motorists Mutual Insurance Company since 1991 and the Ohio Auto Club since 1992. Mr. Griffin has also served as a member of The Columbus Metropolitan Library Foundation Board of Trustees since 2006 and the Board of the Columbus Youth Foundation (Vice Chair) since 1991.</p> <p>Mr. Griffin currently serves as our Corporate Social Responsibility Committee chairman. Mr. Griffin is one of the most well-respected and well-recognized individuals in the State of Ohio. As Senior Vice President of Alumni Relations at The Ohio State University and President and Chief Executive Officer of The Ohio State University Alumni Association, Inc., he spends a significant amount of time with the Company's target customer and recruiting base. Mr. Griffin's lengthy service on the Board and institutional knowledge of the Company are also valuable.</p>	2000

**Table of Contents****Business Experience****During Past Five Years and**

Name (Age)	Other Information	Director Since
Elizabeth M. Lee (68)	<p>Since June 2009, Ms. Lee has served as the Head of School of Columbus School for Girls in Columbus, Ohio. She also served as Interim Head of School of Porter-Gaud School in Charleston, South Carolina, and Trinity Episcopal School in Austin, Texas between 2004 and 2009 and as the Headmistress of The Hockaday School in Dallas, Texas from 1990 until 2004. Ms. Lee was a past president of the National Association of Principals of Schools for Girls and the Country Day School Headmasters Association, as well as a former board member of the National Association of Independent Schools (NAIS) and the Educational Records Bureau, among many other organizations.</p>	2010

As a nationally recognized educator and a leader in the field of secondary education, Ms. Lee brings valuable insights into the perspectives of teenage boys and especially teenage girls that the Board believes is beneficial. Her extensive service with non-profit organizations and her involvement in issues of diversity and human rights are valuable in her role as a member of the Corporate Social Responsibility Committee.

**Certain Relationships and Related Transactions*****Review, Approval or Ratification of Transactions with Related Persons***

The Board has adopted the Abercrombie & Fitch Co. Related Person Transaction Policy (the Policy), which is administered by the Nominating and Board Governance Committee and the Company's General Counsel. A copy of the Policy is posted on the Corporate Governance page of the Company's website at [www.abercrombie.com](http://www.abercrombie.com), accessible through the Investors page. The Policy applies to any transaction, arrangement or relationship, or any series of similar transactions, arrangements or relationships, in which the Company or one of its subsidiaries participates or will participate, the amount involved exceeds or is expected to exceed \$120,000, and a related person had, has or will have a direct or indirect interest. Pursuant to the Policy, a related person is any person:

who is or was an executive officer, a director or a director nominee of the Company, or an immediate family member of any such individual, at any time since the beginning of the Company's last fiscal year; or

who, at the time of the occurrence or at any time during the existence of the transaction, is the beneficial owner of more than 5% of the Company's outstanding shares of Common Stock, or an immediate family member of a beneficial owner of more than 5% of the Company's outstanding Common Stock.

Each director, director nominee or executive officer of the Company must notify the Company's General Counsel in writing of any interest that such individual or an immediate family member of such individual had, has or may have, in a related person transaction. Each director, director nominee and executive officer also completes a questionnaire on an annual basis designed to elicit information about potential related person transactions. In addition, any related person transaction proposed to be entered into by the Company or one of its subsidiaries must be reported by the Company's management to the Company's General Counsel. Any potential related person transaction that is raised will be analyzed by the Company's General Counsel, in consultation with management and with outside counsel, as appropriate, to determine whether the transaction, arrangement or relationship does, in fact, constitute a related person transaction requiring compliance with the Policy.

Pursuant to the Policy, all related person transactions (other than those deemed to be pre-approved or ratified under the terms of the Policy) will be referred to the Nominating and Board Governance Committee for



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approval (or disapproval), ratification, revision or termination. Whenever practicable, a related person transaction is to be reviewed and approved or disapproved by the Nominating and Board Governance Committee prior to the effective date or consummation of the transaction. If the Company's General Counsel determines that advance consideration of a related person transaction is not practicable under the circumstances, the Nominating and Board Governance Committee will review and, in its discretion, may ratify the transaction at that Committee's next meeting. If the Company becomes aware of a related person transaction not previously approved under the Policy, the Nominating and Board Governance Committee will promptly review the transaction, including the relevant facts and circumstances, and evaluate all options available to the Company, including ratification, revision, termination or rescission of the transaction, and take the course of action that Committee deems appropriate under the circumstances.

No director may participate in any approval or ratification of a related person transaction in which the director or an immediate family member of the director is involved. The Nominating and Board Governance Committee may only approve or ratify those transactions that the Committee determines to be in the Company's best interests. In making this determination, the Nominating and Board Governance Committee will review and consider all relevant information available to it, including:

the related person's interest in the transaction;

the approximate dollar value of the transaction;

the approximate dollar value of the related person's interest in the transaction without considering the amount of any profit or loss;

whether the transaction was undertaken in the ordinary course of the business of the Company or the applicable subsidiary of the Company;

whether the terms of the transaction are no less favorable to the Company or the applicable subsidiary of the Company than terms that could be reached with an unrelated third party;

the purpose of the transaction and its potential benefits to the Company or the applicable subsidiary of the Company;

the impact of the transaction on the related person's independence; and

any other information regarding the transaction or the related person that would be material to investors in light of the circumstances. Any related person transaction previously approved or ratified by the Nominating and Board Governance Committee or otherwise already existing that is ongoing in nature is to be reviewed by the Nominating and Board Governance Committee annually.

Pursuant to the terms of the Policy, the following related person transactions are deemed to be pre-approved or ratified (as appropriate) by the Nominating and Board Governance Committee even if the aggregate amount involved would exceed \$120,000:

interests arising solely from ownership of the Company's Common Stock if all stockholders receive the same benefit on a pro rata basis;

compensation to an executive officer of the Company, as long as the executive officer is not an immediate family member of another executive officer or director of the Company and the compensation has been approved, or recommended to the Board for approval, by



the Compensation Committee;

compensation to a director for services as a director if the compensation is required to be reported in the Company's proxy statement;

interests deriving solely from a related person's position as a director of another corporation or organization that is a party to the transaction;

interests deriving solely from the related person's direct or indirect ownership of less than 10% of the equity interest (other than a general partnership interest) in another person which is a party to the transaction; and

transactions involving competitive bids.

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The Code of Business Conduct and Ethics adopted by the Board also addresses the potential conflicts of interest which may arise when a director, officer or associate has an interest in a transaction to which the Company or one of its subsidiaries is a party. If a potential conflict of interest arises concerning an officer or director of the Company, all information regarding the issue is to be reported to the Company's General Counsel for review and, if appropriate or required under the Company's policies (including the Company's Related Person Transaction Policy), submitted to the Nominating and Board Governance Committee for review and disposition.

### *Transactions with Related Persons*

Pursuant to the indemnification provisions contained in the Company's Amended and Restated Bylaws, the Company has paid the legal fees incurred by current and former executive officers and directors in connection with the derivative lawsuits on behalf of the Company described in the section captioned **Certain Legal Proceedings** on page 36. During Fiscal 2011, the Company advanced approximately \$507,000 for such fees on behalf of such current and former executive officers and directors. Each such current or former executive officer or director has undertaken to repay to the Company any expenses advanced by the Company should it be ultimately determined that the executive officer or director was not entitled to indemnification by the Company. The Company has been reimbursed for most of these fees under one or more of its insurance policies.

### **Director Independence**

The Board has reviewed, considered and discussed each director's relationships, both direct and indirect, with the Company in order to determine whether such director meets the independence requirements of the applicable sections of the NYSE Listed Company Manual (the NYSE Rules). The Board has determined that seven of the nine current directors qualify as independent under the NYSE Rules. Specifically, the Board has determined that each of James B. Bachmann, Lauren J. Brisky, Michael E. Greenlees, Archie M. Griffin, Kevin S. Huvane, Elizabeth M. Lee and Craig R. Stapleton has no commercial, industrial, banking, consulting, legal, accounting, charitable, familial or other relationship with the Company, either directly or indirectly, that would be inconsistent with a determination of independence under the applicable NYSE Rules. In the course of reaching these determinations, the Board considered among other things:

The relevant relationships described above in the section captioned **Certain Relationships and Related Transactions** *Transactions with Related Persons*.

Mr. Griffin is the Senior Vice President of Alumni Relations at The Ohio State University and an ex-officio member of the Board of Directors of The Ohio State University Foundation. The Company will, subject to certain conditions, facilitate gifts which could aggregate to \$10,000,000 over no more than ten years (2007 to 2016) to The Ohio State University Foundation, which gifts are contemplated to be apportioned approximately 50% to The Ohio State University Hospital and approximately 50% to The Arthur G. James Cancer Hospital and Richard J. Solove Research Institute of The Ohio State University. Mr. Griffin was not involved, directly or indirectly, in the solicitation of these gifts to The Ohio State University Foundation.

Since the beginning of Fiscal 2011, the Company has made other charitable contributions to certain charitable organizations with which one or more of the directors of the Company is affiliated. None of these charitable contributions has exceeded \$50,000.

With respect to John W. Kessler, the Board broadly considered all relevant facts and circumstances, including (i) certain indirect relationships between Mr. Kessler or members of his immediate family and the Company (such as (a) the Company's engagement from time to time of the Jones Day law firm (Mr. Kessler's daughter serves as Partner-in-Charge of the Columbus office of Jones Day but, to the Company's knowledge, has no material direct or indirect interest in the fees paid by the Company to Jones Day) and (b) the Company's charitable contributions to affiliates of The Ohio State University (Mr. Kessler's son-in-law has served as Senior Vice President and Chief Financial Officer of The Ohio State University since February 2010)), (ii) discussions with certain stockholders of the Company and (iii) positions of certain proxy advisory firms. Although none of

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the aforementioned relationships disqualifies Mr. Kessler from being deemed independent under the NYSE Rules and although the Company has analyzed the indirect relationships noted in (i) above under Item 404 of SEC Regulation S-K and the Company's Related Person Transaction Policy and concluded that none of such relationships constitutes a related person transaction, the Board determined that, based on the relevant facts and circumstances as a whole, Mr. Kessler does not qualify as independent at this time. Mr. Kessler is not currently serving (and did not during Fiscal 2011 serve) on the Audit Committee, the Compensation Committee or the Nominating and Board Governance Committee.

Mr. Jeffries does not qualify as independent because he is an executive officer of the Company.

There are no family relationships among any of the directors and executive officers of the Company. Please see the text under the caption SUPPLEMENTAL ITEM. EXECUTIVE OFFICERS OF THE REGISTRANT in Part I of the Company's Fiscal 2011 Form 10-K for information about the Company's executive officers.

## **Meetings of and Communications with the Board**

The Board held nine meetings of the full Board and four non-management director meetings and took two actions by written consent during Fiscal 2011. All directors attended at least 75% of the Board and Board committee meetings they were eligible to attend during Fiscal 2011.

Although the Company does not have a formal policy requiring members of the Board to attend annual meetings of the stockholders, the Company encourages all incumbent directors and director nominees to attend each annual meeting of stockholders. All of the directors attended the Company's last annual meeting of stockholders held on June 16, 2011.

In accordance with the Company's Corporate Governance Guidelines and applicable NYSE Rules, the non-management directors of the Company meet (without management present) at regularly scheduled executive sessions at least twice per year and at such other times as the directors deem necessary or appropriate. Executive sessions of the non-management directors are scheduled as an agenda item at each regularly scheduled in-person meeting of the Board, although the non-management directors do not always meet in executive session. All meetings of non-management or independent directors are presided over by the Lead Independent Director. If the non-management directors include directors who are not independent, then at least once a year the independent directors of the Company will meet in executive session and the Lead Independent Director will preside at each executive session.

The Board believes it is important for stockholders and other interested parties to have a process to send communications to the Board and its individual members. Accordingly, stockholders and other interested parties who wish to communicate with the Board, the non-management directors as a group, the independent directors as a group, the Lead Independent Director, or a particular director may do so by sending a letter to such individual or individuals, in care of the Company's Secretary, to the Company's executive offices at 6301 Fitch Path, New Albany, Ohio 43054. The mailing envelope must contain a clear notation indicating that the enclosed letter is a Stockholder/Interested Party Non-Management Director Communication, Stockholder/Interested Party Board Communication, Stockholder/Interested Party Independent Director Communication, Stockholder/Interested Party Lead Independent Director Communication or Stockholder/Interested Party Director Communication, as appropriate. All such letters must identify the author as a stockholder or other interested party and clearly state whether the intended recipients are all members of the Board, all non-management directors, all independent directors or certain specified individual directors. Copies of all such letters will be circulated to the appropriate director or directors. Correspondence marked personal and confidential will be delivered to the intended recipient without opening. There is no screening process in respect of communications from stockholders or other interested parties.

## **Board Leadership Structure**

The Company is led by Mr. Jeffries, who has served as Chief Executive Officer (CEO) of the Company since February 1992 and as Chairman since May 1998, when the Company was spun off from its former parent. The Company's Board is comprised of Mr. Jeffries and eight non-management directors, seven of whom are

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independent. The Company established a Lead Independent Director position in February 2010 and appointed Mr. Stapleton as the Lead Independent Director.

The Lead Independent Director is responsible for:

consulting with the Chairman with respect to appropriate agenda items for meetings of the Board and the standing committees of the Board, and approving such agendas;

discussing with the chairs of the standing committees of the Board their activities and endeavoring, consistent with the charters of the various standing committees, to coordinate activities among the standing committees;

in consultation with the non-management directors, advising the Chairman as to an appropriate schedule of Board meetings and approving such schedule;

calling executive sessions or meetings of the independent or non-management directors when necessary and appropriate;

presiding at all meetings at which the Chairman is not present including executive sessions of the independent or non-management directors and, if appropriate, apprising the Chairman of the issues considered;

servicing as a liaison between the Chairman and the independent directors;

approving the retention of outside advisors and consultants who report directly to the Board on critical issues;

being available for consultation and direct communication with the Company's stockholders; and

performing such other duties as the Board may from time to time delegate.

The Board has five standing committees: Audit, Compensation, Corporate Social Responsibility, Executive and Nominating and Board Governance. Each of these committees, other than the Executive Committee, has a separate independent chair. Detailed information on each Board committee is contained in the section captioned **Committees of the Board** beginning on page 24.

The Company believes that a combined Chairman and CEO position, together with independent or non-management chairs for each of our Board committees, a Lead Independent Director, regularly scheduled executive sessions of the Board and regularly scheduled meetings of the non-management directors is the most appropriate Board leadership structure for the Company at this time. This structure demonstrates to all of our stakeholders, including our associates, customers and stockholders, that our Board is committed to engaged, independent leadership and the performance of its responsibilities. Experienced and independent directors, sitting on various committees with independent chairs, oversee the Company's operations, risks, performance and business strategy. The Board believes that combining the Chairman and CEO positions takes advantage of the talent and knowledge of Mr. Jeffries, the person whom the Board recognizes as the founder of the modern day Abercrombie & Fitch, and effectively combines the responsibilities for strategy development and execution with management of day-to-day operations. It also reduces the potential for confusion or duplication of efforts and provides clear leadership for the Company. The Board believes that its strong governance practices, including its supermajority of independent members, the combination of the Chairman and CEO roles, and its clearly defined Lead Independent Director responsibilities, provide an appropriate balance among strategy development, operational execution and independent oversight of the Company.



**Table of Contents****Committees of the Board**

The Board has five standing committees – the Audit Committee, the Compensation Committee, the Corporate Social Responsibility Committee, the Executive Committee and the Nominating and Board Governance Committee. The current members of these committees are identified in the following table.

Director	Committees of the Board				
	Audit	Compensation	Corporate Social Responsibility	Executive	Nominating and Board Governance
James B. Bachmann	Chairman				
Lauren J. Brisky	X				X
Michael E. Greenlees	X	Chairman			
Archie M. Griffin			Chairman		X
Kevin S. Huvane		X	X		
Michael S. Jeffries				X	
John W. Kessler			X	Chairman	
Elizabeth M. Lee			X		
Craig R. Stapleton	X	X			Chairman
Fiscal 2011 Meetings	7	10	4	4	6

**Audit Committee**

The Audit Committee was established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended (the Exchange Act ). James B. Bachmann, Lauren J. Brisky and Craig R. Stapleton served as members of the Audit Committee throughout Fiscal 2011. Michael E. Greenlees was appointed to the Audit Committee on February 15, 2011 in conjunction with his election to the Board. The Board has determined that each member of the Audit Committee qualifies as an independent director under the applicable NYSE Rules and under SEC Rule 10A-3. The Board has also determined that each member of the Audit Committee is financially literate under the applicable NYSE Rules and qualifies as an audit committee financial expert under applicable SEC rules and regulations ( SEC Rules ) by virtue of his or her experience described in the section captioned **PROPOSAL 1 ELECTION OF DIRECTORS** beginning on page 13. The Board believes that each member of its Audit Committee is highly qualified to discharge his or her duties on behalf of the Company and its subsidiaries.

The Audit Committee is organized and conducts its business pursuant to a written charter that was most recently revised by the Board on February 13, 2012, a copy of which is posted on the Corporate Governance page of the Company's website at [www.abercrombie.com](http://www.abercrombie.com), accessible through the Investors page. At least annually, the Audit Committee, in consultation with the Nominating and Board Governance Committee, reviews and reassesses the adequacy of its charter and recommends any proposed changes to the full Board as necessary to reflect changes in regulatory requirements, authoritative guidance and evolving practices.

The Audit Committee's duties and responsibilities are set forth in its charter. The primary functions of the Audit Committee are to assist the Board in its oversight of:

the integrity of the Company's financial statements and the effectiveness of the Company's systems of internal accounting and financial controls;

the Company's compliance with legal and regulatory requirements, including the operation and effectiveness of the Company's disclosure controls and procedures;

the qualifications and independence of the Company's independent registered public accounting firm;

the performance of the Company's internal auditors and the Company's independent registered public accounting firm;

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the evaluation of enterprise risk issues; and

the annual independent audit of the Company's financial statements.

The Audit Committee's specific responsibilities include:

reviewing the Company's financial statements and the related disclosures;

reviewing the Company's accounting procedures and policies;

discussing with management the Company's disclosure controls and procedures and at least quarterly reviewing management's conclusions about the efficacy of such disclosure controls and procedures;

discussing with management and the Company's independent registered public accounting firm management's annual report on internal control over financial reporting;

reviewing the activities and the results of audits conducted by the Company's internal auditors and the Company's independent registered public accounting firm;

reviewing the independence, qualifications and performance of the Company's independent registered public accounting firm;

selecting, appointing and retaining the Company's independent registered public accounting firm for each fiscal year and determining the terms of engagement;

reviewing and approving in advance all audit services and all permitted non-audit services;

establishing procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting control or auditing matters, which procedures are outlined in the Company's Whistleblower Policy, a copy of which is posted on the Corporate Governance page of the Company's website at [www.abercrombie.com](http://www.abercrombie.com), accessible through the Investors page;

setting hiring policies for associates or former associates of the Company's independent registered public accounting firm;

reviewing the Company's risk assessment and risk management policies as well as the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures;

reviewing the Company's program to monitor compliance with the Company's Corporate Governance Guidelines and Code of Business Conduct and Ethics and meeting periodically with the head of the Company's Internal Audit department to discuss compliance with the Code of Business Conduct and Ethics;



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meeting periodically with the Company's General Counsel, and the Company's outside counsel when appropriate, to review legal and regulatory matters;

preparing an annual report for inclusion in the Company's proxy statement;

reviewing and recommending appropriate insurance coverage for directors and officers of the Company; and

other matters required by applicable SEC Rules and NYSE Rules.

The Audit Committee's annual report relating to Fiscal 2011 is on page 72.

### *Compensation Committee*

The Compensation Committee provides overall guidance for the Company's executive compensation policies and approves the amounts and elements of compensation for the Company's executive officers. Craig R. Stapleton served as a member of the Compensation Committee throughout Fiscal 2011. Michael E. Greenlees and Kevin S. Huvane were appointed to the Compensation Committee on February 15, 2011 in conjunction with their election to the Board. Ms. Brisky rotated off the Compensation Committee on April 11, 2011 and Mr. Greenlees became chairman of the Compensation Committee on such date. Mr. Bachmann rotated off the

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Compensation Committee on November 15, 2011. The Board has determined that each current member of the Compensation Committee qualifies, and during their respective periods of service on the Compensation Committee during Fiscal 2011 each of Mr. Bachmann and Ms. Brisky qualified, as an independent director under the applicable NYSE Rules.

The Compensation Committee is organized and conducts its business pursuant to a written charter which was most recently revised by the Board on November 15, 2011, a copy of which is posted on the Corporate Governance page of the Company's website at [www.abercrombie.com](http://www.abercrombie.com), accessible through the Investors page. At least annually, the Compensation Committee reviews and reassesses the adequacy of its charter, in consultation with the Nominating and Board Governance Committee, and recommends any proposed changes to the full Board as necessary to reflect changes in regulatory requirements, authoritative guidance and evolving practices.

The Compensation Committee's charter sets forth the duties and responsibilities of the Compensation Committee, which include:

reviewing and approving the general compensation policies applicable to the CEO and other officers of the Company identified in Rule 16a-1(f) under the Exchange Act (the Section 16 Officers). Each of the Company's current named executive officers is also a Section 16 Officer;

determining the methods and criteria for the review and evaluation of the performance of the Company's Section 16 Officers, including the corporate goals and objectives relevant to their respective compensation;

evaluating the performance of the Company's Section 16 Officers in light of the approved corporate goals and objectives and reporting its conclusions resulting from the evaluation of the CEO to the Board;

determining and approving on behalf of the Company the compensation of the CEO, after consultation with the other non-management directors, and determining and approving on behalf of the Company the compensation of the other Section 16 Officers;

evaluating the need for, and provisions of, employment contracts, including severance arrangements, for any of the Section 16 Officers of the Company;

negotiating and approving any new employment contract or severance agreement, or negotiating the amendment of any existing employment agreement, between the Company and the CEO and any other Section 16 Officer;

administering, reviewing and making recommendations to the Board regarding the Company's incentive compensation plans, equity-based plans and other plans in accordance with applicable laws, rules and regulations or the terms of the plans;

reviewing and making recommendations to the Board regarding the compensation for the Company's non-associate directors;

reviewing and discussing with management the annual compensation discussion and analysis and related disclosures that applicable SEC Rules require be included in the Company's proxy statement and recommending to the Board based on the review and discussions whether the compensation discussion and analysis should be included in the Company's proxy statement;

overseeing the Company's overall compensation structure, policies and programs for the Company's Section 16 Officers and employees, including assessing the incentives and risks arising from or related to the Company's compensation programs and plans, and assessing

whether the incentives and risks are appropriate;

reviewing and making recommendations to the Board regarding the frequency of the Company's advisory vote on executive compensation; and

preparing the compensation committee report required by SEC Rules for inclusion in the Company's proxy statement.

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The Compensation Committee's processes and procedures to determine executive compensation, including the use of compensation consultants and the role of executive officers in making recommendations relating to executive compensation, are described in the section captioned **COMPENSATION DISCUSSION AND ANALYSIS** beginning on page 41.

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

The Corporate Social Responsibility Committee provides oversight of the Company's attention to issues of social responsibility, including diversity, human rights, philanthropy and sustainability and the Company's policies, practices and progress with respect to such issues. Archie M. Griffin, John W. Kessler and Elizabeth M. Lee served as members of the Corporate Social Responsibility Committee throughout Fiscal 2011. Kevin S. Huvane was appointed to the Corporate Social Responsibility Committee on February 15, 2011 in conjunction with his election to the Board.

The Corporate Social Responsibility Committee is organized and conducts its business pursuant to a written charter that was most recently revised by the Board on December 13, 2011, a copy of which is posted on the Corporate Governance page of the Company's website at [www.abercrombie.com](http://www.abercrombie.com), accessible through the Investors page. At least annually, the Corporate Social Responsibility Committee reviews and reassesses the adequacy of its charter, in consultation with the Nominating and Board Governance Committee, and recommends any proposed changes to the full Board as necessary to reflect changes in regulatory requirements, authoritative guidance and evolving practices.

The Corporate Social Responsibility Committee's charter sets forth the duties and responsibilities of the Corporate Social Responsibility Committee, which include:

monitoring issues and practices relating to the Company's corporate social responsibility on a global basis, including diversity initiatives and programs, health and safety matters, environmental and sustainability matters, human rights matters, significant philanthropic matters and significant community relations;

reviewing the prudence of having the Company prepare and publish a Corporate Social Responsibility Report and, in the event the Committee determines such a report is prudent, overseeing the preparation of such report. A copy of the Company's 2010/2011 Corporate Responsibility Report is posted on the Corporate Responsibility Report page of the Company's website at [www.abercrombie.com](http://www.abercrombie.com), accessible through the A&F Cares page;

reviewing significant lawsuits, investigations by governmental entities and other significant legal matters involving the Company or any of its affiliates that significantly affect or could significantly affect the Company's performance, business activities or reputation as a global corporate citizen. At its regularly scheduled meetings, the Corporate Social Responsibility Committee is provided with pertinent information with respect to any lawsuits brought against the Company by the U. S. Equal Employment Opportunity Commission or an equivalent state equal employment opportunity commission or division;

monitoring significant programs and activities aimed at enhancing the Company's global communications, crisis management, media relations and community relations;

when appropriate, making recommendations to the Board with respect to any of the areas that the Committee oversees, reviews or monitors, and any other major social responsibility policies and practices of the Company; and

reviewing and making recommendations to the Board regarding stockholder proposals submitted for inclusion in the Company's annual proxy materials that relate to social responsibility issues.

### ***Executive Committee***

John W. Kessler and Michael S. Jeffries served as members of the Executive Committee throughout Fiscal 2011.



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The Executive Committee is organized and conducts its business pursuant to a written charter that was adopted by the Board on November 12, 2009, a copy of which is posted on the Corporate Governance page of the Company's website at [www.abercrombie.com](http://www.abercrombie.com), accessible through the Investors page. At least annually, the Executive Committee reviews and reassesses the adequacy of its charter, in consultation with the Nominating and Board Governance Committee, and recommends any proposed changes to the full Board as necessary to reflect changes in regulatory requirements, authoritative guidance and evolving practices.

The Executive Committee's charter sets forth the duties and responsibilities of the Executive Committee, which include:

during the interval between scheduled meetings of the Board, having and exercising the powers of the Board to act upon any matters that, in the opinion of the Chairman of the Board, should not be postponed until the next previously scheduled meeting of the Board, subject to such limitations as the Board and/or applicable law may from time to time impose;

consulting on a periodic basis with the CEO with respect to succession matters in connection with the positions of CEO and the other executive officers; and consulting on a periodic basis with the other executive officers of the Company regarding succession matters in connection with each such executive officer's position;

developing, in consultation with the CEO, a long-term succession plan and the timing, nature and implementation of such plan;

establishing and approving a development and/or recruitment plan, in consultation with the CEO, in connection with the implementation of a long-range succession plan; and

having available, on a continuing basis, a recommendation of a successor, interim or otherwise, in the event of an emergency or unanticipated vacancy in the position of CEO.

### ***Nominating and Board Governance Committee***

Archie M. Griffin and Craig R. Stapleton served as members of the Nominating and Board Governance Committee throughout Fiscal 2011. Lauren J. Brisky was appointed to the Nominating and Board Governance Committee on February 15, 2011. The Board has determined that each member of the Nominating and Board Governance Committee qualifies as an independent director under the applicable NYSE Rules.

The Nominating and Board Governance Committee is organized and conducts its business pursuant to a written charter which was most recently revised by the Board on August 21, 2007, a copy of which is posted on the Corporate Governance page of the Company's website at [www.abercrombie.com](http://www.abercrombie.com), accessible through the Investors page. At least annually, the Nominating and Board Governance Committee reviews and reassesses the adequacy of its charter and recommends any proposed changes to the full Board as necessary to reflect changes in regulatory requirements, authoritative guidance and evolving practices.

The purpose of the Nominating and Board Governance Committee is to provide oversight on a broad range of issues surrounding the composition and operation of the Board. The primary responsibilities of the Nominating and Board Governance Committee include:

establishing and articulating the qualifications, desired background and selection criteria for members of the Board and evaluating the qualifications of individuals being considered as director candidates;

developing a policy with regard to the consideration of candidates for election or appointment to the Board recommended by stockholders of the Company and procedures to be followed by stockholders in submitting such recommendations;

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making recommendations to the full Board concerning all nominees for Board membership, including the re-election of existing Board members and the filling of any vacancies;

evaluating and making recommendations to the full Board concerning the number and responsibilities of Board committees and committee assignments;

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evaluating, reviewing with management and making recommendations to the full Board regarding the overall effectiveness of the organization of the Board, the conduct of its business and the relationship between the Board and management;

maintaining policies regarding the review and approval or ratification of related person transactions and reviewing and, if the Nominating and Board Governance Committee deems appropriate, approving or ratifying related person transactions in accordance with such policies as well as applicable law, NYSE Rules or SEC Rules;

identifying and bringing to the attention of the full Board and management current and emerging corporate governance trends, issues and best practices that may affect the operations, performance or public image of the Company;

reviewing and making recommendations to the full Board regarding orientation of new directors and continuing education for all directors;

developing, recommending and periodically reviewing a set of written corporate governance principles (including, if considered appropriate by the Nominating and Board Governance Committee, policies on director retirement) applicable to the Company in accordance with the applicable NYSE Rules;

periodically reviewing and making recommendations to the Compensation Committee regarding director compensation and stock ownership;

consulting with the members of the other committees of the Board in connection with the review and reassessment of their respective charters; and

overseeing the evaluation of the Board and management.

### **Director Qualifications and Consideration of Director Candidates**

On November 15, 2011, the Board adopted age guidelines applicable to directors joining the Board after that date. Under these guidelines, no director will be nominated by the Board to stand for election or re-election after reaching age 75. However, the Board may nominate such a director for election or re-election if the Board believes that such director's service on the Board is in the best interests of the Company and its stockholders.

As described above, the Company has a standing Nominating and Board Governance Committee that has responsibility for providing oversight on a broad range of issues surrounding the composition and operation of the Board, including identifying candidates qualified to become directors and recommending director nominees to the Board.

When considering candidates for the Board, the Nominating and Board Governance Committee evaluates the entirety of each candidate's credentials and, other than the age guidelines mentioned above, does not have specific eligibility requirements or minimum qualifications that must be met by a candidate. However, the Company's Corporate Governance Guidelines provide that no member of the Board shall simultaneously serve on the boards of directors of more than three public companies other than Company. The Nominating and Board Governance Committee considers those factors it deems appropriate, including (i) the nominee's independence, judgment, strength of character, ethics and integrity; (ii) the nominee's business or other relevant experience and skills and knowledge useful to the oversight of the Company's business; (iii) the Company's strong commitment to diversity and inclusion at all levels of the Company; and (iv) such other factors as they conclude are appropriate in light of the needs of the Board. The Company believes that the Board as a whole should have competency in the following areas: (a) accounting and finance; (b) business judgment; (c) management; (d) industry knowledge; (e) leadership; and (f) strategy/vision. Depending on the current needs of the Board, the Nominating and Board Governance Committee may weigh certain factors more or less heavily. The Nominating and Board Governance Committee does, however, believe that all members of the Board should have the highest character and integrity, a reputation for working constructively with others, sufficient time to devote to Board matters and no conflict of interest that would interfere with performance as a director.



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While the Board and the Nominating and Board Governance Committee do not have specific eligibility requirements, other than the age guidelines mentioned above, and do not, as a matter of course, weigh any of the

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factors they deem appropriate more heavily than others, both the Board and the Nominating and Board Governance Committee believe that, as a group, the directors should have diverse backgrounds and qualifications. The Company believes that the members of the Board, as a group, have such backgrounds and qualifications, although this is an area of constant focus for the Board and the Nominating and Board Governance Committee.

The Nominating and Board Governance Committee considers candidates for the Board from any reasonable source, including stockholder recommendations, and does not evaluate candidates differently based on the source of the recommendation. The process for seeking and vetting additional director candidates is ongoing and is not dependent upon the existence of a vacancy on the Board. Accordingly, the Board believes that this ongoing pursuit of qualified candidates functions as an appropriate director succession plan. Pursuant to its charter, the Nominating and Board Governance Committee has the authority to retain consultants and search firms to assist in the process of identifying and evaluating candidates and to approve the fees and other retention terms for any such consultant or search firm. No such consultant or search firm was retained during Fiscal 2011.

Information regarding each of our directors is set forth above. In addition to the specific information presented with respect to such individual, the Company believes that each of its directors has a reputation for the highest character and integrity and that the directors work very cohesively and constructively with each other and with management. They have each demonstrated business acumen and an ability to exercise sound judgment, as well as a commitment of service to the Board and the Company.

## **Director Nominations**

The Board, taking into account the recommendations of the Nominating and Board Governance Committee, selects nominees for election as directors at each annual meeting of stockholders. Stockholders may recommend director candidates for consideration by the Nominating and Board Governance Committee by giving written notice of the recommendation to the Chair of the Nominating and Board Governance Committee, in care of the Company, at the Company's executive offices at 6301 Fitch Path, New Albany, Ohio 43054. The recommendation must include the candidate's name, age, business address, residence address and principal occupation. The recommendation must also describe the qualifications, attributes, skills or other qualities possessed by the recommended director candidate. A written statement from the candidate consenting to serve as a director, if elected, must accompany any such recommendation.

In addition, stockholders wishing to formally nominate a candidate for election as a director may do so provided they comply with the notice procedures set forth in the Company's Amended and Restated Bylaws. On November 15, 2011, the Board approved amendments to Section 2.04 of the Company's Amended and Restated Bylaws, which addresses the requirements to be satisfied by a stockholder who wishes to nominate candidates for election as directors. The amendments clarify that a nominating stockholder must be a stockholder of record on both the date of the giving of the required notice of proposed nomination and the record date for determining the stockholders entitled to notice of and vote at the relevant meeting of the stockholders.

The notice of a nominating stockholder in respect of an annual meeting of stockholders must be in writing and delivered in person or by United States certified mail, postage prepaid, and received by the Secretary of the Company, at the principal executive offices of the Company, not less than 120 days nor more than 150 days prior to the anniversary date of the immediately preceding annual meeting of stockholders, which, for purposes of the Company's 2013 Annual Meeting of Stockholders, means no earlier than the close of business on January 15, 2013 and no later than the close of business on February 14, 2013. Previously, these dates had been based on the anniversary date of the proxy statement furnished in connection with the last annual meeting of stockholders. The Secretary of the Company will deliver any stockholder nominations received in a timely manner for review by the Nominating and Board Governance Committee.

The informational requirements for stockholder notices with respect to the nomination of director candidates are significantly more detailed than had previously been required and include the disclosure of all derivative and synthetic instruments and short interests held by the nominating stockholder and such stockholder's affiliates or associates as well as by any proposed nominee.

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A stockholder providing notice of any nomination proposed to be made at an annual meeting of stockholders must update and supplement such notice, if necessary, so that the information provided is true and correct as of the record date for determining the stockholders entitled to receive notice for the annual meeting. Such update and supplement must be delivered either in person or by United States certified mail, postage prepaid, and received by the Secretary of the Company, at the executive offices of the Company, not later than five business days after the record date for the annual meeting at issue.

No person may be elected as a director unless he or she has been nominated by a stockholder in the manner just described or by the Board or a committee of the Board.

### **Director Resignation Policy for Major Job Change**

When a director's principal job responsibility or business association changes substantially during his or her tenure as a director, such director is to submit a letter of resignation for consideration by the Nominating and Board Governance Committee. It is not the sense of the Board that in every instance the director who retires or substantially changes the position he or she held upon joining the Board should leave the Board. There should, however, be an opportunity for the Board, through the Nominating and Board Governance Committee, to review the effect, if any, of the revised circumstances on the interests of the Company. Upon receipt of such a letter of resignation, the Nominating and Board Governance Committee will duly consider the matter and make a timely recommendation to the full Board of the appropriate action, if any, to be taken with respect to the resignation.

### **Board Role in Risk Oversight**

Our Board has overall responsibility for risk oversight with a focus on the most significant risks facing the Company. Not all risks can be dealt with in the same way. Some risks may be easily perceived and controllable, and other risks are unknown; some risks can be avoided or mitigated by particular behavior, and some risks are unavoidable as a practical matter. For some risks, the potential adverse impact would be minor, and, as a matter of business judgment, it may not be appropriate to allocate significant resources to avoid the adverse impact. In other cases, the adverse impact could be significant, and it is prudent to expend resources to seek to avoid or mitigate the potential adverse impact. Further, in some cases, a higher degree of risk may be acceptable because of a greater perceived potential for reward.

Management is responsible for identifying risk and risk controls related to significant business activities; mapping the risks to Company strategy; and developing programs and recommendations to determine the sufficiency of risk identification, the balance of potential risk to potential reward and the appropriate manner in which to control risk. The Board implements its risk oversight responsibilities by having management provide periodic reports on the significant risks that the Company faces and how the Company is seeking to control or mitigate risk, if and when appropriate. In some cases, risk oversight is addressed as part of the full Board's engagement with the CEO and management. In other cases, a Board committee is responsible for oversight of specific risk topics. For example, the Audit Committee oversees issues related to internal control over financial reporting; the Nominating and Board Governance Committee oversees issues related to the Company's governance structure, corporate governance matters and processes and risks arising from related person transactions; the Corporate Social Responsibility Committee oversees issues related to diversity, sustainability, human rights and similar issues; and the Compensation Committee oversees risks related to compensation programs, as discussed in greater detail below. Presentations and other information for the Board and Board committees generally identify and discuss relevant risk and risk control; and the Board members assess and oversee the risks as a part of their review of the related business, financial or other activity of the Company.

Management periodically undertakes a comprehensive enterprise risk management review, in which the identification of enterprise level risks and mitigation processes are the primary topics. This review is overseen by the Audit Committee. The Audit Committee and the full Board continue to monitor enterprise risk management and receive periodic updates on enterprise risk management.

### ***Risk Assessment in Compensation Programs***

Consistent with SEC disclosure requirements, management and the Compensation Committee have assessed the Company's compensation programs. Based upon all of the facts and circumstances available to the Company

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at the time of the filing of this Proxy Statement, management and the Compensation Committee have concluded that there are no risks arising from the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company. This assessment was overseen by the Compensation Committee, in consultation with its independent counsel and independent compensation consultant.

We reviewed the compensation policies and practices in effect for our executive officers, senior management and associates and assessed the features we have built into the compensation programs to discourage excessive risk-taking. These features include, among other things, a balance between different elements of compensation, use of different time periods and performance metrics for different elements of compensation, use of consistent Company-wide programs, and stock ownership guidelines for senior management. The Company has also included clawback provisions in its incentive plans which are applicable to all participating associates.

### *Base Compensation*

All associates (including executive officers and senior management) participate in a common base pay program. Each job below the Senior Vice President level is assessed against the competitive market, and a range of base pay (within an overall salary grade structure) is assigned to each job. These ranges have inherent limits on base pay for any given job, and mitigate any possible risk. Individual merit pay decisions are constrained by a grid which relates the size of a pay increase to a given level of performance, subject to aggregate caps (i.e., merit pools).

At the Senior Vice President level and above, the Company custom-fit job comparisons with market data and all pay decisions are reviewed and approved by the Compensation Committee. Increases are also subject to the same merit grids and merit pool controls as apply to other associates.

### *Incentive Compensation*

All incentive compensation-eligible associates (including executive officers and senior management) participate in a common incentive compensation program—the Incentive Compensation Performance Plan. Individual payments are strictly determined by overall Company performance (rather than divisional and/or individual performance) and are capped at twice target levels, regardless of Company performance.

The Incentive Compensation Performance Plan does have two design elements which may create a theoretical risk: semi-annual payments and the use of operating income as a measure of performance. Although seasonal payments provide good alignment between short-term business results and associate rewards, they create a theoretical risk of misalignment between short-term and long-term goals. Use of operating income as the sole measure of corporate performance could also be seen as introducing a theoretical risk (i.e., use of a single metric). However, counterbalancing these theoretical risks are the following elements:

The ability for a single individual to affect overall corporate operating income is limited to a handful of individuals, and given our delegation of authority, is mostly vested in the CEO. Total delivered compensation (TDC) to these key associates is composed of three elements: base pay, annual cash incentives and long-term (equity) awards. All of these key associates have compensation packages which provide the majority of their TDC in the form of long-term equity compensation, the value of which is directly tied to the long-term performance of the Company. This compensation structure mitigates the risk of providing incentives to take short-term actions which could harm the long-term prospects of the Company.

Operating income is a measure of revenues over expenses and, therefore, it incorporates sales, cost of goods sold, stores and distribution expense, marketing, general and administrative expense and other expenses. As such, it reflects the overall results of the business, and considers top-line and bottom-line elements.

Individual awards are capped for every associate, and are subject to Compensation Committee approval and, if necessary, the Compensation Committee's negative discretion.

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### *Long-Term Incentive Plans*

A majority of incentive compensation-eligible associates (including executive officers and senior management) is eligible to participate in a common set of long-term incentive plans – the 2005 Long-Term Incentive Plan (the “2005 LTIP”) and the Amended and Restated 2007 Long-Term Incentive Plan (the “2007 LTIP”). Together, the 2005 LTIP and the 2007 LTIP provide for the ability to award a mix of stock options, stock-settled SARs, restricted stock and restricted stock units which serve to align the interests of associates and stockholders. In most cases, these awards vest over the four years subsequent to grant, and provide a significant hold on associates, who would forfeit considerable value should they leave the Company prior to vesting. In addition, beginning with awards made to Executive Vice Presidents who were named executive officers on the Fiscal 2008 grant date, the Company added a performance component to the vesting schedule for restricted stock units.

For Fiscal 2012, the Company added performance shares to the mix of long-term incentives granted to Executive Vice Presidents with these awards vesting only if earnings per share growth targets are achieved. Our CEO also recently agreed to amend his employment agreement to provide that 80% of the total fair value of any semi-annual equity grants earned during the remaining term of his employment agreement will be awarded in the form of SARs and 20% will be awarded in the form of restricted stock units. The restricted stock units will be subject to the same target and threshold adjusted earnings per share performance levels that apply to performance shares granted to our Executive Vice Presidents, as well as the time-based vesting requirements specified in our CEO’s employment agreement.

In ITEM 1A. RISK FACTORS of the Company’s Annual Report on Form 10-K for Fiscal 2011, the Company states that equity-based compensation awarded under the employment agreement with our Chief Executive Officer could adversely impact our cash flows, financial position or results of operations and could have a dilutive effect on our outstanding Common Stock. In connection with the semi-annual equity grants contemplated by our CEO’s employment agreement, the related compensation expense could significantly impact the Company’s results of operations. In addition, the significant number of shares of Common Stock which could be used to settle the Retention Grants granted under our CEO’s employment agreement and any semi-annual equity grants is uncertain and dependent on the future price of our Common Stock and our financial performance and would, if issued, have a dilutive effect with respect to our outstanding shares of Common Stock, which may adversely affect the market price of our Common Stock. In the event that there are not sufficient shares of Common Stock available to be issued under the 2007 LTIP, or under a successor or replacement plan, at the time these equity-based awards are ultimately settled, the Company would be required to settle some portion of the awards in cash, which would have an adverse impact on our cash flows from operations, financial position or results of operations. Furthermore, the awards may not be deductible pursuant to Internal Revenue Code Section 162(m). In addition, under applicable accounting rules, if the price of our Common Stock increases to a point where, as of any measurement date, we would be unable to settle outstanding equity-based awards in shares of Common Stock from our existing plans, we would be required to classify and account for a portion of the equity-based awards as liabilities. This could further adversely impact our results of operations.

While the Company and the Compensation Committee do not believe that equity-based compensation expense is a risk that arises from the Company’s compensation policies and practices that is reasonably likely to have a material adverse effect on the Company, the Company has sought to mitigate the risks of (i) cash settlement of all or a portion of the equity-based awards and (ii) expense associated with accounting for all or a portion of the equity-based awards as liabilities, due to an insufficiency of shares available to settle outstanding equity-based awards, through the approval by the Company’s stockholders at last year’s annual meeting of stockholders of the addition of 3,000,000 shares to those available for awards under the 2007 LTIP.

### **Compensation of Directors**

Any officer who is also a director receives no additional compensation for services rendered as a director. Directors who are not associates of the Company or its subsidiaries (non-associate directors) receive:

an annual retainer of \$55,000 (paid quarterly in arrears);

an annual retainer for each standing committee Chair and member of \$25,000 and \$12,500, respectively, other than (i) the Chair and members of the Audit Committee who receive \$40,000 and \$25,000, respectively, and

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(ii) the Lead Independent Director who receives \$30,000 for serving in that capacity. In each case, the retainers are paid quarterly in arrears; and

an annual grant of 3,000 restricted stock units.

The annual restricted stock unit grant is subject to the following provisions:

restricted stock units are to be granted annually on the date of the annual meeting of stockholders;

the maximum market value of the underlying shares of Common Stock on the date of grant is to be \$300,000 (i.e., should the price of the Company's Common Stock on the grant date exceed \$100 per share, the number of restricted stock units granted will be automatically reduced to provide a maximum grant date market value of \$300,000);

the minimum market value of the underlying shares of Common Stock on the date of grant is to be \$120,000 (i.e., should the price of the Company's Common Stock on the grant date be lower than \$40 per share, the number of restricted stock units granted will be automatically increased to provide a minimum grant date market value of \$120,000); and

restricted stock units will vest on the later of (i) the first anniversary of the grant date or (ii) the first open window trading date following the first anniversary of the grant date, subject to earlier vesting in the event of a director's death or total disability or upon a change of control of the Company.

Directors who are elected after the beginning of the fiscal year receive pro-rated retainers and grants of restricted stock units based on the time to be served during the fiscal year.

Non-associate directors are also reimbursed for their expenses for attending Board and committee meetings and receive the discount on purchases of the Company's merchandise extended to all Company associates.

The Company has maintained the Directors' Deferred Compensation Plan since October 1, 1998. The Directors' Deferred Compensation Plan was split into two plans (Plan I and Plan II) as of January 1, 2005 to comply with Internal Revenue Code Section 409A. The terms of Plan I govern amounts deferred (within the meaning of Section 409A) in taxable years beginning before January 1, 2005 and any earnings thereon. The terms of Plan II govern amounts deferred in taxable years beginning on or after January 1, 2005 and any earnings thereon. Voluntary participation in the Directors' Deferred Compensation Plan enables a non-associate director of the Company to defer all or a part of his or her retainers, meeting fees (which are no longer paid) and stock-based incentives (including stock options, restricted shares of Common Stock and restricted stock units relating to shares of Common Stock). The deferred compensation is credited to a bookkeeping account where it is converted into a share equivalent. Stock-based incentives deferred pursuant to the Directors' Deferred Compensation Plan are credited as shares of Common Stock. Amounts otherwise payable in cash are converted into a share equivalent based on the fair market value of the Company's Common Stock on the date the amount is credited to a non-associate director's bookkeeping account. Dividend equivalents will be credited on the shares of Common Stock credited to a non-associate director's bookkeeping account (at the same rate as cash dividends are paid in respect of outstanding shares of Common Stock) and converted into a share equivalent. Each non-associate director's only right with respect to his or her bookkeeping account (and the amounts allocated thereto) will be to receive distribution of the amount in the account in accordance with the terms of the Directors' Deferred Compensation Plan. Distribution of the deferred amount is made in the form of a single lump-sum transfer of the whole shares of Common Stock represented by the share equivalents in the non-associate director's bookkeeping account (plus cash representing the value of fractional shares) or annual installments in accordance with the election made by the non-associate director. Shares of Common Stock will be distributed under the 2005 LTIP in respect of deferred compensation allocated to non-associate directors' bookkeeping accounts on or after August 1, 2005, under the 2003 Stock Plan for Non-Associate Directors in respect of deferred compensation allocated to non-associate directors' bookkeeping accounts between May 22, 2003 and July 31, 2005 and under the 1998 Restatement of the 1996 Stock Plan for Non-Associate Directors in respect of deferred compensation allocated to non-associate directors' bookkeeping accounts prior to May 22, 2003.

The following table summarizes the compensation paid to, awarded to or earned by, the non-associate directors for Fiscal 2011. The Company's Chairman and CEO Michael S. Jeffries is not included in this table as



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he is an officer of the Company and thus receives no compensation for his services as a director. The compensation received by Mr. Jeffries as an officer of the Company is shown in the **Fiscal 2011 Summary Compensation Table** beginning on page 56 and discussed in the text and tables included under the section captioned **EXECUTIVE OFFICER COMPENSATION** beginning on page 56.

**Director Compensation for Fiscal 2011**

Name	Fees Earned or Paid in Cash	Stock Awards <sup>(1)</sup>	Option Awards <sup>(2)</sup>	Total
James B. Bachmann <sup>(3)</sup>	\$ 104,959	\$ 189,604	\$	\$ 294,563
Lauren J. Brisky <sup>(3)</sup>	\$ 96,896	\$ 189,604	\$	\$ 286,500
Michael E. Greenlees <sup>(4)</sup>	\$ 97,157	\$ 268,701	\$	\$ 365,858
Archie M. Griffin <sup>(5)</sup>	\$ 92,500	\$ 189,604	\$	\$ 282,104
Kevin S. Huvane <sup>(4)</sup>	\$ 76,484	\$ 268,701	\$	\$ 345,185
John W. Kessler	\$ 92,500	\$ 189,604	\$	\$ 282,104
Elizabeth M. Lee	\$ 67,500	\$ 189,604	\$	\$ 257,104
Craig R. Stapleton	\$ 147,500	\$ 189,604	\$	\$ 337,104

(1) All non-associate directors were granted restricted stock units covering 3,000 shares of Common Stock on the date of the 2011 Annual Meeting of Stockholders. The amounts shown in this column are reported using the grant date fair value of the awards, as computed in accordance with U.S. generally accepted accounting principles, of \$63.20 per restricted stock unit, based upon the closing price of the Company's Common Stock on the grant date and adjusted for anticipated dividend payments during the one-year vesting period. An additional initial grant of restricted stock units covering 1,500 shares of Common Stock was awarded to each of Messrs. Greenlees and Huvane upon their appointment to the Board on February 15, 2011. Calculated in the same manner as the awards made on the date of the 2011 Annual Meeting, this grant had a grant date fair value of \$52.73 per restricted stock unit. See Note 4. Share-Based Compensation of the Notes to Consolidated Financial Statements included in ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA of the Company's Fiscal 2011 Form 10-K, for assumptions used in the calculation of the amounts shown and information regarding the Company's share-based compensation. Each of the awards of restricted stock units granted during Fiscal 2011 remained outstanding at January 28, 2012. The non-associate directors held no other restricted stock units at January 28, 2012.

(2) All of the stock options held by the individuals named in this table were granted and fully vested prior to the beginning of Fiscal 2011 and, accordingly, no dollar amount is required to be reported in respect of these stock options. The aggregate number of shares of Common Stock underlying stock options outstanding at January 28, 2012, for each individual named in this table were: (a) Mr. Bachmann 0 shares; (b) Ms. Brisky 7,500 shares; (c) Mr. Greenlees 0 shares; (d) Mr. Griffin 2,500 shares; (e) Mr. Huvane 0 shares; (f) Mr. Kessler 14,000 shares; (g) Ms. Lee 0 shares; and (h) Mr. Stapleton 0 shares.

(3) The annual retainers of each of Mr. Bachmann and Ms. Brisky related to Board committee service reflect pro-rated amounts based on the period served on each committee during Fiscal 2011.

(4) Messrs. Greenlees and Huvane joined the Board on February 15, 2011. The annual retainer and restricted stock unit grant of each of Messrs. Greenlees and Huvane were pro-rated based on his start date.

(5) Mr. Griffin deferred \$46,250 of his retainer pursuant to the Directors' Deferred Compensation Plan during Fiscal 2011. This deferred portion of his retainer is included in the amount shown in the Fees Earned or Paid in Cash column. Refer to page 34 for a description of the Directors' Deferred Compensation Plan.

**Corporate Governance Guidelines**

In accordance with applicable NYSE Rules, the Board has adopted the Abercrombie & Fitch Co. Corporate Governance Guidelines to promote the effective functioning of the Board and its committees and to reflect the Company's commitment to the highest standards of corporate governance. The Board, with the assistance of the Nominating and Board Governance Committee, periodically reviews the Corporate Governance Guidelines to ensure they are in compliance with all applicable requirements. The Corporate Governance Guidelines, which were most recently amended by the Board on November 15, 2011, are available on the Corporate Governance page of the Company's website at [www.abercrombie.com](http://www.abercrombie.com), accessible through the Investors page.





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### **Code of Business Conduct and Ethics**

In accordance with applicable NYSE Rules, the Board has adopted the Abercrombie & Fitch Co. Code of Business Conduct and Ethics, which is available on the Corporate Governance page of the Company's website at [www.abercrombie.com](http://www.abercrombie.com), accessible through the Investors page. The Code of Business Conduct and Ethics, which is applicable to all associates (including members of the Board), incorporates an additional Code of Ethics applicable to the CEO, the Chief Financial Officer, the Controller, the Treasurer, all Vice Presidents in the Finance Department and other designated financial associates. The Company intends to satisfy any disclosure requirements regarding any amendment of, or waiver from, a provision of the Code of Business Conduct and Ethics by posting such information on the Corporate Governance page of the Company's website at [www.abercrombie.com](http://www.abercrombie.com), accessible through the Investors page.

### **Compensation Committee Interlocks and Insider Participation**

With respect to Fiscal 2011 and from January 29, 2012 through the date of this Proxy Statement, there were no interlocking relationships between any executive officer of the Company and any entity, one of whose executive officers serves or served on the Company's Compensation Committee or the Board, or any other relationship required to be disclosed in this section under the applicable SEC Rules.

The Compensation Committee is currently comprised of Michael E. Greenlees (Chair), Kevin S. Huvane and Craig R. Stapleton. Mr. Stapleton served as a member of the Compensation Committee throughout Fiscal 2011. Messrs. Greenlees and Huvane were appointed to the Compensation Committee on February 15, 2011, in conjunction with their election to the Board. Lauren J. Brisky rotated off the Compensation Committee on April 11, 2011 and Mr. Greenlees became Chair of the Compensation Committee on such date. James B. Bachmann rotated off the Compensation Committee on November 15, 2011.

### **Certain Legal Proceedings**

On September 16, 2005, a derivative action, styled *The Booth Family Trust v. Michael S. Jeffries, et al.*, was filed in the United States District Court for the Southern District of Ohio, naming the Company as a nominal defendant and seeking to assert claims for unspecified damages against nine of the Company's present and former directors, alleging various breaches of the directors' fiduciary duty and seeking equitable and monetary relief. In the following three months, four similar derivative actions were filed (three in the United States District Court for the Southern District of Ohio and one in the Court of Common Pleas for Franklin County, Ohio) against present and former directors of the Company alleging various breaches of the directors' fiduciary duty allegedly arising out of antecedent employment law and securities class actions brought against the Company. A consolidated amended derivative complaint was filed in the federal proceeding on July 10, 2006. On February 16, 2007, the Company announced that its Board had received a report of the Special Litigation Committee established by the Board to investigate and act with respect to claims asserted in the derivative cases, which concluded that there was no evidence to support the asserted claims and directed the Company to seek dismissal of the derivative cases. On September 10, 2007, the Company moved to dismiss the federal derivative cases on the authority of the Special Litigation Committee Report. On March 12, 2009, the Company's motion was granted and, on April 10, 2009, plaintiffs filed an appeal from the order of dismissal in the United States Court of Appeals for the Sixth Circuit. On April 5, 2011, a panel of the United States Court of Appeals for the Sixth Circuit reversed the decision of the District Court and remanded the action for further proceedings. On November 1, 2011, the District Court entered an order which gave preliminary approval to a proposed settlement of the consolidated derivative litigation. The District Court also set a hearing (the Fairness Hearing) for December 13, 2011 to determine whether the proposed settlement should be finally approved and to consider an award of fees and expenses to plaintiffs' counsel. The District Court also directed that notice be given to the Company's stockholders concerning the proposed settlement and their right to be heard in connection with the Fairness Hearing. On December 19, 2011, the District Court, after the Fairness Hearing, entered a final order (1) approving the proposed settlement submitted to the District Court by the parties to the derivative litigation and (2) dismissing with prejudice all claims contained in the 2005 derivative cases. The District Court's order also resulted in the dismissal of the state-court derivative action, which had been stayed pending resolution of the federal derivative cases.

**Table of Contents****SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following table furnishes, as of April 25, 2012 (unless otherwise noted below), with respect to each person who is known to the Company to be the beneficial owner of more than 5% of the outstanding shares of Common Stock of the Company, the name and address of such beneficial owner, the number of shares of Common Stock beneficially owned (as determined in accordance with Rule 13d-3 under the Exchange Act) and the percentage such shares comprised of the outstanding shares of Common Stock of the Company.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class <sup>(1)</sup>
FMR LLC Edward C. Johnson 3d  82 Devonshire Street  Boston, MA 02109	12,744,394 <sup>(2)</sup>	15.02%
Columbia Wanger Asset Management, LLC 227 West Monroe Street, Suite 3000  Chicago, IL 60606	5,645,800 <sup>(3)</sup>	6.65%
The Vanguard Group, Inc. 100 Vanguard Blvd.  Malvern, PA 19355	4,629,853 <sup>(4)</sup>	5.46%
BlackRock, Inc. 40 East 52nd Street  New York, NY 10022	4,590,848 <sup>(5)</sup>	5.41%

<sup>(1)</sup> The percent of class is based on 84,841,792 shares of Common Stock outstanding on April 25, 2012.

<sup>(2)</sup> Based on information contained in a Schedule 13G/A filed by FMR LLC and Edward C. Johnson 3d with the SEC on February 14, 2012 to report beneficial ownership of shares of the Company's Common Stock as of December 31, 2011. Fidelity Management & Research Company (Fidelity), 82 Devonshire Street, Boston, Massachusetts 02109, a wholly-owned subsidiary of FMR LLC and a registered investment adviser, was reported to beneficially own 12,211,387 shares of Common Stock (14.39% of the shares outstanding on April 25, 2012) as a result of acting as investment adviser to various registered investment companies (collectively, the Funds). The ownership of one registered investment company, Fidelity Low-Priced Stock Fund, 82 Devonshire Street, Boston, Massachusetts 02109, was reported to be 6,500,000 shares of Common Stock (7.66% of the shares outstanding on April 25, 2012).

Edward C. Johnson 3d, who is Chairman of FMR LLC, and FMR LLC, through its control of Fidelity, and the Funds each was reported to have sole power to dispose of the 12,211,387 shares of Common Stock owned by the Funds. Neither FMR LLC nor Edward C. Johnson 3d was reported to have the sole power to vote or direct the voting of the shares of Common Stock owned directly by the Funds, which power was reported to reside with the Funds' Boards of Trustees. Fidelity was reported to carry out the voting of the shares of Common Stock under written guidelines established by the Funds' Boards of Trustees.

Members of the family of Edward C. Johnson 3d were reported to be 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 stockholders were reported to have entered into a stockholders' voting agreement under which all Series B voting common shares will be voted in accordance with the majority of the Series B voting common shares. Through their ownership of voting common shares and the execution of the stockholders' 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.

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Fidelity Management Trust Company, 82 Devonshire Street, Boston, Massachusetts 02109, a wholly-owned bank subsidiary of FMR LLC, was reported to beneficially own 27,661 shares of Common Stock (0.03% of the shares outstanding on April 25, 2012) as a result of its serving as investment manager of institutional accounts. Edward C. Johnson 3d and FMR LLC, through its control of Fidelity Management Trust Company, each was reported to have sole dispositive power over and sole power to vote or to direct the voting of 27,661 shares owned by the institutional accounts managed by Fidelity Management Trust Company.

Strategic Advisers, Inc., 82 Devonshire Street, Boston, Massachusetts 02109, a wholly-owned subsidiary of FMR LLC and a registered investment adviser, was reported to provide investment advisory services to individuals. As such, FMR LLC's beneficial ownership was reported to include 1,716 shares of Common Stock (0.002% of the shares outstanding on April 25, 2012) 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 a registered investment adviser, was reported to be the beneficial owner of 25,420 shares of Common Stock (0.03% of the shares outstanding on April 25, 2012) as a result of its serving as investment adviser to institutional accounts, non-U.S. mutual funds or registered investment companies owning such shares. Edward C. Johnson 3d and FMR LLC, through its control of PGALLC, each was

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reported to have sole dispositive power over and sole power to vote or to direct the voting of 25,420 shares of Common Stock owned by the institutional accounts, funds or investment companies advised by PGALLC.

Pyramis Global Advisors Trust Company ( PGATC ), 900 Salem Street, Smithfield, Rhode Island 02917, an indirect wholly-owned bank subsidiary of FMR LLC, was reported to beneficially own 478,210 shares of Common Stock (0.56% of the shares outstanding on April 25, 2012) as a result of its serving as investment manager of institutional accounts owning such shares. Edward C. Johnson 3d and FMR LLC, through its control of PGATC, each was reported to have sole dispositive power over 478,210 shares and sole power to vote or to direct the voting of 470,250 shares owned by the institutional accounts managed by PGATC.

(3) Based on information contained in a Schedule 13G/A filed by Columbia Wanger Asset Management, LLC with the SEC on February 10, 2012, to report beneficial ownership of shares of the Company's Common Stock as of December 31, 2011. Columbia Wanger Asset Management, LLC, an investment adviser, reported that it is deemed to be the beneficial owner of 5,645,800 shares of Common Stock. Columbia Wanger Asset Management, LLC reported sole voting power as to 5,293,900 shares and sole dispositive power as to 5,645,800 shares.

(4) Based on information contained in a Schedule 13G filed by The Vanguard Group, Inc. with the SEC on February 7, 2012, to report beneficial ownership of shares of the Company's Common Stock as of December 31, 2011. The Vanguard Group, Inc. reported that it is deemed to be the beneficial owner of 4,629,853 shares of Common Stock. The Vanguard Group, Inc. reported sole voting power as to 122,695 shares, sole dispositive power as to 4,507,158 shares and shared dispositive power as to 122,695 shares.

Vanguard Fiduciary Trust Company ( VFTC ), a wholly-owned subsidiary of The Vanguard Group, Inc., was reported to be the beneficial owner of 122,695 shares of Common Stock (0.14% of the shares outstanding on April 25, 2012) as a result of VFTC serving as investment manager of collective trust accounts. VFTC was reported to direct the voting of these shares.

(5) Based on information contained in a Schedule 13G/A filed by BlackRock, Inc. with the SEC on February 13, 2012, to report beneficial ownership of shares of the Company's Common Stock as of December 30, 2011. BlackRock, Inc. reported that, through its subsidiaries, it is deemed to be the beneficial owner of 4,590,848 shares of Common Stock. BlackRock, Inc. reported sole voting power and sole dispositive power as to these 4,590,848 shares.

The following table furnishes the number of shares of Common Stock of the Company beneficially owned (as determined in accordance with Rule 13d-3 under the Exchange Act) by each of the current directors and director nominees, by each of the named executive officers, and by all of the current directors and executive officers as a group, as of April 25, 2012.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership <sup>(1)</sup>	Percent of Class <sup>(2)</sup>
James B. Bachmann	14,915	*
Lauren J. Brisky	30,992	*
Diane Chang	192,483	*
Michael E. Greenlees	1,500	*
Archie M. Griffin <sup>(3)</sup>	13,684	*
Leslee K. Herro	292,414	*
Kevin S. Huvane	4,500	*
Michael S. Jeffries	2,436,522	2.82%
John W. Kessler <sup>(3)</sup>	24,655	*
Elizabeth M. Lee	7,267	*
Jonathan E. Ramsden	148,319	*
Ronald A. Robins, Jr.	9,406	*
Craig R. Stapleton <sup>(3)</sup>	10,398	*
Current directors and executive officers as a group (13 persons)	3,187,055	3.67%

\* Less than 1%.

<sup>(1)</sup> Unless otherwise indicated, each individual has voting and dispositive power over the listed shares of Common Stock and such voting and dispositive power is exercised solely by the named individual or shared with a spouse. Includes the following number of shares of Common Stock issuable by June 24, 2012 upon vesting of restricted shares or restricted stock units or the exercise of outstanding stock options or SARs which are currently exercisable or will become exercisable by June 24, 2012: Mr. Bachmann, 3,000 shares; Ms. Brisky, 10,500 shares; Ms. Chang, 187,500 shares; Mr. Greenlees, 0 shares; Mr. Griffin, 5,500 shares; Ms. Herro, 251,375 shares; Mr. Huvane, 3,000 shares; Mr. Jeffries, 1,425,380 shares; Mr. Kessler, 17,000 shares; Ms. Lee, 3,000 shares; Mr. Ramsden, 132,500 shares; Mr. Robins, 9,000 shares; Mr. Stapleton, 3,000 shares; and all current directors and executive officers as a group, 2,050,755 shares. The Company has included for this purpose the gross number of shares of Common Stock deliverable, but actual shares received will be less as a result of the payment of applicable withholding taxes. Additionally, as required, the Company has provided the gross number of shares of Common Stock that may be acquired upon exercise of SARs without reduction for the value of the exercise price. The numbers reported do not include any unvested restricted shares or restricted stock units or any unvested stock options or SARs held by directors or executive officers (other than those specified in this footnote).

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(2) The percent of class is based upon the sum of 84,841,792 shares of Common Stock outstanding on April 25, 2012 and the number of shares of Common Stock, if any, as to which the named individual or group has the right to acquire beneficial ownership by June 24, 2012, either through the vesting of restricted shares or restricted stock units or upon the exercise of stock options or SARs which are currently exercisable or will become exercisable by June 24, 2012.

(3) The Amount and Nature of Beneficial Ownership does not include the following number of shares of Common Stock credited to the bookkeeping accounts of the following directors under the Directors' Deferred Compensation Plan: Mr. Griffin, 24,209 shares; Mr. Kessler, 5,536 shares; Mr. Stapleton, 3,539 shares; and all directors as a group, 33,284 shares. While the directors have an economic interest in these shares, each director's only right with respect to his bookkeeping account (and the amounts allocated thereto) is to receive a distribution of the whole shares of Common Stock represented by the share equivalent credited to his bookkeeping account (plus cash representing the value of fractional shares) in accordance with the terms of the Directors' Deferred Compensation Plan.

**Stock Ownership Guidelines**

The Board believes it is important that the executive officers and directors have, and are recognized both internally and externally as having, long-term financial interests that are aligned with those of the Company's stockholders. Accordingly, the Board adopted stock ownership guidelines for all directors and executive officers effective as of November 12, 2009. The Company's stock ownership guidelines are posted on the Corporate Governance page of the Company's website at [www.abercrombie.com](http://www.abercrombie.com), accessible through the Investors page.

The guidelines for the executive officers are five times annual base salary for the CEO and one times annual base salary for the other executive officers. The guidelines are initially calculated using the executive officer's base salary as of the later of the date the guidelines were adopted and the date the individual was first designated as an executive officer by the Board. The guidelines may be modified, at the discretion of the Nominating and Board Governance Committee, when an executive officer changes pay grade and otherwise from time to time. Until the amount contemplated by the guidelines is achieved, the executive officer is required to retain an amount equal to 50% of the shares received as a result of the exercise of stock options or stock-settled SARs or the vesting of restricted stock or restricted stock units, in each case netted to pay any exercise price or withholding taxes; provided, that for a three-year transition period ending November 12, 2012, executive officers are required to retain 33 1/3% of the net shares received if they are not above the applicable guidelines. Failure to meet or, in unique circumstances, to show sustained progress toward meeting these stock ownership guidelines may be a factor considered by the Compensation Committee in determining future long-term incentive equity grants and/or appropriate levels of incentive compensation. All of the executive officers have complied with their obligations under the guidelines.

The guideline for the directors is three times the amount of the annual retainer paid to directors, calculated using the annual retainer as of the later of the date the guidelines were adopted and the date the director is elected to the Board. It is anticipated that directors should be able to achieve the guideline within three years of joining the Board, or, in the case of directors serving at the time the guidelines were adopted, within three years of the date of adoption of the guidelines. All of the directors are in compliance with the guidelines.

**Section 16(a) Beneficial Ownership Reporting Compliance**

To the Company's knowledge, based solely on a review of the forms furnished to the Company and written representations that no other forms were required, during Fiscal 2011, all directors, officers and beneficial owners of greater than 10% of the outstanding shares of Common Stock timely filed the reports required by Section 16(a) of the Exchange Act.

**PROPOSAL 2 ADVISORY VOTE ON EXECUTIVE COMPENSATION**

We are asking stockholders to approve an advisory resolution on the Company's executive compensation as reported in this Proxy Statement. As described below in the **COMPENSATION DISCUSSION AND ANALYSIS** section of this Proxy Statement beginning on page 41, the Compensation Committee has structured the Company's executive compensation programs, among other things, to achieve the following key objectives:

Align executive pay with the achievement of financial and operational objectives;

Create and sustain long-term stockholder value; and

Reflect the strong team-based culture of the Company.



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The Company's executive compensation programs promote these objectives by providing a large portion of executive pay via at-risk vehicles. Mr. Jeffries receives the substantial majority of his annual compensation in the form of performance-based semi-annual equity grants. Under his 2008 employment contract, Mr. Jeffries is eligible for such grants only if the Company's total stockholder return during each semi-annual measurement period increases above all previous high-water marks since the beginning of the contract, adjusted for cash dividends, and then only to the extent that the value created exceeds any cash compensation paid to or earned by the CEO and any increase in the CEO's pension benefits accrued with respect to the semi-annual period to which the grant relates.

For the remaining named executive officers, the majority of their compensation is provided in annual cash incentives contingent upon Company financial performance and long-term equity incentives, including SARs and performance-based restricted stock units that provide an incentive to create long-term stockholder value. The Company fosters a team-based approach and an environment of cooperation by tying both annual cash incentive compensation and long-term equity compensation to the financial results of the Company as a whole. Because objectives for operating income for the Fall season during Fiscal 2011 were not met, the annual cash incentive program paid out at only 66% of the aggregate target for the year.

We believe that we have listened to our stockholders' message at the 2011 Annual Meeting of Stockholders and in subsequent engagement and responded in a meaningful and appropriate manner. Beginning in Fiscal 2012, a portion of the long-term equity incentives granted to our Executive Vice Presidents is in the form of performance shares that will be earned only if earnings per share growth objectives are achieved. The Compensation Committee negotiated an amendment to the CEO's employment agreement (at no cost to the Company) to provide that 80% of the total fair value of any semi-annual equity grants earned during the remaining term of the CEO's employment agreement will be awarded in the form of SARs and 20% will be awarded in the form of restricted stock units. The restricted stock units will be subject to the same target and threshold adjusted earnings per share performance levels that apply to performance shares granted to our Executive Vice Presidents, as well as the time-based vesting requirements specified in our CEO's employment agreement.

In recent years, the Company has made changes to its executive compensation programs to respond to stockholder input and to conform with best practices. During Fiscal 2010, the CEO's employment agreement was amended (at no cost to the Company) to eliminate Internal Revenue Code Section 280G excise tax gross-up payments. The Company's incentive plans are subject to a strict clawback, allowing the Company to seek repayment of any incentive amounts that were erroneously paid with no requirement of misconduct on the part of the plan participant before the clawback is triggered. Further, the Company has implemented stock ownership guidelines for all directors and executive officers and has imposed holding requirements and five-year cliff vesting on many of the equity awards granted to the CEO.

Stockholders are urged to read the **COMPENSATION DISCUSSION AND ANALYSIS** beginning on page 41, which describes in more detail how the Company's executive compensation policies and procedures achieve its compensation objectives, as well as the **Fiscal 2011 Summary Compensation Table** beginning on page 56 and related compensation tables, notes and narrative, which provide detailed information on the compensation of the named executive officers.

In accordance with Section 14A of the Exchange Act, and as a matter of good corporate governance, the Company is asking stockholders to approve the following advisory resolution at the Annual Meeting:

RESOLVED, that the stockholders of Abercrombie & Fitch Co. (the Company) approve, on an advisory basis, the compensation of the Company's named executive officers disclosed in the Compensation Discussion and Analysis, the Fiscal 2011 Summary Compensation Table and the related compensation tables, notes and narrative in the Proxy Statement for the Company's 2012 Annual Meeting of Stockholders.

This advisory resolution, commonly referred to as a Say on Pay vote, is non-binding on the Board. Although non-binding, the Board and the Compensation Committee will carefully review and consider the voting results when evaluating our executive compensation programs for Fiscal 2012. Taking into account the advisory vote of stockholders regarding the frequency of future advisory votes to approve executive compensation at our 2011 Annual Meeting of Stockholders, the Board's current policy is to include an advisory resolution regarding approval of the compensation of our named executive officers annually. Accordingly, unless the Board modifies

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its policy on the frequency of future votes, the next advisory vote to approve our executive compensation will occur at the 2013 Annual Meeting of Stockholders.

### **THE BOARD UNANIMOUSLY RECOMMENDS THAT YOU VOTE *FOR* THE APPROVAL OF THE ADVISORY RESOLUTION ON EXECUTIVE COMPENSATION.**

#### **Required Vote**

The approval of the advisory resolution on executive compensation requires the affirmative vote of a majority in voting interest of the stockholders present in person or by proxy and voting thereon. Under applicable NYSE Rules, broker non-votes will not be treated as votes cast. Abstentions will not be counted as votes ***FOR*** or ***AGAINST*** the proposal.

### **COMPENSATION DISCUSSION AND ANALYSIS**

This Compensation Discussion and Analysis provides important information on our executive compensation programs and the amounts shown in the executive compensation tables that follow. In this Proxy Statement, the term named executive officers (sometimes referred to as NEOs) means the five individual executive officers named in the executive compensation tables that follow (and listed below). The compensation programs are governed by the Compensation Committee of the Board ( Compensation Committee or Committee ), which is comprised solely of independent, non-associate directors of the Company.

The Company's NEOs include the following individuals who served as executive officers of the Company throughout Fiscal 2011 and continue to serve:

Michael S. Jeffries, Chairman and CEO

Jonathan E. Ramsden, Executive Vice President and Chief Financial Officer (the CFO)

Diane Chang, Executive Vice President Sourcing

Leslee K. Herro, Executive Vice President Planning and Allocation

Ronald A. Robins Jr., Senior Vice President, General Counsel and Secretary

#### **Executive Summary**

The Company's compensation programs are closely aligned with the Company's performance, reflect best practices and are uniquely suited to fit our culture and our brands. The Company is operated with the objective of creating long-term value for stockholders and associates by delivering a unique customer experience, high-quality fashion forward apparel and an American lifestyle that is synonymous with our iconic global brands. We believe this strategy has been successful, as demonstrated by the fact that the Company's results have translated into significant value for the Company's stockholders since the initial public offering in 1996.

The Compensation Committee, in consultation with Company management and the Compensation Committee's independent advisors, oversees the executive compensation and benefits program for the Company's NEOs. The compensation program is comprised of a combination of base salary, annual incentive compensation, long-term incentives and associate benefits. The objective of the executive compensation program is to attract, motivate and retain key creative and management talent who thrive in the highly-competitive specialty retail industry. The executive compensation program is designed to encourage a high degree of teamwork and rewards individuals for achieving challenging financial and operational objectives that we believe lead to the creation and sustaining of long-term stockholder value.

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**September 30, 1996    January 31, 2012**

**Total Stockholder Return**

ANF vs. S&P 500 vs. S&P Retail

Chart Data Source: S&P Research Insight

***Compensation Program for the CEO***

Mr. Jeffries, the Company's current Chairman and CEO, is effectively the founder of the modern day Abercrombie & Fitch due to his unique role and contributions during his more than 20-year tenure. In addition to his role as Chairman and CEO, he also functions as the brand visionary and chief creative talent for the Company. Under his leadership, the Company reinvented the Abercrombie & Fitch brand, created the Hollister, abercrombie kids and Gilly Hicks brands and launched aggressive long-term international expansion. During Mr. Jeffries' tenure, the Company's market value has increased by approximately \$4 billion since 1996 and has significantly outperformed the S&P 500 (as shown on the chart above).

The Company's compensation arrangement with the CEO reflects his unique founder status and the extraordinary contributions he continues to deliver. To ensure the continuation of Mr. Jeffries' service with the Company, the Board entered into a new five-year employment agreement in December 2008, when his previous agreement expired.

Under his employment agreement, the CEO is eligible to earn semi-annual performance-based equity grants based on a formula that ties the size of semi-annual grants to increases in the Company's total stockholder return. The CEO does not earn a performance-based equity grant unless the Company's total stockholder return for each semi-annual measurement period increases above all previous high-water marks since the beginning of the contract, adjusted for cash dividends, and then only to the extent that the value created exceeds any cash compensation paid to or earned by the CEO and any increase in the CEO's pension benefits accrued with respect to the semi-annual period to which the grant relates. Moreover, pursuant to a recent amendment to the CEO's employment agreement, 80% of the total fair value any semi-annual equity grants earned during the remaining term of his employment agreement will be awarded in the form of SARs and 20% will be awarded in the form of restricted stock units. The restricted stock units will be subject to the same target and threshold adjusted earnings per share performance levels that apply to performance shares granted to our Executive Vice Presidents, as well as the time-based vesting requirements specified in the CEO's employment agreement. Under this amendment to the CEO's employment agreement, 100% of the restricted stock units will be eligible to vest if the target adjusted earnings per share performance level is achieved or exceeded. Only 50% of the restricted stock units will be eligible to vest if the threshold adjusted earnings per share performance level is achieved and 50% of the restricted stock units will be forfeited. Interpolation will be used to determine the percentage of the restricted

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stock units that will be eligible to vest if adjusted earnings per share are between the target and threshold performance levels. If actual adjusted earnings per share are less than the threshold adjusted earnings per share performance level, the CEO will forfeit 100% of the restricted stock units.

As discussed in more detail below, the CEO earned performance-based semi-annual equity grants of SARs in March 2011 and September 2011 because the market price of our Common Stock increased during the semi-annual periods to which those grants related. The March 2011 SAR grant has an exercise price of \$54.87 per share and a grant date fair value, as reported in the **Fiscal 2011 Grants of Plan-Based Awards** table on page 57, of \$35.1 million. The September 2011 SAR grant has an exercise price of \$67.83 per share and a reported grant date fair value of \$8.1 million. As of April 25, 2012, both of the semi-annual equity grants of SARs earned during Fiscal 2011 were underwater, since the exercise prices of the SARs are higher than the closing market price of the Company's Common Stock on that date of \$48.93. Mr. Jeffries will only realize monetary value from these grants if the market price of the Company's Common Stock appreciates substantially beyond the respective exercise prices after the grants have vested. Consistent with the performance-based nature of his agreement, Mr. Jeffries did not earn semi-annual equity grants in September 2010 or in March 2012 when the price of our Common Stock declined during the semi-annual periods to which those potential grants relate, as compared to prior semi-annual periods.

The following table shows the intrinsic value of the SARs awarded in Fiscal 2011 based on various prices of our Common Stock. As reflected in the table, in order for the SAR awards to have an intrinsic value equal to the grant date fair value reported in the **Fiscal 2011 Summary Compensation Table**, the price of the Company's Common Stock would need to be \$79.85. In addition, equity awards granted to Mr. Jeffries are subject to vesting periods which must have lapsed before any value may be realized.

### **Intrinsic Value of Fiscal 2011 CEO Awards Versus Common Stock Price**

#### *Fiscal 2011 The Year in Review*

During Fiscal 2011, the Company continued to invest for the future and build the organization to capitalize on the major opportunities the Company sees ahead. The Company believes its Fiscal 2011 results were strong when considered against the backdrop of the challenging economic and consumer environments in which they were achieved.

Total net sales grew 20% to \$4.2 billion, including 74% growth in sales from international stores and 36% growth in the direct-to-consumer business.

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Adjusted non-GAAP net income per diluted share\* increased 12.7% to \$2.31 in Fiscal 2011 from \$2.05 in Fiscal 2010. Due to the Company's Fiscal 2011 performance, our NEOs received bonuses that were at 66% of the aggregate target payouts, on an annualized basis. Bonuses were paid at 165% of target for Spring 2011 when we exceeded operating income goals, but no bonuses were paid for Fall 2011 since we did not meet our operating income goals.

During Fiscal 2011, our Executive Vice Presidents received annual equity grants comprised of SARs and performance-based restricted stock units. A majority of their total long-term incentive awards granted was in the form of SARs that vest in installments over four years. The performance-based restricted stock units also vest in installments over four years, but only if the applicable performance measure has been met. In this regard, the majority of the restricted stock unit grants that were made in Fiscal 2008 to Mr. Ramsden, Ms. Chang and Ms. Herro were forfeited or remained unvested as a result of Fiscal 2011 performance.

***Consideration of Last Year's Say on Pay Vote***

After the Company's 2011 Annual Meeting of Stockholders, the Compensation Committee and the Board reviewed the results of the stockholder advisory vote on executive compensation related to Fiscal 2010 compensation actions and decisions for the CEO and the other named executive officers. 56% of the votes cast on the proposal were voted in support of the advisory resolution on the compensation of our NEOs.

During Fiscal 2011, prior to the 2011 Annual Meeting of Stockholders, the Company held a significant number of face-to-face and telephonic meetings with our largest stockholders (and other stockholders, regardless of size, who requested a meeting). These meetings were with members of management and, in several cases, with members of the Compensation Committee and the Board. In connection with the 2011 Annual Meeting of Stockholders and recognizing that the CEO's employment agreement was entered into in 2008, we made a commitment to our largest stockholder at the time (and now), FMR LLC (Fidelity), to recommend to our Compensation Committee that it review the CEO's employment agreement in light of the current landscape and current practices. We also agreed to consider adding objective criteria in determining whether equity awards would be made to other NEOs and to enhance the disclosure in the proxy statement to add transparency to the Compensation Committee's decision-making process for equity awards.

Taking into account the results of the 2011 say on pay vote, we have continued our ongoing dialogue with our stakeholders. We have engaged in further discussions with Fidelity and communicated with other stakeholders who have corresponded with the Company. Recognizing that the use of performance-based vesting in compensation programs is increasing, the Compensation Committee determined it was appropriate to consider whether performance-based vesting triggers that would apply to future semi-annual equity grants to the CEO should be established. Since the addition of such triggers would require amendment of the CEO's employment agreement, the Compensation Committee began a dialogue with the CEO and his advisers concerning his employment agreement. These discussions culminated in the recent amendment of the CEO's employment agreement as described below.

In addition to continuing dialogue with investors, the Compensation Committee has made several changes to the design and disclosure of our executive compensation program for Fiscal 2012, including:

Adding performance shares to the mix of long-term incentives granted to the Executive Vice Presidents with awards vesting only if earnings per share growth targets are achieved.

Negotiating the amendment to the CEO's employment agreement described above under the caption ***Compensation Program for the CEO*** beginning on page 42.

\* Adjusted to exclude charges for impairments and write-downs of store-related long-lived assets, charges related to store closures and lease exits and other charges associated with legal settlements and a change in intent regarding the Company's auction rate securities (ARS charges). See page 50 of this Proxy Statement. In addition, a reconciliation of the GAAP financial measure of net income per diluted share to this non-GAAP financial measure is provided on page 37 of the Company's Fiscal 2011 Form 10-K.

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Providing greater transparency to the Compensation Committee's decision-making process, including additional information about the performance criteria used to determine the size of other equity grants that include only time-based vesting requirements;

Revising our compensation peer group to put the Company closer to the median of the group in terms of sales and to implement other changes based on size, business focus and location;

Reconstituting the Compensation Committee, which is now comprised entirely of directors who were not on the Board in December 2008, when the Company entered into the current CEO employment agreement; and

Hiring a new independent compensation consultant who reports directly to the Compensation Committee, as did the prior consultant.

**What's New for Fiscal 2012**

Since the 2011 Annual Meeting of Stockholders, the Compensation Committee has responded to our dialogue with investors and evolving compensation practices and changed its approach to long-term incentives. During Fiscal 2011, as noted above and described in the **Fiscal 2011 Grants of Plan-Based Awards** table on page 57, the Company granted Executive Vice Presidents time-vested SARs and performance-based restricted stock units that will vest over time, but only if the Company's adjusted non-GAAP net income is positive. In Fiscal 2012, the Company has added performance shares as a third component to the long-term incentive program. Over time, the Compensation Committee expects the proportion of performance shares to increase relative to the total long-term incentive opportunity of NEOs.

Set forth below is a summary of the vesting requirements for the three components of the long-term incentive program:

Component	Performance Criteria	Time Vesting
Performance Shares	Fiscal 2012 adjusted diluted EPS growth of 5% to 20% and positive adjusted non-GAAP net income in Fiscal 2013 and Fiscal 2014	33% per year beginning on the first anniversary of grant
SARs	Stock price appreciation above the exercise price	25% per year beginning on the first anniversary of grant
Performance-based Restricted Stock Units ( RSUs )	Positive adjusted non-GAAP net income over the four-year vesting period	25% per year beginning on the first anniversary of grant

In addition to adding performance shares, the Company previously had committed to stockholders to provide greater transparency to the Committee's decision-making process, including additional information about the criteria used to determine the size of NEO equity grants. Accordingly, set forth below is enhanced disclosure about the decision-making process for NEO equity grants.

Target long-term incentive award levels are set by position level based on the Company's assessment of what is required to attract and retain critical talent as well as information on compensation levels paid for comparable positions within the compensation peer group identified on page 53 and industry survey data. The target long-term incentive award levels are expressed in terms of fixed numbers of shares that have not changed



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significantly for the past few years. The advantage of fixed share guidelines is that it allows the Company to control share usage and dilution more closely than target grant value guidelines, particularly given the volatility of the Company's stock price. Fixing the number of shares has meant that the grant value of these long-term incentive awards has changed significantly from year to year and automatically aligns with changes in total stockholder value—being relatively higher when the Company's stock price is higher at the time of grant and lower when the stock price is relatively lower.

The grant date fair value of long-term incentives granted to our Executive Vice Presidents in Fiscal 2011 and Fiscal 2012 are shown below. Note that we increased the long-term incentive target values in Fiscal 2012 to reflect the introduction of performance share awards (PSAs).

Level	2011			2012			Performance Shares (# at Target)	Fair Value (\$000)
	SARs (#)	Performance-based RSUs (#)	Fair Value (\$000)	SARs (#)	Performance-based RSUs (#)	Fair Value (\$000)		
EVPs	70,000	23,000	\$2,785	67,500	21,500	\$2,953	5,000	\$2,953

For Fiscal 2012, we have also implemented objective criteria used to adjust the number of SARs and performance-based restricted stock units that would be granted under our fixed share guidelines. A range of 80% to 120% of the target number of SARs and restricted stock units may be awarded by the Committee depending on Company and individual performance criteria. These criteria include an assessment by the Compensation Committee of the Company's prior year's performance on earnings per share growth and total sales growth against long-term targets and against the performance of peer retail companies. In addition, the CEO's assessment of the individual performance of each executive is considered by the Committee. No weightings apply to the factors considered in setting the target long-term incentive award level for each associate, and thus the process relies on the subjective exercise of the Compensation Committee's judgment.

**Best Practices**

The following compensation decisions and practices demonstrate how the Company's executive compensation program reflects best practices and reinforces the Company's culture and values:

*Emphasis on At-Risk Pay* For NEOs, the majority of their total compensation is contingent upon Company financial performance and appreciation in the market price of the Company's Common Stock.

*CEO Pay for Performance Arrangements* The CEO receives a significant majority of his annual compensation in the form of long-term incentive awards. Pursuant to his employment agreement, he is only entitled to receive additional performance-based semi-annual equity awards if the market price of the Company's Common Stock during each semi-annual measurement period increases beyond that of all previous high-water marks since December 2008.

*CEO Holding Requirements* The CEO is subject to mandatory holding periods beyond the completion of his employment agreement with respect to a substantial portion of the long-term incentive awards he has received under his employment agreement.

*No Excise Tax Gross-Up Payments* On January 28, 2011, the CEO's employment agreement was amended, without payment of any additional consideration, to provide that the CEO will no longer be entitled to any gross-up payments in the event that any payments or benefits provided to him by the Company are subject to the golden parachute excise tax under Sections 280G and 4999 of the Internal Revenue Code. Similarly, no other NEO is eligible for such payments.

*Stock Ownership Guidelines* The Board believes it is important that the executive officers and directors have, and are recognized both internally and externally as having, long-term financial interests that are aligned with those of the Company's stockholders. Accordingly, the Board adopted stock ownership guidelines for all directors and executive officers effective as of November 12, 2009.





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*Clawback Policy* Each of the plans pursuant to which annual and long-term incentive compensation may be paid to the Company's executive officers includes a stringent clawback provision, which allows the Company to seek repayment of any incentive amounts that were erroneously paid, without any requirement of misconduct on the part of the plan participant.

*Derivatives and Hedging Policy* The Company prohibits associates (including the NEOs) and directors from engaging in hedging transactions with respect to any equity securities of the Company held by them.

### **Compensation Objectives**

The Company operates in the fast-paced and highly-competitive arena of specialty retail. To be successful, the Company must attract and retain key creative and management talents who thrive in this environment. The Company sets high goals and expects superior performance from these individuals. The Company's executive compensation structure is designed to support this culture. As such, the Company's executive compensation and benefit programs are designed to:

Drive high performance to achieve financial goals and create long-term stockholder value;

Reflect the strong team-based culture of the Company;

Provide compensation opportunities that are competitive with those offered by similar specialty retail organizations and other companies with which the Company competes for high caliber executive talent;

Be cost-efficient and fair to associates, management and stockholders; and

Be effectively communicated to and understood by program participants.

### **Elements of Compensation Program**

The Company's compensation program consists of the following elements:

*Base Salary* fixed pay that takes into account an individual's role and responsibilities, experience, expertise and individual performance;

*Annual Incentive Compensation Performance Plan* variable pay that is designed to reward the attainment of short-term business goals, with target award opportunities expressed as a percentage of base salary;

*Long-Term Incentive Program* stock-based awards tied to retention and increases in stockholder value over longer periods of time, and intended to align the interests of associates to those of stockholders; and

*Benefits* additional programs offered to attract and retain capable associates.

### **Fiscal 2011 Compensation Actions**

#### ***Compensation for Fiscal 2011 related to Mr. Jeffries***

Under the 2008 employment agreement, the CEO's compensation program is structured so that a large majority of his compensation depends on the Company's ability to grow and sustain total stockholder return. The CEO only earns performance-based semi-annual equity awards if the market price of the Company's Common Stock during each semi-annual measurement period increases beyond that during any previous semi-annual measurement period since December 2008, adjusted for cash dividends, and then only to the extent that the value created exceeds any cash compensation paid to or earned by the CEO and any increase in the CEO's pension benefits accrued with respect to the semi-annual period to which the grant relates.

The **Fiscal 2011 Summary Compensation Table** on page 56 shows Fiscal 2011 total compensation for Mr. Jeffries of \$48,069,473. Of this total, \$43,201,893 reflects the grant date fair value of the March and September semi-annual SAR grants discussed below. In order for Mr. Jeffries to realize this amount, the price of the Company's Common Stock must appreciate substantially above the exercise prices of the SARs as shown in the chart on page 43.

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*Semi-annual measurement period that ended on January 29, 2011:* Pursuant to the CEO's employment agreement, the 1,590,908 SARs that were awarded on March 22, 2011 represent the performance-based grant earned by Mr. Jeffries for the second half of Fiscal 2010 based on an overall increase in total stockholder return (as defined in his employment agreement) of approximately \$1.7 billion. These SARs have an exercise price of \$54.87 per share and had a grant date fair value of \$35,144,271. However, these SARs are currently underwater and have no intrinsic value. For the CEO to realize any monetary value, after the SARs have vested, the market price of the Company's Common Stock would need to appreciate by \$5.94 from the April 25, 2012 price of \$48.93 per share. For the CEO to realize the reported grant date fair value, after the SARs have vested, the market price of the Company's Common Stock would need to appreciate by \$28.03 from the April 25, 2012 price of \$48.93 per share.

*Semi-annual measurement period that ended on July 30, 2011:* Pursuant to the CEO's employment agreement, the 288,287 SARs that were awarded on September 20, 2011 represent the performance-based grant earned by Mr. Jeffries for the first half of Fiscal 2011 based on an overall increase in total stockholder return (as defined in his employment agreement) of approximately \$300 million. These SARs have an exercise price of \$67.83 per share and had a grant date fair value of \$8,057,622. However, these SARs are currently underwater and have no intrinsic value. For the CEO to realize any monetary value, after the SARs have vested, the market price of the Company's Common Stock would need to appreciate by \$18.90 from the April 25, 2012 price of \$48.93 per share. For the CEO to realize the reported grant date fair value, after the SARs have vested, the market price of the Company's Common Stock would need to appreciate by \$46.85 from the April 25, 2012 price of \$48.93 per share.

*Semi-annual measurement period that ended on January 28, 2012:* The CEO did not earn a semi-annual equity grant in March 2012 because the price of our Common Stock during the measurement period with respect to the second half of Fiscal 2011 declined as compared to prior semi-annual periods.

The recent amendment to the CEO's employment agreement provides that 20% of the total fair value of any semi-annual equity grants earned during the remaining term of his employment agreement will be awarded in the form of restricted stock units that will be subject to the same target and threshold adjusted earnings per share performance levels that apply to the performance shares granted to our Executive Vice Presidents, as well as the time-based vesting requirements specified in the CEO's employment agreement. Under this amendment to the CEO's employment agreement, 100% of the restricted stock units will be eligible to vest if the target adjusted earnings per share performance level is achieved or exceeded. Only 50% of the restricted stock units will be eligible to vest if the threshold adjusted earnings per share performance level is achieved and 50% of the restricted stock units will be forfeited. Interpolation will be used to determine the percentage of the restricted stock units that will be eligible to vest if adjusted earnings per share are between the target and threshold performance levels. If actual adjusted earnings per share are less than the threshold adjusted earnings per share performance level, the CEO will forfeit 100% of the restricted stock units.

The Compensation Committee did not award a base salary increase to the CEO as his base salary was determined pursuant to his employment agreement in Fiscal 2008. Mr. Jeffries participated in the annual incentive compensation performance plan for Fiscal 2011 on the same basis as other participants, earning an annual cash incentive of 66% of the aggregate target on an annualized basis. Refer to page 50 for the performance metrics related to the incentive compensation performance plan.

Additionally, the CEO is subject to mandatory holding periods beyond the completion of his employment agreement for a significant portion of the equity awards he has received under his current employment agreement. The material terms of the employment agreement are provided in the section captioned **Employment Agreement with Mr. Jeffries** beginning on page 58.

**Base Salary**

NEO base salaries reflect the Company's operating philosophy, culture and business direction, with each salary determined by an annual assessment of a number of factors, including the individual's current base salary, job responsibilities, impact on development and achievement of business strategy, labor market compensation data, individual performance relative to job requirements, the Company's ability to attract and retain critical executive officers and salaries paid for comparable positions within an identified compensation peer group. No specific goals or weighting is applied to the factors considered in setting the level of base salary, and thus the process relies on the subjective exercise of the Compensation Committee's judgment.

**Table of Contents****Merit Increases for NEOs other than Mr. Jeffries**

In Fiscal 2011, the Company established an aggregate base salary increase budget of 3%. In doing so, the Company reviewed market data on projected base salary increases published by numerous sources including Hay Group and WorldatWork. The NEOs other than the CEO received the following base salary increases during Fiscal 2011:

NEO	Base Salary Prior to Increase	Base Salary After Increase	% Change	Effective Date
Jonathan E. Ramsden	\$ 725,000	\$ 750,000	3.5%	March 27, 2011
Diane Chang	\$ 965,000	\$ 980,000	1.6%	March 27, 2011
Leslee K. Herro	\$ 965,000	\$ 980,000	1.6%	March 27, 2011
Ronald A. Robins Jr.	\$ 450,000	\$ 462,500	2.8%	March 27, 2011

The base salary increases for Mr. Ramsden, Ms. Chang, Ms. Herro and Mr. Robins were based upon a variety of factors, as discussed above, and were primarily driven by each of their performance ratings and market comparisons.

**Annual Incentive Compensation Plan**

The Incentive Compensation Performance Plan (the Incentive Plan), approved by stockholders at the 2007 Annual Meeting of Stockholders (and to be submitted to the stockholders for re-approval at the Annual Meeting), is designed to focus on and reward short-term operating performance. It is the broadest of the Company's management incentive programs with eligibility approaching 900 participants, including the CEO and the other NEOs.

The Incentive Plan has target incentive levels, expressed as a percentage of base salary, for each level of eligible associate. Each participant in the Incentive Plan is assigned to an incentive level based on his/her position within the Company, with more senior positions having more pay at risk. The annual incentive level for each associate is determined in conjunction with the other principal elements of compensation (base salary and long-term incentives) by an annual assessment of a number of factors, including the individual's current base salary, job responsibilities, impact on development and achievement of business strategy, labor market compensation data, individual performance relative to job requirements, the Company's ability to attract and retain critical executive officers and salaries paid for comparable positions within an identified compensation peer group. No specific goals or weighting is applied to the factors considered in setting the incentive level for the NEOs, and thus the process relies on the subjective exercise of the Compensation Committee's judgment.

Awards under the Incentive Plan vary based upon the performance of the Company relative to the goals set by the Compensation Committee at the beginning of each season. The maximum incentive opportunity that can be earned under the Incentive Plan is two times the target award, for the achievement of outstanding performance. For performance falling in between the threshold, target and maximum performance levels, the Company awards incentive payout amounts which are determined on an interpolated basis. For performance falling below the threshold performance level, no incentive payouts are made.

NEO	Minimum Annual Incentive as a % of Base Salary	Payout at Threshold Performance as a % of Base Salary	Target Annual Incentive as a % of Base Salary	Maximum Annual Incentive as a % of Base Salary
Michael S. Jeffries	0%	30.00%	120%	240%
Jonathan E. Ramsden	0%	20.00%	80%	160%
Diane Chang	0%	22.50%	90%	180%
Leslee K. Herro	0%	22.50%	90%	180%
Ronald A. Robins Jr.	0%	11.25%	45%	90%

The Company's Incentive Plan is divided into two six-month periods that correspond to the Company's major seasons, February through July (the Spring season) and August through January (the Fall season). Each participant's annual incentive opportunity is divided into two performance periods—the target incentive payout for the Spring season equals 40% of the annual incentive target opportunity and the target incentive payout for the Fall season equals 60% of the annual incentive target opportunity. The split in the annual incentive target opportunity is based on historical seasonality of operating results going back several years.



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The Compensation Committee administers the Incentive Plan in a manner such that payments under the Incentive Plan qualify as performance-based compensation under Section 162(m) of the Internal Revenue Code.

The Incentive Plan rewards participants for the achievement of seasonal financial performance goals. Consistent with Fiscal 2010, for Fiscal 2011, the Company performance measure for both the Spring and Fall seasons was operating income. The metrics and actual results for each period were as follows:

	Spring 2011 Metric (\$000s)				
	Below Threshold	Threshold	Target	Maximum	Actual
<b>% Payout</b>	0%	25%	100%	200%	165%
<b>Operating Income</b>	\$ 0	\$ 10,894	\$ 40,931	\$ 110,000	\$ 85,919

	Fall 2011 Metric (\$000s)				
	Below Threshold	Threshold	Target	Maximum	Actual <sup>(1)</sup>
<b>% Payout</b>	0%	25%	100%	200%	0%
<b>Operating Income</b>	\$ 0	\$ 321,593	\$ 401,991	\$ 462,290	\$ 227,684

<sup>(1)</sup> Actual operating income is adjusted to add back impairment charges of \$68.0 million, store closure and lease exit charges of \$19.0 million, asset write-down charges of \$14.6 million, legal settlement charges of \$10.0 million and ARS charges of \$13.4 million consistent with the Incentive Plan provisions and with the basis on which the performance goals were set.

The Incentive Plan gives the Compensation Committee members discretion to adjust cash incentive payouts downward based on their business judgment. However, the Compensation Committee may not adjust cash incentive payouts upward under the terms of the Incentive Plan. No such discretionary adjustments were made for Fiscal 2011.

**Long-Term Incentive Program for NEOs other than the CEO**

Long-term incentives are used to balance the short-term focus of the annual Incentive Plan by tying a significant portion of total compensation to performance achieved over multi-year periods. Under the 2005 LTIP, which was approved by stockholders at the 2005 Annual Meeting of Stockholders, and the 2007 LTIP, which was approved by stockholders at the 2007 Annual Meeting of Stockholders and amended and restated with the approval of stockholders at the 2011 Annual Meeting of Stockholders, the Compensation Committee may grant a variety of long-term incentive vehicles, including stock options, SARs, restricted stock units, and performance shares. For NEOs other than the CEO, the Company has relied since 2008 on a combination of performance-based restricted stock units and SARs. The combination of the types of awards provides a balance between retention (through performance-based restricted stock units) and long-term stock price appreciation (through SARs).

Target long-term incentive award levels are expressed as a fixed number of shares that does not change frequently. Factors that influence how the target number of shares is established include the individual's current base salary, job responsibilities, impact on development and achievement of business strategy, labor market compensation data, individual performance relative to job requirements, the Company's ability to attract and retain critical associates and salaries paid for comparable positions within an identified compensation peer group. Before the Compensation Committee approves the equity grants in total, the Committee reviews the overall dilution represented by the awards to ensure that the overall share usage is consistent with competitive practice.

Beginning with awards made to Executive Vice Presidents who were NEOs on the Fiscal 2008 grant date, the Company added a performance component to the vesting schedule for restricted stock units. Performance-based restricted stock units granted in Fiscal 2011 to Executive Vice Presidents will vest 25% a year provided the Company's adjusted non-GAAP net income is positive for the year. If this performance hurdle is not met, the restricted stock units will not vest in accordance with the vesting schedule for that year. The Executive Vice Presidents have the opportunity to earn back this unvested portion of the award if the profitability requirement is met in subsequent years. The Compensation Committee retains the right to adjust equity vesting schedules for specific circumstances.

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Portions of the restricted stock unit grants that were made in Fiscal 2008 to Mr. Ramsden, Ms. Chang and Ms. Herro did not vest as a result of Fiscal 2011 performance. The 2008, 2009 and 2011 targets for Ms. Chang's and Ms. Herro's awards were not satisfied; therefore, 75% of the Fiscal 2008 grant was forfeited. Mr. Ramsden's Fiscal 2008 grant did not vest in 2009 and 2011, and to date, the cumulative targets have not been satisfied and thus portions of this award remain unvested.

Restricted stock units granted in Fiscal 2011 to our Senior Vice President, General Counsel and Secretary vest according to a back-loaded schedule, with 10% vesting on the one-year anniversary of the grant date, an additional 20% on the two-year anniversary of the grant date, an additional 30% on the three-year anniversary of the grant date and the final vesting 40% on the four-year anniversary of the grant date.

While the Company believes that both retention and long-term performance are important objectives for a long-term incentive program, the Company also believes that the at risk component of the long-term incentive program should be higher for the more senior executive officers. Structuring more of the long-term incentive compensation of senior executive officers to be at risk more closely aligns the economic benefit of such compensation to the interests of stockholders as a significant portion of their potential compensation will only be realized if the market price of the Company's Common Stock increases. Therefore, the ratio of restricted stock units to SARs (or stock options) varies by level of participant. When compared to the percentage of the total long-term award value received by a majority of the associates in the form of restricted stock units versus SARs (or, prior to 2009, stock options), the more senior executive officers receive a relatively lower percentage of their long-term award value in the form of restricted stock units and a relatively higher percentage in the form of SARs or stock options. For the Executive Vice Presidents, a majority of their total long-term incentive awards granted during Fiscal 2011 was in the form of SARs. For Senior Vice Presidents, including Mr. Robins, a majority of the total long-term incentive awards were granted in the form of time-vested restricted stock units.

The Compensation Committee follows an Equity Grant Policy pursuant to which it reviews and approves individual grants for the NEOs, as well as the total number of shares covered by stock options, SARs and restricted stock unit grants made to all associates. The annual equity grants are typically reviewed and approved at the Compensation Committee's scheduled March meeting. The grant date for these annual grants is the date of the Compensation Committee meeting at which they are approved. Administration of restricted stock unit, stock option and SAR awards is managed by the Company's human resources department with specific instructions related to timing of grants given by the Compensation Committee. The Company has no intention, plan or practice to select annual grant dates for NEOs in coordination with the release of material, non-public information, or to time the release of such information because of award dates.

### ***Benefits***

As associates of the Company, the NEOs are eligible to participate in all of the broad-based Company-sponsored benefits programs on the same basis as other full-time associates.

In addition to the qualified Abercrombie & Fitch Co. Savings and Retirement Plan (the 401(k) Plan), the Company has a nonqualified deferred compensation plan, the Abercrombie & Fitch Nonqualified Savings and Supplemental Retirement Plan (the Nonqualified Savings and Supplemental Retirement Plan), that allows members of senior management to defer a portion of their compensation over-and-above the Internal Revenue Service (IRS) limits imposed on the Company's 401(k) Plan. The Company also makes matching and retirement contributions to the Nonqualified Savings and Supplemental Retirement Plan on behalf of the participants. Company contributions have a five-year vesting schedule. The Nonqualified Savings and Supplemental Retirement Plan allows participants the opportunity to save and invest their own money on a similar basis (as a percentage of their compensation) as other associates under the 401(k) Plan. Furthermore, the Nonqualified Savings and Supplemental Retirement Plan is competitive, and the Company's contribution element provides retention value. The Company's Nonqualified Savings and Supplemental Retirement Plan is further described and Company contributions and the individual account balances for the NEOs are disclosed under the section captioned **Nonqualified Deferred Compensation** beginning on page 63. The Company provides a separate Supplemental Executive Retirement Plan to the Company's Chairman and CEO, the material provisions of which are described under the section captioned **Pension Benefits** beginning on page 62.



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The Company offers a life insurance benefit for all full-time associates equal to two times base salary. For Vice Presidents and above, the death benefit is set at four times base salary.

The Company offers a long-term disability benefit to all full-time associates which covers 60% of base salary for the disability period. In addition, the Company offers an Executive Long-Term Disability Plan for all associates earning over \$200,000 in base salary which covers an additional 15% of base salary and 75% of target annual cash incentive compensation for the disability period.

The Company does not offer perquisites to its executive officers that are not widely available to all full-time associates, with the exception of the CEO, who is currently provided certain perquisites, including supplemental life insurance, personal security, and limited personal use of Company aircraft, as more fully described in the footnotes to the **Fiscal 2011 Summary Compensation Table** on page 57. At the time the CEO's employment agreement was entered into or amended, as applicable, the Compensation Committee carefully considered the provision of these benefits, including limited aircraft use and personal security, and approved those benefits out of concern for the CEO's safety and his extensive travel schedule.

## **Role of the Compensation Committee**

In making executive compensation decisions, the Compensation Committee is advised by both an independent compensation consultant and independent outside counsel, Gibson, Dunn & Crutcher LLP (Gibson Dunn). In Fiscal 2011, Pearl Meyer served as the Committee's compensation consultant until November when the Committee retained Compensation Advisory Partners LLC (CAP). The only services that CAP and Gibson Dunn perform for the Company are at the direction of the Compensation Committee. In addition, the only services that Pearl Meyer performed for the Company were at the direction of the Compensation Committee. None of CAP, Gibson Dunn and Pearl Meyer provided any services to the Company in Fiscal 2011 other than executive and director compensation consulting and advisory services. In this regard, the Compensation Committee has adopted a policy regarding the use of outside compensation consultants that provides as follows:

If the Committee retains a compensation consultant to provide advice, information and other services to the Committee relating to the compensation of the Company's Chief Executive Officer, its officers identified in Rule 16a-1(f) under the Exchange Act or its non-associate directors or other matters within the responsibility of the Committee, such consultant may only provide services to, or under the direction of, the Committee and is prohibited from providing any other services to the Company.

The Compensation Committee has the right to terminate the services of the outside counsel and the compensation consultant at any time. While the Compensation Committee retains Gibson Dunn and CAP directly, Gibson Dunn and CAP interact with the Company's Senior Vice President of Human Resources, the Company's office of General Counsel and the Company's CFO and their respective staffs in carrying out assignments in order to obtain compensation and performance data for the executive officers and the Company. In addition, the Compensation Committee's advisors may, at their discretion, seek input and feedback from management of the Company regarding their work product prior to presentation to the Compensation Committee in order to confirm information is accurate or address other similar issues. Representatives from Gibson Dunn and CAP are present at all Compensation Committee meetings, and generally attend executive sessions of the Committee. Both firms provide independent perspectives on any management proposals.

Decisions regarding the compensation of the CEO and the other NEOs are made solely by the Compensation Committee, although it does receive input from its independent advisors and management of the Company. The CEO provides recommendations for the compensation of the other NEOs. The CEO also provides input regarding his own goals, targets and performance. The Compensation Committee often requests certain Company executive officers to be present at Compensation Committee meetings where executive compensation and Company and individual performance are discussed and evaluated so they can provide input into the decision-making process. Executive officers may provide insight, suggestions or recommendations regarding executive compensation during periods of general discussion, but do not have a vote in any decision-making.

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### Compensation and Benefits Structure

#### *Pay Level Determination of the appropriate pay opportunity*

Pay levels for all associates of the Company, including the NEOs listed in the **Fiscal 2011 Summary Compensation Table** on page 56, are based on a number of factors, including each individual's role and responsibilities within the Company, current compensation, experience and expertise, pay levels in the competitive market for similar positions, internal pay equity relationships including those between the executive officers and the CEO and the performance of the individual, his/her area of responsibility and the Company as a whole. The Compensation Committee approves the pay levels for all the executive officers. In determining the pay levels, the Compensation Committee considers all elements of compensation and benefits.

The primary data source used in setting competitive market levels for the NEOs is information publicly disclosed by the peer retail companies listed below, based on a comparison prepared annually by the independent compensation consultant to the Committee. The Compensation Committee does not precisely benchmark each NEO's compensation to defined market level, but it does review market information as a general reference. In a given year, the Committee may engage in a more detailed review which may result in significant adjustments to a given executive officer's compensation. Actual total compensation in a given year will vary above or below the individual's target compensation levels based primarily on the attainment of overall Company financial goals and the creation of stockholder value.

The peer retail companies used by the Compensation Committee in determining the competitive market with respect to Fiscal 2011 compensation decisions are included in the table below. The peer group used for Fiscal 2011 compensation decisions was reviewed in January 2011 but remained unchanged from the group used for Fiscal 2010 compensation decisions.

Aéropostale, Inc.	American Eagle Outfitters, Inc.
Ann Inc. (formerly AnnTaylor Stores Corporation)	Coach, Inc.
The Gap, Inc.	Guess?, Inc.
J.Crew Group, Inc.	The Jones Group Inc.
Kenneth Cole Productions, Inc.	Limited Brands, Inc.
Liz Claiborne, Inc.	Nordstrom, Inc.
Ralph Lauren Corporation	Quiksilver, Inc.
Saks Incorporated	The Talbots, Inc.
Tiffany & Co.	The Timberland Company
Urban Outfitters, Inc.	Williams-Sonoma, Inc.

As of the end of Fiscal 2011, the sales for the peer group ranged from \$976 million at the 25<sup>th</sup> percentile to \$3.879 billion at the 75<sup>th</sup> percentile; and market capitalization for the peer group ranged from \$977 million at the 25<sup>th</sup> percentile to \$8.976 billion at the 75<sup>th</sup> percentile. The Company fell at the 79<sup>th</sup> percentile of the peer group for sales and the 65<sup>th</sup> percentile for market capitalization. As noted above, the peer group was revised in Fiscal 2012 to put the Company closer to the median of the group in terms of sales and to implement other changes based on size, business focus and location.

#### *Employment Agreements, Severance and Change-in-Control Benefits*

The Compensation Committee carefully considers the use and conditions of employment agreements. The Compensation Committee recognizes that, in certain circumstances, formal written employment contracts are necessary in order to successfully recruit and retain senior executive officers. Currently, only Mr. Jeffries, the CEO, has such an employment contract, the material provisions of which are described in the section captioned **Employment Agreement with Mr. Jeffries** beginning on page 58. The Compensation Committee believes it is in the best interest of the Company to ensure that Mr. Jeffries' employment is secured through the use of a contract. Although the Company has existed for more than 100 years, Mr. Jeffries' role is more akin to founder than a typical chief executive officer. His vision has transformed the Company into one of the most successful and widely-known specialty retailers.

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All associates who participate in the Company's stock-based compensation plans, including the NEOs (other than the CEO with respect to awards granted to him pursuant to his employment agreement), are entitled to certain benefits in the event of termination due to death or disability or a change in control as set forth in the plan documents for the Company's stock-based compensation plans. The Compensation Committee and the CEO agreed to an amendment to the CEO's employment agreement (entered into on January 28, 2011), pursuant to which the CEO has voluntarily agreed, for no compensation, that he will no longer be entitled to any gross-up payments in the event that any payments or benefits provided to him by the Company are subject to the golden parachute excise tax under Sections 280G and 4999 of the Internal Revenue Code. The foregoing arrangements are discussed in further detail in the section captioned **Potential Payments Upon Termination or Change in Control** beginning on page 66.

### ***Clawback Policy***

Each of the plans pursuant to which annual and long-term incentive compensation is paid to the Company's executive officers (i.e., the Incentive Plan, the 2005 LTIP and the 2007 LTIP) includes a stringent clawback provision, which allows the Company to seek repayment of any incentive amounts that were erroneously paid. Each of the plans provides that if (i) a participant (including one or more NEOs) has received payments under the plan pursuant to the achievement of a performance goal and (ii) the Compensation Committee determines that the earlier determination as to the achievement of the performance goal was based on incorrect data and in fact the performance goal had not been achieved or had been achieved to a lesser extent than originally determined and a portion of such payment would not have been paid given the correct data, then such portion of any such payment made to the participant must be repaid by such participant to the Company, without any requirement of misconduct on the part of the participant.

### ***Stock Ownership Guidelines***

As discussed above under the caption **Best Practices** on page 46, the Board believes it is important that the executive officers and directors have, and are recognized both internally and externally as having, long-term financial interests that are aligned with those of the Company's stockholders. Accordingly, the Board adopted stock ownership guidelines for all directors and executive officers effective as of November 12, 2009.

The guidelines for the executive officers are five times annual base salary for the CEO and one times annual base salary for the other executive officers. The guidelines are initially calculated using the executive officer's base salary as of the later of the date the guidelines were adopted and the date the individual was first designated as an executive officer by the Board. The guidelines may be modified, at the discretion of the Nominating and Board Governance Committee, when an executive officer changes pay grade and otherwise from time to time. Until the amount contemplated by the guidelines is achieved, the executive officer is required to retain an amount equal to 50% of the shares received as a result of the exercise of stock options or stock-settled SARs or the vesting of restricted stock or restricted stock units, in each case netted to pay any exercise prior or withholding taxes; provided, that for a three-year transition period ending November 12, 2012, executive officers are required to retain 33 1/3% of the net shares received if they are not above the applicable guidelines. All of the executive officers have complied with their obligations under the guidelines.

The guideline for the directors is three times the amount of the annual retainer paid to directors, calculated using the annual retainer as of the later of the date the guidelines were adopted and the date the director is elected to the Board. It is anticipated that directors should be able to achieve the guideline within three years of joining the Board, or, in the case of directors serving at the time the guidelines were adopted, within three years of the date of adoption of the guidelines. All of the directors are in compliance with the guidelines.

### ***Compensation Considerations Related to Tax Deductibility under Internal Revenue Code Section 162(m)***

Section 162(m) of the Internal Revenue Code generally prohibits any publicly-held corporation from taking a federal income tax deduction for compensation paid in excess of \$1,000,000 in any taxable year to the CEO and to each of the other three most highly compensated executive officers (excluding the CFO) whose compensation is required to be disclosed pursuant to Item 402 of SEC Regulation S-K. Section 162(m) exempts qualified

performance-based compensation, among other things, from this deductibility limitation. It is the Compensation

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Committee's policy to maximize the deductibility of executive compensation, to the extent compatible with the needs of the business, as the Compensation Committee believes that compensation and benefits decisions should be primarily driven by the needs of the business, rather than by tax policy. Therefore, the Compensation Committee may make pay decisions (such as the determination of the CEO's base salary) that result in compensation expense that is not fully deductible under Section 162(m).

***Compensation Considerations Related to Accounting***

When determining amounts of long-term incentive grants to executive officers and associates, the Compensation Committee examines the accounting cost associated with the grants. Under U.S. generally accepted accounting principles, grants of stock options, SARs, restricted stock units and other share-based payments result in an accounting charge for the Company. The Committee considers the accounting implications of the executive compensation program, including the estimated cost for financial reporting purposes of equity compensation as well as the aggregate grant date fair value of equity compensation computed in accordance with FASB ASC Topic 718.

**REPORT OF THE COMPENSATION COMMITTEE ON EXECUTIVE COMPENSATION**

The Compensation Committee of the Board reviewed the **COMPENSATION DISCUSSION AND ANALYSIS** and discussed it with management. Based on such review and discussion, the Compensation Committee recommended to the Board that the **COMPENSATION DISCUSSION AND ANALYSIS** be included in this Proxy Statement.

Submitted by the Compensation Committee of the Board\*:

Michael E. Greenlees (Chair)      Kevin S. Huvane      Craig R. Stapleton

\* James B. Bachmann was a member of the Compensation Committee from January 30, 2011 to November 15, 2011.

**Table of Contents****EXECUTIVE OFFICER COMPENSATION****Summary Compensation Table**

The following table summarizes the compensation paid to, awarded to or earned by the NEOs for Fiscal 2011, Fiscal 2010 and Fiscal 2009 in accordance with the rules promulgated by the SEC effective as of February 28, 2010.

**Fiscal 2011 Summary Compensation Table**

Name and Principal Position	Fiscal Year	Salary (\$)	Bonus (\$)	Stock Awards (\$) <sup>(1)</sup>	Option/SAR Awards (\$) <sup>(1)</sup>	Non-Equity Incentive Plan Compensation (\$) <sup>(2)</sup>	Change in	All Other Compensation (\$) <sup>(4)</sup>	Total (\$)
							Pension Value and Nonqualified Deferred Compensation Earnings (\$) <sup>(3)</sup>		
<b>During Fiscal 2011</b>									
Michael S. Jeffries Chairman and Chief Executive Officer	2011	\$ 1,500,000	\$ \$	\$ \$	\$ 43,201,893	\$ 1,188,000	\$ 1,460,398	\$ 719,182	\$ 48,069,473
	2010	\$ 1,500,000	\$ \$	\$ \$	\$ 14,071,661	\$ 2,329,200	\$ 734,122	\$ 4,609,925	\$ 23,244,908
	2009	\$ 1,500,000	\$ \$	\$ \$	\$ 33,293,108	\$ \$	\$ 15,545	\$ 1,526,991	\$ 36,335,644
Jonathan E. Ramsden Executive Vice President and Chief Financial Officer	2011	\$ 745,192	\$ \$	\$ 1,224,833	\$ 1,560,300	\$ 382,800	\$ 10,616	\$ 119,426	\$ 4,043,167
	2010	\$ 717,308	\$ \$	\$ \$	\$ 2,378,600	\$ 697,913	\$ 2	\$ 55,729	\$ 3,849,552
	2009	\$ 700,000	\$ \$	\$ \$	\$ \$	\$ \$	\$ \$	\$ 43,859	\$ 743,859
Diane Chang Executive Vice President Sourcing	2011	\$ 977,116	\$ \$	\$ 1,224,833	\$ 1,560,300	\$ 573,210	\$ 38,751	\$ 167,827	\$ 4,542,037
	2010	\$ 955,246	\$ \$	\$ \$	\$ 2,378,600	\$ 1,053,212	\$ 779	\$ 109,635	\$ 4,497,472
	2009	\$ 923,446	\$ \$	\$ \$	\$ 1,408,400	\$ \$	\$ 3,805	\$ 198,959	\$ 2,534,610
Leslee K. Herro Executive Vice President Planning and Allocation	2011	\$ 977,116	\$ \$	\$ 1,224,833	\$ 1,560,300	\$ 573,210	\$ 57,166	\$ 162,965	\$ 4,555,590
	2010	\$ 955,246	\$ \$	\$ \$	\$ 2,378,600	\$ 1,053,212	\$ 1,187	\$ 109,008	\$ 4,497,253
	2009	\$ 923,446	\$ \$	\$ \$	\$ 1,408,400	\$ \$	\$ 5,757	\$ 197,103	\$ 2,534,706
Ronald A. Robins, Jr. Senior Vice President, General Counsel and Secretary	2011	\$ 460,096	\$ \$	\$ 317,676	\$ 156,030	\$ 133,650	\$ 992	\$ 40,079	\$ 1,108,523
	2010	\$ 429,077	\$ \$	\$ \$	\$ \$	\$ 216,048	\$ 1	\$ 22,620	\$ 667,746
	2009	\$ \$	\$ \$	\$ \$	\$ \$	\$ \$	\$ \$	\$ \$	\$ \$

(1) The amounts included in the Stock Awards and Option/SAR Awards columns represent the grant date fair value related to restricted stock unit awards and SAR grants to the NEOs, computed in accordance with U.S. generally accepted accounting principles. The SARs that were granted to the NEOs will only deliver monetary value if the price of the Company's Common Stock increases beyond the grant price after the awards vest. For a discussion of valuation assumptions, see Note 4, Share-Based Compensation of the Notes to Consolidated Financial Statements included in ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA of the Company's Fiscal 2011 Form 10-K. The actual number of equity awards granted in Fiscal 2011 is shown in the

**Fiscal 2011 Grants of Plan-Based Awards** table beginning on page 57. Pursuant to applicable SEC Rules, the amounts shown exclude the impact of estimated forfeitures related to service-based vesting conditions. In addition, in accordance with U.S. generally accepted accounting principles, the fair value of a stock option, a SAR or a restricted stock unit granted to a retirement-eligible associate will be expensed earlier than a stock option, a SAR or a restricted stock unit granted to an associate who is not retirement eligible. These amounts do not necessarily reflect the actual value received or to be received by the NEOs.

(2) Represents the aggregate of the performance-based incentive cash compensation for Spring and Fall selling seasons for each individual.

(3) For all NEOs other than Mr. Jeffries, the amounts shown in this column for Fiscal 2011, Fiscal 2010 and Fiscal 2009 represent the above-market earnings on their respective Nonqualified Savings and Supplemental Retirement Plan balances. Above market-earnings is defined as earnings in excess of 120% of the monthly applicable federal long-term rate (AFR). The AFR for January 2012 was 3.11%.

For Mr. Jeffries, (i) the amount shown in this column for Fiscal 2011 represents above-market earnings of \$147,088 on his Nonqualified Savings and Supplemental Retirement Plan balance plus the increase in actuarial present value of \$1,313,310 in respect of Mr. Jeffries' accumulated benefit under the Chief Executive Officer Supplemental Executive Retirement Plan; (ii) the amount shown in this column for Fiscal 2010 represents above-market earnings of \$3,137 on his Nonqualified Savings and Supplemental Retirement Plan balance plus the increase in actuarial present value of \$730,985 in respect of his accumulated benefit under the Chief Executive Officer Supplemental Executive Retirement Plan; and (iii) the amount shown in this column for Fiscal 2009

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represents above-market earnings of \$15,545 on his Nonqualified Savings and Supplemental Retirement Plan balance but does not include the decrease in actuarial present value of \$2,634,611 in respect of his accumulated benefit under the Chief Executive Officer Supplemental Executive Retirement Plan (which decrease was primarily due to a decrease in the preceding 36-month average compensation, partially offset by a decrease in the discount rate used in the calculation to determine such benefit).

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(4) The amounts shown in this column reflect All Other Compensation which included the following for Fiscal 2011:

**All Other Compensation Table**

Name	Company Contributions to 401(k) Plan <sup>(a)</sup>	Company Contributions to Nonqualified Savings and Supplemental Retirement Plan <sup>(b)</sup>	Life and Long-Term Disability Insurance Premiums Paid <sup>(c)</sup>	Personal Security	Personal Use of Company-Owned Aircraft	Total (\$)
Michael S. Jeffries	\$ 23,707	\$ 260,254	\$ 116,906	\$ 118,315	\$ 200,000 <sup>(d)</sup>	\$ 719,182
Jonathan E. Ramsden	\$ 18,071	\$ 94,088	\$ 7,267	\$	\$	\$ 119,426
Diane Chang	\$ 17,891	\$ 137,299	\$ 12,637	\$	\$	\$ 167,827
Leslee K. Herro	\$ 18,040	\$ 137,299	\$ 7,626	\$	\$	\$ 162,965
Ronald A. Robins Jr.	\$ 10,099	\$ 24,517	\$ 5,463	\$	\$	\$ 40,079

- a. For each NEO, the amount shown in this column represents the aggregate amount of Company matching and supplemental contributions to his or her accounts under the Company's 401(k) Plan during Fiscal 2011.
- b. For each NEO, the amount shown in this column represents the aggregate amount of Company matching and supplemental contributions to his or her accounts under the Company's Nonqualified Savings and Supplemental Retirement Plan during Fiscal 2011.
- c. For each NEO, the amount shown in this column represents life and long-term disability insurance premiums paid for by the Company during Fiscal 2011.
- d. For Mr. Jeffries, the amount shown in this column for Fiscal 2011 represents the aggregate incremental cost of personal use of the Company-owned aircraft calculated according to applicable SEC guidance (the reported aggregate incremental cost is based on the direct costs associated with operating a flight, including fuel, landing fees, pilot and flight attendant fees, on-board catering and trip-related hangar costs and excluding the value of the disallowed corporate income tax deductions associated with the personal use of the aircraft. Due to the fact that the Company-owned aircraft is used primarily for business travel, the reported aggregate incremental cost excludes fixed costs which do not change based on usage, including depreciation and monthly management fees).

**Grants of Plan-Based Awards**

The following table sets forth information regarding cash and stock-based incentive awards granted to the NEOs during Fiscal 2011.

**Fiscal 2011 Grants of Plan-Based Awards**

Name	Grant Date	Estimated Future Payouts under Non-Equity Incentive Plan Awards <sup>(1)</sup>			Estimated Future Payouts under Equity Incentive Plan Awards <sup>(2)</sup>			All Other Stock Awards: Number of Shares of Stock or Units <sup>(3)</sup>	All Other Option/SAR Awards: Number of Securities Underlying Options/SARs <sup>(4)</sup>	Exercise or Base Price of Option/SAR Awards <sup>(5)</sup>	Grant Date Fair Value per Share of Stock Option/SAR Awards <sup>(6)</sup>	Grant Date Fair Value of Stock and Option/SAR Awards <sup>(6)</sup>
		Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (\$)	Target (\$)	Maximum (\$)					
Michael S. Jeffries	Spring	\$ 180,000	\$ 720,000	\$ 1,440,000								
	Fall	\$ 270,000	\$ 1,080,000	\$ 2,160,000								
	3/22/2011								1,590,908 <sup>(7)</sup>	\$ 54.87	\$ 22.09	\$ 35,144,271
	9/20/2011								288,287 <sup>(7)</sup>	\$ 67.83	\$ 27.95	\$ 8,057,622

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Jonathan E. Ramsden	Spring	\$ 58,000	\$ 232,000	\$ 464,000					
	Fall	\$ 90,000	\$ 360,000	\$ 720,000					
	3/22/2011				23,000			\$ 53.25	\$ 1,224,833
	3/22/2011					70,000 <sup>(7)</sup>	\$ 54.87	\$ 22.29	\$ 1,560,300
Diane Chang	Spring	\$ 86,850	\$ 347,400	\$ 694,800					
	Fall	\$ 132,300	\$ 529,200	\$ 1,058,400					
	3/22/2011				23,000			\$ 53.25	\$ 1,224,833
	3/22/2011					70,000 <sup>(7)</sup>	\$ 54.87	\$ 22.29	\$ 1,560,300
Leslee K. Herro	Spring	\$ 86,850	\$ 347,400	\$ 694,800					
	Fall	\$ 132,300	\$ 529,200	\$ 1,058,400					
	3/22/2011				23,000			\$ 53.25	\$ 1,224,833
	3/22/2011					70,000 <sup>(7)</sup>	\$ 54.87	\$ 22.29	\$ 1,560,300
Ronald A. Robins Jr.	Spring	\$ 20,250	\$ 81,000	\$ 162,000					
	Fall	\$ 31,219	\$ 124,875	\$ 249,750					
	3/22/2011					6,000 <sup>(8)</sup>		\$ 52.95	\$ 317,676
	3/22/2011					7,000 <sup>(7)</sup>	\$ 54.87	\$ 22.29	\$ 156,030



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- (1) These columns show the potential cash payouts under the Company's Incentive Plan for each of the Spring season and Fall season in Fiscal 2011. The first row for each NEO represents the potential payout at various levels for Spring, and the second row represents the potential payout at various levels for Fall. Refer to page 50 for the performance metrics related to the Incentive Plan. If threshold performance criteria are not satisfied, then the payouts for all associates, including the NEOs, would be zero. Actual amounts paid to the NEOs under the Incentive Plan for Fiscal 2011 are shown in the column titled Non-Equity Incentive Plan Compensation in the **Fiscal 2011 Summary Compensation Table** on page 56.
- (2) Represents restricted stock units granted in Fiscal 2011 under the Company's 2005 LTIP that will vest in four equal installments beginning on the first anniversary of the grant date, contingent upon the Company reporting a positive adjusted non-GAAP net income at the end of the fiscal year immediately preceding the date the tranche vests. Each NEO has the opportunity to earn back one or more installments of the award if the cumulative performance hurdles are met in a subsequent year.
- (3) This column shows the number of restricted stock units granted under the Company's 2005 LTIP.
- (4) This column shows the number of SARs granted to the NEOs in Fiscal 2011 under the Company's 2005 LTIP and the Company's 2007 LTIP. Grants were made to Michael S. Jeffries under the Company's 2007 LTIP. Grants were made to Jonathan E. Ramsden, Diane Chang, Leslee K. Herro and Ronald A. Robins Jr. under the Company's 2005 LTIP.
- (5) This column shows the exercise price of the SARs granted to NEOs, which was the closing price of the Company's Common Stock on the date of grant.
- (6) Represents the grant date fair value of the restricted stock unit award or SAR award, as appropriate, determined in accordance with U.S. generally accepted accounting principles. The grant date fair values for restricted stock unit awards are calculated using the closing price of the Common Stock on the grant date adjusted for anticipated dividend payments during the vesting period. The grant date fair values for SARs are calculated using the Black-Scholes value on the grant date.
- (7) The SARs granted to Mr. Jeffries vest 25% per year beginning on the one-year anniversary of the grant date, subject to 100% vesting on February 1, 2014, provided that Mr. Jeffries remains continuously employed by the Company through February 1, 2014. The SARs granted to the other NEOs vest 25% per year beginning on the one-year anniversary of the grant date.
- (8) The restricted stock units vest as to 10% on the one-year anniversary of the grant date, an additional 20% on the two-year anniversary of the grant date, an additional 30% on the three-year anniversary of the grant date and an additional 40% on the four-year anniversary of the grant date.

**Employment Agreement with Mr. Jeffries**

On December 19, 2008, the Company entered into a new employment agreement with Mr. Jeffries under which Mr. Jeffries serves as Chairman and CEO of the Company. The Jeffries Agreement replaced the prior employment agreement between Mr. Jeffries and the Company dated as of August 15, 2005, the term of which was to expire on December 31, 2008. The term of the Jeffries Agreement expires on February 1, 2014, unless earlier terminated in accordance with its terms, and as such represents a long-term commitment from Mr. Jeffries to the Company. Under the Jeffries Agreement, the Company is obligated to cause Mr. Jeffries to be nominated as a director.

The Jeffries Agreement provides for a base salary of \$1,500,000 per year or such larger amount as the Compensation Committee may from time to time determine. The Jeffries Agreement provides for participation in the Company's Incentive Plan as determined by the Compensation Committee. Mr. Jeffries' annual target bonus opportunity is to be at least 120% of his base salary upon attainment of target, subject to a maximum bonus opportunity of 240% of base salary.

In consideration for entering into the Jeffries Agreement, Mr. Jeffries received the Retention Grant of SARs covering 4,000,000 shares of the Company's Common Stock awarded as follows: 40% of the total Retention Grant on December 19, 2008, 30% on March 2, 2009 and the remaining 30% on September 1, 2009. With respect to 50% of the SARs awarded on each grant date, the exercise price (base price) is equal to the fair market value of the Company's Common Stock on the grant date, and with respect to the remaining SARs, the number of SARs was divided into four equal tranches of 12.5% each, and the exercise price (base price) for these tranches is equal to 120%, 140%, 160% and 180%,

respectively, of the fair market value of the Company's Common Stock on the grant date. The Retention Grant will vest in full on January 31, 2014; provided Mr. Jeffries remains continuously employed by the Company through that date, subject only to limited vesting acceleration under the severance provisions of the Jeffries Agreement. The Retention Grant expires on December 19, 2015, unless Mr. Jeffries is earlier terminated by the Company for Cause (as defined on page 67 of this Proxy Statement). The Retention Grant is also subject to a clawback should Mr. Jeffries breach certain sections of the Jeffries Agreement. Shares of Common Stock acquired pursuant to the Retention Grant (not including any shares of Common Stock sold or retained by the Company to fund the payment of the exercise price and/or any tax

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withholding obligation payable in connection with the exercise of all or any portion of the Retention Grant) are generally subject to transfer restrictions such that Mr. Jeffries must retain 50% of such shares until at least July 31, 2014 (six months following the end of the term of the Jeffries Agreement) and the remaining 50% until January 31, 2015 (twelve months following the end of the term of the Jeffries Agreement).

In addition to the Retention Grant, Mr. Jeffries is also eligible to receive two equity grants in respect of each fiscal year of the term of the Jeffries Agreement starting with Fiscal 2009 (the Semi-Annual Grants). Each Semi-Annual Grant will be awarded within 75 days following the end of the Company's second quarter or the Company's fiscal year, as applicable, subject to Mr. Jeffries' continuous employment by the Company (and, with respect to the final Semi-Annual Grant, continued service on the Board) through the applicable grant date. Semi-Annual Grants for periods ending on or prior to July 31, 2011 were in the form of SARs with an exercise price equal to the fair market value of the Company's Common Stock on the grant date. Semi-Annual Grants for periods ending after July 31, 2011 may, at Mr. Jeffries' election, be in the form of SARs, stock options, restricted stock, restricted stock units or a combination thereof. However, on May 7, 2012, Mr. Jeffries agreed to amend the Jeffries Agreement in Amendment No. 3 thereto that 80% of the total fair value of any Semi-Annual Grants earned during the remaining term of the Jeffries Agreement will be awarded in the form of SARs and 20% will be awarded in the form of restricted stock units. In addition, the restricted stock units will be subject to the same target and threshold adjusted earnings per share performance levels that apply to performance shares granted to our Executive Vice Presidents, as well as the time-based vesting requirements specified in the Jeffries Agreement. Under Amendment No. 3 to the Jeffries Agreement, 100% of the restricted stock units will be eligible to vest if the target adjusted earnings per share performance level is achieved or exceeded. Only 50% of the restricted stock units will be eligible to vest if only the threshold adjusted earnings per share performance level is achieved and 50% of the restricted stock units will be forfeited. Interpolation will be used to determine the percentage of the restricted stock units that will be eligible to vest if adjusted earnings per share are between the threshold and target performance levels. If actual adjusted earnings per share are less than the threshold adjusted earnings per share performance level, Mr. Jeffries will forfeit 100% of the restricted stock units.

The value of each Semi-Annual Grant will be equal to 2.5% of the total stockholder return over the applicable semi-annual measurement period (Semi-Annual TSR) (as defined in the Jeffries Agreement), less any cash compensation payable to or earned by Mr. Jeffries and any increase in Mr. Jeffries' pension benefits accrued with respect to the semi-annual period to which the Semi-Annual Grant relates. In no event will the Semi-Annual TSR exceed 25% of the Company's Adjusted Operating Income (as such term is defined in the Jeffries Agreement). If the grant value of a Semi-Annual Grant is less than or equal to zero for any semi-annual period, no Semi-Annual Grant will be made and the amount by which the value is less than zero will be carried forward to the next semi-annual period. Each Semi-Annual Grant vests in four equal annual installments subject to Mr. Jeffries' continuous employment with the Company; provided, however, that, as discussed above, any Semi-Annual Grants made during the remaining term of the Jeffries Agreement in the form of restricted stock units will also be subject to the same target and threshold adjusted earnings per share performance levels that apply to performance shares granted to our Executive Vice Presidents. In addition, all unvested Semi-Annual Grants will become vested on February 1, 2014 so long as Mr. Jeffries remains continuously employed by the Company through that date, subject to the end-of-term vest test (as described in the Jeffries Agreement). SARs awarded pursuant to the Semi-Annual Grants expire on December 19, 2015, unless Mr. Jeffries is earlier terminated by the Company for cause, and all Semi-Annual Grants are subject to a clawback should Mr. Jeffries breach certain sections of the Jeffries Agreement. Mr. Jeffries did not receive any remuneration from the Company in exchange for agreeing to Amendment No. 3 to the Jeffries Agreement.

The Jeffries Agreement continues to provide for term life insurance coverage in the amount of \$10,000,000. Pursuant to the Jeffries Agreement, Mr. Jeffries will be entitled to the same perquisites afforded to other senior executive officers.

Under the Jeffries Agreement, the Company provides Mr. Jeffries, for security purposes, the use of Company aircraft for business and personal travel both within and outside North America. Pursuant to Amendment No. 1 to the Jeffries Agreement (entered into on April 12, 2010), commencing with Fiscal 2010, to the extent the aggregate incremental cost to the Company of Mr. Jeffries' personal use of Company aircraft in any fiscal year exceeds \$200,000, Mr. Jeffries will reimburse the Company for the amount by which his personal

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use exceeds \$200,000. In addition, beginning with Fiscal 2010, Mr. Jeffries' right to a tax gross-up in connection with his personal use of Company aircraft has been eliminated. In consideration for these modifications of the Jeffries Agreement, the Company paid Mr. Jeffries a lump-sum cash payment of \$4,000,000. This payment is subject to a clawback of a pro-rated portion thereof if Mr. Jeffries voluntarily terminates his employment without good reason (as defined in the Jeffries Agreement) prior to February 1, 2014.

Beginning in Fiscal 2010, the Compensation Committee and Mr. Jeffries agreed to eliminate the tax gross-up in connection with personal security provided by the Company. In addition, on January 28, 2011, Mr. Jeffries and the Company entered into Amendment No. 2 to the Jeffries Agreement whereby Mr. Jeffries agreed that he will no longer be entitled to any gross-up payments in the event that any payments or benefits provided to him by the Company are subject to the golden parachute excise tax under Sections 280G and 4999 of the Internal Revenue Code. Mr. Jeffries did not receive any remuneration from the Company in exchange for agreeing to Amendment No. 2 to the Jeffries Agreement.

The terms of the Jeffries Agreement relating to the termination of Mr. Jeffries' employment are further discussed below under the section captioned **Potential Payments Upon Termination or Change in Control** beginning on page 66.

Under the Jeffries Agreement, Mr. Jeffries agrees not to compete, directly or indirectly, with the Company or any affiliate of the Company or solicit any associates, customers or suppliers of the Company, its subsidiaries and/or affiliates during the employment term and for one year thereafter.

Under the Jeffries Agreement, Mr. Jeffries also remains eligible to receive benefits under the Chief Executive Officer Supplemental Retirement Plan as described under the section captioned **Pension Benefits** beginning on page 62.

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The following table sets forth information regarding the outstanding equity awards held by the NEOs at the end of Fiscal 2011.

**Outstanding Equity Awards at Fiscal 2011 Year-End**

Name	Option/SAR Awards					Stock Awards			Equity Incentive Plan Awards: Market
	Option/SAR Grant Date	Number of Securities Underlying Unexercised Options/SARs Exercisable	Number of Securities Underlying Unexercised Options/SARs	Option/SAR Exercise Price	Option/SAR Expiration Date	Stock Award Grant Date	Number of Shares or Units of Stock that have not Vested	Market Value of Shares or Units of Stock that have not Vested <sup>(9)</sup>	Number of Shares, Units or Other Rights That Have Not Vested
Michael S. Jeffries	2/14/2003	91,122	0	\$ 26.98	2/14/2013				
	12/19/2008	0	800,000 <sup>(1)</sup>	\$ 22.84	12/19/2015				
	12/19/2008	0	200,000 <sup>(1)</sup>	\$ 27.41	12/19/2015				
	12/19/2008	0	200,000 <sup>(1)</sup>	\$ 31.98	12/19/2015				
	12/19/2008	0	200,000 <sup>(1)</sup>	\$ 36.54	12/19/2015				
	12/19/2008	0	200,000 <sup>(1)</sup>	\$ 41.11	12/19/2015				
	3/2/2009	0	600,000 <sup>(1)</sup>	\$ 20.75	12/19/2015				
	3/2/2009	0	150,000 <sup>(1)</sup>	\$ 24.90	12/19/2015				
	3/2/2009	0	150,000 <sup>(1)</sup>	\$ 29.05	12/19/2015				
	3/2/2009	0	150,000 <sup>(1)</sup>	\$ 33.20	12/19/2015				
	3/2/2009	0	150,000 <sup>(1)</sup>	\$ 37.35	12/19/2015				
	9/1/2009	0	600,000 <sup>(1)</sup>	\$ 31.66	12/19/2015				
	9/1/2009	0	150,000 <sup>(1)</sup>	\$ 37.99	12/19/2015				
	9/1/2009	0	150,000 <sup>(1)</sup>	\$ 44.32	12/19/2015				
	9/1/2009	0	150,000 <sup>(1)</sup>	\$ 50.66	12/19/2015				
	9/1/2009	0	150,000 <sup>(1)</sup>	\$ 56.99	12/19/2015				
	9/22/2009	521,683	521,683 <sup>(2)</sup>	\$ 33.53	9/22/2016				
3/23/2010	207,424	622,273 <sup>(2)</sup>	\$ 44.86	3/23/2017					
3/22/2011	0	1,590,908 <sup>(2)</sup>	\$ 54.87	3/22/2018					
9/20/2011	0	288,287 <sup>(2)</sup>	\$ 67.83	9/20/2018					
Jonathan E. Ramsden	12/8/2008	7,500	2,500 <sup>(3)</sup>	\$ 20.44	12/8/2018				
	12/8/2008	37,500	12,500 <sup>(3)</sup>	\$ 20.44	12/8/2018	12/8/2008	4,000 <sup>(4)</sup>	\$ 188,920	
	3/23/2010	35,000	105,000 <sup>(3)</sup>	\$ 44.86	3/23/2020	12/8/2008			22,500 <sup>(6)</sup> \$ 1,062,675
	3/22/2011	0	70,000 <sup>(3)</sup>	\$ 54.87	3/22/2021	3/22/2011			23,000 <sup>(7)</sup> \$ 1,086,290
Diane Chang	3/5/2007	50,000	0	\$ 73.42	3/5/2017				
	3/4/2008	37,500	12,500 <sup>(3)</sup>	\$ 78.65	3/4/2018	3/4/2008			22,500 <sup>(8)</sup> \$ 1,062,675
	3/26/2009	0	70,000 <sup>(3)</sup>	\$ 25.77	3/26/2019				
	3/23/2010	0	105,000 <sup>(3)</sup>	\$ 44.86	3/23/2020				
	3/22/2011	0	70,000 <sup>(3)</sup>	\$ 54.87	3/22/2021	3/22/2011			23,000 <sup>(7)</sup> \$ 1,086,290
Leslee K. Herro	3/11/2005	13,875	0	\$ 57.50	3/11/2015				
	3/6/2006	50,000	0	\$ 57.26	3/6/2016				
	3/5/2007	50,000	0 <sup>(3)</sup>	\$ 73.42	3/5/2017				
	3/4/2008	37,500	12,500 <sup>(3)</sup>	\$ 78.65	3/4/2018	3/4/2008			22,500 <sup>(8)</sup> \$ 1,062,675

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	3/26/2009	0	70,000 <sup>(3)</sup>	\$ 25.77	3/26/2019			
	3/23/2010	0	105,000 <sup>(3)</sup>	\$ 44.86	3/23/2020			
	3/22/2011	0	70,000 <sup>(3)</sup>	\$ 54.87	3/22/2021			
						3/22/2011		23,000 <sup>(7)</sup> \$ 1,086,290
Ronald A. Robins Jr.	11/16/2009	7,250	7,250 <sup>(3)</sup>	\$ 41.84	11/16/2019			
	3/22/2011	0	7,000 <sup>(3)</sup>	\$ 54.87	3/22/2021			
						3/22/2011	6,000 <sup>(5)</sup>	\$ 283,380

<sup>(1)</sup> Each of these SAR awards vests 100% on January 31, 2014, provided that Mr. Jeffries remains continuously employed by the Company through such date.

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- (2) Each of these SAR awards vests in four equal installments beginning on the first anniversary of the grant date, and in any event on February 1, 2014, provided that Mr. Jeffries remains continuously employed by the Company through such date.
- (3) Each of these SAR awards vests in four equal installments beginning on the first anniversary of the grant date.
- (4) This restricted stock unit award vested 10% on March 9, 2009, 20% on March 9, 2010, 30% on March 9, 2011 and 40% on March 9, 2012.
- (5) This restricted stock unit award vested 10% on the one-year anniversary of the March 22, 2011 grant date, and will vest an additional 20% on the two-year anniversary of the grant date, an additional 30% on the three-year anniversary of the grant date and an additional 40% on the four-year anniversary of the grant date.
- (6) This restricted stock unit award vests in four equal installments beginning March 9, 2010, contingent upon net income growth at 2% or more over the previous year's net income. Mr. Ramsden has the opportunity to earn back one or more installments of this award if the cumulative performance hurdles are met in a subsequent year, subject to continued employment with the Company.
- (7) Each of these restricted stock unit awards vests in four equal installments beginning on the first anniversary of the grant date, contingent upon the Company's achievement of positive net income at the end of the fiscal year immediately preceding the date that the tranche vests. The NEO has the opportunity to earn back one or more installments of this award if the cumulative performance hurdles are met in a subsequent year, subject to continued employment with the Company.
- (8) Each of these restricted stock unit awards was to vest in four equal installments beginning on the first anniversary of the grant date, contingent upon net income growth at 2% or more over the previous year's net income. The NEO had the opportunity to earn back one or more installments of this award if the cumulative performance hurdles were met in a subsequent year. No installments vested as a result of Fiscal 2011 performance (none of the 2008, 2009 and 2011 targets having been satisfied), as determined subsequent to the end of Fiscal 2011; therefore, 75% of the original award was forfeited.
- (9) Market value represents the product of the closing price of Common Stock as of January 27, 2012, which was \$47.23, multiplied by the number of restricted stock units.

**Stock Options and Stock Appreciation Rights Exercised and Restricted Stock Units Vested**

The following table provides information regarding the aggregate dollar value realized by the NEOs in connection with the exercise of stock options and SARs and the vesting of restricted stock units during Fiscal 2011.

**Fiscal 2011 Stock Option and Stock Appreciation Right Exercises and Restricted Stock Units Vested**

Name	Option/SAR Awards		Stock Awards	
	Number of Shares Acquired on Exercise	Value Realized on Exercise <sup>(1)</sup>	Number of Shares Acquired on Vesting	Value Realized on Vesting <sup>(2)</sup>
Michael S. Jeffries	1,379,248	\$ 44,639,803	25,600	\$ 1,519,616
Jonathan E. Ramsden	0	\$	10,500	\$ 584,745
Diane Chang	138,500	\$ 3,286,730	19,500	\$ 1,112,085
Leslee K. Herro	105,000	\$ 4,555,250	19,500	\$ 1,112,085
Ronald A. Robins Jr.	0	\$	0	\$

(1)

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Value realized upon SAR/stock option exercises is calculated by multiplying (a) the difference between the closing price of a share of Common Stock on the date of exercise and the exercise price of the SAR/stock option by (b) the number of shares of Common Stock covered by the portion of each SAR/stock option exercised.

- (2) Value realized upon the vesting of restricted stock unit awards is calculated by multiplying the number of shares of Common Stock underlying the vested portion of each restricted stock unit award by the closing price of a share of Common Stock on the vesting date.

### **Pension Benefits**

In conjunction with the employment agreement entered into by the Company and Mr. Jeffries as of January 30, 2003, the Company established the Chief Executive Officer Supplemental Executive Retirement Plan effective February 2, 2003 (as amended, the "SERP"). Under the terms of the 2008 Jeffries Agreement discussed above, Mr. Jeffries remains eligible to receive benefits under the SERP. Subject to the conditions described in the SERP, upon his retirement, Mr. Jeffries will receive a monthly benefit for life equal to 50% of his final average compensation (base salary and actual annual incentive as averaged over the last 36 consecutive full months ending prior to his retirement, as described in the SERP and not including any stay bonus paid pursuant to Mr. Jeffries' prior employment agreement). If Mr. Jeffries had retired on January 28, 2012, the estimated annual benefit payable to him would have been \$1,336,200, based on his average compensation for the 36 consecutive



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months ended January 28, 2012. Due to the structure of the SERP, years of service credited are not applicable. Further, Mr. Jeffries received no payments from the SERP during Fiscal 2011. As a result, columns for years of service credited and payments in Fiscal 2011 are not included in the following table.

**Pension Benefits at End of Fiscal 2011**

Name	Plan Name	Present Value of Accumulated Benefit <sup>(1)</sup>
Michael S. Jeffries	Supplemental Executive Retirement Plan	\$ 14,583,619

<sup>(1)</sup> The present value of Mr. Jeffries' accumulated benefit under the SERP as of the end of Fiscal 2011 was \$14,583,619. The present value of this accumulated benefit was determined based upon benefits earned as of January 28, 2012, using a discount rate of 4.34% and the 1994 Group Annuity Mortality Table for males. In Fiscal 2011, the Company recorded an expense of \$1,313,310 in conjunction with the SERP due to an increase in Mr. Jeffries' preceding 36-month average compensation, and a decrease in the discount rate used in the calculation. More information on the SERP can be found in Note 18, Retirement Benefits of the Notes to Consolidated Financial Statements included in ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA of the Company's Fiscal 2011 Form 10-K.

**Nonqualified Deferred Compensation**

The Company maintains the Nonqualified Savings and Supplemental Retirement Plan for associates, with participants generally at management levels and above, including the NEOs. The Nonqualified Savings and Supplemental Retirement Plan allows a participant to defer up to 75% of base salary each year and up to 100% of cash payouts to be received by the participant under the Company's Incentive Plan. The Company will match the first 3% that the participant defers on a dollar-for-dollar basis plus make an additional matching contribution equal to 3% of the amount by which the participant's base salary and cash payouts to be received under the Company's Incentive Plan (after reduction by the participant's deferral) exceed the annual maximum compensation limits imposed on the Company's 401(k) Plan (the IRS Compensation Limit), which was \$245,000 in calendar 2011. The Nonqualified Savings and Supplemental Retirement Plan allows for a variable earnings rate on participant account balances as determined by the committee which administers the Nonqualified Savings and Supplemental Retirement Plan. The earnings rate for all account balances was fixed at 4.5% per annum for Fiscal 2011. Participants are 100% vested in their deferred contributions, and earnings on those contributions at all times. Participants become vested in Company bi-weekly matching contributions and earnings on those matching contributions ratably over a five-year period from date of hire.

The following table provides information regarding the participation by the NEOs in the portion of the Nonqualified Savings and Supplemental Retirement Plan providing for participant deferral contributions and Company matching contributions, for Fiscal 2011.

**Nonqualified Deferred Compensation for Fiscal 2011 Executive Contributions and Company Matching Contributions**

Name	Executive Contributions in Fiscal 2011 (\$) <sup>(1)</sup>	Company Contributions in Fiscal 2011 (\$) <sup>(2)</sup>	Aggregate Earnings in Fiscal 2011 (\$) <sup>(3)</sup>	Aggregate Withdrawals/Distributions (\$)	Aggregate Balance as of January 28, 2012 <sup>(4)</sup>
Michael S. Jeffries	\$ 134,100	\$ 188,166	\$ 277,629	\$	\$ 6,452,492
Jonathan E. Ramsden	\$ 576,140	\$ 68,889	\$ 33,577	\$	\$ 903,044
Diane Chang	\$ 135,146	\$ 99,340	\$ 77,609	\$	\$ 1,879,571
Leslee K. Herro	\$ 139,269	\$ 99,340	\$ 130,670	\$	\$ 3,087,878
Ronald A. Robins Jr.	\$ 26,722	\$ 23,900	\$ 3,191	\$	\$ 96,326

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- (1) The amounts shown in this column reflect the aggregate of the base salary for Fiscal 2011 and Incentive Plan cash payouts for the Fall season in Fiscal 2010 (which were made in February 2011) and the Spring season in Fiscal 2011 (which were made in August 2011) deferred by each NEO, which were as follows:

Name	Executive Deferral Base Salary Fiscal 2011	Executive Deferral Incentive Plan Compensation Fall Season Fiscal 2010	Executive Deferral Incentive Plan Compensation Spring Season Fiscal 2011	Total
Michael S. Jeffries	\$ 45,000	\$ 53,460	\$ 35,640	\$ 134,100
Jonathan E. Ramsden	\$ 37,259	\$ 519,741	\$ 19,140	\$ 576,140
Diane Chang	\$ 70,660	\$ 24,361	\$ 40,125	\$ 135,146
Leslee K. Herro	\$ 97,712	\$ 24,361	\$ 17,196	\$ 139,269
Ronald A. Robins Jr.	\$ 13,802	\$ 8,910	\$ 4,010	\$ 26,722

The Executive Deferral Base Salary Fiscal 2011 amounts are included in the Salary column totals for 2011 and the Executive Deferral Incentive Plan Compensation Spring Season Fiscal 2011 amounts are included in the Non-Equity Incentive Plan Compensation column totals for 2011, in each case reported in the **Fiscal 2011 Summary Compensation Table** on page 56.

- (2) The amounts shown in this column reflect the aggregate Company contributions made during Fiscal 2011. The total is comprised of the following: (a) matching contributions with respect to each NEO's deferrals of base salary and Incentive Plan compensation for Fiscal 2011; (b) a make-up match that is equal to the match that would have been made to the 401(k) Plan had the dollars deferred to the Nonqualified Savings and Supplemental Retirement Plan not directly reduced the NEO's eligible 401(k) compensation; and (c) if the NEO maximized the deferral to the 401(k) Plan and deferred at least 3% of base salary to the Nonqualified Savings and Supplemental Retirement Plan, at the end of the year, the Company made an additional Company contribution equal to 3% on any eligible compensation above the IRS Compensation Limit. These contributions are included in the All Other Compensation column totals for 2011 reported in the **Fiscal 2011 Summary Compensation Table** on page 56.
- (3) Nonqualified deferred compensation balances earn fixed rates of interest. The rate for all account balances was fixed at 4.5% per annum for Fiscal 2011. The portion of the Fiscal 2011 earnings with respect to amounts credited to the NEOs' accounts under the Nonqualified Savings and Supplemental Retirement Plan as a result of their deferral contributions and Company matching contributions (which were made in Fiscal 2011 and prior fiscal years) which are above-market for purposes of the applicable SEC Rules are included in the Change in Pension Value and Nonqualified Deferred Compensation Earnings column totals for 2011 reported in the **Fiscal 2011 Summary Compensation Table** on page 56. These amounts are included as part of the aggregate earnings reported in this Aggregate Earnings in Fiscal 2011 column for: (a) Mr. Jeffries \$85,757; (b) Mr. Ramsden \$10,372; (c) Ms. Chang \$23,972; (d) Ms. Herro \$40,362; and (e) Mr. Robins \$986.
- (4) Of these balances, the following amounts were reported in Summary Compensation Tables in prior-year proxy statements beginning with the proxy statement for the 2007 Annual Meeting of Stockholders: (a) Mr. Jeffries \$1,367,429; (b) Mr. Ramsden \$107,185; (c) Ms. Chang \$556,643; (d) Ms. Herro \$626,784; and (e) Mr. Robins \$39,795.

Under the Nonqualified Savings and Supplemental Retirement Plan, the Company also made an annual retirement contribution in Fiscal 2011 equal to 4% of the amount by which the associate's base salary and cash payouts to be received under the Company's Incentive Plan exceed the IRS Compensation Limit, which was \$245,000 for calendar 2011. There is a one-year wait period following employment before these Company retirement contributions begin, with the first retirement contribution then made by the Company at the end of the second year of employment. Participants become vested in Company retirement contributions and earnings on those retirement contributions ratably over a five-year period.



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The following table provides information concerning the participation by the NEOs in the portion of the Nonqualified Savings and Supplemental Retirement Plan providing for Company retirement contributions, for Fiscal 2011.

**Nonqualified Deferred Compensation for Fiscal 2011    Company Supplemental  
Annual Retirement Contribution**

Name	Executive Contributions in Fiscal 2011 (\$)	Company Contributions in Fiscal 2011 \$( <sup>1</sup> )	Aggregate Earnings in Fiscal 2011 \$( <sup>2</sup> )	Aggregate Withdrawals / Distributions (\$)	Aggregate Balance as of January 28, 2012 \$( <sup>3</sup> )
Michael S. Jeffries	\$	\$ 72,088	\$ 198,538	\$	\$ 4,543,359
Jonathan E. Ramsden	\$	\$ 25,199	\$ 790	\$	\$ 25,990
Diane Chang	\$	\$ 37,959	\$ 47,844	\$	\$ 1,101,397
Leslee K. Herro	\$	\$ 37,959	\$ 54,399	\$	\$ 1,250,639
Ronald A. Robins Jr.	\$	\$ 618	\$ 19	\$	\$ 637

(1) The amounts shown in this column reflect the Company's retirement contributions made during Fiscal 2011. These retirement contributions are included in the All Other Compensation column totals for 2011 reported in the **Fiscal 2011 Summary Compensation Table** on page 56.

(2) The amounts included in the Change in Pension Value and Nonqualified Deferred Compensation Earnings column totals for 2011 reported in the **Fiscal 2011 Summary Compensation Table** on page 56 represent earnings in Fiscal 2011 with respect to amounts credited to the NEOs' accounts under the Nonqualified Savings and Supplemental Retirement Plan as a result of retirement contributions (which were made in Fiscal 2011 and prior fiscal years) which are above-market for purposes of the applicable SEC Rules. These amounts are included as part of the aggregate earnings reported in the Aggregate Earnings in Fiscal 2011 column for: (a) Mr. Jeffries \$61,328; (b) Mr. Ramsden \$244; (c) Ms. Chang \$14,779; (d) Ms. Herro \$16,804; and (e) Mr. Robins \$6.

(3) Of these balances, the following amounts were reported in Summary Compensation Tables in prior-year proxy statements beginning with the proxy statement for the 2007 Annual Meeting of Stockholders: (a) Mr. Jeffries \$1,530,106; (b) Mr. Ramsden \$25,443; (c) Ms. Chang \$588,597; (d) Ms. Herro \$604,874; and (e) Mr. Robins \$624.

Payouts under the Nonqualified Savings and Supplemental Retirement Plan are based on the participant's election at the time of deferral and may be made in a single lump sum or in annual installments over a five-year or ten-year period. The annual installment election will only apply if at the time of the separation from service, the participant is retirement eligible—that is, age 55 or older with at least five years of service. If there is no distribution election on file, the payment will be made in ten annual installments. Regardless of the election on file, if the participant terminates before retirement, dies or becomes disabled, the benefit will be paid in a single lump sum. However, if the participant dies while receiving annual installments, the beneficiary will continue to receive the remaining installment payments. The committee which administers the Nonqualified Savings and Supplemental Retirement Plan may permit hardship withdrawals from a participant's account under the Nonqualified Savings and Supplemental Retirement Plan in accordance with defined guidelines including the IRS definition of a financial hardship.

Participants' rights to receive their account balances from the Company are not secured or guaranteed. However, during the third quarter of Fiscal 2006, the Company established an irrevocable rabbi trust, the purpose of which is to be a source of funds to match respective funding obligations to participants in the Nonqualified Savings and Supplemental Retirement Plan and the SERP.

In the event of a change in control of the Company, the payment of the aggregate balance of each participant's account will be accelerated and such balance will be paid out as of the date of the change in control unless otherwise determined by the Board.

The Nonqualified Savings and Supplemental Retirement Plan is subject to requirements affecting deferred compensation under Section 409A of the Internal Revenue Code and is being administered in compliance with the applicable regulations under Section 409A.

**Table of Contents****Potential Payments Upon Termination or Change in Control**

The following tables describe the approximate payments that would be made to the NEOs pursuant to an employment agreement (in the case of Mr. Jeffries) or other plans or individual award agreements in the event of the NEOs' termination of employment under the circumstances described below, assuming such termination took place on January 28, 2012, the last day of Fiscal 2011. The table captioned **Outstanding Equity Awards at Fiscal 2011 Year-End** beginning on page 61 contains more information regarding the vested stock options and SARs held by the NEOs as of the end of Fiscal 2011.

***Jeffries Agreement Termination Provisions***

Under the Jeffries Agreement, described above under the section captioned **Employment Agreement with Mr. Jeffries** beginning on page 58, if Mr. Jeffries' employment is terminated by the Company for Cause (defined below) or by Mr. Jeffries other than for Good Reason (defined below) prior to a Change of Control (defined below) of the Company, Mr. Jeffries will be entitled to the following: (i) any compensation earned but not yet paid; (ii) any amounts which had been previously deferred (including any interest earned or credited thereon); (iii) reimbursement of any and all reasonable expenses incurred in connection with Mr. Jeffries' duties and responsibilities under the Jeffries Agreement; and (iv) other or additional benefits and entitlements in accordance with the applicable plans, programs and arrangements of the Company (collectively, the Accrued Compensation). In addition, pursuant to the Jeffries Agreement's clawback features, the Retention Grant and any unvested Semi-Annual Grants will be immediately forfeited.

Under the Jeffries Agreement, if Mr. Jeffries' employment is terminated by the Company without Cause and other than due to death or disability or Mr. Jeffries leaves for Good Reason prior to a Change of Control of the Company, he will receive his Accrued Compensation and continue to receive his then current base salary and medical, dental and other associate welfare benefits for two years after the termination date. Mr. Jeffries will also receive an additional payment (the pro-rata bonus) equal to 60% of his base salary prorated for the portion of the half-year period in which such termination occurs that he was employed by the Company to the extent that such pro-rata bonus is not payable as a part of the Accrued Compensation. The Retention Grant will be subject to pro-rata vesting acceleration (based on the portion of the term that he was employed by the Company, but with a minimum of two years' worth of vesting) and each outstanding Semi-Annual Grant will immediately become fully vested. The Company will also continue to pay the premiums on Mr. Jeffries' term life insurance policy until the later of February 1, 2014 or the last day of his welfare benefits coverage.

If Mr. Jeffries' employment is terminated by the Company without Cause or he leaves for Good Reason within two years after a Change of Control, he will be entitled to the same severance benefits as those payable prior to a Change of Control, except that (i) his two years of base salary will be paid in a lump sum rather than ratably over the two years after the termination date and (ii) the Retention Grant will immediately become fully vested.

If Mr. Jeffries' employment is terminated due to his death, his estate or his beneficiaries will be entitled to receive the Accrued Compensation and the pro-rata bonus with respect to the fiscal period in which the termination occurred to the extent such pro-rata bonus is not payable as part of the Accrued Compensation. The Retention Grant will be subject to pro-rata vesting acceleration (based on the portion of the term that he was employed by the Company) and each outstanding Semi-Annual Grant will immediately become fully vested. The Company will also provide any assistance necessary to facilitate the payment of the term life insurance proceeds to Mr. Jeffries' beneficiaries.

If Mr. Jeffries' employment is terminated due to his Disability, as defined in the Jeffries Agreement, he will be entitled to receive the Accrued Compensation and will continue to receive 100% of his then current base salary for 24 months and 80% of his base salary for the third 12 months following the termination date (reduced by any long-term disability insurance payments he may receive) and medical, dental and other associated welfare benefits during that time period. The Retention Grant will be subject to pro-rata vesting acceleration (based on the portion of the term that he was employed by the Company) and each outstanding Semi-Annual Grant will immediately become fully vested. The Company will also continue to pay the premiums on Mr. Jeffries' term life insurance policy until the later of February 1, 2014 or the last day of his welfare benefits coverage.

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For purposes of the Jeffries Agreement:

*Cause* means that Mr. Jeffries (i) has pled guilty or no contest to or has been convicted of an act which is defined as a felony under federal or state law, or (ii) has engaged in willful misconduct that could reasonably be expected to harm the Company's business or its reputation.

*Change of Control* means an occurrence of a nature that would be required to be reported by the Company in response to Item 6(e) of Schedule 14A of Regulation 14A under the Exchange Act. Without limiting the inclusiveness of the definition in the preceding sentence, a Change of Control of the Company will be deemed to have occurred as of the first day that any one or more of the following conditions is satisfied: (i) any person is or becomes the beneficial owner (as that term is defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 20% or more of the combined voting power of the Company's then outstanding securities and such person would be deemed an Acquiring Person for purposes of the Rights Agreement dated as of July 16, 1998, as amended, between the Company and American Stock Transfer & Trust Company, LLC, as successor Rights Agent (the Rights Agreement); or (ii) any of the following occur: (A) any merger or consolidation of the Company, other than a merger or consolidation in which the voting securities of the Company immediately prior to the merger or consolidation continue to represent (either by remaining outstanding or being converted into securities of the surviving entity) 80% or more of the combined voting power of the Company or surviving entity immediately after the merger or consolidation with another entity; (B) any sale, exchange, lease, mortgage, pledge, transfer or other disposition (in a single transaction or a series of related transactions) of assets or earning power aggregating more than 50% of the assets or earning power of the Company on a consolidated basis; (C) any complete liquidation or dissolution of the Company; (D) any reorganization, reverse stock split or recapitalization of the Company that would result in a Change of Control as otherwise defined in this paragraph; or (E) any transaction or series of related transactions having, directly or indirectly, the same effect as any of the foregoing.

*Good Reason* means the occurrence of any of the following without Mr. Jeffries' prior written consent: (i) the failure to continue him as Chairman and CEO of the Company; (ii) the failure of the Board to nominate him for election to the Board at the Company's annual meeting of stockholders; (iii) a material diminution in his duties; (iv) a reduction in or a material delay in payment of his total cash compensation and benefits including the SERP; (v) the Company, the Board or any person controlling the Company requires him to be based outside of the United States; and (vi) the failure of the Company to obtain the assumption in writing of the Company's obligation to perform the Jeffries Agreement by any successor.

**Michael S. Jeffries**

<b>Normal Course of Business</b>	<b>Cash Severance</b>	<b>Benefits Continuation</b>	<b>Equity Value<sup>(1)</sup></b>	<b>Retirement Plan Value<sup>(2)</sup></b>	<b>Total</b>
Severance For Cause	\$	\$	\$	\$ 11,628,921	\$ 11,628,921
Voluntary	\$	\$	\$	\$ 26,212,540	\$ 26,212,540
Retirement	\$	\$	\$	\$ 26,212,540	\$ 26,212,540
Death	\$ 10,900,000 <sup>(3)</sup>	\$	\$ 49,040,591	\$ 11,628,921	\$ 71,569,512
Not for Cause	\$ 3,900,000 <sup>(4)</sup>	\$ 251,604 <sup>(5)</sup>	\$ 49,040,591	\$ 26,212,540	\$ 79,404,735
Good Reason	\$ 3,900,000 <sup>(4)</sup>	\$ 251,604 <sup>(5)</sup>	\$ 49,040,591	\$ 26,212,540	\$ 79,404,735
Disability	\$ 4,200,000 <sup>(6)</sup>	\$ 377,406 <sup>(7)</sup>	\$ 49,040,591	\$ 26,212,540	\$ 79,830,537

<b>Change of Control</b>	<b>Cash Severance</b>	<b>Benefits Continuation</b>	<b>Equity Value<sup>(1)</sup></b>	<b>Retirement Plan Value<sup>(2)</sup></b>	<b>Total</b>
Severance For Cause	\$	\$	\$	\$ 11,628,921	\$ 11,628,921
Voluntary	\$	\$	\$	\$ 26,212,540	\$ 26,212,540
Retirement	\$	\$	\$	\$ 26,212,540	\$ 26,212,540
Death	\$ 10,900,000 <sup>(3)</sup>	\$	\$ 49,040,591	\$ 11,628,921	\$ 71,569,512
Not for Cause	\$ 3,900,000 <sup>(4)</sup>	\$ 251,604 <sup>(5)</sup>	\$ 75,218,618	\$ 26,212,540	\$ 105,582,762
Good Reason	\$ 3,900,000 <sup>(4)</sup>	\$ 251,604 <sup>(5)</sup>	\$ 75,218,618	\$ 26,212,540	\$ 105,582,762
Disability	\$ 4,200,000 <sup>(6)</sup>	\$ 377,406 <sup>(7)</sup>	\$ 49,040,591	\$ 26,212,540	\$ 79,830,537

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- (1) Equity value is calculated using the fiscal year end closing price of \$47.23 per share of Common Stock. As of January 28, 2012, Mr. Jeffries' s total outstanding value for all equity awards was equal to \$84,700,545. This includes \$9,481,927 of value in equity awards which were vested at fiscal year end. This vested value is not included in the table above as it could be realized independently from each of the events described in the table.

For termination as a result of death or disability, the \$49,040,591 includes the value of any outstanding Semi-Annual Grants (\$8,616,018), plus a pro-rated amount of the Retention Grant based on the period from the effective date of the Jeffries Agreement through the date of death or disability (\$40,424,573).

For termination with Good Reason or Not for Cause not subject to a change of control, the \$49,040,591 includes the value of any outstanding Semi-Annual Grants (\$8,616,018), and a pro-rated amount of the Retention Grant based on the period from the effective date of the Jeffries Agreement through the date of termination with a minimum pro-ration of two years (\$40,424,573).

For termination with Good Reason or Not for Cause subject to a change of control, the \$75,218,618 includes the value of any outstanding Semi-Annual Grants (\$8,616,018), plus the full value of the Retention Grant from the effective date of the Jeffries Agreement through the end date of the Jeffries Agreement (\$66,602,600).

- (2) Represents the present value of the vested accumulated retirement benefit under the Company' s 401(k) Plan and the Company' s Nonqualified Savings and Supplemental Retirement Plan of \$11,628,921 and, with the exception of Severance For Cause or Death , the present value of the vested accumulated retirement benefit under the SERP of \$14,583,619.

- (3) Under the Jeffries Agreement, the Company maintains term life insurance coverage on the life of Mr. Jeffries in the amount of \$10,000,000, the proceeds of which will be payable to the beneficiary or beneficiaries designated by Mr. Jeffries.

Although not shown in the above table, Mr. Jeffries also participates in the Company' s life insurance plan which is generally available to all salaried associates. The life insurance plan pays out a multiple of base salary up to a maximum of \$2,000,000. Under the provisions of the life insurance plan, if Mr. Jeffries passed away, his beneficiaries would receive \$2,000,000. In addition, the Company maintains an accidental death and dismemberment plan for all salaried associates. If Mr. Jeffries' death were accidental as defined by the plan, his beneficiaries would receive an additional \$2,000,000.

The Jeffries Agreement requires the Company to pay a pro-rata bonus for the respective fiscal period equal to 60% of base salary pro-rated for the number of days in the bonus period worked, to the extent such pro-rata bonus is not payable as part of the Accrued Compensation.

- (4) The Jeffries Agreement calls for the payment of Mr. Jeffries' base salary (currently \$1,500,000) for two years after his termination and payment of incentive compensation accrued for the period. The Jeffries Agreement requires the Company to pay a pro-rata bonus for the respective fiscal period equal to 60% of Mr. Jeffries' base salary pro-rated for the number of days in the bonus period worked.

- (5) The Jeffries Agreement calls for the continuation of Mr. Jeffries' medical, dental and other associate welfare benefits for two years after his termination. This includes the continuation of the \$10,000,000 life insurance coverage until the later of February 1, 2014 or the last day of Mr. Jeffries' welfare benefits coverage.

- (6) The Jeffries Agreement calls for the payment of Mr. Jeffries' base salary (currently \$1,500,000) for the first two years and 80% of his base salary (currently \$1,200,000) for the next year.

- (7) The Jeffries Agreement calls for the continuation of 100% of Mr. Jeffries' medical, dental and other associate welfare benefits for three years after his termination due to disability. This includes the continuation of the \$10,000,000 life insurance coverage until the later of February 1, 2014 or the last day of Mr. Jeffries' welfare benefits coverage.

*Other NEOs*

For the other NEOs, there are no employment contracts that provide severance either in the usual course of business or upon a change of control. Each NEO would receive the value of his or her accrued benefits under the Company's 401(k) Plan and the Company's Nonqualified Savings and Supplemental Retirement Plan in the event of any termination of employment (e.g., death, disability, termination by the Company with or without cause or voluntary termination by the NEO). However, the Company may choose to enter into a severance agreement with an NEO as consideration for entering into restrictive covenants related to prospective employers.

In the case of severance after a Change of Control or termination due to death or disability, in addition to the benefits under the plans mentioned in the preceding paragraph, the vesting of all outstanding SARs, stock options, and restricted stock units held by the NEO would accelerate. This provision applies to all associates participating in the Company's equity compensation plans.



**Table of Contents****Jonathan E. Ramsden**

	Cash Severance	Benefits Continuation	Equity Value <sup>(1)</sup>	Retirement Plan Value <sup>(2)</sup>	Total
<b>Normal Course of Business</b>					
Severance	\$	\$	\$	\$ 948,472	\$ 948,472
Death <sup>(3)</sup>	\$	\$	\$ 2,922,225	\$ 999,074	\$ 3,921,299
Disability	\$	\$	\$ 2,922,225	\$ 999,074	\$ 3,921,299
<b>Change of Control</b>					
	\$	\$	\$ 2,922,225	\$ 999,074	\$ 3,921,299

(1) The value of Mr. Ramsden's equity holdings is calculated as \$2,922,225 and relates to both unvested restricted stock units and unvested SARs. The \$2,922,225 is the sum of the unvested restricted stock units multiplied by \$47.23, the market price of the Company's Common Stock as of January 28, 2012, plus the in-the-money value of the unvested SARs on the same date. This total does not include \$1,288,500 of value in equity awards which were vested at fiscal year end. This vested value is not included in the table above as it could be realized independently from each of the events described in the table.

(2) The present value of the vested accumulated retirement benefit under the Company's 401(k) Plan and the Company's Nonqualified Savings and Supplemental Retirement Plan was \$948,472. If Mr. Ramsden were to terminate employment voluntarily during the normal course of business, only the vested portion of the Company's contributions would be available to him. The unvested portion (the present value of which is \$50,602) would be forfeited. If Mr. Ramsden's employment was terminated for reasons of death, disability or a change of control, the unvested portion of the Company's contributions would become immediately vested and available to him or his beneficiaries upon such termination.

(3) Although not shown in the above table, Mr. Ramsden also participates in the Company's life insurance plan which is generally available to all salaried associates. The plan pays out a multiple of base salary up to a maximum of \$2,000,000. Under the provisions of the life insurance plan, if Mr. Ramsden passed away, his beneficiaries would receive \$2,000,000. In addition, the Company maintains an accidental death and dismemberment plan for all salaried associates. If Mr. Ramsden's death were accidental as defined by the plan, his beneficiaries would receive an additional \$2,000,000.

**Diane Chang**

	Cash Severance	Benefits Continuation	Equity Value <sup>(1)</sup>	Retirement Plan Value <sup>(2)</sup>	Total
<b>Normal Course of Business</b>					
Severance	\$	\$	\$	\$ 3,460,624	\$ 3,460,624
Death <sup>(3)</sup>	\$	\$	\$ 3,900,015	\$ 3,460,624	\$ 7,360,639
Disability	\$	\$	\$ 3,900,015	\$ 3,460,624	\$ 7,360,639
<b>Change of Control</b>					
	\$	\$	\$ 3,900,015	\$ 3,460,624	\$ 7,360,639

(1) The value of Ms. Chang's equity holdings is calculated as \$3,900,015 and relates to both unvested restricted stock units and unvested stock options / SARs. The \$3,900,015 is the sum of the unvested restricted stock units multiplied by \$47.23, the market price of the Company's Common Stock as of January 28, 2012, plus the in-the-money value of the unvested stock options / SARs on the same date.

(2)

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Represents the present value of the vested accumulated retirement benefit under the Company's 401(k) Plan and the Company's Nonqualified Savings and Supplemental Retirement Plan.

- (3) Although not shown in the above table, Ms. Chang also participates in the Company's life insurance plan which is generally available to all salaried associates. The plan pays out a multiple of base salary up to a maximum of \$2,000,000. Under the provisions of the life insurance plan, if Ms. Chang passed away, her beneficiaries would receive \$2,000,000. In addition, the Company maintains an accidental death and dismemberment plan for all salaried associates. If Ms. Chang's death were accidental as defined by the plan, her beneficiaries would receive an additional \$2,000,000.

### Leslee K. Herro

Normal Course of Business	Cash Severance	Benefits Continuation	Equity Value <sup>(1)</sup>	Retirement Plan Value <sup>(2)</sup>	Total
Severance	\$	\$	\$	\$ 5,233,099	\$ 5,233,099
Death <sup>(3)</sup>	\$	\$	\$ 3,900,015	\$ 5,233,099	\$ 9,133,114
Disability	\$	\$	\$ 3,900,015	\$ 5,233,099	\$ 9,133,114

Change of Control	Cash Severance	Benefits Continuation	Equity Value <sup>(1)</sup>	Retirement Plan Value <sup>(2)</sup>	Total
	\$	\$	\$ 3,900,015	\$ 5,233,099	\$ 9,133,114

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- (1) The value of Ms. Herro's equity holdings is calculated as \$3,900,015 and relates to both unvested restricted stock units and unvested stock options / SARs. The \$3,900,015 is the sum of the unvested restricted stock units multiplied by \$47.23, the market price of the Company's Common Stock as of January 28, 2012, plus the in-the-money value of the unvested stock options / SARs on the same date.
- (2) Represents the present value of the vested accumulated retirement benefit under the Company's 401(k) Plan and the Company's Nonqualified Savings and Supplemental Retirement Plan.
- (3) Although not shown in the above table, Ms. Herro also participates in the Company's life insurance plan which is generally available to all salaried associates. The plan pays out a multiple of base salary up to a maximum of \$2,000,000. Under the provisions of the life insurance plan, if Ms. Herro passed away, her beneficiaries would receive \$2,000,000. In addition, the Company maintains an accidental death and dismemberment plan for all salaried associates. If Ms. Herro's death were accidental as defined by the plan, her beneficiaries would receive an additional \$2,000,000.

**Ronald A. Robins Jr.**

	Cash	Benefits	Equity	Retirement	
Normal Course of Business	Severance	Continuation	Value <sup>(1)</sup>	Plan	Total
				Value <sup>(2)</sup>	
Severance	\$	\$	\$	\$ 104,513	\$ 104,513
Death <sup>(3)</sup>	\$	\$	\$ 322,458	\$ 129,739	\$ 452,197
Disability	\$	\$	\$ 322,458	\$ 129,739	\$ 452,197
Change of Control	Cash	Benefits	Equity	Retirement	Total
	Severance	Continuation	Value <sup>(1)</sup>	Plan	
				Value <sup>(2)</sup>	
	\$	\$	\$ 322,458	\$ 129,739	\$ 452,197

- (1) The value of Mr. Robins' equity holdings is calculated as \$322,458 and relates to both unvested restricted stock units and unvested SARs. The \$322,458 is the sum of the unvested restricted stock units multiplied by \$47.23, the market price of the Company's Common Stock as of January 28, 2012, plus the in-the-money value of the unvested SARs on the same date. This total does not include \$39,077 of value in equity awards which were vested at fiscal year end. This vested value is not included in the table above as it could be realized independently from each of the events described in the table.
- (2) The present value of the vested accumulated retirement benefit under the Company's 401(k) Plan and the Company's Nonqualified Savings and Supplemental Retirement Plan was \$104,513. If Mr. Robins were to terminate employment voluntarily during the normal course of business, only the vested portion of the Company's contributions would be available to him. The unvested portion (the present value of which is \$25,226) would be forfeited. If Mr. Robins' employment was terminated for reasons of death, disability or a change of control, the unvested portion of the Company's contributions would become immediately vested and available to him or his beneficiaries upon such termination.
- (3) Although not shown in the above table, Mr. Robins also participates in the Company's life insurance plan which is generally available to all salaried associates. The plan pays out a multiple of base salary up to a maximum of \$2,000,000. Under the provisions of the life insurance plan, if Mr. Robins passed away, his beneficiaries would receive \$2,000,000. In addition, the Company maintains an accidental death and dismemberment plan for all salaried associates. If Mr. Robins' death were accidental as defined by the plan, his beneficiaries would receive an additional \$2,000,000.

**EQUITY COMPENSATION PLANS**

The Company has six equity compensation plans under which shares of Common Stock are authorized for issuance to eligible directors, officers and associates: (i) the 1996 Stock Option and Performance Incentive Plan (1998 Restatement) (the 1998 Associates Stock Plan); (ii) the 1996 Stock Plan for Non-Associate Directors (1998 Restatement) (the 1998 Director Stock Plan); (iii) the 2002 Stock Plan for Associates (the 2002 Associates Stock Plan); (iv) the 2003 Stock Plan for Non-Associate Directors (the 2003 Director Stock Plan); (v) the 2005 LTIP; and (vi) the 2007 LTIP. Since June 13, 2007, the Company has issued awards under two of the six equity compensation plans under which shares of Common Stock are authorized for issuance: the 2005 LTIP and the 2007 LTIP.

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Any shares of Common Stock distributable in respect of amounts deferred by non-associate directors under the Directors' Deferred Compensation Plan will be distributed: (i) under the 2005 LTIP in respect of deferred compensation allocated to non-associate directors' bookkeeping accounts on or after August 1, 2005; (ii) under the 2003 Director Stock Plan in respect of deferred compensation allocated to non-associate directors' bookkeeping accounts between May 22, 2003 and July 31, 2005; and (iii) under the 1998 Director Stock Plan in respect of deferred compensation allocated to the non-associate directors' bookkeeping accounts prior to May 22, 2003.

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The following table summarizes equity compensation plan information for the 1998 Associates Stock Plan, the 1998 Director Stock Plan, the 2005 LTIP and the 2007 LTIP, all stockholder approved, as a group and for the 2002 Associates Stock Plan and the 2003 Director Stock Plan, both non-stockholder approved, as a group, in each case as of January 28, 2012:

Plan Category	Equity Compensation Plan Information		
	Number of Shares Underlying Outstanding Options, Restricted Stock Units and Rights <sup>(a)</sup>	Weighted-Average Exercise Price of Shares Underlying Outstanding Options, Restricted Stock Units and Rights <sup>(b)</sup>	Notional Deficit Under Equity Compensation Plans (Excluding Shares Reflected in Column <sup>(a)</sup> ) <sup>(c)</sup>
Equity compensation plans approved by stockholders <sup>(1)</sup>	10,726,794 <sup>(3)</sup>	\$ 36.29 <sup>(4)</sup>	(2,071,690) <sup>(5)</sup>
Equity compensation plans not approved by stockholders <sup>(2)</sup>	257,035 <sup>(6)</sup>	\$ 49.43 <sup>(7)</sup>	(8)
<b>Total</b>	<b>10,983,829</b>	<b>\$ 36.59</b>	<b>(2,071,690)</b>

(1) The 1998 Director Stock Plan was terminated as of May 22, 2003 in respect of future grants of stock options and issuances and distributions of shares of Common Stock other than issuances of Common Stock upon the exercise of stock options granted under the 1998 Director Stock Plan which remained outstanding as of May 21, 2003 and issuances and distributions of shares of Common Stock in respect of deferred compensation allocated to non-associate directors' bookkeeping accounts under the Directors' Deferred Compensation Plan as of May 21, 2003.

(2) The 2002 Associates Stock Plan and the 2003 Director Stock Plan were terminated as of June 13, 2007 in respect of future grants of awards and issuances and distributions of shares of Common Stock other than: (a) issuances of shares of Common Stock upon the exercise of stock options or the vesting of restricted shares granted under the 2002 Associates Stock Plan; (b) issuances of shares of Common Stock upon the exercise of stock options or the vesting of stock units granted under the 2003 Director Stock Plan; and (c) issuances and distributions of shares of Common Stock in respect of deferred compensation allocated to non-associate directors' bookkeeping accounts under the Directors' Deferred Compensation Plan as of July 31, 2005.

(3) Represents the number of underlying shares of Common Stock associated with outstanding stock options, SARs, restricted stock units and share equivalents under stockholder approved plans and includes 4,000 stock options granted under the 1998 Associates Stock Plan, 7,426 share equivalents attributable to compensation deferred by non-associate directors participating in the Directors' Deferred Compensation Plan and distributable in the form of shares of Common Stock under the 1998 Director Stock Plan, 320,000 stock options granted under the 2005 LTIP, 180,780 restricted stock units granted under the 2005 LTIP, 737,000 SARs granted under the 2005 LTIP, 30,842 share equivalents attributable to compensation deferred by non-associate directors participating in the Directors' Deferred Compensation Plan and distributable in the form of shares of Common Stock under the 2005 LTIP, 136,200 stock options granted under the 2007 LTIP, 1,008,212 restricted stock units granted under the 2007 LTIP and 8,302,334 SARs granted under the 2007 LTIP.

(4) Represents weighted-average exercise price of stock options and SARs outstanding under the 1998 Associates Stock Plan, the 1998 Director Stock Plan, the 2005 LTIP and the 2007 LTIP and weighted-average price of share equivalents attributable to compensation deferred by non-associate directors participating in the Directors' Deferred Compensation Plan distributable in the form of shares of Common Stock under the 1998 Director Plan or the 2005 LTIP.

(5) Represents the number of shares available for future issuance or notional deficit under stockholder approved equity compensation plans and is comprised of 61,790 shares available for future issuance under the 2005 LTIP and a notional deficit of (2,133,480) shares under the 2007 LTIP.

Based on the net share counting methodology adopted by the Company in accordance with the terms of the 2005 LTIP and the 2007 LTIP, SARs are measured on an intrinsic value basis, which means that a SAR does not have any value and does not reduce the number of shares available on a net basis unless the stock price increases above the initial grant price and then only reduces the number of shares available on a net basis to the extent of the intrinsic value above the initial grant price. In addition, under the 2005 LTIP and the 2007 LTIP, shares available for future issuance are measured net of shares expected to be retained by the Company to cover tax withholdings upon vesting or exercise.

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On a net basis, as of January 28, 2012, there were 1,045,688 shares available for future issuance under the 2005 LTIP and 5,521,073 shares available for future issuance under the 2007 LTIP.

- (6) Represents the gross number of underlying shares of Common Stock associated with outstanding stock options, restricted shares and share equivalents under plans not approved by stockholders and includes 234,797 stock options granted under the 2002 Associates Stock Plan, 300 restricted shares granted under the 2002 Associates Stock Plan, 20,000 stock options granted under the 2003 Director Stock Plan and 1,938 share equivalents attributable to compensation deferred by non-associate directors participating in the Directors' Deferred Compensation Plan distributable in the form of shares of Common Stock under the 2003 Director Stock Plan.
- (7) Represents weighted-average exercise price of stock options outstanding under the 2002 Associates Stock Plan and the 2003 Director Stock Plan and weighted-average price of share equivalents attributable to compensation deferred by non-associate directors participating in the Directors' Deferred Compensation Plan distributable in the form of shares of Common Stock under the 2003 Director Stock Plan.
- (8) Except as described in footnote (6) to this table, no further shares of Common Stock may be issued or distributed under the 2002 Associates Stock Plan or the 2003 Director Stock Plan.

**Table of Contents****AUDIT COMMITTEE MATTERS****Report of the Audit Committee for the Fiscal Year Ended January 28, 2012**

Management of the Company has the responsibility for the preparation, presentation and integrity of the Company's consolidated financial statements, for the appropriateness of the accounting principles and reporting policies that are used by the Company and for the establishment and maintenance of systems of disclosure controls and procedures and internal control over financial reporting. The Company's independent registered public accounting firm, PricewaterhouseCoopers LLP (PwC), is responsible for auditing the Company's annual consolidated financial statements included in the Annual Report on Form 10-K and issuing an audit report on the effectiveness of the Company's internal control over financial reporting, and for reviewing the Company's unaudited interim consolidated financial statements included in the Quarterly Reports on Form 10-Q. The Audit Committee's responsibility is to provide independent, objective oversight of the integrity of the Company's consolidated financial statements, the qualifications and independence of the Company's independent registered public accounting firm, the performance of the Company's internal auditors and independent registered public accounting firm and the annual independent audit of the Company's consolidated financial statements.

In fulfilling its oversight responsibilities, the Audit Committee met with management, the Company's internal auditors and PwC throughout the year. Since the beginning of Fiscal 2011, the Audit Committee met with the Company's internal auditors and PwC, with and without management present, to discuss the overall scope of their respective annual audit plans, the results of their respective audits, the effectiveness of the Company's internal control over financial reporting, including management's and PwC's reports thereon and the bases for the conclusions expressed in those reports, and the overall quality of the Company's financial reporting. Throughout that period, the Audit Committee reviewed management's plan for documenting and testing controls, the results of their documentation and testing, any deficiencies discovered and the resulting remediation of the deficiencies. In addition, the Audit Committee reviewed and discussed with PwC all matters required by auditing standards generally accepted in the United States.

The Audit Committee has received the written disclosures and the letter from PwC required by applicable requirements of the Public Company Accounting Oversight Board regarding PwC's communications with the Audit Committee concerning independence, and has discussed with PwC that firm's independence. The Audit Committee has concluded that PwC's provision of audit and non-audit services to the Company and its subsidiaries is compatible with PwC's independence.

Management and PwC have represented to the Audit Committee that the Company's audited consolidated financial statements as of and for the fiscal year ended January 28, 2012 were prepared in accordance with accounting principles generally accepted in the United States, and the Audit Committee has reviewed and discussed those audited consolidated financial statements with management and PwC.

Based on the Audit Committee's discussions with management and PwC and its review of the report of PwC to the Audit Committee, the Audit Committee unanimously recommended to the Board that the Company's audited consolidated financial statements be included (and the Board approved such inclusion) in the Company's Annual Report on Form 10-K for the fiscal year ended January 28, 2012, filed with the SEC on March 27, 2012.

Submitted by the Audit Committee of the Board:

James B. Bachmann (Chair)	Lauren J. Brisky	Michael E. Greenlees	Craig R. Stapleton
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**Pre-Approval Policy**

Under applicable SEC Rules, the Audit Committee is required to pre-approve the audit and non-audit services performed by the Company's independent registered public accounting firm in order to ensure that the

provision of these services does not impair the independence of the independent registered public accounting

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firm from the Company and its subsidiaries. The SEC Rules specify the types of non-audit services that an independent registered public accounting firm may not provide to its audit client and establish the Audit Committee's responsibility for administration of the engagement of the independent registered public accounting firm.

Annually, the Company's management and the independent registered public accounting firm jointly submit to the Audit Committee an Audit and Non-Audit Services Matrix (the "Matrix") specifying the categories of audit services and permitted non-audit services of which management may wish to avail itself. The Audit Committee reviews the Matrix and either approves or rejects specific categories of services. Management and the independent registered public accounting firm then revise the Matrix to include only those categories of services approved by the Audit Committee. The specific services within those categories must be pre-approved as described below.

Annually, the Company's management and the independent registered public accounting firm jointly submit to the Audit Committee an Annual Pre-Approval Request (the "Pre-Approval Request") listing all known and/or anticipated audit services and permitted non-audit services for the upcoming fiscal year. The Pre-Approval Request lists these specific services by category in accordance with the Matrix, describes them in reasonable detail and includes an estimated budget (or budgeted range) of fees.

The Audit Committee reviews the Pre-Approval Request with both the Company's management and the independent registered public accounting firm. A final list of annual pre-approved services and budgeted fees is then prepared and distributed by management to appropriate Company personnel and by the independent registered public accounting firm to the partners who provide services to the Company and its subsidiaries. The pre-approval of non-audit services contained in the Pre-Approval Request is merely an authorization for management potentially to use the independent registered public accounting firm for the approved services and allowable services. Management has the discretion to engage either the independent registered public accounting firm or another provider for each listed non-audit service. The Audit Committee, in concert with management, has the responsibility to set the terms of the engagement, negotiate the fees (within the approved budget range) and execute the letters of engagement.

During the course of each fiscal year, there may be additional non-audit services that are identified by the Company's management as desired but which were not included in the annual Pre-Approval Request. The Audit Committee designates two members with the authority to pre-approve interim requests for additional non-audit services. Prior to engaging the independent registered public accounting firm for such additional non-audit services, the Company's management submits a request for approval of the non-audit services to the designated Audit Committee members who will approve or deny the request and so notify management. These interim pre-approval procedures may be used only for non-audit services that are less than \$100,000. Requests for additional non-audit services greater than \$100,000 must be approved by the full Audit Committee. At each subsequent Audit Committee meeting, the designated Audit Committee members are to report any interim non-audit service pre-approvals since the last Audit Committee meeting.

**Fees of Independent Registered Public Accounting Firm**

Fees billed for services rendered by PwC for each of Fiscal 2011 and Fiscal 2010 were as follows:

	2011	2010
Audit Fees	\$ 1,487,631	\$ 1,222,778
Audit-Related Fees	32,800	5,000
Tax Fees	75,300	
All Other Fees		
<b>Total</b>	<b>\$ 1,595,731</b>	<b>\$ 1,227,778</b>

Audit Fees represent fees for professional services rendered by PwC in connection with the audit of the Company's annual consolidated financial statements and reviews of the unaudited interim consolidated financial statements included in the Company's Quarterly Reports on Form 10-Q.



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Audit-Related Fees for each of Fiscal 2011 and Fiscal 2010 represent fees relating to accounting research.

Tax Fees for Fiscal 2011 represent fees relating to customs and tax compliance matters.

All of the services rendered by PwC to the Company and its subsidiaries during Fiscal 2011 and Fiscal 2010 were pre-approved by the Audit Committee.

### **PROPOSAL 3 RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

As noted above, PwC served as the Company's independent registered public accounting firm during Fiscal 2011 and, in that capacity, rendered a report on the Company's consolidated financial statements as of and for the fiscal year ended January 28, 2012 and internal control over financial reporting as of January 28, 2012. Subject to ratification by the stockholders, the Audit Committee of the Board has unanimously reappointed PwC as the independent registered public accounting firm to audit the Company's consolidated financial statements and internal control over financial reporting for the current fiscal year. Although the Company's governing documents do not require the submission of PwC's appointment to stockholders for ratification, the Company believes it is desirable to do so. If the appointment of PwC is not ratified, the Audit Committee of the Board will reconsider the appointment.

Representatives of PwC are expected to be present at the Annual Meeting. They will be available to respond to appropriate questions and may make a statement if they so desire.

**THE AUDIT COMMITTEE AND THE BOARD UNANIMOUSLY RECOMMEND THAT YOU VOTE *FOR* THE RATIFICATION OF THE APPOINTMENT OF PwC.**

#### **Required Vote**

The ratification of the appointment of PwC as the Company's independent registered public accounting firm for the fiscal year ending February 2, 2013 requires the affirmative vote of a majority in voting interest of the stockholders present in person or by proxy and voting thereon. Abstentions will not be treated as votes cast.

### **PROPOSAL 4 RE-APPROVAL OF THE ABERCROMBIE & FITCH CO. INCENTIVE COMPENSATION PERFORMANCE PLAN**

At the Annual Meeting, the Company's stockholders will be requested to consider and act upon a proposal to re-approve the Abercrombie & Fitch Co. Incentive Compensation Performance Plan (the "Incentive Plan").

On March 3, 1997, the Board adopted the Incentive Plan, subject to approval by the Company's stockholders who in turn approved the Incentive Plan on May 20, 1997. The Incentive Plan was then re-approved by stockholders on May 23, 2002 and June 13, 2007. The Incentive Plan has not been amended since the approval by stockholders in 2007 and is being submitted to stockholders for re-approval solely to satisfy certain requirements under Section 162(m) of the Internal Revenue Code ( "Section 162(m)"); however, there can be no guarantee that amounts payable under the Incentive Plan will be treated as qualified "performance-based compensation" under Section 162(m).

Pursuant to the Incentive Plan, selected key associates are eligible to participate in the Incentive Plan, including the named executive officers. The purpose of the Incentive Plan is to give the Company a competitive advantage in attracting, retaining and motivating key associates and to provide the Company with the ability to provide incentive compensation that is linked to financial measures. In addition, the Incentive Plan is intended to permit the payment of bonuses that may qualify as "performance-based compensation" within the meaning of Section 162(m).

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The Board believes that it is in the best interests of the Company and its stockholders for the Company to have a stockholder-approved plan under which bonuses awarded to its key associates could be designed in a manner intended to qualify as performance-based compensation within the meaning of Section 162(m). Accordingly, the Incentive Plan is being submitted for re-approval by stockholders. In general, under Section 162(m), in order for the Company to be able to deduct compensation in excess of \$1,000,000 paid in any one year to our chief executive officer or any of our three other most highly compensated executive officers (other than our chief financial officer), such compensation must qualify as performance-based. One of the requirements of performance-based compensation for purposes of Section 162(m) is that the material terms of the performance goals under which compensation may be paid be disclosed to and approved by the Company's stockholders at least once every five years. Stockholders last approved the material terms of the Incentive Plan at the 2007 Annual Meeting of Stockholders. For purposes of Section 162(m), the material terms include: (i) the individuals eligible to receive compensation; (ii) a description of the business criteria on which the performance goal is based; and (iii) the maximum amount of compensation that can be paid to an individual under the performance goal. Each of these aspects is discussed below, and stockholder approval of this proposal is intended to constitute re-approval of each of these aspects of the Incentive Plan for purposes of the stockholder approval requirements of Section 162(m).

### **Summary of the Incentive Plan**

The following summary of the material terms of the Incentive Plan is qualified in its entirety by reference to the complete text of the Incentive Plan, which is set forth in Appendix A to this Proxy Statement.

#### ***Administration***

The Incentive Plan is administered by the Compensation Committee. The Compensation Committee has the authority to select participants in the Incentive Plan from among the Company's key associates and to determine the performance goals, target amounts and other terms and conditions of awards under the Incentive Plan in respect of each Spring and/or Fall selling season.

#### ***Eligibility***

The Company's associates with significant operating and financial responsibility and who are likely to be covered employees (within the meaning of Section 162(m)) for the relevant fiscal year, are eligible to earn seasonal or annual cash incentive compensation payments to be paid under the Incentive Plan. Approximately 1,000 associates currently qualify to participate in the Incentive Plan.

#### ***Terms of Awards***

Awards under the Incentive Plan will be payable upon the achievement during each performance period (which may be the Company's Spring and Fall selling seasons or full fiscal year) of specified objectives. Annual incentive compensation targets may be established for eligible associates ranging from 5% to 150% of base salary. Associates may earn their target incentive compensation if the pre-established performance goals are achieved. The amount of incentive compensation paid to participating associates may range from zero to double their targets, based upon the extent to which performance goals are achieved or exceeded.

#### ***Maximum Amount of Compensation Payable Under the Incentive Plan***

The maximum dollar amount payable to any participant in any one year under the Incentive Plan is \$5,000,000.

#### ***Objective Performance Goals***

For each performance period, the Compensation Committee will select one or more of the following measures as the performance goal(s), either individually, alternatively or in any combination, applied to either the Company as a whole or to a business unit or subsidiary, either individually, alternatively or in any combination, and measured either annually or cumulatively over a period of years, on an absolute basis or relative to a



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pre-established target, to previous years' results or to a designated comparison group, in each case as specified by the Compensation Committee: (i) gross sales, net sales, or comparable store sales; (ii) gross margin, cost of goods sold, mark-ups or mark-downs; (iii) selling, general and administrative expenses; (iv) operating income, earnings from operations, earnings before or after taxes, earnings before or after interest, depreciation, amortization, or extraordinary or special items; (v) net income or net income per common share (basic or diluted); (vi) inventory turnover or inventory shrinkage; (vii) return on assets, return on investment, return on capital, or return on equity; (viii) cash flow, free cash flow, cash flow return on investment, or net cash provided by operations; (ix) economic profit or economic value created; (x) stock price or total stockholder return; and (xi) market penetration, geographic expansion or new concept development; customer satisfaction; staffing; diversity; training and development; succession planning; employee satisfaction; acquisitions or divestitures of subsidiaries, affiliates or joint ventures. These factors may be adjusted by the Compensation Committee to eliminate the effects of charges for restructurings, discontinued operations, extraordinary items and all items of gain, loss or expense determined to be extraordinary or unusual in nature or infrequent in occurrence or related to the disposal of a segment of a business or related to a change in accounting principle all as determined in accordance with standards established by Opinion No. 30 of the Accounting Principles Board or other applicable or successor accounting provisions, as well as the cumulative effect of accounting changes, in each case as determined in accordance with generally accepted accounting principles or identified in the Company's financial statements or notes to the financial statements. These performance goals may (but need not) be based on an analysis of historical performance and growth expectations for the Company, financial results of other comparable businesses and progress toward achieving the Company's long-range strategic plan.

**Clawback**

If at any time after the date on which an Incentive Plan participant has received payments under the Incentive Plan pursuant to the achievement of a performance goal, the Compensation Committee determines that the earlier determination as to the achievement of the performance goal was based on incorrect data and that in fact the performance goal had not been achieved or had been achieved to a lesser extent than originally determined and a portion of such payment would not have been paid, given the correct data, then such portion of any such payment paid to the Incentive Plan participant must be paid by such participant to the Company upon notice from the Company as provided by the Compensation Committee.

**Amendments and Termination**

The Board may, from time to time, alter, amend, suspend or terminate the Incentive Plan as it shall deem advisable, subject to any requirement for stockholder approval imposed by applicable law, including Section 162(m) of the Internal Revenue Code. No amendments to, or termination of, the Incentive Plan shall in any way impair the rights of a participant under any award previously granted without such participant's consent.

**Plan Benefits**

Future awards under the Incentive Plan will be made at the discretion of the Compensation Committee (subject to the terms of the Incentive Plan) and, accordingly, are not yet determinable. Awards made to the NEOs under the Incentive Plan in respect of Fiscal 2011 are shown in the **Fiscal 2011 Summary Compensation Table** on page 56 in the Non-Equity Incentive Plan Compensation column.

**THE BOARD UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR RE-APPROVAL OF THE ABERCROMBIE & FITCH CO. INCENTIVE COMPENSATION PERFORMANCE PLAN**

**Required Vote**

Re-approval of the Incentive Plan requires the affirmative vote of a majority in voting interest of the stockholders present in person or by proxy and voting thereon. Under the applicable NYSE Rules, broker non-votes will not be treated as votes cast. Abstentions will be treated as votes cast and will have the effect of a vote **AGAINST** the proposal.

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**STOCKHOLDER PROPOSALS FOR 2013 ANNUAL MEETING OF STOCKHOLDERS**

Any stockholder of the Company seeking to present a proposal pursuant to Rule 14a-8 under the Exchange Act to be considered for inclusion in the Company's proxy statement for the 2013 Annual Meeting of Stockholders, must submit the proposal in accordance with Rule 14a-8 and deliver it to the Company at the address set forth below no later than the close of business on January 11, 2013. Only those proposals that comply with the requirements of Rule 14a-8 under the Exchange Act will be included in the Company's proxy statement for the 2013 Annual Meeting.

Stockholders of the Company seeking to bring business before the 2013 Annual Meeting of Stockholders outside of Rule 14a-8 under the Exchange Act, or to nominate candidates for election as directors at the 2013 Annual Meeting, must provide timely written notice to the Company and comply with certain other requirements specified in the Company's Amended and Restated By-Laws. The notice of a proposing stockholder must be in writing and delivered in person or by United States certified mail, postage prepaid, and received by the Secretary of the Company, at the address set forth below, not less than 120 days nor more than 150 days prior to the June 14, 2013 anniversary date of this year's Annual Meeting. As a result, notices with respect to proposed business outside of Rule 14a-8 under the Exchange Act, or nominations for director, for the 2013 Annual Meeting of Stockholders must be received no earlier than the close of business on January 15, 2013 and not later than the close of business on February 14, 2013. The notice requirements applicable to nominations are described above in the section captioned **PROPOSAL 1 ELECTION OF DIRECTORS Director Nominations** beginning on page 30.

Under Section 1.09 of the Company's Amended and Restated Bylaws, a stockholder wishing to bring business (other than nominations for election to the Board) before the 2013 Annual Meeting of Stockholders must be a stockholder of record on both the date of the giving of the required notice of proposed business and the record date for determining the stockholders entitled to notice of and to vote at the 2013 Annual Meeting of Stockholders.

The notice to be submitted by a proposing stockholder must include the following information:

as to each matter the stockholder proposes to bring before the 2013 Annual Meeting of Stockholders (other than nominations for election to the Board), a brief description of the business desired to be brought before the 2013 Annual Meeting of Stockholders, including the complete text of any resolutions to be presented and the reason for conducting such business at the 2013 Annual Meeting of Stockholders

as to the stockholder giving notice and the beneficial owner, if any, on whose behalf the proposal is being made:

the name and address of each such person

(A) the class and number of all shares of the Company owned beneficially or of record by such person and any affiliates or associates of such person; (B) the name of each nominee holder of shares of the Company owned beneficially but not of record by such person or any affiliates or associates of such person, and the number of such shares of the Company held by each such nominee holder; (C) whether and the extent to which any derivative instrument, swap, option, warrant, short interest, hedge or profit interest or other transaction has been entered into by or on behalf of such person, or any affiliates or associates of such person, with respect to the stock of the Company; and (D) whether and the extent to which any other transaction, agreement, arrangement or understanding (including any short position or any borrowing or lending of shares of the Company) has been made by or on behalf of such person, or any affiliates or associates of such person, the effect or intent of which is to mitigate loss to, or to manage risk or benefit of stock price changes for, such person, or any affiliates or associates of such person, or to increase or decrease the voting power or pecuniary or economic interest of such person, or any affiliates or associates of such person, with respect to shares of the Company

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a description of all agreements, arrangements or understandings (written or oral) between or among such person, or any affiliates or associates of such person, and any other person or persons (including their names) in connection with the proposal of such business and any material interest of such person or any affiliates or associates of such person, in such business, including any anticipated benefit therefrom to such person, or any affiliates or associates of such person

a representation that the stockholder giving notice intends to appear in person or by proxy at the 2013 Annual Meeting of Stockholders to bring the business described in its notice

any other information relating to such person that would be required to be disclosed in a proxy statement or other filing required to be made in connection with the solicitation of proxies by such person with respect to the proposed business to be brought by such person pursuant to the SEC's proxy rules

Proposals by stockholders intended to be presented at the 2013 Annual Meeting of Stockholders and/or considered for inclusion in the Company's proxy statement for the 2013 Annual Meeting of Stockholders should be delivered or mailed to Abercrombie & Fitch Co., 6301 Fitch Path, New Albany, Ohio 43054, Attention: Secretary.

### **DELIVERY OF PROXY MATERIALS TO HOUSEHOLDS**

Only one copy of this Proxy Statement and one copy of our Annual Report on Form 10-K for Fiscal 2011 are being delivered to multiple registered stockholders who share an address unless the Company has received contrary instructions from one or more of the stockholders. A separate form of proxy and a separate notice of the Annual Meeting are being included for each account at the shared address.

Registered stockholders who share an address and would like to receive a separate copy of our Annual Report on Form 10-K for Fiscal 2011 and/or a separate copy of this Proxy Statement, or have questions regarding the householding process, may contact the Company's transfer agent: American Stock Transfer & Trust Company, LLC, by calling 1-800-937-5449, or by forwarding a written request addressed to American Stock Transfer & Trust Company, LLC, 6201 15<sup>th</sup> Avenue, Brooklyn, New York 11219. Promptly upon request, a separate copy of our Annual Report on Form 10-K for Fiscal 2011 and/or a separate copy of this Proxy Statement will be sent. By contacting American Stock Transfer & Trust Company, LLC, registered stockholders sharing an address can also (i) notify the Company that the registered stockholders wish to receive separate annual reports to stockholders, proxy statements and/or Notices of Internet Availability of Proxy Materials, as applicable, in the future or (ii) request delivery of a single copy of annual reports to stockholders, proxy statements and/or Notices of Internet Availability of Proxy Materials, as applicable, in the future if registered stockholders at the shared address are receiving multiple copies.

Many brokers, brokerage firms, broker/dealers, banks and other holders of record have also instituted "householding" (delivery of one copy of materials to multiple stockholders who share an address). If your family has one or more "street name" accounts under which you beneficially own shares of Common Stock, you may have received householding information from your broker, brokerage firm, broker/dealer, bank or other nominee in the past. Please contact the holder of record directly if you have questions, require additional copies of this Proxy Statement or our Annual Report on Form 10-K for Fiscal 2011 or wish to revoke your decision to household and thereby receive multiple copies. You should also contact the holder of record if you wish to institute householding.

### **FORWARD-LOOKING STATEMENTS**

We caution that any forward-looking statements (as such term is defined in the Private Securities Litigation Reform Act of 1995) contained in this Proxy Statement or made by us, our management or our spokespeople involve risks and uncertainties and are subject to change based on various factors, many of which may be beyond our control. Words such as "estimate," "project," "plan," "believe," "expect," "anticipate," "intend" and

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expressions may identify forward-looking statements. Except as may be required by applicable law, we assume no obligation to publicly update or revise our forward-looking statements.

The following factors could affect our financial performance and could cause actual results to differ materially from those expressed or implied in any of the forward-looking statements:

changes in economic and financial conditions, and the resulting impact on consumer confidence and consumer spending, could have a material adverse effect on our business, results of operations and liquidity;

if we are unable to anticipate, identify and respond to changing fashion trends and consumer preferences in a timely manner, and manage our inventory commensurate with customer demand, our sales levels and profitability may decline;

fluctuations in the cost, availability and quality of raw materials, labor and transportation, could cause manufacturing delays and increase our costs;

equity-based compensation awarded under the employment agreement with our CEO could adversely impact our cash flows, financial position or results of operations and could have a dilutive effect on our outstanding Common Stock;

our growth strategy relies significantly on international expansion, which adds complexity to our operations and may strain our resources and adversely impact current store performance;

our international expansion is dependent on a number of factors, any of which could delay or prevent successful penetration into new markets or could adversely affect the profitability of our international operations;

our direct-to-consumer sales are subject to numerous risks that could adversely impact sales;

we have incurred, and may continue to incur, significant costs related to store closures;

our development of a new brand concept such as Gilly Hicks could have a material adverse effect on our financial condition or results of operations;

fluctuations in foreign currency exchange rates could adversely impact our financial condition and results of operations;

our business could suffer if our information technology systems are disrupted or cease to operate effectively;

comparable store sales will continue to fluctuate on a regular basis and impact the volatility of the price of our Common Stock;

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our market share may be negatively impacted by increasing competition and pricing pressures from companies with brands or merchandise competitive with ours;

our stock price may be volatile and investors may not be able to resell shares of our Common Stock at or above the price paid to acquire the shares;

our ability to attract customers to our stores depends, in part, on the success of the shopping malls in which most of our stores are located;

our net sales fluctuate on a seasonal basis, causing our results of operations to be susceptible to changes in Back-to-School and Holiday shopping patterns;

our inability to accurately plan for product demand and allocate merchandise effectively could have a material adverse effect on our results;

our failure to protect our reputation could have a material adverse effect on our brands;

we rely on the experience and skills of our senior executive officers, the loss of whom could have a material adverse effect on our business;



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interruption in the flow of merchandise from our key vendors and international manufacturers could disrupt our supply chain, which could result in lost sales and could increase our costs;

we do not own or operate any manufacturing facilities and, therefore, depend upon independent third parties for the manufacture of all our merchandise;

our reliance on two distribution centers domestically and two third-party distribution centers internationally makes us susceptible to disruptions or adverse conditions affecting our distribution centers;

our reliance on third parties to deliver merchandise from our distribution centers to our stores and direct-to-consumer customers could result in disruptions to our business;

we may be exposed to risks and costs associated with credit card fraud and identity theft that would cause us to incur unexpected expenses and loss of revenues;

modifications and/or upgrades to our information technology systems may disrupt our operations;

our facilities, systems and stores as well as the facilities and systems of our vendors and manufacturers, are vulnerable to natural disasters, pandemic disease and other unexpected events, any of which could result in an interruption to our business and adversely affect our operating results;

our litigation exposure could have a material adverse effect on our financial condition and results of operations;

our inability or failure to adequately protect our trademarks could have a negative impact on our brand image and limit our ability to penetrate new markets;

fluctuations in our tax obligations and effective tax rate may result in volatility in our operating results;

the effects of war or acts of terrorism could have a material adverse effect on our operating results and financial condition;

our inability to obtain commercial insurance at acceptable prices or our failure to adequately reserve for self-insured exposures might increase our expenses and adversely impact our financial results;

operating results and cash flows at the store level may cause us to incur impairment charges;

we are subject to customs, advertising, consumer protection, privacy, zoning and occupancy and labor and employment laws that could require us to modify our current business practices, incur increased costs or harm our reputation if we do not comply;

changes in the regulatory or compliance landscape could adversely affect our business and results of operations;

our unsecured Amended and Restated Credit Agreement and our Term Loan Agreement include financial and other covenants that impose restrictions on our financial and business operations;

our operations may be affected by regulatory changes related to climate change and greenhouse gas emissions; and

compliance with changing regulations and standards for accounting, corporate governance and public disclosure could adversely affect our business, results of operations and reported financial results.

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**OTHER MATTERS**

As of the date of this Proxy Statement, the Board knows of no matter that will be presented for action by the stockholders at the Annual Meeting other than those discussed in this Proxy Statement. If any other matter requiring a vote of the stockholders properly comes before the Annual Meeting, the individuals acting under the proxies solicited by the Board will vote and act according to their best judgment, to the extent permitted under applicable law.

It is important that your form of proxy be submitted promptly. If you do not expect to attend the Annual Meeting in person, please complete, date, sign and return the accompanying form of proxy in the self-addressed envelope furnished herewith or vote through the Internet or by telephone in accordance with the instructions on the accompanying form of proxy.

By Order of the Board of Directors,

Michael S. Jeffries

Chairman and Chief Executive Officer

**Table of Contents****APPENDIX A****ABERCROMBIE & FITCH CO.****INCENTIVE COMPENSATION PERFORMANCE PLAN**

The Abercrombie & Fitch Co. Incentive Compensation Performance Plan (the **Incentive Plan**) is intended to satisfy the applicable provisions of Section 162(m) of the Internal Revenue Code of 1986, as amended (the **Code**). The Incentive Plan shall be administered by the Compensation Committee (the **Committee**) of the Board of Directors of Abercrombie & Fitch Co. (the **Company**), which is intended to consist solely of outside directors as such term is defined in Section 162(m) of the Code. The Committee shall select those key executives of the Company with significant operating and financial responsibility and who are likely to be covered employees (within the meaning of Section 162(m) of the Code) for the relevant fiscal year, to be eligible to earn seasonal or annual cash incentive compensation payments to be paid under the Incentive Plan. In addition, all associates of the Company selected to participate for a given fiscal year shall be eligible to earn seasonal or annual cash incentive compensation under the Incentive Plan.

In respect of each Spring and/or Fall selling season or fiscal year, the Committee may establish performance goals for the Company. For purposes of the Incentive Plan, a performance goal shall mean any one or more of the following business criteria, either individually, alternatively or in any combination, applied to either the Company as a whole or to a business unit or subsidiary, either individually, alternatively or in any combination, and measured either annually or cumulatively over a period of years, on an absolute basis or relative to a pre-established target, to previous years' results or to a designated comparison group, in each case as specified by the Committee: (i) gross sales, net sales, or comparable store sales; (ii) gross margin, cost of goods sold, mark-ups or mark-downs; (iii) selling, general and administrative expenses; (iv) operating income, earnings from operations, earnings before or after taxes, earnings before or after interest, depreciation, amortization, or extraordinary or special items; (v) net income or net income per common share (basic or diluted); (vi) inventory turnover or inventory shrinkage; (vii) return on assets, return on investment, return on capital, or return on equity; (viii) cash flow, free cash flow, cash flow return on investment, or net cash provided by operations; (ix) economic profit or economic value created; (x) stock price or total stockholder return; and (xi) market penetration, geographic expansion or new concept development; customer satisfaction; staffing; diversity; training and development; succession planning; employee satisfaction; acquisitions or divestitures of subsidiaries, affiliates or joint ventures. These factors may be adjusted by the Committee to eliminate the effects of charges for restructurings, discontinued operations, extraordinary items and all items of gain, loss or expense determined to be extraordinary or unusual in nature or infrequent in occurrence or related to the disposal of a segment of a business or related to a change in accounting principle all as determined in accordance with standards established by Opinion No. 30 of the Accounting Principles Board or other applicable or successor accounting provisions, as well as the cumulative effect of accounting changes, in each case as determined in accordance with generally accepted accounting principles or identified in the Company's financial statements or notes to the financial statements. These factors shall have a minimum performance standard below which no payments will be made, and a maximum performance standard above which no additional payments will be made. These performance goals may (but need not) be based on an analysis of historical performance and growth expectations for the Company, financial results of other comparable businesses and progress toward achieving the Company's long-range strategic plan. These performance goals and determination of results shall be based entirely on objective measures. The Committee may not use any discretion to modify award results except as permitted under Section 162(m) of the Code.

Annual incentive compensation targets may be established for eligible executives ranging from 5% to 150% of base salary. Executives may earn their target incentive compensation if the pre-established performance goals are achieved. The target incentive compensation percentage for each executive will be based on the level and functional responsibility of his or her position, size of the business for which the executive is responsible and competitive practices. The amount of incentive compensation paid to participating executives may range from zero to double their targets, based upon the extent to which performance goals are achieved or exceeded. Except as otherwise permitted by Section 162(m) of the Code, the minimum level at which a participating executive will

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earn any incentive payment, and the level at which an executive will earn the maximum incentive payment of double the target, must be established by the Committee no later than before 25% of the applicable bonus period has elapsed (or, if less, 90 days of such bonus period have elapsed). Actual payouts must be based on either a straight-line or pre-established graded interpolation based on these minimum and maximum levels and the performance goals. The Committee may, in its sole discretion, adjust payouts downward from the amount a covered employee is entitled to receive under the applicable formula.

At such time as it shall determine appropriate following the conclusion of each bonus period, the Committee shall certify, in writing, that the applicable performance goals were satisfied and the amount of a covered employee's cash incentive compensation for such bonus period. No payments shall be made under the Incentive Plan until such certification has been made. Any payments under the Incentive Plan shall in all events be paid no later than the fifteenth day of the third month following the end of the fiscal year in which the applicable bonus period ends.

The maximum dollar amount to be paid for any year under the Incentive Plan to any participant may not exceed \$5,000,000.

The Board may, from time to time, alter, amend, suspend or terminate the Incentive Plan as it shall deem advisable, subject to any requirement for stockholder approval imposed by applicable law, including Section 162(m) of the Code. No amendments to, or termination of, the Incentive Plan shall in any way impair the rights of a covered employee under any award previously granted without such employee's consent.

If at any time after the date on which an Incentive Plan participant has received payments under the Incentive Plan pursuant to the achievement of a performance goal, the Committee determines that the earlier determination as to the achievement of the performance goal was based on incorrect data and that in fact the performance goal had not been achieved or had been achieved to a lesser extent than originally determined and a portion of such payment would not have been paid, given the correct data, then such portion of any such payment paid to the Incentive Plan participant shall be paid by such participant to the Company upon notice from the Company as provided by the Committee.

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**ABERCROMBIE & FITCH CO.**  
**P.O. BOX 182168**  
**COLUMBUS, OH 43218**

**VOTE BY INTERNET - [www.proxyvote.com](http://www.proxyvote.com)**

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 p.m., Eastern Daylight Saving Time, on June 13, 2012. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

**ELECTRONIC DELIVERY OF FUTURE STOCKHOLDER COMMUNICATIONS**

If you would like to reduce the costs incurred by Abercrombie & Fitch Co. in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards, annual reports and Notices of Internet Availability of Proxy Materials, as applicable, electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access stockholder communications electronically for future meetings.

**VOTE BY PHONE - 1-800-690-6903**

Use any touch-tone telephone to transmit your voting instructions up until 11:59 p.m., Eastern Daylight Saving Time, on June 13, 2012. Have your proxy card in hand when you call and then follow the instructions.

**VOTE BY MAIL**

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

M46158-P25544

KEEP THIS PORTION FOR YOUR RECORDS  
 DETACH AND RETURN THIS PORTION ONLY

**THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.**

**ABERCROMBIE & FITCH CO.**

**A. Election of Directors**

The Board of Directors recommends you vote **FOR** the

election of each of the following nominees:

	For	Against	Abstain
1a. James B. Bachmann	..	..	..
1b. Michael S. Jeffries	..	..	..
1c. John W. Kessler	..	..	..

**B. Proposals**

**For   Against   Abstain**

<p><b>The Board of Directors recommends you vote FOR the advisory resolution to approve executive compensation under Item 2, and FOR the proposals in Items 3 and 4:</b></p>	<p>3. Ratify the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for the fiscal year ending February 2, 2013.</p> <p>4. Re-approve the Abercrombie &amp; Fitch Co. Incentive Compensation Performance Plan.</p>	<p>..   ..   ..</p> <p>..   ..   ..</p>
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2. Advisory Resolution to Approve Executive Compensation.   ..   ..   ..

For address changes and/or comments, please check this box and write them on the back where indicated.   ..

Please indicate if you plan to attend this meeting.   ..   ..

**Yes   No**

Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation, partnership or other entity, please sign in full entity name by duly authorized officer.

Signature [PLEASE SIGN WITHIN BOX]Date

Signature (Joint Owners)

Date

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**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders of Abercrombie & Fitch Co. To Be Held on June 14, 2012:** Abercrombie & Fitch Co.'s Notice of Annual Meeting of Stockholders and Proxy Statement and Annual Report on Form 10-K for the fiscal year ended January 28, 2012 are available at [www.proxyvote.com](http://www.proxyvote.com).

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**ABERCROMBIE & FITCH CO.**

**THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS**

**FOR THE ANNUAL MEETING OF STOCKHOLDERS**

**TO BE HELD JUNE 14, 2012**

The undersigned holder(s) of shares of Class A Common Stock of Abercrombie & Fitch Co. (the "Company") hereby constitute(s) and appoint(s) Michael S. Jeffries and Ronald A. Robins Jr., or either of them, the proxy or proxies of the undersigned, with full power of substitution in each, to attend the Annual Meeting of Stockholders of the Company to be held on Thursday, June 14, 2012, at the Company's executive offices located at 6301 Fitch Path, New Albany, Ohio 43054, at 10:00 a.m., Eastern Daylight Saving Time, and to vote all of the shares which the undersigned is entitled to vote at such Annual Meeting as directed on the reverse side with respect to the matters set forth on the reverse side, and to vote such shares with discretionary authority on all other business that may properly come before the Annual Meeting.

**This proxy, when properly executed, will be voted in the manner you specify. If no specification is made, except in the case of broker non-votes, the proxies will vote FOR the election of the directors listed in Item 1, FOR the advisory resolution to approve executive compensation under Item 2, and FOR the proposals in Items 3 and 4 and in accordance with the recommendations of the Board of Directors. All proxies previously given or executed by the undersigned are hereby revoked. The undersigned acknowledges receipt of the accompanying Notice of Annual Meeting of Stockholders and Proxy Statement for the June 14, 2012 meeting and the Annual Report on Form 10-K for the fiscal year ended January 28, 2012.**



**Address Changes/Comments:** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

(If you noted any Address Changes/Comments above, please mark corresponding box on the reverse side.)

**Continued and to be signed and dated on reverse side**