NUVEEN PENNSYLVANIA INVESTMENT QUALITY MUNICIPAL FUND INC
Form N-Q
March 31, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number 811-6265

Nuveen Pennsylvania Investment Quality Municipal Fund
(Exact name of registrant as specified in charter)

Nuveen Investments
333 West Wacker Drive, Chicago, Illinois 60606
(Address of principal executive offices) (Zip code)

Kevin J. McCarthy Vice President and Secretary
333 West Wacker Drive, Chicago, Illinois 60606
(Name and address of agent for service)

Registrant's telephone number, including area code: 312-917-7700

Date of fiscal year end: 4/30

Date of reporting period: 1/31/08

Form N-Q is to be used by management investment companies, other than small business investment companies registered on Form N-5 (§§ 239.24 and 274.5 of this chapter), to file reports with the Commission, not later than 60 days after the close of the first and third fiscal quarters, pursuant to rule 30b1-5 under the Investment Company Act of 1940 (17 CFR 270.30b1-5). The Commission may use the information provided on Form N-Q in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-Q, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-Q unless the Form displays a currently valid Office of Management and Budget ("OMB") control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. § 3507.

Item 1. Schedule of Investments

Portfolio of Investments (Unaudited)
Nuveen Pennsylvania Investment Quality Municipal Fund (NQP)
January 31, 2008

Principal Amount (000)	Description (1)

		Consumer Staples 0.5% (0.3% of Total Investments)
$	1,000	Pennsylvania Economic Development Financing Authority, Solid Waste Disposal Revenue Bonds, Procter & Gamble Paper Project, Series 2001, 5.375%, 3/01/31 (Alternative Minimum Tax)
		Education and Civic Organizations 27.0% (16.4% of Total Investments)
	2,000	Allegheny County Higher Education Building Authority, Pennsylvania, College Revenue Bonds, Chatham College, Series 1998A, 5.250%, 9/01/18
	200	Allegheny County Higher Education Building Authority, Pennsylvania, College Revenue Refunding Bonds, Robert Morris College, Series 1998A, 6.000%, 5/01/28
	3,000	Allegheny County Higher Education Building Authority, Pennsylvania, Revenue Bonds, Carnegie Mellon University, Series 2002, 5.125%, 3/01/32
	1,235	Allegheny County Higher Education Building Authority, Pennsylvania, Revenue Bonds, Robert Morris University, Series 2006A, 4.750%, 2/15/26
	2,000	Chester County Industrial Development Authority, Pennsylvania, Educational Facilities Revenue Bonds, Westtown School, Series 2002, 5.000%, 1/01/26 AMBAC Insured
	945	Cumberland County, Pennsylvania, Municipal Authority College Revenue Bonds, Dickinson College Series 2007G-G1, 4.500%, 5/01/37 MBIA Insured
	3,000	Delaware County Authority, Pennsylvania, Revenue Bonds, Haverford College, Series 2000, 5.750%, 11/15/29
		Delaware County Authority, Pennsylvania, Revenue Bonds, Villanova University, Series 2006:
	1,710	5.000%, 8/01/23 AMBAC Insured
	840	5.000%, 8/01/24 AMBAC Insured
		Erie Higher Education Building Authority, Pennsylvania, College Revenue Bonds, Gannon University, Series 2007-GG3:
	790	5.000%, 5/01/32 RAAI Insured
	250	5.000%, 5/01/35 RAAI Insured
	1,000	Harveys Lake General Municipal Authority, Pennsylvania, College Revenue Bonds, College of Misericordia Project, Series 1999, 6.000%, 5/01/19 ACA Insured
		Indiana County Industrial Development Authority, Pennsylvania, Revenue Bonds, Student Cooperative Association Inc./Indiana University of Pennsylvania Student Union Project, Series 1999B:
	815	0.000%, 11/01/15 AMBAC Insured
	815	0.000%, 11/01/16 AMBAC Insured
	815	0.000%, 11/01/17 AMBAC Insured
	815	0.000%, 11/01/18 AMBAC Insured
	815	0.000%, 11/01/19 AMBAC Insured
	1,515	Montgomery County Higher Education and Health Authority, Pennsylvania, Revenue Bonds, Arcad University, Series 2006, 4.500%, 4/01/30 RAAI Insured
	355	New Wilmington, Pennsylvania, Revenue, Westminster College, Series 2007G, 5.125%, 5/01/33 RAAI Insured
	8,000	Pennsylvania Higher Education Assistance Agency, Capital Acquisition Revenue Refunding Bonds, Series 2001, 5.000%, 12/15/30 MBIA Insured
	5,000	Pennsylvania Higher Educational Facilities Authority, General Revenue Bonds, State System of Higher Education, Series 2002W, 5.000%, 6/15/19 AMBAC Insured
	1,435	Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, Allegheny College, Series 2006, 4.750%, 5/01/31
	5,000	Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, Moravian College, Series 2001, 5.375%, 7/01/31 RAAI Insured

3,870	Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, Temple University, First Series of 2006, 5.000%, 4/01/21 MBIA Insured
320	Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, Thomas Jefferson University, Series 2002, 5.000%, 1/01/20
2,000	Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, University of Pennsylvania, Series 2005C, 5.000%, 7/15/38
2,945	Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, Ursinus College, Series 2003, 5.375%, 1/01/20 RAAI Insured
785	Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, York College Project, Series 2005EE1, 5.250%, 11/01/27 XLCA Insured
6,500	Pennsylvania State University, General Revenue Bonds, Series 2005, 5.000%, 9/01/29 (UB)
	Philadelphia Authority for Industrial Development, Pennsylvania, Revenue Bonds, Franklin Towne Charter High School, Series 2006A:
510	5.250%, 1/01/27
860	5.375%, 1/01/32
2,830	Swarthmore Borough Authority, Pennsylvania, Swarthmore College Revenue Bonds, Series 1998, 5.000%, 9/15/28
1,665	Union County, Higher Education Facilities Financing Authority, Pennsylvania, Revenue Bonds, Bucknell University, Series 2002A, 5.250%, 4/01/18
64,635	Total Education and Civic Organizations
	Health Care 11.7% (7.1% of Total Investments)
1,555	Allegheny County Hospital Development Authority, Pennsylvania, Revenue Bonds, Ohio Valley General Hospital, Series 2005A, 5.125%, 4/01/35
1,115	Erie County Hospital Authority, Pennsylvania, Revenue Bonds, Hamot Health Foundation, Series 2002, 5.250%, 11/01/15 AMBAC Insured
1,280	Erie County Hospital Authority, Pennsylvania, Revenue Bonds, Hamot Health Foundation, Series 2007, 5.000%, 11/01/37 CIFG Insured
	Lancaster County Hospital Authority, Pennsylvania, Hospital Revenue Bonds, The Lancaster General Hospital Project, Series 2007A:
1,890	5.000%, 3/15/26
750	5.000%, 3/15/31
250	Lebanon County Health Facilities Authority, Pennsylvania, Revenue Bonds, Good Samaritan Hospital Project, Series 2002, 5.800%, 11/15/22
1,250	Lehigh County General Purpose Authority, Pennsylvania, Revenue Bonds, Good Shepherd Group, Series 2004A, 5.500%, 11/01/24
5,345	Lehigh County General Purpose Authority, Pennsylvania, Revenue Bonds, Good Shepherd Group, Series 2007, 5.000%, 11/01/30 AGC Insured
710	Monroe County Hospital Authority, Pennsylvania, Hospital Revenue Bonds, Pocono Medical Center Series 2007, 5.125%, 1/01/37
9,000	Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, UPMC Health System, Series 2001A, 6.000%, 1/15/31
1,615	Sayre Health Care Facility Authority, Pennsylvania, Revenue Bonds, Latrobe Area Hospital, Series 2002A, 5.250%, 7/01/13 AMBAC Insured
	Southcentral Pennsylvania General Authority, Revenue Bonds, Hanover Hospital Inc., Series 2005
525	5.000%, 12/01/27 RAAI Insured
370	5.000%, 12/01/29 RAAI Insured

1,500	West Shore Area Hospital Authority, Cumberland County, Pennsylvania, Hospital Revenue Bonds, Holy Spirit Hospital of the Sisters of Christian Charity Project, Series 2001, 6.250%, 1/01/32
27,155	Total Health Care
	Housing/Multifamily 3.8% (2.3% of Total Investments)
5,000	Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, Slippery Rock University Foundation Inc., Series 2007A, 5.000%, 7/01/39 XLCA Insured
3,300	Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, Slippery Rock University Foundation Inc., Student Housing Project, Series 2005A, 5.000%, 7/01/37 XLCA Insured
800	Philadelphia Authority for Industrial Development, Pennsylvania, Multifamily Housing Revenue Bonds, Presbyterian Homes Germantown Morrisville Project, Series 2005A, 5.625%, 7/01/35
285	Pittsburgh Urban Redevelopment Authority, Pennsylvania, Mortgage Revenue Bonds, Series 1992 7.125%, 8/01/13 (Alternative Minimum Tax)
9,385	Total Housing/Multifamily
	Housing/Single Family 8.8% (5.4% of Total Investments)
9,000	Pennsylvania Housing Finance Agency, Single Family Mortgage Revenue Bonds, Series 1995A, 4.900%, 10/01/37 (Alternative Minimum Tax)
2,750	Pennsylvania Housing Finance Agency, Single Family Mortgage Revenue Bonds, Series 2006-93A, 4.950%, 10/01/26 (Alternative Minimum Tax)
3,495	Pennsylvania Housing Finance Agency, Single Family Mortgage Revenue Bonds, Series 2006-94A, 5.150%, 10/01/37 (Alternative Minimum Tax)
1,355	Pennsylvania Housing Finance Agency, Single Family Mortgage Revenue Bonds, Series 2007-97A, 4.600%, 10/01/27 (Alternative Minimum Tax)
2,130	Pennsylvania Housing Finance Agency, Single Family Mortgage Revenue Bonds, Series 2007-98A, 4.850%, 10/01/31 (Alternative Minimum Tax)
960	Pittsburgh Urban Redevelopment Authority, Pennsylvania, Mortgage Revenue Bonds, Series 1997 6.250%, 10/01/28 (Alternative Minimum Tax)
2,140	Pittsburgh Urban Redevelopment Authority, Pennsylvania, Mortgage Revenue Bonds, Series 2001 5.450%, 10/01/32 (Alternative Minimum Tax)
21,830	Total Housing/Single Family
	Industrials 4.4% (2.7% of Total Investments)
5,000	Pennsylvania Economic Development Financing Authority, Exempt Facilities Revenue Bonds, Amt Project, Series 2001A, 6.375%, 11/01/41 (Alternative Minimum Tax)
5,000	Pennsylvania Industrial Development Authority, Economic Development Revenue Bonds, Series 2002, 5.500%, 7/01/12 AMBAC Insured
10,000	Total Industrials
	Long-Term Care 2.9% (1.7% of Total Investments)
1,330	Cumberland County Municipal Authority, Pennsylvania, Revenue Bonds, Diakon Lutheran Social Ministries, Series 2007, 5.000%, 1/01/36
1,500	Cumberland County Municipal Authority, Pennsylvania, Revenue Bonds, Presbyterian Homes Inc., Series 2003A, 5.000%, 12/01/26 RAAI Insured

	Lancaster County Hospital Authority, Pennsylvania, Health Center Revenue Bonds, Masonic Home Project, Series 2006:
1,550	5.000%, 11/01/26
840	5.000%, 11/01/36
230	Philadelphia Authority for Industrial Development, Pennsylvania, Health Care Facilities Revenue Bonds, Pauls Run, Series 1998A, 5.875%, 5/15/28
1,500	Philadelphia Authority for Industrial Development, Pennsylvania, Revenue Bonds, Philadelphia Corporation for the Aging Project, Series 2001B, 5.250%, 7/01/26 AMBAC Insured
6,950	Total Long-Term Care
	Materials 1.2% (0.8% of Total Investments)
1,260	Bradford County Industrial Development Authority, Pennsylvania, Solid Waste Disposal Revenue Bonds, International Paper Company, Series 2005B, 5.200%, 12/01/19 (Alternative Minimum Tax
1,750	Pennsylvania Economic Development Financing Authority, Exempt Facilities Revenue Bonds, National Gypsum Company, Series 1997B, 6.125%, 11/01/27 (Alternative Minimum Tax)
3,010	Total Materials
	Tax Obligation/General 32.8% (20.0% of Total Investments)
1,800	Allegheny County, Pennsylvania, General Obligation Bonds, Series 2000C-53, 5.250%, 11/01/20 FGIC Insured
2,200	Central Bucks County School District, Pennsylvania, General Obligation Bonds, Series 2003, 5.000%, 5/15/23 MBIA Insured
6,000	Delaware Valley Regional Finance Authority, Pennsylvania, Local Government Revenue Bonds, Series 2002, 5.750%, 7/01/17
7,350	Erie City School District, Erie County, Pennsylvania, General Obligation Bonds, Series 2000, 0.000%, 9/01/30 AMBAC Insured (4)
2,345	Lower Merion School District, Montgomery County, Pennsylvania, General Obligation Bonds, Series 2007, 5.000%, 9/01/24
7,500	Montgomery County, Pennsylvania, General Obligation Bonds, Series 1999, 5.000%, 7/15/24
4,960	Montour School District, Allegheny County, Pennsylvania, General Obligation Bonds, Series 2007, 5.000%, 4/01/37 FSA Insured
1,000	New Castle Area School District, Lawrence County, Pennsylvania, General Obligation Bonds, Series 2000, 5.600%, 3/01/25 MBIA Insured
5,000	Pennsylvania Public School Building Authority, Lease Revenue Bonds, School District of Philadelphia, Series 2006B, 5.000%, 6/01/33 FSA Insured (UB)
4,830	Pennsylvania State, General Obligation Bonds, Series 2007, Residuals 1986, 9.417%, 3/01/27 (IF)
4,000	Pennsylvania, General Obligation Bonds, First Series 2006, 5.000%, 10/01/18
1,500	Pennsylvania, General Obligation Bonds, Second Series 2005, 5.000%, 1/01/18
1,500	Philadelphia School District, Pennsylvania, General Obligation Bonds, Series 2007A, 5.000%, 6/01/34 FGIC Insured
3,000	Pittsburgh School District, Allegheny County, Pennsylvania, General Obligation Refunding Bonds, Series 2002A, 5.500%, 9/01/15 FSA Insured
1,070	Schuylkill Valley School District, Berks County, Pennsylvania, General Obligation Bonds, Series 2006A, 5.000%, 4/01/22 FGIC Insured
445	State Public School Building Authority, Pennsylvania, School Revenue Bonds, Conneaut School District, Series 2003, 5.250%, 11/01/21 FGIC Insured

21,000	State Public School Building Authority, Pennsylvania, Lease Revenue Bonds, Philadelphia School District, Series 2003, 5.500%, 6/01/28 FSA Insured (UB)
1,465	Stroudsburg Area School District, Monroe County, Pennsylvania, General Obligation Bonds, Series 2001A, 5.000%, 4/01/18 FSA Insured
76,965	Total Tax Obligation/General
	Tax Obligation/Limited 8.4% (5.1% of Total Investments)
3,500	Allegheny County Port Authority, Pennsylvania, Special Transportation Revenue Bonds, Series 2001, 5.000%, 3/01/29 FGIC Insured
8,725	Pennsylvania Intergovernmental Cooperative Authority, Special Tax Revenue Refunding Bonds, Philadelphia Funding Program, Series 1999, 4.750%, 6/15/23 FGIC Insured
2,700	Philadelphia Municipal Authority, Pennsylvania, Lease Revenue Bonds, Series 2003B, 5.250%, 11/15/17 FSA Insured
4,000	Pittsburgh and Allegheny Counties Public Auditorium Authority, Pennsylvania, Sales Tax Revenue Bonds, Regional Asset District, Series 1999, 5.000%, 2/01/29 AMBAC Insured
3,140	Puerto Rico Infrastructure Financing Authority, Special Tax Revenue Bonds, Series 2005A, 0.000%, 7/01/32 FGIC Insured
22,065	Total Tax Obligation/Limited
	Transportation 12.6% (7.7% of Total Investments)
630	Delaware River Joint Toll Bridge Commission, New Jersey and Pennsylvania, Revenue Bonds, Series 2003, 5.250%, 7/01/17
2,035	Lehigh-Northampton Airport Authority, Pennsylvania, Airport Revenue Bonds, Lehigh Valley Airport System, Series 2000A, 6.000%, 5/15/30 MBIA Insured (Alternative Minimum Tax)
5,400	Pennsylvania Economic Development Financing Authority, Revenue Bonds, Amtrak 30th Street

BlackRock, Inc.[3]

40 East 52nd Street

New York, NY 10022

1 Fidelity Management & Research Company (Fidelity), a wholly owned subsidiary of FMR LLC and an investment adviser registered under Section 203 of the Investment Advisers Act of 1940, is the beneficial owner of 7,090,903 shares of our Common Stock as a result of acting as investment adviser to various investment companies registered under Section 8 of the Investment Company Act of 1940 and their related funds. Edward C. Johnson 3d and FMR LLC, through its control of Fidelity, each has power to dispose of these 7,090,903 shares. Members of the family of Edward C. Johnson 3d, Chairman of FMR LLC, are the predominant owners, directly or through trusts, of Series B voting common shares of FMR LLC, representing 49% of the voting power of FMR LLC. The Johnson family group and all other Series B shareholders have entered into a shareholders voting agreement under which all Series B voting common shares will be voted in accordance with the majority of Series B voting common shares. Accordingly, through their ownership of voting common shares and the execution of the shareholders voting agreement, members of the Johnson family may be deemed, under the Investment Company Act of 1940, to form a controlling group with respect to FMR LLC. Neither FMR LLC nor Edward C. Johnson 3d has the sole power to vote or direct the voting of the shares owned directly by the funds, which power resides with the applicable fund s Board of Trustees. Fidelity carries out the voting of the shares under written guidelines established by the fund s Board of Trustees. Strategic Advisers, Inc., 82 Devonshire Street, Boston, MA 02109, a wholly-owned subsidiary of FMR LLC and an investment adviser registered under Section 203 of the Investment Advisers Act of 1940, provides investment advisory services to individuals. As such, FMR LLC s beneficial ownership includes 474 shares of our Common Stock, beneficially owned through Strategic Advisers, Inc. Pyramis Global Advisors, LLC (PGALLC), 900 Salem Street, Smithfield, Rhode Island, 02917, an indirect wholly-owned subsidiary of

FMR LLC and an investment adviser registered under Section 203 of the Investment Advisers Act of 1940, is the beneficial owner of 67,900 shares of our Common Stock as a result of its serving as investment adviser to institutional accounts, non-U.S. mutual funds, or investment companies registered under Section 8 of the Investment Company Act of 1940 owning such shares. Edward C. Johnson 3d and FMR LLC, through its control of PGALLC, each has dispositive power over 67,900 shares and sole power to vote or to direct the voting of 44,500 shares of our Common Stock owned by the institutional accounts or funds advised by PGALLC as reported above. Pyramis Global Advisors Trust Company (PGATC), 900 Salem Street, Smithfield, Rhode Island, 02917, an indirect wholly-owned subsidiary of FMR LLC and a bank as defined in Section 3(a)(6) of the Exchange Act, is the beneficial owner of 423,065 shares of our Common Stock 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 has sole dispositive power over 423,065 shares and sole power to vote or to direct the voting of 229,465 shares of Common Stock owned by the institutional accounts managed by PGATC as reported above. FIL Limited (FIL), Pembroke Hall, 42 Crow Lane, Hamilton, Bermuda, and various foreign-based subsidiaries provide investment advisory and management services to a number of non-U.S.

investment companies and certain institutional investors. FIL, which is a qualified institution under section 240.13d-1(b)(1)(ii), is the beneficial owner of 9,600 shares of our Common Stock. Partnerships controlled predominantly by members of the family of Edward C. Johnson 3d and FIL, or trusts for their benefit, own shares of FIL voting stock. While the percentage of total voting power represented by these shares may fluctuate as a result of changes in the total number of shares of FIL voting stock outstanding from time to time, it normally represents more than 25% and less than 50% of the total votes which may be cast by all holders of FIL voting stock. FMR LLC and FIL are separate and independent corporate entities, and their Boards of Directors are generally composed of different individuals. FMR LLC and FIL are of the view that they are not acting as a group for purposes of Section 13(d) under the Exchange Act and that they are not otherwise required to attribute to each other the beneficial ownership of securities beneficially owned by the other corporation within the meaning of Rule 13d-3 promulgated under the Exchange Act. Therefore, they are of the view that the shares held by the other corporation need not be aggregated for purposes of Section 13(d). Information (other than percentage ownership) reported on the table and in this footnote is as of December 31, 2012 and is based on the Statement of Beneficial Ownership on Schedule 13G/A filed by FMR LLC on February 14, 2013 with the SEC.

[2] Goldman Sachs Asset Management, L.P. and GS Investment Strategies, LLC (which we refer to collectively in this Proxy Statement as GSAM), investment advisers in accordance with Rule 13d-1(b)(1)(ii)(E) under the Exchange Act, may be deemed to be the beneficial owners of 5,092,020 shares of our Common Stock, including 4,364,059 shares with respect to which they have shared voting power and as to all 5,092,020 of which they have shared dispositive power. These amounts reflect the securities beneficially owned by certain operating units (collectively, the GSUs) of The Goldman Sachs Group, Inc. and its subsidiaries and affiliates (which we refer collectively to in this Proxy Statement as GSG). These amounts do not reflect securities, if any, beneficially owned by any operating units of GSG whose ownership of securities is disaggregated from that of the GSUs. The GSUs disclaim beneficial ownership of the securities beneficially owned by (i) any client accounts with respect to which the GSUs or their employees have voting or investment discretion or both, or with respect to which there are limits on their voting or investment authority or both and (ii) certain investment entities of which the GSUs act as the general partner, managing general partner or other manager, to the extent interests in such entities are held by persons other than the GSUs. Information (other than percentage ownership) reported on the table and in this footnote is as of December 31, 2012 and is based on the Statement of Beneficial Ownership on Schedule 13G/A filed by GSAM on February 14, 2013 with the SEC.

[3] BlackRock, Inc., a parent holding company or control person in accordance with Rule 13d-1(b)(1)(ii)(G) under the Exchange Act, may be deemed to be the beneficial owner of 4,734,061 shares of Common Stock. Information (other than percentage ownership) reported on the table and in this footnote is as of December 31, 2012 and is based on the Statement of Beneficial Ownership on Schedule 13G/A filed by BlackRock, Inc. on February 5, 2013 with the SEC.

Directors, Nominees for Director and Executive Officers

The following table presents certain information with respect to the number of shares of our Common Stock beneficially owned as of April 23, 2013 by the following persons:

- each of our directors;
- each of the nominees for director;
- our Chief Executive Officer, our Chief Financial Officer and our three most highly compensated executive officers with respect to our most recently completed fiscal year, other than our Chief Executive Officer and Chief Financial Officer; and
- our directors, the nominees for director and our executive officers, as a group.

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

	Amount Beneficially Owned[1]	Percent of Class
Mary Baglivo	8,585	*
Emanuel Chirico	819,953	1.0
Francis K. Duane	56,623	*
Juan R. Figuereo	1,912	*
Joseph B. Fuller	23,760	*
Fred Gehring[2]	615,289	*
Margaret L. Jenkins	5,277	*
Bruce Maggin	51,191	*
V. James Marino	14,862	*
Helen McCluskey	66,129	*
Paul Thomas Murry	21,039	*
Henry Nasella	20,000	*
Rita M. Rodriguez	33,862	*
Craig Rydin	16,572	*
Michael A. Shaffer	56,597	*
All directors, nominees for director and executive officers as a group	1,811,651	2.2

* Less than 1% of class.

1 The figures in the table are based upon information furnished to us by our directors, nominees for director and executive officers and upon our records. The figures include the shares held for the benefit of our executive officers in a trust for the PVH Stock Fund. The PVH Stock Fund is one of the investment options under our Associates Investment Plan, which is a defined contribution plan (a so-called 401(k) plan) under the Employee Retirement Income Security Act of 1974, as amended. We refer to the Associates Investment Plan as the AIP. Participants in the AIP who make investments in the PVH Stock Fund may direct the vote of shares of Common Stock held for their benefit in the trust for the PVH Stock Fund.

As of the record date, the following persons have the right to cast votes equal to the following number of shares held in the trust for the PVH Stock Fund (which have been rounded to the nearest full share): Emanuel Chirico, 6,885 shares; Francis K. Duane, 684 shares; Michael A. Shaffer, 6,667 shares; and all of our directors, nominees for director and executive officers as a group, 16,061 shares.

The Trustee of the trust for the PVH Stock Fund has the right to vote shares in the trust that are unvoted as of two days prior to the meeting in the same proportion as the vote by all other participants in the AIP who have cast votes with respect to their investment in the PVH Stock Fund. The committee that administers the AIP makes all decisions regarding the disposition of Common Stock held in the trust for the PVH Stock Fund, other than the limited right of a participant to receive a distribution of shares held for his or her benefit. As such, the committee may be deemed to be a beneficial owner of the Common Stock held in the trust. Mr. Shaffer is a member of that committee. The figures in the table do not include shares in the trust for the PVH Stock Fund (other than applicable to Mr. Shaffer s investment in the PVH Stock Fund) to the extent that, as a member of the committee, he may be deemed to have beneficial ownership of the shares held in the trust. There were 581,546 shares of Common Stock (0.7% of the outstanding shares) held in the trust for the PVH Stock Fund as of April 23, 2013.

The table also includes the following shares which each of the individuals and the group listed on the table have the right to acquire within 60 days of the record date upon the exercise of stock options granted to them: Emanuel Chirico, 780,825 shares; Francis K. Duane, 41,125 shares; Fred Gehring, 44,959 shares; Bruce Maggin, 30,000 shares; Helen McCluskey 34,459 shares; Paul Thomas Murry, 17,325 shares; Henry Nasella, 20,000 shares; Rita M. Rodriguez, 20,000 shares; Craig Rydin, 10,000 shares; Michael A. Shaffer, 30,450 shares; and all of our current directors, nominees for director and executive officers as a group, 1,029,143 shares.

The table also includes the following shares of Common Stock that are subject to awards of restricted stock units made to the individuals and as a group, the restrictions on which will lapse within 60 days of the record date: Mary Baglivo, 1,700 shares; Margaret L. Jenkins, 1,700 shares; Bruce Maggin, 4,475 shares; V. James Marino, 1,700 shares; Rita M. Rodriguez, 1,700 shares; Craig Rydin, 1,700 shares; Michael A. Shaffer, 232 shares; and all of our current directors, nominees for director and executive officers as a group, 13,207 shares.

[2] Includes 566,346 shares of Common Stock registered under the name of Elmira 5 B.V., a Dutch company (Elmira 5), of which Mr. Gehring is the sole member of the Managing Board. Elmira 5 received such shares in connection with our acquisition of Tommy Hilfiger B.V. and certain related companies (we refer to the companies acquired as Tommy Hilfiger, collectively, and to the acquisition as the Tommy Hilfiger acquisition) as consideration for the sale of its ownership interest in Tommy Hilfiger. These ownership interests were initially issued by

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Stichting Administratiekantoor Elmira (Stichting Elmira), a shareholder of Tommy Hilfiger, to Mr. Gehring and to Messrs. Ludo Onnink, Daniel Grieder and Michael Arts, who are also senior executives of Tommy Hilfiger. Messrs. Gehring and Onnink ultimately contributed to Elmira 5 all of the Tommy Hilfiger interests issued to them by Stichting Elmira, and Messrs. Grieder and Arts contributed to Elmira 5 some of the Tommy Hilfiger interests issued to them by Stichting Elmira. Of the 566,346 shares of Common Stock registered in the name of Elmira 5, (i) 409,029 shares of Common Stock were distributed to Elmira 5 as consideration for all the ownership interests initially issued by Stichting Elmira to Mr. Gehring; (ii) 82,429 shares of Common Stock were distributed to Elmira 5 as consideration for all the securities initially issued by Stichting Elmira to Mr. Onnink; (iii) 37,444 shares of Common Stock were distributed to Elmira 5 as consideration for the portion of the ownership interests issued by Stichting Elmira to Mr. Grieder that he subsequently contributed to Elmira 5; and (iv) 37,444 shares of Common Stock were distributed to Elmira 5 as consideration for the portion of the ownership interests issued by Stichting Elmira to Mr. Arts that he subsequently contributed to Elmira 5. As the sole member of the Managing Board of Elmira 5, Mr. Gehring has voting power over the 566,346 shares of Common Stock held by Elmira 5 and, as such, may be deemed to beneficially own all such shares. However, pursuant to the articles of association of Elmira 5, the Managing Board is required, in order to vote the shares of Common Stock held by Elmira 5, to obtain the prior approval of each of Elmira 5 s stockholders with respect to their allocable number of shares of Common Stock held by Elmira 5 (*i.e.*, the amounts identified in clauses (i) through (iv) in the second sentence preceding this sentence). Mr. Gehring disclaims beneficial ownership of the aggregate of 157,317 shares of Common Stock referred to in this Note 2 that were distributed by Stichting Elmira to Messrs. Onnink, Grieder and Arts and contributed to Elmira 5. As of April 23, 2013, 566,339 shares of Common Stock registered under the name of Elmira 5 were held in escrow pursuant to an escrow agreement entered into in connection with our acquisition of Tommy Hilfiger. These shares were released from escrow on May 6, 2013.

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ELECTION OF DIRECTORS

Directors

All nominees elected as directors at the meeting will serve for a term of one year or until their successors are elected and qualified. All of the nominees were elected directors at last year s Annual Meeting of Stockholders, other than Ms. McCluskey, who was appointed a director in February 2013. At this time, the Board of Directors knows of no reason why any nominee might be unable to serve.

The election of directors requires the affirmative vote of a majority of the votes cast in person or by proxy at the meeting. In determining whether a director nominee has received the requisite vote for election, abstentions and broker non votes will have no effect. Our Corporate Governance Guidelines provide that (i) a director who fails to be re-elected as a result of not obtaining a majority vote of stockholders must offer a letter of resignation for the Board of Directors consideration; (ii) the Board s Nominating & Governance Committee must make a recommendation to the full Board on whether to accept or reject the resignation, or whether other action should be taken; and (iii) the Board must act on the Committee s recommendation and publicly disclose its decision and the rationale behind it within 90 days from the date of the certification of the election results. Our Corporate Governance Guidelines also provide that (x) the Committee and Board may consider any factors and other information that they consider appropriate and relevant to making their respective decisions; and (y) the director who tenders his or her resignation cannot participate in the Committee s or Board s decision.

The Board of Directors recommends a vote FOR the election of the 12 nominees named below. Proxies received in response to this solicitation will be voted FOR the election of the nominees unless otherwise specified in a proxy.

Name	Principal Occupation	Age	Year Became a Director
Mary Baglivo	Former Chairman and Chief Executive Officer of Latin America and Multicultural, Saatchi & Saatchi Worldwide, an advertising agency	55	2007
Emanuel Chirico	Chief Executive Officer of the Company	56	2005
Juan R. Figuereo	Executive Vice President and Chief Financial Officer, NII Holdings, Inc., a provider of differentiated mobile communications in Latin America	57	2011
Joseph B. Fuller	Senior Lecturer in Business Administration, Harvard Business School; founder, Joseph Fuller LLC, a business consulting firm	56	1991
Fred Gehring	Chief Executive Officer of Tommy Hilfiger and PVH International Operations	58	2010
Margaret L. Jenkins	Founder and Owner, Margaret Jenkins & Associates, a marketing and philanthropic services consulting firm; Former Senior Vice President and Chief Marketing Officer, Denny s Corporation	61	2006
Bruce Maggin	Principal, The H.A.M. Media Group, LLC, a media investment company	70	1987
V. James Marino	Retired Chief Executive Officer, Alberto-Culver Company, a personal care products company	62	2007
Helen McCluskey	Former President and Chief Executive Officer, The Warnaco Group, Inc. (which we refer to in this Proxy Statement as Warnaco), an apparel company that we acquired in February 2013	58	2013
Henry Nasella	Partner and Co-Founder, LNK Partners, a private equity investment firm	66	2003
Rita M. Rodriguez	Senior Fellow, Woodstock Theological Center at Georgetown University	70	2005
Craig Rydin		61	2006

Chairman of the Board of Directors, Yankee Holding Corp.; Non-Executive Chairman, The Yankee Candle Company, Inc., a designer, manufacturer and branded marketer of premium scented candles

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Additional Information

Other Public Company Directorships

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

- Mr. Chirico is a director of Dick s Sporting Goods, Inc.;
- Mr. Maggin is a director of Central European Media Enterprises Ltd.;
- Mr. Marino is a director of OfficeMax Incorporated;
- Dr. Rodriguez is a director of Affiliated Managers Group, Inc. and Ensco plc; and
- Mr. Rydin is a director of priceline.com Incorporated and Yankee Holding Corp.

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

- Mr. Marino served at Alberto-Culver Company from 2006 to 2011;
- Mr. Nasella served at Denny s Corporation from 2004 to 2008; and
- Ms. McCluskey served at Warnaco from 2012 to 2013.

Other Employment Information

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

- Ms. Baglivo, who was Chairman and Chief Executive Officer of the Americas, Saatchi & Saatchi Worldwide from January 2008 to August 2012 and Chairman and Chief Executive Officer of Latin America and Multicultural from August 2012 to March 2013;
- Mr. Figuereo, who was Executive Vice President and Chief Financial Officer of Cott Corporation, a manufacturer of private label soft drinks, from 2007 to 2009, and Executive Vice President and Chief Financial Officer of Newell Rubbermaid, Inc., a consumer and commercial products company, from 2009 to 2012;
- Mr. Fuller who was Founder, Director and Vice-Chairman, Monitor Company LP, an international management consulting firm, from 1983 to 2012[2];
- Mr. Gehring, who, in addition to having served as Chief Executive Officer of Tommy Hilfiger B.V. since April 2006, was Chief Executive Officer of its subsidiary, Tommy Hilfiger U.S.A., Inc., from April 2006 to November 2009 and, from 1997 to April 2006, was the Chief Executive Officer of Tommy Hilfiger Europe B.V., which includes the period when it was a third party licensee of Tommy Hilfiger Licensing, LLC, the worldwide owner and licensee of the *Tommy Hilfiger* trademarks;
- Ms. Jenkins, who was Senior Vice President and Chief Marketing Officer of Denny s Corporation, a full service family restaurant chain, from June 2002 to August 2007;
- Mr. Maggin, who was Executive Vice President and Secretary of Media & Entertainment Holdings, Inc., a blank check company that sought acquisition opportunities, particularly in the entertainment, media and communications industries, from 2005 to 2009 and Treasurer of Media & Entertainment Holdings, Inc. from 2007 to 2009;
- Mr. Marino, who was President and Chief Executive Officer of Alberto-Culver Company from November 2006 to May 2011;
- Ms. McCluskey, who served as President and Chief Executive Officer of Warnaco from February 2012 to February 2013 and as its Chief Operating Officer from September 2012 to February 2012 and in several Group President positions from July 2004 to September 2010;
- Dr. Rodriguez, who has also been self-employed in the field of international finance since 1999; and
- Mr. Rydin, who was Chief Executive Officer of Yankee Holding Corp. and The Yankee Candle Company, Inc. from 2001 to 2009.

[2] On January 11, 2013, Deloitte Consulting LLP acquired all of the business of Monitor Company pursuant an agreement entered into on November 7, 2012. To help facilitate the acquisition, Monitor Company filed for bankruptcy protection on November 7, 2012 in Wilmington, Delaware and the sale was accomplished by means of a bankruptcy court-approved sale under the U.S. Bankruptcy Code.

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Independence of Our Directors

The Board of Directors has determined the independence (or lack thereof) of each of the directors and nominees for director and, as a result thereof, concluded that a majority of our directors are independent, as required under the rules of the New York Stock Exchange, on which exchange our Common Stock is listed for trading. Specifically, the Board determined that Messrs. Chirico and Gehring, as officers of the Company, are not independent. The Board also determined that Dr. Rodriguez, Ms. Baglivo, Ms. Jenkins, Ms. McCluskey and each of Messrs. Figuereo, Fuller, Maggin, Marino, Nasella and Rydin are independent under Section 303A.02 of the New York Stock Exchange rules.

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

The Board of Directors considered that Mr. Marino s daughter is employed by us when making its independence decision with respect to him. In concluding that Mr. Marino is independent, the Board noted that his daughter s annualized compensation is well below the threshold of $120,000 that would require disclosure under Item 404 of Regulation S-K.

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

Experience, Qualifications, Attributes and Skills of Our Directors

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

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

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

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

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

Joseph B. Fuller has extensive experience advising management with respect to strategy, corporate finance, governance and marketing, which he developed as a co-founder and executive of an international management consulting firm, and, as a professor at a renowned business school, has exposure to management principles used by leading businesses worldwide. In addition, Mr. Fuller brings to the Board his knowledge of channel management, pricing trends and pressures and innovation.

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Fred Gehring has extensive senior executive leadership experience in the apparel industry, including more than 12 years of experience managing the global and European operations of Tommy Hilfiger as Chief Executive Officer. Mr. Gehring s knowledge of the Tommy Hilfiger operations, as well as his experience in the apparel industry outside of the United States, provides valuable insight to the Board into the Tommy Hilfiger business in particular and the expansion of our other businesses in Europe.

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

Bruce Maggin has served as one of our directors for over 25 years. As a result, he has a deep understanding of our operations and strategy, as well as our financial reporting and internal controls through his stalwart service on our Audit Committee. Mr. Maggin brings to the Board financial, operational and development expertise, which he gained in various executive positions in the media industry.

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

Helen McCluskey has extensive experience as an apparel industry executive, including her role in several leadership positions at Warnaco, which provides her with invaluable knowledge and expertise in our business and industry, generally, as well as of the businesses we acquired from Warnaco, specifically.

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

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

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

Diversity

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

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Meetings

Our Corporate Governance Guidelines provide that each member of the Board of Directors is expected to use reasonable efforts to attend, in person, or by telephone or by video conference, all meetings of the Board and of any committees of which they are a member, as well as the annual meeting of stockholders. All of the current members of the Board attended the 2012 Annual Meeting of Stockholders, other than Ms. McCluskey, who was not a director at that time.

There were 14 meetings of the Board of Directors during 2012. All of the current directors who were directors during 2012 attended at least 75% of the aggregate number of meetings of the Board and the Committees of the Board on which they served held during the fiscal year.

Our non-management directors meet regularly in executive sessions without management or the management directors. During part of 2012, we had one non-management director who was not independent. As such the independent directors periodically continued their executive sessions, with the non-independent, non-management director leaving. The non-independent, non-management director is no longer on the Board. Mr. Nasella, our presiding director, presides at the executive sessions of the non-management and independent directors.

Committees

The Board of Directors has a standing Audit Committee, Compensation Committee, Nominating & Governance Committee and Corporate Social Responsibility Committee. Each committee has a written charter adopted by the Board of Directors that is available free of charge on our website, *www.pvh.com*.

Audit Committee

The Audit Committee is currently composed of Dr. Rodriguez and Messrs. Figuereo and Maggin (Chairman), each of whom served on the Committee for the entirety of 2012. Each of Dr. Rodriguez and Messrs. Figuereo and Maggin has been determined by the Board to be independent for purposes of audit committee service under the New York Stock Exchange s listing standards and Rule 10A-3 of the Exchange Act and an audit committee financial expert, as defined in Item 407 of Regulation S-K under the Exchange Act.

The Audit Committee s charter provides for the Committee to be composed of three or more directors all of whom must meet the independence requirements under the New York Stock Exchange rules and Rule 10A-3 of the Exchange Act. Pursuant to its charter, the Committee is charged with providing assistance to the Board in fulfilling the Board s oversight functions relating to the quality and integrity of our financial reports, monitoring our financial reporting process and internal audit function, monitoring the outside auditing firm s qualifications, independence and performance, and performing such other activities consistent with its charter and our By-laws, as the Committee or the Board deems appropriate. The Committee will also have such additional functions as are required by the New York Stock Exchange, the SEC and federal securities law. The Committee is directly responsible for the appointment, compensation and oversight of the work of the outside auditing firm.

The Audit Committee held nine meetings during 2012.

Compensation Committee

The Compensation Committee is currently composed of Ms. Baglivo and Messrs. Nasella (Chairman) and Rydin, each of whom served on the Committee for the entirety of 2012. Our Chief Executive Officer, Chief Financial Officer, Senior Vice President Human Resources and General Counsel regularly attend and participate in meetings, although they generally excuse themselves from the meetings during discussions or votes on sensitive or personal matters.

The Compensation Committee is responsible for the compensation of our Chief Executive Officer and all of our other executive officers. Executive officers is defined for these purposes by a New York Stock Exchange rule as all officers and executive officers under Rule 16a-1(f) of the Exchange Act and includes all of our Named Executive Officers, whose compensation is discussed in this Proxy Statement under the headings Compensation Discussion and Analysis and Executive Compensation, as well as five other senior executives.

The Committee is also the administrative committee for all of our incentive compensation plans. The Committee also has overall responsibility for approving or recommending to the Board approval of and/or evaluating all of our compensation plans, policies and programs.

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The Compensation Committee s charter provides for the Committee to be composed of three or more directors. All Committee members must be independent under the rules of the New York Stock Exchange, and must qualify as outside directors under Section 162(m) of the Internal Revenue Code of 1986, as amended (the Code), and as non-employee directors under Rule 16b-3 under the Exchange Act. The Board has determined that all current members satisfy such requirements. The Committee is charged with discharging the Board of Director s responsibilities relating to the compensation of our Chief Executive Officer and all of our other executive officers as defined under New York Stock Exchange rules and covers both executive officers and officers under the Exchange Act. The Committee also has overall responsibility for approving or recommending to the Board approval of and/or evaluating all of our compensation plans, policies and programs and is responsible for preparing the disclosure required by Item 407(e)(5) of Regulation S-K to be included in the proxy statement for each Annual Meeting of Stockholders.

The Compensation Committee has delegated limited authority to our Chief Executive Officer to make equity awards under our 2006 Stock Incentive Plan. Pursuant to this authority, the Chief Executive Officer may grant, on an annual basis, a maximum of 100,000 shares, with each stock option treated as one share and each restricted stock unit granted treated as two shares, and may grant up to 5,000 stock options and 2,500 restricted stock units to each grantee. However, the authority to grant equity awards to individuals whose compensation is set by the Committee, such as Section 16 officers and employees who are, or could be, a covered employee within the meaning of Section 162(m) of the Code, rests with the Committee.

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

For 2012, the Compensation Committee engaged a compensation consultant, ClearBridge Compensation Group, to advise it on all matters related to the compensation of our Chief Executive Officer and the other executive officers and our compensation plans. The Committee has used ClearBridge Compensation Group in establishing compensation since 2009.

The Compensation Committee directs the compensation consultant, approves the scope of the compensation consultant s work each year and approves the compensation consultant s fees. The compensation consultant meets and works with the Committee, and the Chairman of the Committee, as well as with our Chief Executive Officer and our Senior Vice President Human Resources, in developing each year s compensation packages and any compensation plans to be considered by the Committee. The Committee identifies in advance of setting compensation for each year the aspects of the compensation program that it wishes to review and challenge in depth and instructs the compensation consultant to provide information, analysis and recommendations to the Committee. The composition and appropriateness of our peer group, the performance measures used to establish performance targets, performance cycles and payouts under our incentive compensation plans were the aspects of the program that were reviewed prior to setting 2012 compensation and awards. The Senior Vice President Human Resources reviews drafts of the materials the compensation consultant prepares for distribution to the Committee to ensure the accuracy of our internal data and, together with our General Counsel, provides additional guidance to the Committee regarding applicable matters such as employee perceptions and reactions, legal and disclosure developments and the like. The compensation consultant is used primarily to compile peer data, prepare tally sheets, help identify the appropriate types and terms of incentive compensation plans and address developments in executive compensation. Additionally, the consultant is used to address specific issues identified by the Committee and assists the Committee in conducting an assessment of risk considerations in our compensation programs.

ClearBridge Compensation Group also advised the Board s Nominating & Governance Committee on director compensation during 2012, which it has done since 2009.

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

The Compensation Committee held nine meetings during 2012.

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Nominating & Governance Committee

The Nominating & Governance Committee currently consists of Ms. Jenkins and Messrs. Fuller (Chairman) and Marino, each of whom served on the Committee for the entirety of 2012. The Nominating & Governance Committee s charter provides for the Committee to be composed of three or more directors, all of whom must meet the independence requirement under the rules of the New York Stock Exchange. The Board has determined that all current members satisfy such requirement.

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

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

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

The Nominating & Governance Committee held four meetings during 2012.

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee is currently composed of Dr. Rodriguez (Chairperson), Ms. Jenkins, Mr. Maggin and Ms. McCluskey, each of whom, other than Ms. McCluskey, served on the Committee for the entirety of 2012. Ms. McCluskey joined the Committee upon her appointment to the Board in February 2013.

The Corporate Social Responsibility Committee s charter provides for the Committee to be composed of two or more directors, all of whom must meet the independence requirement under the rules of the New York Stock Exchange. The Board has determined that all current members satisfy such requirement. The Committee is charged with acting in an advisory capacity to the Board and management with respect to policies and strategies that affect the Company s role as a socially responsible organization.

The Corporate Social Responsibility Committee held four meetings during 2012.

Other Corporate Governance Policies

Corporate Governance Guidelines

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

Leadership Structure of the Board

Currently, our Chief Executive Officer serves as Chairman of the Board of Directors. Our Corporate Governance Guidelines provide for the independent directors to elect annually one of the independent directors to serve as presiding director for any annual period that the Chief

Executive Officer serves as Chairman. The Nominating & Governance Committee is responsible for nominating the director to serve in such role. Mr. Nasella currently serves as our presiding director.

The duties of the presiding director include the following:

- presiding at all meetings of the Board of Directors at which the Chairman is not present, including executive sessions of the non-management and independent directors;
- serving as liaison between the Chairman and the non-management directors;
- discussing with management and/or approving non-routine information sent to the Board;
- reviewing and approving Board meeting agendas;
- assuring that there is sufficient time for discussion of all agenda items;
- having the authority to call meetings of the independent directors; and
- if reasonably requested by major stockholders, ensuring that he or she is available for consultation and direct communication.

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

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

- requiring that the members of all key committees of the Board must be independent under the rules of the New York Stock Exchange;
- holding executive sessions of the non-management directors after every Board meeting and, periodically, continuing these sessions with only the independent directors present; and
- requiring a strong, independent, clearly-defined presiding director role (as discussed above).

Director Education

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

Risk Oversight

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

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

As required under its charter and by New York Stock Exchange rules, the Audit Committee discusses our policies with respect to risk assessment and risk management. As an extension of this role, the Audit Committee oversees the operation of our enterprise risk management program. On an annual basis, the Audit Committee receives an enterprise risk management report, identifying our most significant operating risks and the mitigating factors that exist to control those risks. The Audit Committee also meets privately on a regular basis with representatives of our independent auditors to discuss our auditing and accounting processes and management.

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

Code of Ethics; Code of Business Conduct and Ethics

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

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Based upon our review of the filings furnished to us pursuant to Rule 16a-3(e) promulgated under the Exchange Act and on representations from our executive officers and directors, all filing requirements of Section 16(a) of the Exchange Act were complied with during the fiscal year ended February 3, 2013, except that a Statement of Changes in Beneficial Ownership of Securities on Form 4 reporting the sale of 3,347 shares of Common Stock on December 5, 2012 by Mary Baglivo, a director, was filed two business days late.

COMPENSATION COMMITTEE REPORT

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

Compensation Committee

Henry Nasella, Chairman

Mary Baglivo

Craig Rydin

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COMPENSATION DISCUSSION AND ANALYSIS

Introduction

The following discussion and analysis explains our current compensation program, with particular focus on the compensation of:

Emanuel Chirico, our Chairman and Chief Executive Officer;

Michael A. Shaffer, our Executive Vice President and Chief Operating & Financial Officer;

Fred Gehring, Chief Executive Officer, Tommy Hilfiger and PVH International Operations;

Francis K. Duane, Chief Executive Officer, Heritage Brands and North America Wholesale; and

Paul Thomas Murry, Chief Executive Officer, Calvin Klein.

We refer to these five executive officers collectively as our Named Executive Officers.

Mr. Gehring is based in Europe, had a different compensation structure in place when we acquired Tommy Hilfiger in 2010 that we continued by contract, and has had a large ownership interest in our Common Stock as a result of the stock he received in exchange for the interests in Tommy Hilfiger he owned at the time of the acquisition. Due to these factors, his compensation package is structured somewhat differently than the other Named Executive Officers. In addition, certain terms of awards made to the other Named Executive Officers to provide for their deductibility under the Code are not included in Mr. Gehring s awards, as the Code is not applicable to his compensation because he is not a U.S. taxpayer and is not paid by a U.S. taxpayer. Accordingly, not all of the discussion regarding our Named Executive Officers pertains to him.

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

Highlights of 2012 Performance and Executive Summary

We are one of the world s largest apparel companies. On October 31, 2012, we announced that we had entered into an agreement to acquire Warnaco. The acquisition was completed on February 13, 2013, as a result of which we acquired certain rights to the *Calvin Klein* brands that we did not previously own (principally, men s and women s underwear, loungewear and sleepwear) or had licensed to Warnaco (principally jeanswear and related accessories), as well as ownership of the *Olga* and *Warner s* women s intimates brands, and a perpetual license in North America for the *Speedo* swimwear brand. This discussion is limited to our business as it existed in 2012, except where specifically noted otherwise.

Our owned brands include *Calvin Klein*, *Tommy Hilfiger* and our heritage brands (*Van Heusen, IZOD, ARROW* and *Bass*) under which we offer products at wholesale (principally men s dress furnishings and/or sportswear) and retail, and which we license to third parties. We also offer men s dress furnishings (dress shirts, neckwear and, to a lesser extent, underwear) under numerous well-known brands that we license from third parties, principally for use only in North America. We aggregate our reporting segments into three main businesses: (i) Calvin Klein, which consists of our Calvin Klein licensing, dress furnishings, men s sportswear, outlet retail and Collection divisions; (ii) Tommy Hilfiger, which consists of our Tommy Hilfiger North America and Tommy Hilfiger International divisions; and (iii) Heritage Brands, which consists of our wholesale dress furnishings, wholesale sportswear and retail divisions that utilize our heritage and licensed brands. Messrs. Chirico, Shaffer and

Duane received incentive awards for performance periods ending in 2012 based on our overall performance, while Messrs. Gehring and Murry received incentive awards based both on our overall performance and on the performance of the divisions for which they have responsibility.

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We experienced significant growth and financial performance in 2012, building upon the strong momentum begun in the second half of 2009 and continuing through 2010 and 2011. Highlights include increases in revenue (3%), earnings before interest and taxes[3] (10%), and earnings per share[3] (21%) over 2011 performance. The following charts show our revenue, earnings before interest and taxes and earnings per share performance over the past three years:

Foonotes to Graphs:

1. Earnings per share is on a non-GAAP basis, as reported in our earnings releases. The reconciliations to GAAP earnings per share appear on Exhibit A.
2. Earnings before interest and taxes is on a non-GAAP basis, as reported in our earnings releases. The reconciliations to GAAP earnings before interest and taxes appear on Exhibit A.

In addition to the strong empirical growth shown above, the charts below demonstrate that we outperformed our peer group[4] for the one-year period, and far outperformed the two and three-year periods ended 2012 in virtually all key performance metrics.[5] We believe this performance is particularly notable as it is measured against the peer group we adopted for 2012, as a further improvement on the peer group adopted in 2010 after we acquired Tommy Hilfiger. We believe the 2012 peer group is more competitive than our previous ones, as we have continually eliminated smaller peers and added larger and more diverse ones as our business has grown. *See* discussion on page 24.

Foonotes to Charts:

(A) Earnings per share for the Company is on a non-GAAP basis, as reported by us.

(B) Overall percentile ranking excludes Total Shareholder Return vs. S&P 500.

[3] On a non-GAAP basis, as reported in our earnings releases. The reconciliations to GAAP amounts appear on Exhibit A.

[4] When measuring performance against our peer group for 2012, Warnaco is excluded, as its 2012 performance was not reported due to its acquisition by us.

[5] Return on average equity is not considered a key performance metric. It is, however, used in connection with our long-term performance awards. *See* Long-Term Incentive Plan and Performance Share Awards.

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As a result of our strong performance in 2012 and the two-year period then ended:

- cash bonuses were paid out between the target and maximum levels for all of our Named Executive Officers; and
- payouts of performance shares for the two-year performance cycle ending in 2012 were at the maximum level.

The following are key actions taken by us in connection with our 2012 compensation program:

- we added a time-based vesting condition (in addition to the performance-based vesting condition) to our performance share awards, so that payouts to our Named Executive Officers will occur at the end of three years rather than two years (*see* discussion on page 32);
- we increased the base salaries of our Named Executive Officers based on individual performance within the parameters of our budget;
- we increased the values of the annual stock option and restricted stock unit awards made to our Named Executive Officers, other than for Mr. Gehring, based on Company and individual performance, market compensation data and our desired mix among salary and incentive-based pay elements;
- we continued our general practice of setting performance targets for performance share awards that required performance in excess of the previous year s performance to qualify for a payout; and
- we made an annual grant of stock options and restricted stock units to our Chief Executive Officer; his most recent previous grants were made in 2009 and were in amounts and had vesting schedules that mimicked what would have occurred had separate grants been made in each of 2009, 2010 and 2011.

2012 Stockholder Vote On Executive Compensation Matters

We held a stockholder advisory vote to approve the compensation of our Named Executive Officers in June 2012. Our stockholders overwhelmingly approved the compensation of our Named Executive Officers, with over 99% of the votes cast in favor of this proposal in 2012, exceeding the approximately 98% favorable vote in 2011. We interpreted these results, coupled with discussions that we have had from time to time with investors regarding compensation, as a validation of our pay-for-performance compensation program. As a result, we have retained our general approach to executive compensation. Nonetheless, the Compensation Committee continues to work with its independent consultant to consider alternatives and intends to make changes to the program, both large and small, where it determines it appropriate. We hold this vote annually based on the 90% stockholder advisory vote in 2011 and the Board s own recommendation that the stockholder advisory vote on Named Executive Officer compensation be held annually.

Compensation Philosophy, Objectives and Procedure

Our compensation program is a pay-for-performance model based upon the philosophy that we should incentivize our executive officers to improve our financial performance, profitably grow our businesses and increase stockholder value, and reward them only if they attain these objectives. While we include a competitive base salary as an element of our compensation program to provide steady and secure cash payments at a market competitive level, the bulk (65% to 86%) of each Named Executive Officer s compensation package consists of short-term and long-term awards that pay out only if we achieve specific financial targets and equity awards that are linked to increases in stock value over time. *See* page 26 for further discussion on pay mix. The Compensation Committee s independent compensation consultant analyzes and the Committee considers annually the potential for excessively risky behavior in connection with the performance-based awards we make to ensure that these incentives do not motivate the executive officers to take actions that are not in the long-term best interests of the Company and its stockholders. *See* Risk Considerations In Compensation Programs on page 55.

The Compensation Committee undertakes annually a comprehensive review of our compensation program. This includes keeping abreast of regulatory changes, following marketplace developments and analyzing practices within our peer group. This effort is intended to ensure that our practices are consistent with stockholder interests and continue to enable us to recruit, retain and motivate qualified employees.

Independent Compensation Consultant

Under its charter, the Compensation Committee is authorized to retain a compensation consultant and outside advisors at the Company s expense. In 2012, the Compensation Committee retained ClearBridge Compensation Group to advise it on all matters related to the compensation of our executive officers and our compensation plans. ClearBridge is engaged by, and reports directly to, the Compensation Committee, which has the sole authority to retain or terminate ClearBridge and to approve the consultant s fees and other retention terms. ClearBridge also advises, and reports directly to, the Nominating & Governance Committee on non-employee director compensation matters. ClearBridge provides no other services to the Company.

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The Compensation Committee has reviewed the independence of ClearBridge in light of SEC rules and NYSE listing standards regarding compensation consultants and has concluded that ClearBridge s work for the Compensation Committee and for the Nominating & Governance Committee is independent and does not raise any conflict of interest.

Executive Compensation Practices

The table below highlights important aspects of our executive compensation practices and certain practices that we have not implemented or have eliminated because we do not believe them to be in the interest of our stockholders:

Things We Do	***Things We Do Not Do***
Most compensation components are subject to our performance and the performance of our Common Stock and Named Executive Officer compensation is heavily weighted towards long-term components.	Our compensation program does not rely to any significant extent on pension or welfare benefits or perquisites, nor do we generally provide significant additional benefits to the Named Executive Officers that differ from those provided to all other employees.[6]
Change in control arrangements in employment agreements are double trigger, meaning that severance payments are not paid upon a change in control unless employment is terminated.	Executive officer employment agreements do not provide for tax gross-ups or include long-term compensation in the calculation of the amount of severance payable.
Performance targets under our incentive plans are based upon budgeted earnings levels that are reviewed and approved by the Board of Directors and there is a limit on the maximum amount that an executive officer can receive as a payout for each award.	We do not reprice underwater options.
We grant both stock options and restricted stock units, as each aligns our executives with stockholder interests in different ways.	We do not generally provide any special benefits or compensation, such as posthumous equity awards or severance pay, that is payable upon the death of any of our Named Executive Officers.[7]
Restricted stock unit awards granted to our Named Executive Officers are subject to performance-based conditions that are intended to satisfy the conditions for the deductibility of the awards under Section 162(m) of the Code.	We do not believe that our program creates incentives for our executives to take risks that could reasonably be expected to have a material adverse impact on us (and we undertake an annual risk assessment to ensure us that this remains the case).
Our stock ownership guidelines require our Chief Executive Officer to hold our Common Stock with a value equal to six times his annual base salary and our other Named Executive Officers to hold Common Stock with a value equal to their annual base salary.	
We have a comprehensive insider trading policy that includes a prohibition on hedging and similar transactions to ensure that the interests of our executive officers remain aligned with those of our stockholders and they continue to have the incentive to execute our long-term plans and achieve the performance for which their equity awards are intended.	
All of our incentive compensation plans include clawback provisions.	
The Board s Compensation Committee consists of only independent directors who utilize the service of an independent compensation advisor.	

[6] Messrs. Chirico and Duane participate in a capital accumulation program, which is a non-qualified defined benefit plan, and Messrs. Chirico, Shaffer, Duane and Murry participate in the Executive Medical Insurance Plan, which is an enhanced medical plan. *See* page 33.

[7]Mr. Gehring s estate receives a payment equal to three months base salary upon his death as required by the terms of his employment agreement that we agreed to continue at the time of the Tommy Hilfiger acquisition.

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Compensation Components

Compensation packages for our executive officers typically include the following:

- short-term components consisting of base salary and an annual cash bonus;
- long-term components consisting of time-based stock options, time and performance-based restricted stock units, and performance-based cash or stock awards; and
- health and welfare plans and similar standard benefits.

We consider both objective and subjective factors in formulating individual compensation packages. Examples of these factors include job responsibility; individual, business unit and corporate performance; potential for advancement; relative compensation within our executive group; tenure with the Company; compensation of comparable executives at peer group companies; internal pay equity; and the recommendations of management.

Administration of Compensation Programs

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

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

In establishing the program for a year, the Compensation Committee also considers the various elements of our executive compensation packages, including whether to increase salaries in general or for specific executives; whether to change potential payouts as a percentage of salary; and whether to alter the mix between cash and equity compensation or among different types of equity compensation. This review also addresses issues of setting targets under our incentive plans and whether an individual executive s performance, promotion or change in circumstances warrant changes to his or her compensation package that are different from the other executives as a group.

Management, principally the Chief Executive Officer and the Senior Vice President Human Resources, reports to the Compensation Committee and the compensation consultant on executive performance, particular business issues facing an executive or his or her division, and management s views on the efficacy of and incentives behind the compensation program. This insight helps the Committee establish performance goals, adjust salaries, award discretionary bonuses and take other related actions. Additionally, our Chief Executive Officer discusses his own compensation with the Chairman of the Committee and during Committee meetings. The Committee and the compensation consultant then work with management to develop specific packages for the senior executives for whom the Committee has responsibility. Any significant changes to the overall program are first presented by the Committee to, and approved by, the independent members of the Board. The independent members of the Board also review annually the proposed compensation package for our Chief Executive Officer, prior to its approval by the Committee, and approve any material changes in our Chief Executive Officer s compensation arrangements.

Performance targets based on corporate performance are typically measured on a non-GAAP basis. The Compensation Committee determines at the time it establishes the targets certain types of expenses, costs and other matters (such as acquisition costs and related restructuring and integration costs, as well as changes in accounting rules that occur after the awards are made) that it believes should not affect the calculation of the achievement of a performance goal. Similarly, divisional performance targets typically exclude corporate allocations, costs associated with corporate initiatives, start-up ventures or other matters that management recommends to the Committee not to be considered when measuring performance.

The performance targets discussed in this Proxy Statement all include adjustments and exclusions of the type discussed in the preceding paragraph. These adjustments and exclusions may differ from those used by management when providing guidance and discussing results, particularly as a year progresses and unanticipated items are incurred, and as a multi-year performance cycle progresses and specific items are identified, actual costs are quantified and unanticipated items are incurred. As a result, the earnings per share results and targets discussed in the incentive compensation sections that follow differ from, or may not in the future be in alignment with, our reported earnings.

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Industry Peer Group

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

We analyzed our peer group composition in 2012 and determined that, as a result of our growth, the Company was approaching the 75th percentile of the peer group as then constituted based on revenues. We therefore modified the peer group to remove American Eagle Outfitters, Inc. and Fifth & Pacific Companies, Inc., which were both below the median, and added Avon Products, Inc., Estee Lauder Companies Inc. and Luxottica Group S.p.A., which were all above the median. We believe that the modified peer group was appropriate given our business mix, distribution channels and size. Our peer group for 2012 consisted of public companies with businesses meeting the parameters described above that had revenues for their most recently completed fiscal year between approximately 40% and approximately 250% of our annual revenue.

Abercrombie & Fitch Co.	Guess?, Inc.	Ralph Lauren Corporation
Avon Products, Inc.	Hanesbrands Inc.	The Gap, Inc.
Burberry Group plc	Levi Strauss & Co.	The Jones Group Inc.
Coach, Inc.	L Brands, Inc.	The Warnaco Group, Inc.
Esprit Holdings Limited	Luxottica Group S.p.A.	V.F. Corporation
Estee Lauder Companies Inc.	Nordstrom, Inc.	

Prior to 2012, we compared the cash compensation of Mr. Murry both to that of comparable executives (from an operational perspective) in the ICR Luxury Goods Survey and the comparable indexed executive from the peer group for benchmarking purposes. We did this because a significant portion of the Calvin Klein businesses for which Mr. Murry has responsibility is more comparable to the businesses operated by the group covered by the ICR Luxury Goods Survey. However, in 2012, we decided to assess Mr. Murry s compensation package using only the peer group, because the ICR Luxury Goods Survey does not provide all of the data that is most useful in establishing a compensation package. For example, information is provided on an aggregate basis and does not distinguish by position.

Use of Tally Sheets

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

The tally sheets illustrate compensation opportunities and benefits and quantify payments and other value an executive would receive in various termination of employment scenarios, meaning they show full walk away values. As such, they enable the Compensation Committee to see and evaluate the full range of executive compensation, understand the magnitude of potential payouts as a result of retirement, change in control and other events resulting in termination of employment, and consider changes to our compensation program, arrangements and plans in light of best practices and emerging trends.

Target Compensation

In setting individual compensation packages for the Named Executive Officers, we start with the median of the applicable peer group executives for each executive insofar as his compensation is concerned. We then take into consideration for each executive the individual factors that go into establishing compensation packages (as discussed above under Compensation Components), the desire to pay compensation that reflects the extended period of significant growth we have experienced and the fact that the comparisons are often inexact, since the roles of our executive officers do not always correspond with the named executive officers at our peer companies.

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

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

When making the awards of annual performance bonuses and long-term incentives, the Committee establishes a threshold goal (performance below which no payout would be made), target goal and maximum goal (performance above which no additional payout would be made). Inasmuch as annual performance bonus and long-term incentive awards are dependent upon, and vary with, our performance, the value of these awards, as well as each Named Executive Officer s total compensation, is considered at threshold, target and maximum levels. For this purpose, stock option grants are valued using the Black-Scholes-Merton option pricing methodology. We do this to provide a consistent comparison to the value of stock option grants made to executives at the companies in our peer group, which the compensation consultant values using the same methodology. Restricted stock units are valued based on the market price of our Common Stock.

At the beginning of each fiscal year, we compare the potential total compensation that a Named Executive Officer can earn to the most comparable executives at the companies in our peer group.

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

The following charts are the benchmarking comparisons reviewed by the Compensation Committee for the 2012 actual total cash compensation and actual total compensation of each of our Named Executive Officers. Total cash compensation consists of salary and bonus, and total compensation consists of salary, bonus, the value of stock option and restricted stock unit grants made in 2012 and the value of the payouts received from long-term incentive awards for performance cycles ending with 2012. Consistent with the charts on page 20 that show that our strong performance for 2012 and the two and three-year periods then ended as compared to our peer group, on an overall basis, compensation paid to our Named Executive Officers generally exceeded the median total cash and total compensation of their peer group counterparts, with variation occurring for the reasons discussed above.

Footnote to Chart:

1. Mr. Duane and Mr. Murry are compared to peer group business unit heads (boxes) and the average of the 3rd and 4th ranked peer group executives (triangles).

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Internal Pay Equity

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

Our Chief Executive Officer s total target compensation has been less than two times the total target compensation of the next highest paid executive officer for each of the past three years and under three and a half times the average total target compensation for all the other Named Executive Officers for each year during the three years, which we believe is acceptable.

Allocation Among Compensation Components

Our compensation program does not prescribe a specific formula for the mix of base salary and annual and long-term incentive components so that we have flexibility in developing appropriate compensation packages. Generally, we would like salaries to approximate the median for the peer group and the majority of the other compensation components to be subject to our performance and the performance of our Common Stock and to be at-risk. The chart below shows the mix of these elements for each of our Named Executive Officer s 2012 compensation package.

We believe that the pay mix for each of our Named Executive Officers is appropriate for our Company and as compared to our peer group. The values attributed to bonuses and long-term incentives (which for our Named Executive Officers in 2012 consisted of grants of stock options (17% to 21%), restricted stock units (11% to 16%) and performance stock awards (0% to 29%)) for purposes of the chart are based on the target performance level and would represent a lower percentage of total compensation at threshold performance levels and a higher percentage at maximum performance levels. The differences in the mix of components among our Named Executive Officers is largely attributable to job responsibility, with Messrs. Chirico s and Shaffer s compensation packages being slightly more heavily weighted towards long-term incentives.

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Timing of Equity Awards

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

Key Elements of Compensation

Base Salaries

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

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

Prior to 2012, our general practice was to grant larger base salary increases for our Named Executive Officers every few years, as opposed to making smaller annual increases. Beginning in 2012, the Compensation Committee determined that it will consider salary increases for Named Executive Officers on an annual basis to be consistent with our general approach to base salary increases for our other employees.

2012 Decisions and Analysis. We increased the annual base salaries of all of our Named Executive Officers in 2012 as follows:

Name	2011 Base Salary	2012 Base Salary	Increase from Prior Year (%)
Mr. Chirico	$1,250,000	$1,350,000	8.0
Mr. Shaffer	$600,000	$700,000	16.7
Mr. Gehring	850,000	892,500	5.0
Mr. Duane	$900,000	$975,000	8.3
Mr. Murry	$900,000	$950,000	5.6

Salary increases for our Named Executive Officers were generally based on our budget for annual salary increases for the general associate population of 4% (including a merit adjustment of 3.5% and a promotion adjustment of 0.5%) and the executive officers performance during 2011 and expected performance in 2012. None of these officers had his base salary increased in 2011.

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Short-Term Incentives

Performance Incentive Bonus Plan

Purpose. The purpose of our Performance Incentive Bonus Plan is to provide cash compensation on an annual basis that is at-risk and contingent on the achievement of overall Company performance or divisional performance goals, as appropriate. The Plan allows for goals to be set based upon numerous performance criteria, but, to date, the Compensation Committee has chosen to set targets based on our earnings per share or the earnings of our businesses during the applicable year because the Committee believes these goals support our strategic business objectives, are easily understood by participants, and are aligned with the creation of stockholder value.

Considerations. Bonuses under our Performance Incentive Bonus Plan for Messrs. Chirico, Shaffer and Duane for 2012 were based solely on the annual earnings per share goal for the Company as a whole. The earnings per share goal at target was the midpoint of the range provided in our initial earnings guidance, which was based on the budget approved by the Board at the beginning of the year, with the other goals based off of target.

Bonus compensation in the case of Mr. Gehring for 2012 was 67% based on the annual earnings goals for the Tommy Hilfiger International division and 33% based on the same annual earnings targets for the Company as were established for other Named Executive Officers. Bonus compensation in the case of Mr. Murry for 2012 was based 50% on the annual earnings goals for the Calvin Klein business and 50% on the same annual earnings targets for the Company as were established for other Named Executive Officers. The divisional earnings goals at target are the budgeted earnings included in the annual budget approved by the Board, with the other goals based off of the budgeted earnings.

2012 Decisions and Analysis. The Compensation Committee established targets for 2012 for our Named Executive Officers participating in our Performance Incentive Bonus Plan in April 2012. The 2012 earnings per share targets and the percentages by which the targets increased from 2011 earnings per share were as follows:

Threshold Earnings Per Share ($)	Increase From Prior Year EPS (%)	Target Earnings Per Share ($)	Increase From Prior Year EPS (%)	Maximum Earnings Per Share ($)	Increase From Prior Year EPS (%)
5.60	2	6.15	12	6.70	22

The earnings per share goals set forth above reflected our expectation that product costs and the macroeconomic environment would continue to pressure our financial performance resulting in slower growth in the Tommy Hilfiger and Calvin Klein businesses, while the Heritage Brands business would begin to stabilize in the second half of the year.

The 2012 performance range was consistent with the range that we used in 2011. Specifically:

- the minimum level of performance required for a payout was 91% of the target level, versus 95% in 2011; and
- the level of performance required for the maximum payout was 109% of the target level, versus 110% in 2011.

Our 2012 earnings per share of $6.59 represented a 20% increase over 2011 earnings per share. As a result, each of our Named Executive Officers earned the portion of their bonuses attributable to our 2012 corporate earnings between the target and maximum levels.

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

Name	Threshold (%)	Target (%)	Maximum (%)	Actual (%)	Actual ($)
Mr. Chirico	75	150	300	270	3,645,000
Mr. Shaffer	37.5	75	175	155	1,085,000
Mr. Duane	30	60	150	132	1,287,000

We did not increase the potential payouts at the threshold, target or maximum levels in 2012 because, based on the above factors, we thought the levels were appropriate.

Messrs. Gehring and Murry were eligible to receive bonus payouts based upon our total corporate earnings and the earnings of the business divisions for which each had overall responsibility during 2012 (*i.e.*, Tommy Hilfiger International for Mr. Gehring and Calvin Klein for Mr. Murry). The 2012 divisional targets, which were based on earnings, and the percentages by which the targets increased (or decreased) from 2011 divisional earnings, were as set forth below:

Name	Threshold	Increase (Decrease) From Prior Year Earnings (%)	Target	Increase From Prior Year Earnings (%)	Maximum	Increase From Prior Year Earnings (%)
Mr. Gehring	156,300,000	0	170,528,000	9	187,500,000	20
Mr. Murry	$274,300,000	(2)	$286,547,000	2	$310,000,000	11

We set 2012 goals at threshold to be relatively flat to 2011 and at target to exceed 2011 results for the same reasons described above in setting the corporate earnings per share goals.

Mr. Gehring received a bonus payout between target and maximum based on the aggregate earnings of 183,185,000 of our Tommy Hilfiger International division and Mr. Murry received a bonus payout just below target based on the aggregate earnings of $284,182,000 of our Calvin Klein licensing and retail divisions. Messrs. Gehring and Murry also received payouts between target and maximum with respect to the portion of their bonuses attributable to our total corporate earnings.

The potential payouts (as a percentage of base salary) and actual payouts (as a percentage of base salary and in dollars[8]) for these executives were as follows:

Name	Earnings Component	Threshold (%)	Target (%)	Maximum (%)	Actual (%)	Actual ($)
Mr. Gehring	Company	25.0	50.0	100.0	90.0	1,035,068
	Divisional	50.0	100.0	200.0	174.6	2,007,802
	Total	75.0	150.0	300.0	264.6	3,042,870

Mr. Murry	Company	15.0	30.0	75.0	66.0	627,000
	Divisional	15.0	30.0	75.0	27.1	257,450
	Total	30.0	60.0	150.0	93.1	884,450

We did not increase the potential payouts at the threshold, target or maximum levels for Messrs. Gehring or Murry in 2012 because, based on the above factors, we thought the levels were appropriate. In addition, potential payouts to Mr. Murry at each level of performance reflect a smaller weighting (50% of the total potential payout) towards divisional performance from the 2011 level (75% of the total potential payout), as it was determined at the time awards were made that the company performance portion of his annual incentive bonus opportunity be increased to provide him with further incentive to consider overall company performance, in addition to his focus on his division s performance.

[8] Dollar amounts for Mr. Gehring are based on a Euro to U.S. dollar exchange rate of 1.2886, which was the average exchange rate for 2012.

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Discretionary Bonuses

The Compensation Committee from time to time awards discretionary bonuses for undertaking additional duties, accomplishing specific projects or achieving specific benefits for the Company, such as special efforts or accomplishments in connection with a transaction or a corporate initiative. The Committee may also award discretionary bonuses based on other factors. The Committee has the authority to place restrictions, such as a vesting period, on any discretionary bonus it awards to an executive officer. We did not pay any discretionary bonuses to our executive officers in 2012.

Long-Term Incentives

Stock Options and Restricted Stock Units

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

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

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

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

2012 Decisions and Analysis. During 2012, we granted both stock options and restricted stock units to our Named Executive Officers at increased values from 2011, other than Mr. Gehring, based on Company and individual performance, market compensation data and our desired mix among salary and incentive-based pay components. Mr. Chirico had last received grants in 2009. The awards made then were in amounts and with vesting schedules that mimicked what would have occurred had separate grants been made in each of 2009, 2010 and 2011.

In addition to the service-based criteria for vesting, the annual restricted stock unit awards granted to Messrs. Chirico, Shaffer, Duane and Murry during 2012 were also made subject to a performance-based condition that is intended to satisfy the conditions for the deductibility of the awards under Section 162(m) of the Code. Specifically, the awards required us to achieve $125,000,000 of adjusted net income for any of 2012, 2013, 2014 or 2015. Adjusted net income for any of the above fiscal years refers to our net income for the applicable year, adjusted by the applicable automatic adjustments to the performance goals for such year. Automatic adjustments are established by the Compensation Committee in accordance with Section 162(m). We achieved the required level of adjusted net income for 2012. As a result, each of these officers will vest in his award, assuming he remains employed by us through each of the service-based vesting dates, which end in 2016.

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Long-Term Incentive Plan and Performance Share Awards

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

Considerations. The performance-based long-term incentive awards that we have made have required us to achieve certain performance targets during a period of two or three years, although they can cover shorter or longer periods (but not less than 12 months). The Compensation Committee s decision to grant cash or stock awards depends on the factors it considers appropriate. The length of the cycles established has depended, in part, on the general state of the economy and its impact on our ability to plan our business over an extended period. While the performance goals always require significant performance over the performance cycles based on the facts known at the time the awards are made, the Compensation Committee uses shorter cycles when longer range forecasts are impractical and potentially unreasonable.

The Compensation Committee can choose from an extensive list of performance measures to evaluate performance but, to date, has only used cumulative earnings growth as measured by cumulative earnings per share targets and, in most cases, average return on equity over the applicable performance cycle. Earnings per share is the principal component of all awards to date, as it is viewed by us as the best measure of performance, with the best alignment of interest with stockholders. Due to our corporate acquisition strategy, which has included using our Common Stock as consideration, we expect our average return on equity performance will be lower than that of our peers. However, average return on equity is used in connection with performance-based long-term incentive awards to place an emphasis on the efficient use of the assets provided by stockholders and ensure an acceptable performance level.

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

2012 Decisions and Analysis New Awards. All of our Named Executive Officers, other than Mr. Gehring, received awards of performance shares in 2012 with respect to a performance cycle covering 2012 and 2013. The earnings per share growth targets for the performance cycle are as follows:

Threshold Cumulative Earnings Per Share ($)	**Compound Growth (%)**	**Target Cumulative Earnings Per Share ($)**	**Compound Growth (%)**	**Maximum Cumulative Earnings Per Share ($)**	**Compound Growth (%)**
11.99	7.5	13.31	15	15.14	25

The average return on equity goals for the performance cycle covering 2012 and 2013 are 12.00% at threshold, 13.50% at target and 15.00% at maximum. These goals are presented solely for the purpose of describing our compensation program. They are not management s estimates of results or other guidance. Investors should not apply these goals to other contexts.

Mr. Gehring did not receive an award of performance shares in 2012. The Compensation Committee determined, as it had in 2010 and 2011, that as a result of his substantial ownership of our Common Stock at the time grants were made, no grant was needed to incentivize Mr. Gehring in the same manner as our other Named Executive Officers.

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

Name		Threshold	Target	Maximum
Mr. Chirico	Shares (#)	15,940	31,880	71,728
	% of Salary	105	210	473
Mr. Shaffer	Shares (#)	1,125	2,249	4,498
	% of Salary	14	29	57
Mr. Duane	Shares (#)	1,125	2,249	4,498
	% of Salary	10	21	41
Mr. Murry	Shares (#)	1,125	2,249	4,498
	% of Salary	11	21	42

These grants contained approximately the same potential payout levels (as a percentage of base salary) as the performance shares granted in 2011 for Messrs. Duane and Murry. Potential payout levels (as a percentage of base salary) for the performance shares granted in 2012 were greater for Messrs. Chirico and Shaffer to increase the percentage of compensation based on performance shares as compared to awards of stock options and restricted stock units.

Consistent with recent years, we used a two-year performance cycle for 2012. We felt that continued uncertainty with the global economy made it difficult to gauge performance over an extended period but that two years was an appropriate measure of performance over time. However, the 2012 performance share awards also include a one-year time vesting period following the two-year performance cycle to encourage retention and have the effect of aligning interests with stockholders, since their value will continue to fluctuate with increases and decreases in our stock price.

Payouts of Performance Share Awards for 2011 2012 Performance Cycle

All of our Named Executive Officers, except Mr. Gehring, received performance share awards for the two-year performance cycle ended February 3, 2013. The earnings per share growth targets with respect to this performance cycle were as follows:

Threshold Cumulative Earnings Per Share ($)	Compound Growth (%)	Target Cumulative Earnings Per Share ($)	Compound Growth (%)	Maximum Cumulative Earnings Per Share ($)	Compound Growth (%)
9.50	7.5	10.54	15	11.99	25

The average return on equity goals for the performance cycle were 12.59% at threshold, 13.81% at target and 15.47% at maximum.

As a result of a strong 2011 and 2012, our earnings per share and average return on equity for the performance cycle were $11.99 and 15.47%, respectively, resulting in payouts to our Named Executive Officers at maximum levels.

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

Name		Threshold	Target	Maximum	Actual
Mr. Chirico	Shares (#)	10,484	27,956	62,902	62,902
	% of Salary	60	160	360	360
Mr. Shaffer	Shares (#)	1,048	2,097	4,193	4,193
	% of Salary	12.5	25	50	50
Mr. Duane	Shares (#)	1,258	2,516	5,032	5,032
	% of Salary	10	20	40	40
Mr. Murry	Shares (#)	1,258	2,516	5,032	5,032
	% of Salary	10	20	40	40

Other Benefits

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

We believe that the benefits offered under our pension and welfare plans serve a different purpose than do the other components of compensation. In general, they are designed to provide a safety net of protection against the financial catastrophes that can result from illness, disability or death, and to provide a reasonable level of retirement income based on compensation and years of service. Benefits offered to our executive officers are similar to those that are offered to the general employee population, with some variation to promote tax efficiency and replace benefit opportunities lost due to regulatory limits.

Perquisites are limited and generally consist of discounts in our retail stores available to all employees and, in certain cases, clothing allowances and gym memberships. We also own a car and employ a driver who drives executives and provides other work services (such as messenger services). We acquired this perquisite as part of the Tommy Hilfiger acquisition and decided to continue to offer the driver s services. Although the majority of the driver s services (and, therefore, the costs associated with a car) are for business purposes, we do allow Mr. Chirico to use the service for personal purposes, generally his daily commute, as we believe this service enables him to be more productive during this time. Mr. Gehring is also allowed certain personal use of the car and driver, as it was a service provided to him prior to the acquisition. Additionally, as part of certain of our marketing activities, including as the naming rights sponsor of the *IZOD* Center sports and entertainment arena and separate sponsorships of the National Football League s New York Giants and the National Basketball Association s Brooklyn Nets, we have a limited number of tickets to all events at the Barclay s Center and to New York Giants and New York Jets football games at MetLife Stadium (and until the end of the third quarter of 2012, had tickets to all events at the *IZOD* Center). These are provided at no cost to us and may, at times, be used personally by our Named Executive Officers, as they are available to all of our employees on a non-discriminatory basis. We also own rights to suites at Amsterdam Arena (home of Ajax Amsterdam, a team in the Eredivisie, the top soccer league in the Netherlands) and MetLife Stadium, both for the Jets and Giants, as well as a box for the United States Tennis Association s U.S. Open. Although primarily used for business purposes, tickets to the suites and box may on occasion be used personally by employees of the Company, including our Named Executive Officers.

Employment Agreements and Severance

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

The employment agreements also provide for severance payments to be made after a change in control. These change in control benefits mitigate a potential disincentive for executives when they are evaluating a potential acquisition of the Company, particularly when it appears that the services of the executive officers may not be required by the acquiring company. The change in control severance

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

The compensation consultant has advised us that our employment agreements provide benefits that are generally market, particularly within our industry peer group.

The employment agreements for our Named Executive Officers can be found as follows:

Name	Description	SEC Filing
Emanuel Chirico	Second Amended and Restated Employment Agreement	Annual Report on Form 10-K for the fiscal year ended February 1, 2009, Exhibit 10.15
	First Amendment to Second Amended and Restated Employment Agreement	Quarterly Report on Form 10-Q for the period ended May 2, 2010, Exhibit 10.1
	Second Amendment to Second Amended and Restated Employment Agreement	Quarterly Report on Form 10-Q for the period ended August 1, 2010, Exhibit 10.6
	Third Amendment to Second Amended and Restated Employment Agreement	Current Report on Form 8-K filed January 28, 2011, Exhibit 10.1
Michael A. Shaffer	Second Amended and Restated Employment Agreement	Annual Report on Form 10-K for the fiscal year ended February 1, 2009, Exhibit 10.30
	First Amendment to Second Amended and Restated Employment Agreement	Current Report on Form 8-K filed January 28, 2011, Exhibit 10.2
Fred Gehring	Employment Agreement	Annual Report on Form 10-K for the fiscal year ended January 30, 2011, Exhibit 10.47
	Addendum to Employment Agreement	Annual Report on Form 10-K for the fiscal year ended January 30, 2011, Exhibit 10.48
Francis K. Duane	Second Amended and Restated Employment Agreement	Annual Report on Form 10-K for the fiscal year ended February 1, 2009, Exhibit 10.19
	First Amendment to Second Amended and Restated Employment Agreement	Quarterly Report on Form 10-Q for the period ended May 2, 2010, Exhibit 10.3
	Second Amendment to Second Amended and Restated Employment Agreement	Current Report on Form 8-K filed January 28, 2011, Exhibit 10.3
Paul Thomas Murry	Second Amended and Restated Employment Agreement	Annual Report on Form 10-K for the fiscal year ended February 1, 2009, Exhibit 10.28
	First Amendment to Second Amended and Restated Employment Agreement	Quarterly Report on Form 10-Q for the period ended May 2, 2010, Exhibit 10.4
	Second Amendment to Second Amended and Restated Employment Agreement	Current Report on Form 8-K filed January 28, 2011, Exhibit 10.4

Change In Control Provisions In Equity Plans and Awards

Under the terms of stock option, restricted stock unit and performance share awards, any unvested awards would vest upon the completion of certain transactions that would result in a change in control. This vesting feature, which has been included in our 2006 Stock Incentive Plan since it was first approved by stockholders and was most recently re-approved by stockholders in 2012, is in place because we believe that utilizing a single event to vest awards provides a simple and certain approach for treatment of equity awards in a transaction that will likely result in the elimination or de-listing of our stock. This provision recognizes that such transactions have the potential to significantly disrupt or change employment relationships and thus treats all employees the same regardless of their employment status after the transaction. It also recognizes that because we may no longer exist after a change in control, employees should not be required to have the value of their outstanding equity awards linked to the acquiring company s future success. In addition, it provides our employee option holders with the same opportunities as our other stockholders who are free to realize the value created at the time of the transaction by selling their equity.

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Federal Income Tax Deductibility of Executive Compensation

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

Stock Ownership

All of our Named Executive Officers are in compliance with the guidelines (described in Executive Compensation Practices) as of the date of this Proxy Statement.

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EXECUTIVE COMPENSATION

SUMMARY COMPENSATION TABLE

The Summary Compensation Table includes the 2010, 2011 and 2012 compensation data for our Named Executive Officers.

Name and Principal Position	Years of Service[1]	Fiscal Year	Salary ($)	Bonus ($)	Stock Awards[2] ($)	Option Awards[3] ($)	Non-Equity Incentive Plan Compensation[4] ($)	Change in Pension Value and Non-qualified Deferred Compensation Earnings[5] ($)	All Other Compensation[6] ($)	Total ($)
Emanuel Chirico, age 56	19	2012	1,316,667	0	3,957,287	1,879,317	3,645,000	1,378,139	191,738	12,368,148
Chairman and Chief Executive		2011	1,250,000	0	1,992,145	0	3,750,000	1,307,017	188,405	8,487,567
Officer, PVH Corp.		2010	1,166,667	0	4,468,313	0	6,500,000	612,501	108,891	12,856,372
Michael A. Shaffer, age 50	22	2012	700,000	0	649,293	665,676	1,085,000	322,864	66,356	3,489,189
Executive Vice President and		2011	600,000	0	509,626	618,800	1,050,000	319,012	63,268	3,160,706
Chief Operating & Financial Officer, PVH Corp.		2010	558,333	100,000	1,498,636	600,882	1,290,000	145,774	54,965	4,248,590
Francis K. Duane, age 56	14	2012	975,000	0	599,310	665,676	1,287,000	765,110	67,377	4,359,473
Chief Executive Officer,		2011	900,000	500,000	529,348	603,925	337,500	830,126	40,768	3,741,667
Heritage Brands and North America Wholesale, PVH Corp.(7)		2010	866,667	0	1,530,576	599,400	1,710,000	481,992	75,829	5,264,464
Fred Gehring, age 58(8)	16	2012	1,131,820	0	627,357	1,043,163	3,042,870	N/A	180,404	6,025,614
Chief Executive Officer,		2011	1,179,885	0	686,083	1,178,100	3,539,655	N/A	193,615	6,777,338
Tommy Hilfiger and PVH International Operations		2010	832,958	0	9,968,984	1,022,127	3,331,830	N/A	131,360	15,287,259
Paul Thomas Murry, age 62	16	2012	933,333	0	499,345	442,431	884,450	698,112	74,130	3,531,801
Chief Executive Officer,		2011	900,000	0	419,419	413,525	1,350,000	673,976	73,539	3,830,459
Calvin Klein, Inc.		2010	883,333	0	1,416,424	412,920	1,710,000	430,538	95,847	4,949,062

1 This column represents service with us by each of our Named Executive Officers, including service, with respect to Messrs. Gehring and Murry, with companies we acquired and their predecessors. It is not the same as their credited service for pension plan purposes.

2 The Stock Awards column represents the aggregate grant date fair value of restricted stock units and performance shares granted to each of our Named Executive Officers in the fiscal year listed. In addition, it includes the aggregate grant date fair value of restricted stock issued to Mr. Gehring as part of the consideration for his ownership interests in Tommy Hilfiger, which we acquired in the second quarter of 2010. The following table sets forth for each of our Named Executive Officers the breakdown of restricted stock issued, and restricted stock units and performance shares awarded for the listed fiscal years.

Name	Fiscal Year	Restricted Stock ($)	Restricted Stock Units ($)	Performance Share Awards ($)	Total Reported in the Stock Awards Column ($)
Emanuel Chirico					
	2012	N/A	1,135,269	2,822,018	3,957,287
	2011	N/A	N/A	1,992,145	1,992,145
	2010	N/A	N/A	4,468,313	4,468,313
Michael A. Shaffer					
	2012	N/A	450,212	199,081	649,293

	2011	N/A	360,194	149,432	509,626
	2010	N/A	358,413	1,140,223	1,498,636
Francis K. Duane					
	2012	N/A	400,229	199,081	599,310
	2011	N/A	350,058	179,290	529,348
	2010	N/A	360,480	1,170,096	1,530,576
Fred Gehring					
	2012	N/A	627,357	N/A	627,357
	2011	N/A	686,083	N/A	686,083
	2010	9,299,515	669,469	N/A	9,968,984
Paul Thomas Murry					
	2012	N/A	300,264	199,081	499,345
	2011	N/A	240,129	179,290	419,419
	2010	N/A	246,328	1,170,096	1,416,424

The fair value of restricted stock is equal to the closing price of our Common Stock on the date of grant multiplied by the number of shares issued. The fair value of restricted stock units is equal to the closing price of our Common Stock on the date of grant multiplied by the number of restricted stock units granted. The fair value of performance shares is equal to the closing price of our Common Stock on the date of grant, reduced for the present value of any dividends expected to be paid on our Common Stock during the performance cycle, as the performance shares do not accrue dividends prior to being earned. The number of performance shares included in the total fair value calculation is the target value set in the award agreement, as such amount represents the probable number of shares that will vest as of the date of grant. The fair values of the performance share awards at the maximum performance payout level on the date of grant were:

Name	2012	2011	2010
Emanuel Chirico	$ 6,349,363	$ 4,482,397	$ 9,434,464
Michael A. Shaffer	398,163	298,793	2,280,382
Francis K. Duane	398,163	358,580	2,340,128
Fred Gehring	N/A	N/A	N/A
Paul Thomas Murry	398,163	358,580	2,340,128

3 The Option Awards column represents the aggregate grant date fair value of stock options granted to each of our Named Executive Officers in the fiscal year listed. The fair value of each award is estimated as of the grant date using the Black-Scholes-Merton option valuation model. The following summarizes the assumptions used to estimate the fair value of stock options granted in the fiscal year listed:

	2012	2011	2010
Weighted average estimated fair value	$ 40.59	$ 29.75	$ 26.82
Weighted average risk-free interest rate	1.20%	2.65%	2.47%
Weighted average dividend yield	0.16%	0.23%	0.25%
Weighted average expected volatility	45.16%	44.34%	42.94%
Weighted average expected option term, in years	6.25	6.25	6.25

4 The compensation reported in this column includes payouts under our Performance Incentive Bonus Plan, a pre-acquisition bonus plan set up for Mr. Gehring and other executives of Tommy Hilfiger, and our Long-Term Incentive Plan earned with respect to performance cycles ended with the fiscal year listed, as detailed in the table below.

Name	Fiscal Year	Performance Incentive Bonus Plan ($)	Tommy Hilfiger Bonus Plan ($)	Long-Term Incentive Plan ($)	Total Non-Equity Incentive Plan Compensation ($)
Emanuel Chirico	2012	3,645,000	N/A	N/A	3,645,000
	2011	3,750,000	N/A	N/A	3,750,000
	2010	3,750,000	N/A	2,750,000	6,500,000
Michael A. Shaffer	2012	1,085,000	N/A	N/A	1,085,000
	2011	1,050,000	N/A	N/A	1,050,000
	2010	1,050,000	N/A	240,000	1,290,000
Francis K. Duane	2012	1,287,000	N/A	N/A	1,287,000
	2011	337,500	N/A	N/A	337,500
	2010	1,350,000	N/A	360,000	1,710,000
Fred Gehring	2012	3,042,870	N/A	N/A	3,042,870
	2011	3,539,655	N/A	N/A	3,539,655
	2010	N/A	3,331,830	N/A	3,331,830
Paul Thomas Murry	2012	884,450	N/A	N/A	884,450
	2011	1,350,000	N/A	N/A	1,350,000
	2010	1,350,000	N/A	360,000	1,710,000

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5 The amounts reported in this column consist of the changes in values under our Pension Plan, our Supplemental Pension Plan and each Named Executive Officer s capital accumulation program agreement, if any, as follows:

Name	Fiscal Year	Change in Pension Plan Value ($)	Change in Supplemental Pension Plan Value ($)	Change in Capital Accumulation Program Value ($)	Change in Pension Value and Non-qualified Deferred Compensation Earnings ($)
Emanuel Chirico	2012	67,426	1,174,434	136,279	1,378,139
	2011	94,557	1,138,626	73,834	1,307,017
	2010	47,646	487,816	77,039	612,501
Michael A. Shaffer	2012	58,729	264,135	N/A	322,864
	2011	83,761	235,251	N/A	319,012
	2010	36,951	108,823	N/A	145,774
Francis K. Duane	2012	59,772	483,756	221,582	765,110
	2011	78,918	564,303	186,905	830,126
	2010	40,954	296,545	144,493	481,992
Fred Gehring	2012	N/A	N/A	N/A	N/A
	2011	N/A	N/A	N/A	N/A
	2010	N/A	N/A	N/A	N/A
Paul Thomas Murry	2012	63,038	635,074	N/A	698,112
	2011	75,552	598,424	N/A	673,976
	2010	46,883	383,655	N/A	430,538

Additional information regarding our Pension Plan, our Supplemental Pension Plan and our capital accumulation program is included in this section under the Pension Benefits table and under the heading Defined Benefit Plans.

6 All Other Compensation includes perquisites and payments or contributions required to be made by us under our AIP, Supplemental Savings Plan and Executive Medical Reimbursement Insurance Plan.

In 2012, we made contributions under our AIP and our Supplemental Savings Plan in the amounts of $153,292 for Mr. Chirico; $53,792 for Mr. Shaffer; $54,813 for Mr. Duane; and $40,500 for Mr. Murry. In 2011, the amounts of the contributions were $151,225 for Mr. Chirico; $50,725 for Mr. Shaffer; $28,225 for Mr. Duane; and $40,500 for Mr. Murry. In 2010, the amounts of the contributions were $96,329 for Mr. Chirico; $42,403 for Mr. Shaffer; $63,267 for Mr. Duane; and $63,371 for Mr. Murry. In 2012, 2011 and 2010, we also contributed $180,404, $193,615 and $131,360, respectively, to the Zwitserleven Pensioen Plan (a Tommy Hilfiger defined contribution plan) for Mr. Gehring.

Our Executive Medical Reimbursement Insurance Plan covers eligible U.S.-based senior executives, including our Named Executive Officers with the exception of Mr. Gehring, for most medical charges not covered by our basic medical plan, with most expenses subject to a specified annual maximum. We incurred $12,564 during 2012, $12,543 during 2011 and $12,562 during 2010 as annual premiums for coverage for each of our Named Executive Officers, with the exception of Mr. Gehring.

Perquisites received over the past three years have included clothing allowances and gym memberships. As part of the Tommy Hilfiger acquisition we acquired a car and the services of a driver, which are generally used for business purposes, but Messrs. Chirico and Gehring are allowed certain personal usage of the service. *See* discussion on page 33. These amounts are not included in the table as they do not meet the threshold for inclusion, except in the case of Mr. Murry and Mr. Chirico in 2011 and 2012. Mr. Murry receives a clothing allowance for purchases at our *Calvin Klein Collection* store. This perquisite provided Mr. Murry with a benefit of $21,066 in 2012, $20,496 in 2011 and $19,914 in 2010. The incremental cost to the Company of Mr. Chirico s personal use of the car for fuel and tolls, as well as an allocation of the driver s salary and cost of the car, was $24,512 in 2012 and $23,267 in 2011.

[7] Reflects new position effective February 2013. During 2012, Mr. Duane served as Chief Executive Officer, Wholesale Apparel, PVH Corp.

[8] Mr. Gehring joined the Company as a Named Executive Officer on May 6, 2010, the closing date of our acquisition of Tommy Hilfiger. The Euro denominated portion of Mr. Gehring s compensation has been translated at Euro to U.S. dollar exchange rates of 1.2886 for 2012 and 1.3881 for 2011, which are the average exchange rates for the applicable fiscal years. Mr. Gehring s 2010 compensation is for the period from May 6, 2010 to January 30, 2011 and the Euro denominated portion of his compensation has been translated at a Euro to U.S. dollar exchange rate of 1.3066, which is the average rate for such period.

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GRANTS OF PLAN-BASED AWARDS

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards Threshold ($)	Target ($)	Maximum ($)	Estimated Future Payouts Under Equity Incentive Plan Awards Threshold (#)	Target (#)	Maximum (#)	All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards ($/sh)	Grant Date Fair Value of Stock and Option Awards[1] ($)
Emanuel Chirico	4/5/2012[2]								46,300	91.88	1,879,317
	4/5/2012[3]							12,356			1,135,269
	4/25/2012[4]				15,940	31,880	71,728				2,822,018
	4/25/2012[5]	1,012,500	2,025,000	4,050,000							
Michael A. Shaffer	4/5/2012[2]								16,400	91.88	665,676
	4/5/2012[3]							4,900			450,212
	4/25/2012[4]				1,125	2,249	4,498				199,081
	4/25/2012[5]	262,500	525,000	1,225,000							
Francis K. Duane	4/5/2012[2]								16,400	91.88	665,676
	4/5/2012[3]							4,356			400,229
	4/25/2012[4]				1,125	2,249	4,498				199,081
	4/25/2012[5]	292,500	585,000	1,462,500							
Fred Gehring [6]	4/5/2012[2]								25,700	91.88	1,043,163
	4/5/2012[3]							6,828			627,357
	4/25/2012[5]	862,557	1,725,113	3,450,227							
Paul Thomas Murry	4/5/2012[2]								10,900	91.88	442,431
	4/5/2012[3]							3,268			300,264
	4/25/2012[4]				1,125	2,249	4,498				199,081
	4/25/2012[5]	285,000	570,000	1,425,000							

1 Grant date fair values were computed in accordance with Financial Accounting Standards Board (FASB) guidance for stock-based compensation. The grant date fair value of performance based awards was determined using the target performance level, as such amount represents the most probable number of shares that will vest as of the date of grant.

2 These amounts represent stock options granted under our 2006 Stock Incentive Plan, which have a 10-year term and vest in four substantially equal installments on each of the first, second, third and fourth anniversaries of the date of grant.

3 These amounts represent restricted stock units granted under our 2006 Stock Incentive Plan. These restricted stock units vest in increments of 25.0%, 25.0% and 50.0% on the second, third and fourth anniversaries of the date of grant, respectively, and are settled by the delivery of stock as soon as practicable after each vesting date. In addition, the awards made to the Named Executive Officers other than Mr. Gehring were subject to a performance condition requiring the achievement of adjusted net income at specified levels during any of the fiscal years from the year of grant through the fourth anniversary of grant. More specifically, awards made to Messrs. Chirico, Shaffer, Duane and Murry required us to achieve $125,000,000 of adjusted net income for any of 2012, 2013, 2014 or 2015. We achieved the required levels of adjusted net income in 2012 and, as a result, each of these officers will vest in his award, subject to his remaining employed by us through each of the service-based vesting dates.

4 These amounts represent potential payouts of performance share awards under our 2006 Stock Incentive Plan subject to a performance period of two years and a service period of one year following the end of the performance period.

5 These amounts represent potential payouts of cash awards under our Performance Incentive Bonus Plan with respect to 2012 performance.

6 Mr. Gehring s cash award amounts are translated from Euros to U.S. dollars at a rate of 1.2886, which is the average exchange rate for 2012.

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NARRATIVE DISCLOSURE TO SUMMARY COMPENSATION TABLE

AND GRANTS OF PLAN-BASED AWARDS TABLE

Employment Contracts

Emanuel Chirico

Our employment agreement with Emanuel Chirico, our Chief Executive Officer, outlines the compensation and benefits to be paid to him, provides for annual review of his salary and permits upward adjustments of salary. In addition, the agreement sets forth his rights to severance upon termination of employment and the restrictive covenants in our favor to which he has agreed.

Generally, Mr. Chirico is entitled to severance only if his employment is terminated by us without cause or if he terminates his employment for good reason. Cause is generally defined as (1) gross negligence or willful misconduct in Mr. Chirico s performance of the material responsibilities of his position, which results in material economic harm to us or our affiliates or in reputational harm causing demonstrable injury to us or our affiliates; (2) Mr. Chirico s willful and continued failure to perform substantially his duties (other than any such failure resulting from incapacity due to physical or mental illness); (3) Mr. Chirico s conviction of, or plea of guilty or nolo contendere to, a felony within the meaning of U.S. Federal, state or local law (other than a traffic violation); (4) Mr. Chirico s having willfully divulged, furnished or made accessible any confidential information (as defined in the employment agreement); or (5) any act or failure to act by Mr. Chirico, which, under the provisions of applicable law, disqualifies him from acting in his position. Good reason is generally defined as (i) the assignment to Mr. Chirico of any duties inconsistent in any material respect with his position or any other action that results in a material diminution in such position; (ii) a reduction of base salary; (iii) the taking of any action that substantially diminishes (A) the aggregate value of Mr. Chirico s total compensation opportunity, and/or (B) the aggregate value of the employee benefits provided to him; (iv) requiring that Mr. Chirico s services be rendered primarily at a location or locations more than 35 miles from the Company s principal executive offices; (v) solely after a change in control of the Company, a change in the Chairman of the Board of Directors such that neither the person holding such position immediately prior to the change in control nor Mr. Chirico is serving as the Chairman at any time during the one-year period following such change in control (other than as a result of such person s cessation of service due to death or disability); or (vi) our failure to require any successor to assume expressly and agree to perform Mr. Chirico s employment agreement.

In the event of a termination of employment without cause or for good reason (other than during the two-year period after a change in control), Mr. Chirico is entitled, subject to executing a release of claims in our favor, to two times the sum of his base salary plus an amount equal to the bonus that would be payable if target level performance were achieved under the Company s annual bonus plan (if any) in respect of the fiscal year during which the termination occurs (or the prior fiscal year, if bonus levels have not yet been established for the year of termination). All such payments are payable in accordance with our payroll schedule in 48 substantially equal installments. The agreement provides that during the two-year period following Mr. Chirico s termination of employment without cause or for good reason (other than during the two-year period after a change in control), medical, dental, life and disability insurance coverages are continued for Mr. Chirico (and his family, to the extent participating prior to termination of employment), subject to cessation if he obtains replacement coverage from another employer (although there is no duty to seek employment or mitigate damages). Mr. Chirico is required to pay the active employee rate, if any, for such coverage.
Mr. Chirico also is entitled, subject to executing a release of claims in our favor, to severance upon the termination of his employment by us without cause or by him for good reason within two years after a change in control of the Company (as defined in the agreement). In either such case, he will receive an aggregate amount equal to three times the sum of his base salary plus an amount equal to the bonus that would be payable if target level performance were achieved under the Company s annual bonus plan (if any) in respect of the fiscal year during which the termination occurs (or the prior fiscal year, if bonus levels have not yet been established for the year of termination). This amount will be paid in a lump sum, if the change in control constitutes a change in the ownership or a change in the effective control of the Company or a change in the ownership of a substantial portion of a corporation s assets (each within the meaning of Section 409A of the Code). This amount will be paid in 72 substantially equal payments if the change in control does not constitute a change in the ownership or a change in the effective control of the Company or a change in the ownership of a substantial portion of a corporation s assets under Section 409A. Mr. Chirico also receives comparable medical, dental, life and disability insurance coverage for himself and his family for the three-year period immediately following such a termination. In addition, if the receipt of the foregoing severance would subject Mr. Chirico to the excise tax on excess parachute payments under Section 4999 of the Code, his severance would be reduced by the amount required to avoid the excise tax if such a reduction would give him a better after-tax result than if he received the full severance amount.

The agreement with Mr. Chirico also includes certain restrictive covenants in favor of the Company. The covenants include prohibitions during and following employment against his use of confidential information and soliciting our employees for employment by himself or anyone else and, other than following a termination without cause or for good reason, competing against us or accepting employment with a competitor and interfering with our business relationships.

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Michael A. Shaffer

Our employment agreement with Michael A. Shaffer, our Executive Vice President and Chief Operating & Financial Officer, outlines the compensation and benefits to be paid to him, provides for an annual review of his salary and permits upward adjustments of salary. In addition, the agreement sets forth his rights to severance upon termination of employment and the restrictive covenants in our favor to which he has agreed. Generally, Mr. Shaffer is entitled to severance only if his employment is terminated by us without cause or if he terminates his employment for good reason. The definition of cause under Mr. Shaffer s agreement is substantially the same as under Mr. Chirico s employment agreement. Good reason is generally defined as (i) the assignment to Mr. Shaffer of any duties inconsistent in any material respect with his position or any other action that results in a material diminution in such position; (ii) a reduction of base salary; (iii) the taking of any action that substantially diminishes (A) the aggregate value of Mr. Shaffer s total compensation opportunity, and/or (B) the aggregate value of the employee benefits provided to him; or (iv) requiring that Mr. Shaffer s services be rendered primarily at a location or locations more than 75 miles from the Company s principal executive offices.

In the event of a termination of employment without cause or for good reason (other than during the two-year period after a change in control), Mr. Shaffer is entitled, subject to executing a release of claims in our favor, to one and a half times the sum of his base salary plus an amount equal to the bonus that would be payable if target level performance were achieved under the Company s annual bonus plan (if any) in respect of the fiscal year during which the termination occurs (or the prior fiscal year, if bonus levels have not yet been established for the year of termination). All such payments are payable in accordance with our payroll schedule in 36 substantially equal installments. The agreement provides that during the 18-month period following Mr. Shaffer s termination of employment without cause or for good reason (other than during the two-year period after a change in control), medical, dental, life and disability insurance coverages are continued for Mr. Shaffer (and his family, to the extent participating prior to termination of employment), subject to cessation if he obtains replacement coverage from another employer (although there is no duty to seek employment or mitigate damages). Mr. Shaffer is required to pay the active employee rate, if any, for such coverage. Mr. Shaffer also is entitled, subject to executing a release of claims in our favor, to severance upon the termination of his employment by us without cause or by him for good reason within two years after a change in control of the Company (as defined in the agreement). In either such case, Mr. Shaffer would receive an aggregate amount equal to two times the sum of his base salary plus an amount equal to the bonus that would be payable if target level performance were achieved under the Company s annual bonus plan (if any) in respect of the fiscal year during which the termination occurs (or the prior fiscal year, if bonus levels have not yet been established for the year of termination). This amount will be paid in a lump sum, if the change in control constitutes a change in the ownership or a change in the effective control of the Company or a change in the ownership of a substantial portion of a corporation s assets (each within the meaning of Section 409A of the Code). This amount will be paid in 48 substantially equal payments, if the change in control does not constitute a change in the ownership or a change in the effective control of the Company or a change in the ownership of a substantial portion of a corporation s assets under Section 409A. Mr. Shaffer also receives comparable medical, dental, life and disability insurance coverage for himself and his family for a two-year period after such a termination. In addition, if the receipt of the foregoing severance would subject Mr. Shaffer to the excise tax on excess parachute payments under Section 4999 of the Code, his severance would be reduced by the amount required to avoid the excise tax if such a reduction would give him a better after-tax result than if he received the full severance amount.

The agreement with Mr. Shaffer also includes certain restrictive covenants in favor of the Company. The covenants include prohibitions during and following employment against his use of confidential information and soliciting our employees for employment by himself or anyone else and, other than following a termination without cause or for good reason, interfering with our business relationships.

Fred Gehring

Our employment agreement with Fred Gehring, the Chief Executive Officer of Tommy Hilfiger and PVH International Operations, outlines the compensation and benefits to be paid to him, provides for an annual review of his salary and permits upward adjustments of salary. In addition, the agreement sets forth his rights to severance upon termination of employment and the restrictive covenants in our favor to which he has agreed. Generally, Mr. Gehring is entitled to severance only if his employment is terminated by us without cause or if he terminates his employment for good reason. The definitions of cause and good reason under Mr. Gehring s agreement are substantially the same as under Mr. Chirico s employment agreement other than the exclusion of clause (v) of Mr. Chirico s good reason definition.

Either party may terminate the employment agreement, subject to a notice period of 90 days for Mr. Gehring and 180 days for us, if applicable. The employment agreement automatically terminates upon the end of the month in which Mr. Gehring turns 65. In the event of a termination of employment without cause or for good reason Mr. Gehring is entitled to one and a half times the sum of his base salary plus an amount equal to the bonus that would be payable if target level performance were achieved under the Company s annual bonus plan (if any) in respect of the fiscal year during which the termination occurs (or the prior fiscal year, if bonus levels have not yet been established for the year of termination). This amount will be paid in a lump sum. The agreement provides that during the 18-month period following Mr. Gehring s termination of employment without cause or for good reason, medical, dental, life

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and disability insurance coverages are continued for Mr. Gehring (and his family, to the extent participating prior to termination of employment), subject to cessation if he obtains replacement coverage from another employer (although there is no duty to seek employment or mitigate damages). Mr. Gehring is required to pay the active employee rate, if any, for such coverage. In the event of Mr. Gehring s disability, which under the employment agreement means his disability for a 104-week period, Mr. Gehring is entitled to receive 70% of his base salary for the 104-week period, and we would be entitled to terminate his employment due to his disability if and when permitted by applicable law. In the event of Mr. Gehring s death, the Company must make a payment equal to three month s base salary to his estate.

The agreement with Mr. Gehring also includes certain restrictive covenants in favor of the Company. The covenants include prohibitions during and following employment against his use of confidential information and soliciting our employees for employment by himself or anyone else and, other than following a termination without cause or for good reason, competing against us by accepting employment or being otherwise affiliated with a competitor listed on an exhibit to the employment agreement.

Francis K. Duane and Paul Thomas Murry

We have employment agreements with each of Messrs. Duane and Murry. These agreements outline the compensation and benefits to be paid to these executives during their employment. The agreements provide for an annual review of their respective salaries and permit upward adjustments of salary. In addition, the agreements set forth these executives rights to severance upon termination of employment. Generally, each of them is entitled to severance only if his employment is terminated by us without cause or if he terminates his employment for good reason. The definitions of cause and good reason under these executives agreements are substantially the same as under Mr. Chirico s employment agreement, other than for the exclusion of clause (v) of Mr. Chirico s good reason definition.

Each of these executives is entitled, subject to executing a release of claims in our favor, to one and a half times the sum of his base salary plus an amount equal to the bonus that would be payable if target level performance were achieved under the Company s annual bonus plan (if any) in respect of the fiscal year during which termination occurs (or the prior fiscal year, if bonus levels have not yet been established for the year of termination) in the event of a termination of employment without cause or for good reason (other than during the two-ye