POLO RALPH LAUREN CORP
Form DEF 14A
July 02, 2009

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

Filed by the Registrant x   Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement

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

þ Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Pursuant to §240.14a-12

POLO RALPH LAUREN CORPORATION

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

x No fee required.

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

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

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

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

(4) Proposed maximum aggregate value of the transaction:

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¨ Fee paid previously with preliminary materials.

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(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO THE OWNERS OF CLASS A COMMON STOCK AND CLASS B COMMON STOCK OF POLO RALPH LAUREN CORPORATION:

The 2009 Annual Meeting of Stockholders of Polo Ralph Lauren Corporation, a Delaware corporation (the Company), will be held at the St. Regis Hotel, 20th Floor Penthouse, 2 East 55th Street, New York, New York, on Thursday, **August 6, 2009, at 9:30 a.m.**, local time, for the following purposes:

1. To elect eleven directors to serve until the 2010 Annual Meeting of Stockholders;

2. To ratify the appointment of Ernst & Young LLP as the Company s independent registered public accounting firm for the fiscal year ending April 3, 2010; and

3. To transact such other business as may properly come before the meeting and any adjournments or postponements thereof.

Stockholders of record at the close of business on June 22, 2009 are entitled to notice of, and to vote at, the Annual Meeting of Stockholders and any adjournments or postponements thereof.

By Order of the Board of Directors

JONATHAN D. DRUCKER

Senior Vice President, General Counsel and Secretary

New York, New York

June 30, 2009

EACH STOCKHOLDER IS URGED TO EXECUTE AND RETURN THE ENCLOSED PROXY PROMPTLY. IN THE EVENT A STOCKHOLDER DECIDES TO ATTEND THE MEETING, IT, HE OR SHE MAY, IF SO DESIRED, REVOKE THE PROXY BY VOTING THE SHARES IN PERSON AT THE MEETING.

Important Notice Regarding the Availability of

Proxy Materials for the Annual Meeting of Stockholders

to be Held on August 6, 2009

The proxy statement and annual report to stockholders are available at: *http://investor.ralphlauren.com*.

Your Vote is Important

Please vote as promptly as possible

by signing, dating and returning the enclosed proxy card.

Admission to the Meeting

Only stockholders, their proxy holders and our invited guests may attend the meeting. If you are a stockholder whose shares are held through an intermediary such as a bank or broker, and you plan to attend, please bring a copy of the account statement reflecting your ownership as of June 22, 2009 so that we may verify your stockholder status when you check in at the registration desk for the meeting. For security purposes, we will require photo identification for admission.

PROXY STATEMENT

FOR ANNUAL MEETING OF STOCKHOLDERS

To Be Held On August 6, 2009

This proxy statement is furnished to the stockholders of Polo Ralph Lauren Corporation, a Delaware corporation, in connection with the solicitation by the Company s Board of Directors of proxies for the 2009 Annual Meeting of Stockholders of the Company to be held at the St. Regis Hotel, 20th Floor Penthouse, 2 East 55th Street, New York, New York on Thursday, August 6, 2009, at 9:30 a.m., local time, and at any adjournments or postponements thereof. This proxy statement and the accompanying proxy are being mailed to the Company s stockholders on or about July 2, 2009. In this proxy statement, we refer to Polo Ralph Lauren Corporation as the Company , we or us .

A proxy delivered pursuant to this solicitation may be revoked by the person executing the proxy at any time before it is voted by giving written notice to the Secretary of the Company, by delivering a later dated proxy, or by voting in person at the Annual Meeting of Stockholders. The address of the Company s principal executive offices is 650 Madison Avenue, New York, New York 10022.

Only holders of record of shares of the Company s Class A Common Stock and Class B Common Stock (together, the Common Stock) at the close of business on June 22, 2009, the record date for the Annual Meeting of Stockholders, are entitled to notice of, and to vote at, the Annual Meeting of Stockholders and adjournments or postponements thereof. The presence, in person or by proxy, of the holders of one-third of the total number of shares of Common Stock outstanding on the record date will constitute a quorum for the transaction of business at the Annual Meeting of Stockholders. Each owner of record of Class A Common Stock on the record date is entitled to one vote for each share. Each owner of record of Class B Common Stock on the record date is entitled to ten votes for each share. On June 22, 2009, there were 56,669,631 outstanding shares of Class A Common Stock and 42,980,021 outstanding shares of Class B Common Stock. Except for the election of directors, the Class A Common Stock and Class B Common Stock vote together as a single class on all matters presented for the consideration of the stockholders of the Company.

The Company s Board of Directors has by resolution fixed the number of directors at eleven. Three directors (the Class A Directors) will be elected by a plurality vote of the shares of Class A Common Stock present in person or by proxy at the Annual Meeting of Stockholders and eligible to vote, and eight directors (the Class B Directors) will be elected by a plurality vote of the shares of Class B Common Stock present in person or by proxy at the Annual Meeting of Stockholders and eligible to vote. The ratification of the appointment of Ernst & Young LLP (Ernst & Young) as the Company s independent registered public accounting firm for the fiscal year ending April 3, 2010 will require the affirmative vote of a majority of the total votes cast on the proposal by the shares of Common Stock present in person or by proxy at the Annual Meeting of Stockholders and eligible to vote. The Class A Common Stock is publicly traded on the New York Stock Exchange (NYSE) under the symbol RL ; the Class B Common Stock is owned by Ralph Lauren and entities owned by, or established for the benefit of, Mr. Lauren, or members of his family.

All properly executed proxies delivered pursuant to this solicitation and not revoked will be voted at the Annual Meeting of Stockholders in accordance with the directions given in such proxies. With respect to the election of directors to serve until the 2010 Annual Meeting of Stockholders, holders of either class of Common Stock may vote in favor of all nominees for election by that class, withhold their votes as to specific nominees, or withhold their votes as to all nominees for election by that class. With respect to the ratification of the appointment of Ernst & Young as the Company s independent registered public accounting firm for the fiscal year ending April 3, 2010, stockholders may vote in favor of ratification, vote against ratification, or abstain from voting. Stockholders should specify their choices on the enclosed form of proxy. If no specific instructions are given with respect to the matters to be acted upon, the shares represented by a properly signed proxy will be voted FOR the election of all nominees for election as directors in the applicable class (Proposal 1) and FOR the proposal to ratify the appointment of Ernst & Young as the Company s independent registered public accounting firm for the fiscal year ending April 3, 2010 (Proposal 2).

Abstentions and broker non-votes are included in determining whether a quorum is present but will not be counted as votes cast on proposals presented to stockholders. Abstentions and broker non-votes will have no effect on the election of directors, which is by plurality vote.

(PROPOSAL 1)

ELECTION OF DIRECTORS

The Company s Second Amended and Restated By-laws provide that its Board of Directors may fix the number of directors constituting the entire Board of Directors between six and twenty. The Board of Directors has currently fixed the number of directors constituting the entire Board of Directors at eleven. The Company s Board of Directors is presently divided into two classes, with all directors being elected annually. Pursuant to the Company s Amended and Restated Certificate of Incorporation, the three Class A Directors will be elected by the holders of Class A Common Stock and the eight Class B Directors will be elected by the holders of Class B Common Stock, each to serve until the 2010 Annual Meeting of Stockholders and until his or her successor is elected and qualified.

Each of the Company s current directors have been nominated for re-election at the 2009 Annual Meeting of Stockholders. Joel L. Fleishman, Frank A. Bennack, Jr. and Steven P. Murphy have been nominated for election as Class A Directors, and Ralph Lauren, Roger N. Farah, Jackwyn L. Nemerov, John R. Alchin, Arnold H. Aronson, Joyce F. Brown, Hubert Joly and Robert C. Wright have been nominated for election as Class B Directors. The Company knows of no reason why any nominee would be unable or unwilling to serve. If any nominee becomes unable or unwilling to serve for any reason, the Board of Directors, based on the recommendation of the Nominating & Governance Committee, may either reduce the number of directors or designate a substitute nominee. If a substitute nominee is designated, the persons named in the enclosed proxy will vote all proxies that would otherwise be voted for the named nominee or nominees for the election of such substitute nominee or nominees.

THE BOARD OF DIRECTORS OF THE COMPANY RECOMMENDS A VOTE FOR EACH NOMINEE AS A DIRECTOR TO HOLD OFFICE UNTIL THE 2010 ANNUAL MEETING OF STOCKHOLDERS AND UNTIL HIS OR HER SUCCESSOR IS ELECTED AND QUALIFIED. PROXIES RECEIVED BY THE BOARD OF DIRECTORS WILL BE SO VOTED UNLESS STOCKHOLDERS SPECIFY IN THEIR PROXIES THAT AUTHORITY IS WITHHELD AS TO ONE OR MORE NOMINEES.

CLASS A DIRECTOR NOMINEES FOR ELECTION

Frank A. Bennack, Jr.	Age 76	Mr. Bennack has been a director of the Company since January 1998. In June 2008, Mr. Bennack resumed his former role as Chief Executive Officer of The Hearst Corporation, a position he will hold on an interim basis until a successor is named. Mr. Bennack has been the Chairman of the Executive Committee and Vice Chairman of the board of directors of The Hearst Corporation since 2002, after serving as President and Chief Executive Officer of The Hearst Corporation since 1979. Mr. Bennack serves as the Chairman of Lincoln Center for the Performing Arts.
Joel L. Fleishman	Age 75	Mr. Fleishman, a director of the Company since January 1999, has been Professor of Law and Public Policy at the Terry Sanford Institute of Public Policy at Duke University since 1971 and the Director of the Samuel and Ronnie Heyman Center for Ethics, Public Policy and the Professions at Duke University since 1989. Mr. Fleishman serves as Chairman of the board of directors of the Urban Institute and Chairman of the Visiting Committee of the Kennedy School of Government, Harvard University.
Steven P. Murphy	Age 55	Mr. Murphy has been a director of the Company since November 2005. He has served as the President and Chief Executive Officer of Rodale Inc., a privately held publishing company, since 2002. He joined Rodale in 2000 as its President and Chief Operating Officer. Mr. Murphy held the position of Executive Vice President and Managing Director of Disney Publishing Worldwide from 1998 until 2000. From 1991 to 1998, Mr. Murphy served as President of EMI Music/Angel records.

CLASS B DIRECTOR NOMINEES FOR ELECTION

Ralph Lauren	Age 69	Mr. Lauren has been the Chairman, Chief Executive Officer and a director of the Company since prior to the Company s initial public offering in 1997, and was a member of the Advisory Board or Board of Directors of the Company s predecessors since their organization. Mr. Lauren founded the Company s business in 1967.
Roger N. Farah	Age 56	Mr. Farah has been the President, Chief Operating Officer and a director of the Company since April 2000. He was Chairman of the board of directors of Venator Group, Inc. (now Foot Locker, Inc.) from December 1994 until April 2000, and was Chief Executive Officer of Venator Group, Inc. from December 1994 until August 1999. Mr. Farah is a member of the board of directors of Aetna Inc. and a member of the board of directors of Progressive Corp.
Jackwyn L. Nemerov	Age 57	Ms. Nemerov has been an Executive Vice President of the Company since September 2004 and a director of the Company since February 2007. She was President & Chief Operating Officer of Jones Apparel Group, Inc. from January 1998 until March 2002.

John R. Alchin	Age 61	Mr. Alchin has been a director of the Company since February 2007. He served as Executive Vice President and Co-Chief Financial Officer and Treasurer of Comcast Corporation, a broadband cable provider offering a variety of consumer entertainment and communication products and services, from November 2002 to December 2007. He served as Executive Vice President and Treasurer of Comcast from January 2000 to November 2002. Mr. Alchin joined Comcast in 1990 as Senior Vice President and Treasurer. Mr. Alchin is also a member of the board of trustees of BNY Mellon Funds Trust.
Arnold H. Aronson	Age 74	Mr. Aronson has been a director of the Company since November 2001. He has been the Managing Director, Retail Strategies at Kurt Salmon Associates, a global management consulting firm specializing in services to retail and consumer products companies, since 1997. In his career, Mr. Aronson served as Chairman and Chief Executive Officer of Saks Fifth Avenue, Inc., Batus Retail Group, the then parent entity of among others, Saks Fifth Avenue, Marshall Fields and Kohls and then of Woodward & Lothrop/John Wanamaker. Mr. Aronson currently serves as Vice Chairman of the board of trustees of The New School University and as Chairman of the board of governors of its Eugene Lang College and is a member of the board of governors of its Parsons School of Design.
Dr. Joyce F. Brown	Age 62	Dr. Brown has been a director of the Company since May 2001. She has been the President of the Fashion Institute of Technology and Chief Executive Officer of the Educational Foundation for the Fashion Industries since 1998. From 1983 to 1992, Dr. Brown served as Vice Chancellor, as well as the University Dean, of the City University of New York and Acting President of Baruch College. From 1993 to 1994, she served as the Deputy Mayor of Public and Community Affairs for the City of New York. From 1994 to 1998, Dr. Brown was a Professor of Clinical Psychology at the Graduate School and University Center of the City University of New York, where she is now Professor Emerita. Dr. Brown is also a member of the board of directors of USEC Inc.
Hubert Joly	Age 49	Mr. Joly was appointed a director of the Company on June 30, 2009. Mr. Joly has served as the President and Chief Executive Officer of Carlson Companies, Inc. (Carlson), a hospitality and marketing company, since March 2008. Mr. Joly also serves as a member of Carlson s board of directors. Mr. Joly joined Carlson in 2004 as President and Chief Executive Officer of Carlson Wagonlit Travel. Previously, Mr. Joly served as Executive Vice President, American Assets at Vivendi Universal from 2002 to 2004 and in various other positions at Vivendi Universal since 1999. Mr. Joly also serves on the boards of the Minneapolis Institute of Arts, the Minnesota Business Partnership and the World Travel and Tourism Council.

Robert C. Wright	Age 66	Mr. Wright has been a director of the Company since May 2007. Mr. Wright is a Co-Founder of Autism Speaks. He has also been a Senior Advisor at Lee Equity Partners, LLC, an investment firm, since May 2008. He served as the Vice Chairman of General Electric Company s (GE) board and as an Executive Officer and a member of the Corporate Executive Office of GE from 2000 to May 2008. Mr. Wright joined NBC as President and Chief Executive Officer in 1986, and was made Chairman and Chief Executive Officer of the network in 2001. He then served as Chairman and Chief Executive Officer of NBC Universal from 2004 to 2007, and continued to serve as Chairman of the NBC Universal board of directors until 2007. Prior to his association with NBC and NBC Universal, Mr. Wright served as President of General Electric Financial Services and, before that, as President of Cox Cable Communications.

The Company s Board of Directors held four meetings during its 2009 fiscal year, which ended on March 28, 2009. All of the members of the Company s Board of Directors attended at least 75% of the meetings held by the Board of Directors and the committees of the Board of Directors on which he or she served. The Company s Board of Directors and its committees also act from time to time by unanimous written consent in lieu of meetings.

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CORPORATE GOVERNANCE

The Company s Board of Directors and management are committed to sound corporate governance. The Company has in place a comprehensive corporate governance framework which incorporates the corporate governance requirements of the Sarbanes-Oxley Act of 2002, the Securities and Exchange Commission (the SEC) and the NYSE. Consistent with the Company s commitment to corporate governance, the Company does not rely on the exceptions from certain of the NYSE s corporate governance listing requirements available to majority controlled companies. The key components of the Company s corporate governance framework are set forth in the following documents:

- the Company s Amended and Restated Certificate of Incorporation;
- the Company s Second Amended and Restated By-Laws;
- the Company s Corporate Governance Policies;
- the Company s Audit Committee Charter;
- the Company s Nominating & Governance Committee Charter;
- the Company s Compensation Committee Charter;
- the Company s Code of Business Conduct and Ethics; and
- the Company s Code of Ethics for Principal Executive Officers and Senior Financial Officers.

Each of the above documents is available on the Company s investor relations website at http://investor.ralphlauren.com by clicking on Corporate Governance . Copies of these documents are available to stockholders without charge upon written request to the Company s Investor Relations Department, 625 Madison Avenue, New York, New York 10022. Only the Board of Directors may grant a waiver under the Company s codes of ethics to any director or executive officer, and any such waiver will be promptly posted on the Company s website.

Director Independence

The Company s Board of Directors believes that a majority of its directors should be independent, and has determined that all of its non-management directors, Mr. John R. Alchin, Mr. Arnold H. Aronson, Mr. Frank A. Bennack, Jr., Dr. Joyce F. Brown, Mr. Joel L. Fleishman, Mr. Hubert Joly, Mr. Steven P. Murphy and Mr. Robert C. Wright, are independent in accordance with the guidelines established under the Company s Corporate Governance Policies and the NYSE s corporate governance listing standards. The Company s guidelines for determining directors independence are set forth as Appendix A to this proxy statement.

Independent Committees of the Board of Directors

The Company s Board of Directors has established three committees consisting solely of independent directors the Audit Committee, the Compensation Committee and the Nominating & Governance Committee.

The current members of the Audit Committee are Frank A. Bennack, Jr. (Chair), John R. Alchin, Arnold H. Aronson and Dr. Joyce F. Brown. The Audit Committee appoints the Company s independent registered public accounting firm, and approves in advance all audit and permitted non-audit services performed by them and the scope and cost of their annual audits. The Audit Committee reviews (i) the results of the independent registered public accounting firm s annual audits and quarterly reviews, (ii) management s compliance with the Company s major accounting and financial reporting policies, (iii) the adequacy of the Company s financial organization and management s procedures and policies relating to its internal control over financial reporting, and (iv) the Company s compliance with applicable laws relating to accounting practice.

The Audit Committee met four times in fiscal 2009. The Board of Directors has determined that each member of the Audit Committee is financially literate and that at least two members of the Audit Committee, Mr. Bennack, its Chair, and

Mr. Alchin, are audit committee financial experts, as defined by the SEC. The Audit Committee has adopted a formal policy for the approval of the performance of all audit and non-audit services of the independent registered public accounting firm. This policy is described under (PROPOSAL 2) RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM.

The current members of the Compensation Committee are Joel L. Fleishman (Chair), Frank A. Bennack, Jr. and Steven P. Murphy. The Compensation Committee reviews and approves compensation plans and arrangements with respect to the Company s executive officers and administers the employee benefit plans in which executive officers may participate, including the Company s Amended and Restated 1997 Long-Term Stock Incentive Plan (the 1997 Stock Incentive Plan) and its Executive Officer Annual Incentive Plan (the EOAIP). The Compensation Committee met eleven times in fiscal 2009. None of our executive officers serves as a member of the board of directors or compensation committee of any entity that has one or more executive officers who serve on our Board of Directors or Compensation Committee.

The current members of the Nominating & Governance Committee are Dr. Joyce F. Brown (Chair), Arnold H. Aronson, Joel L. Fleishman, Steven P. Murphy and Robert C. Wright. The Nominating & Governance Committee identifies individuals qualified to become directors, recommends director nominees to the Board of Directors, develops and recommends corporate governance policies to the Board of Directors, exercises oversight of the evaluation of the Board of Directors members and committees, as well as that of senior management, and recommends to the Board of Directors policies and principles for Chief Executive Officer succession, selection and performance reviews. The Nominating & Governance Committee met twice in fiscal 2009.

Non-Management Director Meetings

The Company s non-management directors met four times in fiscal 2009 without any management representatives present. Pursuant to the Company s Corporate Governance Policies, the leader of meetings of the non-management directors is chosen from among the chairs of the Audit, Compensation and Nominating & Governance Committees based on the topics to be discussed. The session leader can retain independent consultants and schedule meetings. Pursuant to the Company s Corporate Governance Policies, an executive session consisting of only those non-management directors who qualify as independent is held at least once a year.

Director Nominating Procedures

The Nominating & Governance Committee identifies and evaluates candidates for nomination as directors and submits its recommendations to the full Board of Directors for its consideration. The Committee, guided by the membership criteria established by the Board of Directors in the Company s Corporate Governance Policies, seeks highly qualified candidates who combine a broad spectrum of experience and expertise with a reputation for integrity. The Company seeks to maintain a majority of independent directors and the Board of Directors considers a number of factors in selecting director candidates. This includes the contributions the individual can make to the Board of Directors and management as we strive for a body of directors reflecting different genders, ethnic backgrounds and professional experiences and expertise. The Committee solicits and receives suggestions for, as well as comments upon, director candidates from other directors, including the Chairman of the Board of Directors, and usually engages third parties either to assist in the search for director candidates or to assist in gathering information regarding director candidates background and experience. If the Committee engages a third party to assist it, the Committee approves the fees that the Company pays for these services.

The Nominating & Governance Committee will consider candidates recommended by the Company s directors, members of management and stockholders, and will evaluate candidates recommended by stockholders on the same basis as other candidates. Candidates should have experience in positions with a high degree of responsibility and be leaders in the companies or institutions with which they are affiliated. Upon receiving a stockholder recommendation, the Nominating & Governance Committee will initially determine the need for additional or replacement Board of Directors members and then evaluate the candidate based on the information it receives with the stockholder recommendation or that it may otherwise acquire, and may, in its discretion, consult with the Chairman and other members of the Company s Board of Directors. If the Nominating & Governance Committee determines that a more comprehensive evaluation is warranted, it may obtain additional information about the director candidate s background and experience, including by means of interviews with the candidate.

The Company s stockholders may recommend candidates at any time, but the Nominating & Governance Committee requires recommendations for election at an annual meeting of stockholders to be submitted to the Committee no later than 120 days before the first anniversary of the date of the proxy statement sent to stockholders in connection with the previous year s annual meeting of stockholders in order to be considered for nomination by the Nominating & Governance Committee. The Nominating & Governance Committee believes this deadline is appropriate and in the best interests of the Company and the Company s stockholders because it ensures that it has sufficient time to evaluate properly all proposed candidates. Therefore, to submit a candidate for consideration for nomination at the 2010 Annual Meeting of Stockholders, a stockholder must submit the recommendation, in writing, by March 5, 2010. The written notice must include:

- all information relating to each potential candidate whom the stockholder is recommending that would be required to be disclosed in a solicitation of proxies for the election of such person as a director pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (Exchange Act), including such person s written consent to being named in the proxy statement as a nominee and to serve as a director if elected;

- the name and address of the stockholder giving the notice, as they appear on our books, and of the beneficial owner of those shares; and

- the class and number of shares which are owned beneficially or of record by the stockholder and the beneficial owner.

Recommendations must be sent to the Nominating & Governance Committee, Office of the Secretary, Polo Ralph Lauren Corporation, 625 Madison Avenue, New York, New York 10022.

The Company s stockholders may directly nominate an individual for election as a director at an annual meeting of stockholders by complying with the nominating procedures set forth in the Company s Second Amended and Restated By-laws, which are described below under the caption ADDITIONAL MATTERS Stockholder Proposals for the 2010 Annual Meeting of Stockholders .

Director Communications

Stockholders and interested parties may contact any of the Company s directors, including the Chairman of the Board of Directors, the Chairs of the Board of Directors independent Committees, any Committee of the Board of Directors, the Board of Directors non-management directors as a group or the entire Board of Directors, by writing to them as follows: [Name(s)/Title(s)], Office of the Secretary, Polo Ralph Lauren Corporation, 625 Madison Avenue, New York, New York 10022. Communications received in this manner will be handled in accordance with the procedures approved by the Company s independent directors, who have requested that certain items that are unrelated to the duties and responsibilities of the Board of Directors should be excluded, such as:

- spam

- junk mail and mass mailings

- product complaints

- product inquiries

- new product suggestions
- resumés and other forms of job inquiries
- surveys
- business solicitations or advertisements

In addition, material that is threatening, illegal or similarly unsuitable will be excluded, with the provision that any communication that is filtered out will be available to any non-management director upon request.

Audit Committee Communications

Complaints and concerns relating to accounting, internal control over financial reporting or auditing matters may be communicated to the Audit Committee, which consists solely of non-employee directors, through the Office of the Secretary as described above under Director Communications . Any such communication may be anonymous.

All complaints and concerns will be reviewed by the Audit Committee or a designated member of the Audit Committee. If the Audit Committee or its member designee determines that a reasonable basis exists for conducting a formal investigation, the Audit Committee will direct and supervise the investigation, and may retain independent legal counsel, accountants and other advisors as it deems necessary. Confidentiality will be maintained to the fullest extent consistent with the need to conduct an adequate review. Prompt and appropriate corrective action will be taken when and as warranted in the judgment of the Audit Committee.

The Company will not discharge, demote, suspend, threaten, harass or in any manner discriminate against any employee in the terms and conditions of his or her employment based upon any lawful actions of such employee with respect to good faith reporting of complaints regarding accounting, internal controls or auditing matters.

Director Attendance at Annual Meetings

As provided in the Company s Corporate Governance Policies, directors are expected to attend Annual Meetings of Stockholders. All of the eleven directors then constituting the entire Board of Directors attended the 2008 Annual Meeting of Stockholders.

Audit Committee Report

The Audit Committee assists the Board of Directors in fulfilling its oversight responsibilities with respect to the Company s consolidated financial statements, the Company s compliance with legal and regulatory requirements, the Company s system of internal control over financial reporting and the qualifications, independence and performance of its internal and independent registered public accounting firm. The Audit Committee has the sole authority and responsibility to select, evaluate and, when appropriate, replace the Company s independent registered public accounting firm. The Audit Committee currently is composed of four independent directors and operates under a written charter adopted by the Audit Committee and ratified by the Board of Directors.

Management is responsible for the Company s financial reporting process, including the Company s internal control over financial reporting, and for the preparation of the Company s consolidated financial statements in accordance with generally accepted accounting principles. Ernst & Young LLP (Ernst & Young), as the Company s independent registered public accounting firm for the fiscal year ending March 28, 2009, was responsible for auditing those financial statements and expressing its opinion as to the fairness of the financial statement presentation in accordance with generally accepted accounting principles, and the effectiveness of the Company s internal control over financial reporting. Our responsibility is to oversee and review these processes. We are not, however, professionally engaged in the practice of accounting or auditing and do not provide any expert or other special assurance as to such financial statements concerning compliance with laws, regulations or generally accepted accounting principles or as to auditor independence. We rely, without independent verification, on the information provided to us and on the representations made by management and the independent registered public accounting firm.

In this context, we have met and held discussions with management and Ernst & Young, the Company s independent registered public accounting firm for the fiscal year ended March 28, 2009. Management represented to us that the Company s consolidated financial statements were prepared in accordance with generally accepted accounting principles, and we have reviewed and discussed with management, the Company s internal auditors and Ernst & Young the Company s consolidated financial statements for the fiscal year ended March 28, 2009 and the Company s internal control over financial reporting. We also discussed with Ernst & Young the matters required to be discussed by Statement on Auditing Standards No. 61, as amended (Communication with Audit Committees). Ernst & Young provided to us the written disclosures and the letter required by Independence Standards Board Standard No. 1, as amended (Independence Discussions with Audit Committees), and we discussed their independence with them. In determining Ernst & Young s independence, we considered whether their provision of non-audit services to the Company was compatible with maintaining independence. We received regular updates on Ernst & Young s fees and the scope of audit and non-audit services it provided. All such services were provided consistent with applicable rules and our pre-approval policies and procedures.

Based on our discussions with management, our internal auditors and Ernst & Young and our review of the audited financial statements, including the representations of management and Ernst & Young with respect thereto, and subject in all cases to the limitations on our role and responsibilities referred to above and set forth in the Audit Committee Charter, we recommended to the Board of Directors that the Company s audited consolidated financial statements for the fiscal year ended March 28, 2009 be included in the Company s Annual Report on Form 10-K. We also approved, subject to stockholder ratification, the selection of Ernst & Young LLP as the Company s independent registered public accounting firm for the fiscal year ending April 3, 2010.

Members of the Audit Committee

Frank A. Bennack, Jr. (Chair)

John R. Alchin

Arnold H. Aronson

Dr. Joyce F. Brown

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information regarding the beneficial ownership of the Company s Common Stock as of June 22, 2009 by: (i) each stockholder who is known by the Company to beneficially own in excess of five percent of any class of the Company s voting securities, (ii) each director, (iii) each of the executive officers whose names appear in the summary compensation table under the heading SUMMARY COMPENSATION TABLE below (the named executive officers) and (iv) all directors and executive officers as a group. Except as otherwise indicated, each stockholder listed below has sole voting and investment power with respect to the shares beneficially owned by such person. The rules of the SEC consider a person to be the beneficial owner of any securities over which the person has or shares voting power or investment power. In addition, a person is deemed to be the beneficial owner of securities if that person has the right to acquire beneficial ownership of such securities within 60 days, including through conversion or exercise of an option or other right. Unless otherwise indicated below, the address of each shareholder is 650 Madison Avenue, New York, New York 10022. As of June 22, 2009, there were 1,142 holders of record of the Company s Class A Common Stock.

	Class A Common Stock		**Class B Common Stock(1)**		**Voting Power of Total Common Stock %**
	Number	**%**	**Number**	**%**	
Ralph Lauren	1,352,954(2)	2.3%	41,503,143(3)	97%	85.4%
Roger N. Farah	249,458(4)	*			*
Jackwyn L. Nemerov	342,102(5)	*			*
John R. Alchin	11,577(6)	*			*
Arnold H. Aronson	23,683(7)	*			*
Frank A. Bennack, Jr.	37,683(8)	*			*
Dr. Joyce F. Brown	7,833(9)	*			*
Joel L. Fleishman	41,683(10)	*			*
Hubert Joly	(11)	*			*
Steven P. Murphy	12,683(12)	*			*
Robert C. Wright	17,577(13)	*			*
Tracey T. Travis	84,358(14)	*			*
Mitchell A. Kosh	9,518(15)	*			*
FMR LLC	6,398,565(16)	11.3			1.3
Wells Fargo & Company	3,928,120(17)	6.9			*
The Vanguard Group, Inc.	3,082,496(18)	5.4			*
All directors and executive officers as a group (13 persons)	2,191,109(19)	3.7%	41,503,143(3)	97%	85.4%

* Less than 1.0%

(1) Each share of Class B Common Stock is convertible at the option of the holder into one share of Class A Common Stock. Each share of Class B Common Stock will be automatically converted into one share of Class A Common Stock upon transfer to a person who is not a member of the Lauren family.

(2) Includes 1,317,200 vested options representing the right to purchase shares of Class A Common Stock. Does not include unvested options to purchase 200,000 shares of Class A Common Stock and 378,283 unvested restricted stock units that entitle Mr. Lauren to receive an equal number of shares of Class A Common Stock and that are subject to accelerated vesting in certain circumstances as described under Executive Employment Agreements Ralph Lauren s Employment Agreement. Does not include 101,937 vested restricted stock units (the underlying shares of the Company s Class A Common Stock for these restricted stock units will not be delivered until his separation of service from the Company or if earlier, upon a change of control (as defined in Mr. Lauren s employment agreement)).

(3) Includes (i) 1,557,503 shares of Class B Common Stock owned by RL Family, L.P., a partnership of which Mr. Lauren is the sole general partner, (ii) 10,477,570 shares of Class B Common Stock owned by RL Holding, L.P., a partnership controlled by RL Holding Group, Inc., a corporation wholly owned by Mr. Lauren, (iii) 29,058 shares of Class B Common Stock owned by RL Holding Group, Inc., (iv) 7,101,919 shares held by certain grantor retained annuity trusts established by Mr. Lauren of which Mr. Lauren and Roger N. Farah are the trustees, and (v) 3,183,862 shares held by certain grantor retained annuity trusts established by Ricky Lauren, Mr. Lauren s wife, of which Ms. Lauren and Mr. Farah are the trustees. The 10,477,570 shares of Class B Common Stock held by RL Holding, L.P. constitute 24.4% of the total number of outstanding shares of Class B Common Stock. This amount excludes (i) 200,000 shares of Class B Common Stock held by a successor trust for the benefit of Mr. Lauren s issues of which Mr. Lauren is not a trustee; and (ii) 460,740 shares of Class B Common Stock held by a successor trust for the benefit of Mr. Lauren s issues and for various trusts of which Mr. Lauren is a grantor. Mr. Lauren is not a trustee of the successor trusts and Mr. Farah is one of the trustees of one of these successor trusts. This amount also excludes 816,138 shares of Class B Common Stock held by a successor trust for the benefit of Ms. Lauren s issues and for various trusts of which Ms. Lauren is a grantor. Ms. Lauren is not a trustee of the successor trust and Mr. Farah is one of the trustees of this successor trust.

(4) Includes vested options representing the right to purchase 150,000 shares of Class A Common Stock. Does not include an aggregate of (i) 273,680 unvested restricted stock units, 188,733 of which are performance based and subject to downward adjustment, and (ii) 84,948 vested restricted stock units (the underlying shares of the Company s Class A Common Stock for these restricted stock units will not be delivered until his separation of service from the Company or if earlier, upon a change of control (as defined in Mr. Farah s employment agreement)). Does not include an aggregate of 10,285,781 shares of Class B Common Stock held by grantor retained annuity trusts established by Ralph Lauren and Ricky Lauren of which Mr. Farah is a co-trustee. Does not include an aggregate of 1,276,878 shares of Class B Common Stock held by successor trusts established by Ralph Lauren and Ricky Lauren for the benefit of their issues of which Mr. Farah serves as one of the trustees.

(5) Includes 15,000 restricted shares of Class A Common Stock and vested options to purchase 299,750 shares of Class A Common Stock. Does not include unvested options to purchase 43,611 shares of Class A Common Stock or unvested performance based restricted stock units with respect to 42,239 shares of Class A Common Stock, a portion of which are subject to upward or downward adjustment.

(6) Includes 1,646 restricted shares of Class A Common Stock and vested options representing the right to purchase 5,669 shares of Class A Common Stock. Does not include unvested options representing the right to purchase 6,727 shares of Class A Common Stock.

(7) Includes 3,000 shares owned by Mr. Aronson s spouse, 1,824 restricted shares of Class A Common Stock and vested options representing the right to purchase 15,241 shares of Class A Common Stock. Does not include unvested options to purchase 4,763 shares of Class A Common Stock.

(8) Includes 1,824 restricted shares of Class A Common Stock and vested options representing the right to purchase 22,741 shares of Class A Common Stock. Does not include unvested options to purchase 4,763 shares of Class A Common Stock.

(9) Includes 1,824 restricted shares of Class A Common Stock and vested options representing the right to purchase 4,741 shares of Class A Common Stock. Does not include unvested options to purchase 4,763 shares of Class A Common Stock.

(10) Includes 4,000 shares held indirectly in a retirement account, 1,824 restricted shares of Class A Common Stock and vested options representing the right to purchase 22,741 shares of Class A Common Stock. Does not include unvested options to purchase 4,763 shares of Class A Common Stock. 9,500 shares of Class A Common Stock are pledged in a margin brokerage account.

(11) Mr. Hubert Joly was appointed to the Board of Directors on June 30, 2009, after the record date for the Annual Meeting of Stockholders of June 22, 2009. On June 22, 2009, Mr. Joly did not own any shares of Class A Common Stock.

(12) Includes 1,824 restricted shares of Class A Common Stock and vested options representing the right to purchase 9,241 shares of Class A Common Stock. Does not include unvested options to purchase 4,763 shares of Class A Common Stock.

(13) Includes 1,646 restricted shares of Class A Common Stock and vested options representing the right to purchase 5,669 shares of Class A Common Stock. Does not include unvested options to purchase 6,727 shares of Class A Common Stock.

(14) Includes vested options representing the right to purchase 84,358 shares of Class A Common Stock. Does not include unvested options to purchase 12,241 shares of Class A Common Stock or unvested performance based restricted stock units with respect to 7,810 shares of Class A Common Stock, a portion of which are subject to upward or downward adjustment.

(15) Includes vested options representing the right to purchase 9,518 shares of Class A Common Stock. Does not include unvested options to purchase 6,571 shares of Class A Common Stock or unvested performance based restricted stock units with respect to 7,010 shares of Class A Common Stock, a portion of which are subject to upward or downward adjustment.

(16) According to a Schedule 13G filed February 17, 2009: (i) Fidelity Management & Research Company (Fidelity), a wholly-owned subsidiary of FMR LLC., is the beneficial owner of 5,224,019 shares of Class A Common Stock as a result of Fidelity acting as investment advisor to various investment companies registered under Section 8 of the Investment Company Act of 1940 (the Fidelity Funds); (ii) Strategic Advisers, Inc. (SAI) is the beneficial owner of 113 shares of Class A Common Stock; (iii) FIL Limited (FIL) is the beneficial owner of 662,610 shares of Class A Common Stock; (iv) Pyramis Global Advisors, LLC (PGALLC) is the beneficial owner of 134,840 shares of Class A Common Stock; and (v) Pyramis Global Advisors Trust Company (PGATC) is the beneficial owner of 376,983 shares of Class A Common Stock. Each of FMR LLC and Edward C. Johnson 3d, Chairman of FMR LLC, may be deemed to beneficially own the shares of Class A Common Stock beneficially owned by Fidelity, SAI, PGALLC and PGATC. Each of Edward C. Johnson 3d and FMR LLC, through its control of Fidelity and the Fidelity Funds, has the sole power to dispose of the 5,224,019 shares of Class A Common Stock owned by the Fidelity Funds. Each of Edward C. Johnson 3d and FMR LLC, through its control of SAI, has the sole power to vote or direct the vote of, and to dispose of, the 113 shares of Class A Common Stock owned by individuals to which they provide advisory services. FIL has sole dispositive power over 662,610 shares of Class A Common Stock and sole power to vote or direct the vote over 619,510 shares of Class A Common Stock. Each of Edward C. Johnson 3d and FMR LLC, through its control of PGALLC has the sole power to vote or direct the vote of, and to dispose of, the 134,840 shares of Class A Common Stock owned by institutional accounts managed by PGALLC. Each of Edward C. Johnson 3d and FMR LLC, through its control of PGATC, has the sole power to vote or direct the vote over 376,983 shares of Class A Common Stock and sole dispositive power over 369,503 shares of Class A Common Stock owned by institutional accounts managed by PGATC. Neither FMR LLC nor Edward C. Johnson has the sole power to vote or direct the voting of the shares of Class A Common Stock owned directly by the Fidelity Funds. The address of each of these persons, other than FIL, PGALLC and PGATC, is 82 Devonshire Street, Boston, Massachusetts 02109. The address of FIL is Pembroke Hall, 42 Crow Lane, Hamilton, Bermuda. The address for PGALLC and PGATC is 53 State Street, Boston, Massachusetts, 02109.

(17) According to a Schedule 13G filed January 29, 2009, Wells Fargo & Company (WFC), on behalf of itself and certain of its subsidiaries, including Metropolitan West Capital Management, LLC (MWCM), an investment advisor, may be deemed to be the beneficial owner of an aggregate of 3,928,120 shares of Class A Common Stock. WFC has sole voting power over 2,235,082 shares of Class A Common Stock, shared voting power over 500 shares of Class A Common Stock, sole dispositive power over 3,813,223 shares of Class A Common Stock and shared dispositive power over 49,809 shares of Class A Common Stock. MWCM has sole voting power over 1,971,722 shares of Class A Common Stock and sole dispositive power over 3,540,172 shares of Class A Common Stock. The address for WCF is 420 Montgomery Street, San Francisco, CA 94163. The address for MWCM is 610 Newport Ctr Dr, Newport Beach, CA 92660.

(18) According to Schedule 13G filed February 13, 2009, The Vanguard Group, Inc. is the beneficial owner of 3,082,496 shares of Class A Common Stock with sole voting power over 73,151 shares of Class A Common Stock and sole dispositive power over 3,082,496 shares of Class A Common Stock. The address of The Vanguard Group, Inc. is 100 Vanguard Blvd., Malvern, PA 19355.

(19) Includes vested options granted under the Company s 1997 Stock Incentive Plan and the Company s prior 1997 Non-Employee Director Stock Option Plan (such plan expired on December 31, 2006) representing options for the right to acquire 1,946,869 shares of Class A Common Stock and 27,412 restricted shares of Class A Common Stock granted under the Company s 1997 Stock Incentive Plan. Does not include unvested options granted under the 1997 Stock Incentive Plan, representing options for the right to acquire 299,692 shares of Class A Common Stock, 709,022 unvested restricted stock units or 186,885 vested restricted stock units (the underlying shares of the Company s Class A Common Stock for these restricted stock units will not be delivered to either Mr. Lauren or Mr. Farah, as the case may be, until his separation of service from the Company or if earlier, upon a change of control (as defined in each of their employment agreements) granted under the 1997 Stock Incentive Plan.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires the Company s directors and executive officers to file initial reports of ownership and reports of changes in ownership of the Company s Class A Common Stock with the SEC and to provide copies of these reports to the Company. These filing requirements also apply to certain beneficial owners of more than ten percent of the Company s Class A Common Stock. To the Company s knowledge, based solely on the Company s review of the copies of Section 16(a) reports furnished to the Company during and with respect to the fiscal year ended March 28, 2009 and on written representations from certain reporting persons that no Form 5s were required to be filed by such persons, all reportable transactions during that fiscal year were reported on a timely basis except for certain transactions relating to grants of stock options and/or restricted performance share units to Ralph Lauren, Jackwyn Nemerov, Tracey Travis and Mitchell Kosh that were inadvertently reported late.

DIRECTOR COMPENSATION

The compensation for non-employee directors is as follows:

- an annual retainer fee for each non-employee director of $45,000;
- an annual retainer fee for each Committee Chair of $15,000; and
- an annual equity award for non-employee directors with a target equity value of $94,000. One-half of the target equity value will be delivered in the form of options to purchase shares of the Company s Class A Common Stock and one-half will be delivered in the form of restricted shares of Class A Common Stock. The options and the restricted shares of Class A Common Stock will vest over three years in equal annual installments. The exercise term for stock options granted after August 11, 2006 is seven years. Previously, the exercise term for such options was ten years.

The fee paid to non-employee directors for each meeting of a Committee of the Board of Directors that a director attends is $2,000 per Committee meeting. A non-employee director also receives a grant of options to purchase 7,500 shares of the Company s Class A Common Stock at the time that the director joins the Board of Directors of the Company. These options will vest over three years in equal annual installments and the exercise term is seven years.

The annual retainer and attendance fees are paid to the non-employee directors in quarterly installments in arrears. The annual equity award to non-employee directors is awarded at the beginning of each fiscal year to those non-employee directors who have served as directors for at least half of the preceding fiscal year.

The Company reimburses its non-employee directors for reasonable travel expenses to attend Board of Directors and Committee meetings. Non-employee directors are also provided with a merchandise discount on most Company products.

DIRECTOR COMPENSATION TABLE

The following table provides information concerning the compensation of the Company s non-employee directors for fiscal 2009. Directors who are employees of the Company receive no compensation for their services as directors and do not serve on Board of Directors Committees.

DIRECTOR COMPENSATION FISCAL YEAR 2009

Name	Year	Fees Earned or Paid in Cash ($)(1)	Stock Awards ($)(2)	Option Awards ($)(2)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
John R. Alchin	2009(3)	53,000	28,395	85,714				167,109
Arnold H. Aronson	2009(4)	51,000	54,224	41,490				146,714
Frank A. Bennack, Jr.	2009(5)	90,000	54,224	41,490				185,714
Dr. Joyce F. Brown	2009(6)	72,000	54,224	41,490				167,714
Joel L. Fleishman	2009(7)	86,000	54,224	41,490				181,714
Hubert Joly	2009(8)							
Judith A. McHale	2009(9)	55,000	54,224	41,490				150,714
Steven P. Murphy	2009(10)	71,000	54,224	41,490				166,714
Terry S. Semel	2009(11)	25,948		(14,165)				11,783
Robert C. Wright	2009(12)	49,000	28,395	111,293				188,688

(1) The annual retainer for each non-employee director is $45,000 plus an additional $15,000 for each Committee Chair. The fee paid to non-employee directors for each meeting of a Committee of the Board of Directors that a director attends is $2,000 per Committee meeting.

(2) The stock compensation amounts shown on the table do not reflect compensation actually received by the non-employee directors. The stock compensation amounts reported in this column instead represent the compensation expense, assuming no risk of forfeiture, recognized by the Company for financial statement reporting purposes in accordance with Financial Accounting Standards Board Statement of Financial Accounting Standards No. 123(R), Share-Based Payment (FAS 123(R)). Under FAS 123(R), stock options and restricted stock are expensed based on the grant date fair value of the awards over the requisite vesting period. The Company recognizes compensation expense for stock options and restricted stock on an accelerated basis, which results in a greater proportion of the expense of each award being recognized in the earlier years of vesting. Assumptions used in the calculations of these amounts are included in footnote 19 of the notes to the Company s financial statements in the Company s 2009 Annual Report on Form 10-K.

(3) John R. Alchin is a member of the Audit Committee. Fiscal 2009 compensation included:

$45,000 in annual retainer fees;

$8,000 for attendance at meetings of the Audit Committee; and

$55,549 representing compensation expense associated with an annual grant on April 1, 2008 of options to purchase 2,007 shares of the Company s Class A Common Stock and 786 shares of restricted stock and $58,560 representing compensation expense associated with an initial grant of options on February 6, 2007 to purchase 7,500 shares of the Company s Class A Common Stock. The grant date fair value of the 786 shares of restricted stock granted on April 1, 2008 was $46,549, based upon the fair value of the Company s Class A Common Stock on the date of the grant. The grant date fair value of the options, estimated using the Black-Scholes option-pricing model in accordance with FAS 123(R), was $44,515 for the 2,007 options granted on April 1, 2008, based on assumptions noted in footnote 19 of the notes to the Company s financial statements in the Company s 2009 Annual Report on Form 10-K. At the end of fiscal 2009, Mr. Alchin held options to purchase 9,507 shares of the Company s Class A Common Stock and 786 shares of restricted stock.

(4) Arnold H. Aronson is a member of the Nominating & Governance Committee and was appointed as a member of the Audit Committee on November 6, 2008. Fiscal 2009 compensation included:

$45,000 in annual retainer fees;

$6,000 for attendance at meetings of the Audit Committee and Nominating & Governance Committee; and

$55,549 representing compensation expense associated with an annual grant on April 1, 2008 of options to purchase 2,007 shares of the Company s Class A Common Stock and 786 shares of restricted stock and $40,164 representing compensation expense associated with an annual grant on April 1, 2007 of options to purchase 1,608 shares of the Company s Class A Common Stock and 534 shares of restricted stock. The grant date fair value of the 786 shares of restricted stock granted on April 1, 2008 was $46,549, based upon the fair value of the Company s Class A Common Stock on the date of the grant. The grant date fair value of the options, estimated using the Black-Scholes option-pricing model in accordance with FAS 123(R), was $44,515 for the 2,007 options granted on April 1, 2008, based on assumptions noted in footnote 19 of the notes to the Company s financial statements in the Company s 2009 Annual Report on Form 10-K. At the end of fiscal 2009, Mr. Aronson held options to purchase 17,115 shares of the Company s Class A Common Stock and 1,142 shares of restricted stock.

(5) Frank A. Bennack, Jr. is Chair of the Audit Committee and a member of the Compensation Committee. Fiscal 2009 compensation included:

$45,000 in annual retainer fees;

$15,000 for an annual retainer fee as Chair of the Audit Committee;

$30,000 for attendance at meetings of the Audit Committee and Compensation Committee; and

$55,549 representing compensation expense associated with an annual grant on April 1, 2008 of options to purchase 2,007 shares of the Company s Class A Common Stock and 786 shares of restricted stock and $40,164 representing compensation expense associated with an annual grant on April 1, 2007 of options to purchase 1,608 shares of the Company s Class A Common Stock and 534 shares of restricted stock. The grant date fair value of the 786 shares of restricted stock granted on April 1, 2008 was $46,549, based upon the fair value of the Company s Class A Common Stock on the date of the grant. The grant date fair value of the options, estimated using the Black-Scholes option-pricing model in accordance with FAS 123(R), was $44,515 for the 2,007 options granted on April 1, 2008, based on assumptions noted in footnote 19 of the notes to the Company s financial statements in the Company s 2009 Annual Report on Form 10-K. At the end of fiscal 2009, Mr. Bennack held options to purchase 24,615 shares of the Company s Class A Common Stock and 1,142 shares of restricted stock.

(6) Dr. Joyce F. Brown is Chair of the Nominating & Governance Committee and a member of the Audit Committee. Fiscal 2009 compensation included:

$45,000 in annual retainer fees;

$15,000 for an annual retainer fee as Chair of the Nominating & Governance Committee;

$12,000 for attendance at meetings of the Nominating & Governance Committee and Audit Committee; and

$55,549 representing compensation expense associated with an annual grant on April 1, 2008 of options to purchase 2,007 shares of the Company s Class A Common Stock and 786 shares of restricted stock and $40,164 representing compensation expense associated with an annual grant on April 1, 2007 of options to purchase 1,608 shares of the Company s Class A Common Stock and 534 shares of restricted stock. The grant date fair value of the 786 shares of restricted stock granted on April 1, 2008 was $46,549, based upon the fair value of the Company s Class A Common Stock on the date of the grant. The grant date fair value of the options, estimated using the Black-Scholes option-pricing model in accordance with FAS 123(R), was $44,515 for the 2,007 options granted on April 1, 2008, based on assumptions noted in footnote 19 of the notes to the Company s financial statements in the Company s 2009 Annual Report on Form 10-K. At the end of fiscal 2009, Dr. Brown held options to purchase 6,615 shares of the Company s Class A Common Stock and 1,142 shares of restricted stock.

(7) Joel L. Fleishman is Chair of the Compensation Committee and a member of the Nominating & Governance Committee. Fiscal 2009 compensation included:

$45,000 in annual retainer fees;

$15,000 for an annual retainer fee as Chair of the Compensation Committee;

$26,000 for attendance at meetings of the Compensation Committee and Nominating & Governance Committee; and

$55,549 representing compensation expense associated with an annual grant on April 1, 2008 of options to purchase 2,007 shares of the Company s Class A Common Stock and 786 shares of restricted stock and $40,164 representing compensation expense associated with an annual grant on April 1, 2007 of options to purchase 1,608 shares of the Company s Class A Common Stock and 534 shares of restricted stock. The grant date fair value of the 786 shares of restricted stock granted on April 1, 2008 was $46,549, based upon the fair value of the Company s Class A Common Stock on the date of the grant. The grant date fair value of the options, estimated using the Black-Scholes option-pricing model in accordance with FAS 123(R), was $44,515 for the 2,007 options granted on April 1, 2008, based on assumptions noted in footnote 19 of the notes to the Company s financial statements in the Company s 2009 Annual Report on Form 10-K. At the end of fiscal 2009, Mr. Fleishman held options to purchase 24,615 shares of the Company s Class A Common Stock and 1,142 shares of restricted stock.

(8) Hubert Joly was appointed to the Board of Directors on June 30, 2009, after the end of the Company s 2009 fiscal year, and thus, received no compensation, shares of restricted stock or options to purchase shares of the Company s Class A Common Stock in fiscal 2009.

(9) Judith A. McHale resigned from the Board of Directors on May 22, 2009 upon her confirmation and acceptance of the position of Under Secretary for Public Diplomacy and Public Affairs for the Department of State. She was a member of the Audit Committee during the Company s fiscal 2009 year until November 6, 2008 when she was reassigned to the Compensation Committee. Fiscal 2009 compensation included:

$45,000 in annual retainer fees;

$10,000 for attendance at meetings of the Audit Committee and Compensation Committee; and

$55,549 representing compensation expense associated with an annual grant on April 1, 2008 of options to purchase 2,007 shares of the Company s Class A Common Stock and 786 shares of restricted stock and $40,164 representing compensation expense associated with an annual grant on April 1, 2007 of options to purchase 1,608 shares of the Company s Class A Common Stock and 534 shares of restricted stock. The grant date fair value of the 786 shares of restricted stock granted on April 1, 2008 was $46,549, based upon the fair value of the Company s Class A Common Stock on the date of the grant. The grant date fair value of the options, estimated using the Black-Scholes option-pricing model in accordance with FAS 123(R), was $44,515 for the 2,007 options granted on April 1, 2008, based on assumptions noted in footnote 19 of the notes to the Company s financial statements in the Company s 2009 Annual Report on Form 10-K. At the end of fiscal 2009, Ms. McHale held options to purchase 26,115 shares of the Company s Class A Common Stock and 1,142 shares of restricted stock.

(10) Steven P. Murphy is a member of the Nominating & Governance Committee and the Compensation Committee. Fiscal 2009 compensation included:

$45,000 in annual retainer fees;

$26,000 for attendance at meetings of the Compensation Committee and Nominating & Governance Committee; and

$55,549 representing compensation expense associated with an annual grant on April 1, 2008 of options to purchase 2,007 shares of the Company s Class A Common Stock and 786 shares of restricted stock and $40,164 representing compensation expense associated with an annual grant on April 1, 2007 of options to purchase 1,608 shares of the Company s Class A Common Stock and 534 shares of restricted stock. The grant date fair value of the 786 shares of restricted stock granted on April 1, 2008 was $46,549, based upon the fair value of the Company s Class A Common Stock on the date of the grant. The grant date fair value of the options, estimated using the Black-Scholes option-pricing model in accordance with FAS 123(R), was $44,515 for the 2,007 options granted on April 1, 2008, based on assumptions noted in footnote 19 of the notes to the Company s financial statements in the Company s 2009 Annual Report on Form 10-K. At the end of fiscal 2009, Mr. Murphy held options to purchase 11,115 shares of the Company s Class A Common Stock and 1,142 shares of restricted stock.

(11) Terry S. Semel resigned from the Board of Directors on August 5, 2008. He was a member of the Compensation Committee at the time of such resignation. Fiscal 2009 compensation included:

$15,947.80 in annual retainer fees pro-rated from the annual fee of $45,000 per year;

$10,000 for attendance at meetings of the Compensation Committee; and

As a result of Mr. Semel s resignation, the Company recognized a credit of $14,165 in compensation expense during fiscal 2009, representing the amount of previously recognized compensation expense associated with the portion of awards that ultimately did not vest. Mr. Semel received annual grants of restricted stock and options to purchase shares of the Company s Class A Common Stock on April 1, 2008, each of which was forfeited in its entirety upon Mr. Semel s resignation. The grant date fair value of the 786 shares of restricted stock granted on April 1, 2008, which were forfeited in their entirety upon Mr. Semel s resignation, was $46,549, based upon the fair value of the Company s Class A Common Stock on the date of the grant. The grant date fair value of the options, which were also forfeited in their entirety upon Mr. Semel s resignation, estimated using the Black-Scholes option-pricing model in accordance with FAS 123(R), was $44,515 for the 2,007 options granted on April 1, 2008, based on assumptions noted in footnote 19 of the notes to the Company s financial statements in the Company s 2009 Annual Report on Form 10-K. At the end of fiscal 2009, Mr. Semel held options to purchase 536 shares of the Company s Class A Common Stock.

(12) Robert C. Wright is a member of the Nominating & Governance Committee. Fiscal 2009 compensation included:

$45,000 in annual retainer fees;

$4,000 for attendance at meetings of the Nominating & Governance Committee; and

$55,549 representing compensation expense associated with an annual grant on April 1, 2008 of options to purchase 2,007 shares of the Company s Class A Common Stock and 786 shares of restricted stock and $84,138 representing compensation expense associated with an initial grant of options on May 23, 2007 to purchase 7,500 shares of the Company s Class A Common Stock. The grant date fair value of the 786 shares of restricted stock granted on April 1, 2008 was $46,549, based upon the fair value of the Company s

Class A Common Stock on the date of the grant. The grant date fair value of the options, estimated using the Black-Scholes option-pricing model in accordance with FAS 123(R), was $44,515 for the 2,007 options granted on April 1, 2008, based on assumptions noted in footnote 19 of the notes to the Company s financial statements in the Company s 2009 Annual Report on Form 10-K. At the end of fiscal 2009, Mr. Wright held options to purchase 9,507 shares of the Company s Class A Common Stock and 786 shares of restricted stock.

COMPENSATION DISCUSSION AND ANALYSIS

Executive Compensation Policy

Compensation Philosophy and Objectives

The Company s compensation philosophy is designed to attract, motivate and retain qualified executives and to support a performance-oriented environment that rewards achievement of the Company s short-term and long-term goals. The Company seeks to establish and maintain compensation programs that guide and reinforce sound decision-making, the achievement of targeted goals, and leadership behavior. This philosophy is reflected in the following guiding principles:

Goal Achievement The Company s strategic and operating goals seek to drive performance in the Company s wholesale, retail and licensing markets to create shareholder value. The Company s compensation program is closely aligned with these goals to continually challenge individuals to perform at their highest levels.

Professional Growth The compensation program is designed to create an environment that encourages, rewards and sustains professional growth. Compensation and reward opportunities are designed to reflect an individual s development and job performance in his or her position and the nature of the employee s contribution to the Company s overall success.

Link to Company Affiliation The Company is a complex international organization focused on bringing collective effort to bear on common goals. The Company s compensation program seeks to reinforce teamwork and a strong link to company affiliation.

Competitive Compensation To support its goals of attracting and retaining quality talent, the Company has taken significant steps to maintain its compensation at competitive levels while at the same time seeking to avoid inequities within the Company. While the Company considers, among other things, competitive market compensation paid by other companies in establishing its compensation programs, it does not use a designated peer group due to the lack of competitors given the Company s breadth of product lines and multiple channels of distribution. On that basis, the Company does not attempt to maintain a certain target percentile within a peer group or otherwise rely heavily on this type of data to determine executive compensation.

Process for Determining Compensation for Executives

Role of Compensation Committee and Management s Role. The Compensation Committee of the Company s Board of Directors is responsible for evaluating the performance of and determining the compensation payable to Ralph Lauren, the Chairman and Chief Executive Officer (CEO), and Roger N. Farah, the President and Chief Operating Officer (COO), of the Company. The CEO and the COO evaluate the performance of the three other named executive officers (listed in the Summary Compensation Table) and the Compensation Committee considers proposals from the CEO and the COO to approve increases with respect to the compensation payable to the three other named executive officers. The Compensation Committee regularly reviews the design and structure of the Company s compensation programs to ensure that management s interests are closely aligned with stockholders interests and that the compensation programs are designed to further the Company s strategic priorities.

Role of Compensation Consultant. The Compensation Committee has retained the services of an independent advisor to provide guidance in association with significant executive compensation decisions. For fiscal 2009, the Compensation Committee relied on the services of Exequity LLP (Exequity) to provide ongoing advisory services. The Compensation Committee periodically solicits from its compensation advisor market information on compensation trends along with advice and perspectives on the design and administration of specific pay programs which the Company uses to motivate its employees and to fulfill its corporate, strategic and business objectives. The Compensation Committee retains sole responsibility for engaging Exequity or any other compensation advisor, and meets frequently with its advisor in executive sessions. From time to time, and in response to Compensation Committee directives, Exequity has conducted specific projects for the Company, all of which have been connected with matters pertaining to the operation and administration of the Company s executive compensation programs. In addition, from time to time, the Company consults with Exequity in conjunction with the preparation of executive compensation-related materials for the Compensation Committee s review and consideration. Exequity has not provided any services to the Company, other than those relating to its role as compensation advisor to the Compensation Committee, during fiscal 2009.

Performance Evaluation. Performance is evaluated for all employees on an annual basis following the end of each fiscal year. Messrs. Lauren and Farah evaluate the performance of the other three named executive officers and report to the Compensation Committee with respect thereto and the Compensation Committee evaluates the performance of Messrs. Lauren and Farah.

Employment Agreements. The Company has a longstanding practice of entering into employment agreements with its corporate officers and senior management. The Company believes that employment agreements provide greater assurance of continuity and retention of critical creative and operating talent and other expertise in a highly competitive industry. Employment agreements for the CEO and the COO are developed and approved by the Compensation Committee in close consultation with the Compensation Committee s independent compensation advisor. Employment agreements for the other three named executive officers are established by Messrs. Lauren and Farah in consultation with and subject to the approval of the Compensation Committee. The guidelines for salary, bonus and certain other compensation components for each named executive officer are set forth in his or her respective employment agreement. See Executive Employment Agreements and Summary Compensation Table below.

During fiscal 2009, the Company amended the employment agreements for all of the named executive officers (except Mr. Lauren) to comply with Section 409A of the Internal Revenue Code of 1986, as amended (the Code). Mr. Lauren s employment agreement which became effective on March 30, 2008, was already compliant with Section 409A of the Code.

On June 29, 2009, the Company amended Mr. Lauren s employment agreement to provide that commencing in the Company s 2010 fiscal year, Mr. Lauren will receive performance-based restricted stock units rather than time-based restricted stock units. The amendment to Mr. Lauren s employment agreement also provides that the Compensation Committee will have the authority, in its good faith discretion, to change the amount of Mr. Lauren s annual equity grants. See Executive Employment Agreements and Potential Payments Upon Termination or Change in Control for a more detailed description of the payments and benefits provided under each named executive officer s employment agreement.

Components of Executive Compensation

The Company s compensation structure consists primarily of an annual base salary, annual cash incentive bonus and long-term equity-based incentive awards generally in the form of stock options, restricted stock unit awards, and restricted performance share units (RPSUs). The Company also provides deferred compensation and perquisites for certain executives. These components of compensation are reviewed from time to time internally and externally relative to companies that compete with the Company for business and/or executive and creative talent. In establishing compensation structures and programs, the Company generally considers but does not rely heavily on competitive market compensation, particularly annual base salaries and annual bonus or incentive payments, paid by other companies in the areas of branded apparel, luxury goods and retail, including those in the New York region, nationally or internationally, as appropriate. While the Compensation Committee is from time to time provided with information regarding such competitive market compensation from publicly available sources or third party survey sources, as noted above, the Company does not use a designated peer group, seek to maintain a certain target percentile relative to a specific peer group, or otherwise place significant emphasis on executive compensation approaches taken by other branded apparel, luxury goods or retail companies.

Base Salary. Base salaries for the named executive officers are set forth in their respective employment agreements. Periodically, however, the Compensation Committee considers proposals from the Company s management to approve increases to the base salaries for named executive officers other than Mr. Lauren and Mr. Farah. When considering whether to approve these adjustments, the Compensation Committee takes into account a number of factors, including:

- the Company s performance;
- the individual s current and historical performance and contribution to the Company; and
- the individual s role and unique skills.

In fiscal 2009, Mr. Lauren received an increase in his base salary from $1,000,000 to $1,250,000 pursuant to the terms of his new employment agreement which was executed on June 12, 2007 and became effective on March 30, 2008. Prior to fiscal 2009, Mr. Lauren had not received an increase in his annual base salary of $1,000,000 since November 1997. Mr. Farah, Ms. Nemerov, Ms. Travis and Mr. Kosh did not receive a discretionary salary increase in fiscal 2009.

Annual Cash Incentive Bonuses. The Company has two cash incentive bonus plans, the Executive Incentive Plan (EIP) and the Executive Officer Annual Incentive Plan (EOAIP). Each plan is designed to promote executive decision making and achievement that supports the realization of key overall Company financial goals. For fiscal 2009, the participants in the Company s EOAIP consisted of each of the Company s five named executive officers.

Executive Incentive Plan. Eligible EIP participants are those employees who are in positions of Senior Director level and above (Executives) and who make important leadership contributions towards achievement of the Company s annual objectives. Executives designated as corporate participants are eligible to receive a bonus based primarily on the Company s overall corporate performance while Executives designated as division participants are eligible to receive a bonus based primarily on a combination of the Company s overall corporate performance and the particular Executive s division s performance. In fiscal 2009, under the EIP, Executives typically had target bonus opportunities ranging from 15% to 50% of fiscal year salary earnings, depending on position level and responsibility, with larger bonus opportunities often provided to those with greater responsibility.

The Compensation Committee establishes the guidelines under which the EIP is administered, including financial performance goals and payout schedules. The goals reflect the Company s performance using performance measures such as the following (each as determined in accordance with generally accepted accounting principles as consistently applied by the Company):

- net revenues,
- gross profit,
- net income before taxes, and
- selling, general and administrative expenses as a percentage of net revenues.

If so determined by the Compensation Committee at the beginning of the applicable fiscal period, performance relative to goals may also be adjusted to omit the effects of, among other things, extraordinary items, any gain or loss on the disposal of a business segment, unusual or infrequently occurring events and transactions and cumulative effects of changes in accounting principles.

For fiscal 2009, the EIP provides payouts based on different levels of achievement:

Threshold: the minimum level of performance for which a bonus is paid and typically set at 80% to 90% of the Target level. No bonuses will be earned if the Threshold level of performance is not achieved.

Target: 100% achievement of financial goals.

Maximum: achievement at a superior level of performance of up to 110% of the Target Level.

For achievement between Threshold and Maximum, bonus payouts are interpolated to reflect the level of results achieved. Unlike the EOAIP (as described below), bonuses for EIP participants are typically capped at 100% of their fiscal year salary earnings.

Executive Officer Annual Incentive Plan. The Company maintains a separate plan, similar to the EIP, for a select group of its corporate officers. Under the EOAIP, the Compensation Committee determines the EOAIP participants from among the Company s executive officers. The Compensation Committee has the discretion to reduce or eliminate, but not increase, the bonus amounts payable under the plan. For fiscal 2009, the participants in the Company s EOAIP consisted of each of the Company s five named executive officers.

While the EOAIP is similar to the EIP, the Company believes that maintaining a separate EOAIP for the Company s corporate officers provides the Compensation Committee with the flexibility to maintain an incentive plan for these officers that is more closely aligned with the officers significant roles and broad responsibilities within the Company and reflects their contributions to the overall success of the Company. In fiscal 2009, the key differences between the EIP and the EOAIP are:

- participants in the EOAIP may have individual payout schedules based upon each such participant s existing employment agreement;
- participants in the EOAIP are eligible for a bonus opportunity based 100% on the Company s total performance without consideration of performance within a specific division, subject to adjustments, if applicable, as described further below; and
- strategic financial goals for EOAIP participants are based on overall company goals rather than division goals.

The EOAIP incorporates the same current levels of achievement as provided in the EIP, which consist of Threshold, Target and Maximum levels. Performance measures under the EOAIP may vary from period to period and performance payouts under the EOAIP may vary from corporate officer to corporate officer. If so determined by the Compensation Committee at the beginning of the fiscal year, performance relative to goals may also be adjusted, to the extent permitted under Section 162(m) of the Code, to omit, among other things, the effects of extraordinary items, any gain or loss on the disposal of a business segment, unusual or infrequently occurring events and transactions and cumulative effects of changes in accounting principles.

Fiscal 2009 Cash Incentive Bonuses. Each year, the Company engages in an extensive and deliberate process to establish its budget, performance measures and performance targets which are then presented to the Compensation Committee. The Compensation Committee and the Company then determine the annual cash incentive bonuses for each named executive officer based strictly on the Company s achievement against pre-determined financial goals, established budget figures, performance measures and performance targets, without any discretionary performance factors taken into consideration. All bonuses under the EOAIP are capped. The specific application of these caps is subject to the respective employment agreements of each of the named executive officers. Mr. Farah, Ms. Nemerov, Ms. Travis and Mr. Kosh have their bonuses adjusted by plus or minus 0%, 5% or 10% based upon achievement against strategic financial goals established by the Compensation Committee. For the past nine years, the Company has successfully used this process to motivate and stretch the performance of the Company s senior management team.

For fiscal 2009, under the EOAIP, the financial goal performance measure selected was net income before taxes and the strategic goal performance measure selected was Company selling, general and administrative expenses (excluding expense for cash bonuses and expense for stock awards) as a percentage of net revenues. The Company believes that net income before taxes is a comprehensive indicator of the Company s annual performance and that managing selling, general and administrative expenses as a percentage of net revenues is an important part of the Company s ongoing strategic objectives. The Company s future performance is inherently uncertain and can be significantly affected by many factors including, without limitation, levels of consumer spending, interest rates, employment levels, currency fluctuations and other variables that are difficult to predict at the time that it is establishing its budget figures, performance measures and performance targets. In fiscal 2009, the target net income before taxes figure for payment of awards was $657.1 million. In fiscal 2009, the actual net income before taxes figure for payment of awards was $666.1 million, after giving effect to various adjustments approved by the Compensation Committee in accordance with the terms of the awards. At the time that the targets were set, the Company believed that the specific targets for fiscal 2009 incorporated an appropriate level of difficulty and required significant ongoing performance improvements on the part of the Company in order to be achieved. The five named executive officers of the Company were eligible for a bonus in fiscal year 2009 when the Company reached 80% of the net income before taxes target established by the Compensation Committee.

The bonus payment for Mr. Lauren pursuant to his employment agreement is based solely on the performance measure of net income before taxes and is not adjusted for the strategic goal of Company selling, general and administrative expenses as a percentage of net revenues. The bonus payments for the other four named executive officers are subject to adjustment for this strategic goal. Performance relative to Company selling, general and administrative expenses as a percentage of net revenues could increase or decrease the bonuses otherwise payable to such four other named executive officers based on net income before taxes by 0%, 5% or 10%. In calculating the bonuses, results for fiscal 2009 were adjusted in accordance with the rules established by the Compensation Committee at the start of the fiscal year.

Mr. Lauren s employment agreement provides for an annual bonus in fiscal 2009 with a target of $13,000,000 and a maximum of 150% of target, or $19,500,000. Based on the Company s achievement of performance goals relative to the net income before taxes target established by the Compensation Committee, for fiscal 2009 Mr. Lauren received an incentive bonus of $13,886,364, representing 107% of his bonus opportunity.

In fiscal 2009, similar to past practice and in compliance with their respective employment agreements, Mr. Farah had a target bonus of 200% of his base salary and a maximum bonus opportunity of 300% of his base salary and Ms. Nemerov had a target bonus of 100% of her base salary and a maximum bonus opportunity of 200% of her base salary. Ms. Travis and Mr. Kosh each had a target bonus of 50% of their respective base salaries and a maximum bonus opportunity of 100% of each of their respective base salaries. The maximum bonus opportunity for each of the four named executive officers does not account for upward adjustments which may be made if the Company achieves its strategic goals. Based on the Company s achievement of performance goals relative to the net income before taxes target established by the Compensation Committee and a 10% upward adjustment to reflect the Company s successful achievement of its strategic goal relative to the selling, general and administrative expenses of the Company as a percentage of net revenues established by the Compensation Committee, for fiscal 2009, Mr. Farah received an incentive bonus of $2,197,800, representing 122% of his target bonus opportunity. In fiscal 2009, Ms. Nemerov received an incentive bonus of $1,207,800; Ms. Travis received an incentive bonus of $486,475; and Mr. Kosh received an incentive bonus of $419,375, representing 134% of each of their respective target bonus opportunities.

Long-Term Equity-Based Incentives. The Company maintains a program of long-term equity-based incentives that are intended to align executive and shareholder interests and thereby encourage executive decision making that maximizes share value creation over time. By making long-term equity-based incentives a significant part of compensation, the Company maintains an executive compensation program that emphasizes long range goal achievement which is consistent with the Company s compensation philosophy.

The Compensation Committee establishes guidelines annually for determining long-term equity-based incentive grants to Executives under the Company s 1997 Stock Incentive Plan. These guidelines generally provide that the type of awards and the number of shares to be granted to employees are based on their position levels within the Company. Messrs. Lauren s and Farah s long-term equity based incentive awards are each provided under their respective employment agreements and, in Mr. Lauren s case, under an amendment to his employment agreement effective June 29, 2009 with respect to the Company s 2010 and subsequent fiscal years which provides that Mr. Lauren will no longer be entitled to grants of time-based restricted stock units and will instead receive grants of RPSUs which are performance-based and similar in nature to those provided to Ms. Nemerov, Ms. Travis and Mr. Kosh. In fiscal 2009, consistent with each of their respective employment agreements, Mr. Lauren received restricted stock units and stock options and Mr. Farah did not receive any equity-based award. Messrs. Lauren and Farah recommend annual equity awards for the three other named executive officers, which are subject to the approval of the Compensation Committee. In fiscal 2009, for the three named executive officers other than Messrs. Lauren and Farah, the Company issued three types of long-term equity awards Stock Options, Cliff RPSUs and Pro-Rata RPSUs.

As determined by the Committee in any given year, awards granted may also include restricted stock units and performance-based stock awards (as described below under Fiscal 2009 Long-Term Equity-Based Incentive Awards).

Stock Options. The Company grants non-qualified stock options that vest ratably over a three-year period subject to continued employment with the Company through the applicable vesting date. Stock options are granted at an exercise price equal to the fair market value (calculated as the average of the high and low stock prices on the NYSE) of the Company s Class A Common Stock on the grant date. The Company has not issued stock options with accelerated vesting features except as specified in certain employment agreements. In addition, the Company has not re-priced or re-issued stock options.

The vast majority of stock options are granted to eligible Executives, including the Company s named executive officers, at regular Compensation Committee meetings which are usually scheduled at least four times per year and often as far as one year in advance of the actual meeting dates. Thus, stock options are typically granted at such regularly scheduled meetings rather than in conjunction with the disclosure of material non-public information or the occurrence of a significant corporate event or transaction. In fiscal 2009, the Compensation Committee set the grant date for these annual awards approximately three weeks before the Company s first fiscal quarter earnings release date, making the grants effective in mid-July. In addition to the annual awards, grants may be made to certain newly hired or promoted Executives. Such awards are typically granted and priced as of the last business day of each fiscal quarter immediately following the hiring or promotion of an Executive.

Restricted Performance Share Units (RPSUs). The Company issues Cliff RPSUs and Pro-Rata RPSUs both of which provide a recipient with the opportunity to receive shares of the Company s Class A Common Stock based on the achievement by the Company of performance goals over a specified period. Achievement of performance goals is subject to adjustment to exclude the effect of certain events and transactions as permitted under the 1997 Stock Incentive Plan in accordance with the guidelines established by the Compensation Committee at the start of the fiscal year in which any such grants are made.

The performance measures for each kind of RPSU are set by the Compensation Committee at the time of grant, and may include one or more of the following factors:

- net earnings or net income (before or after taxes);
- basic or diluted earnings per share;
- net operating profit;
- net revenue or net revenue growth;
- gross profit or gross profit growth; or
- return on assets.

Cliff RPSUs. Prior to fiscal 2009, Cliff RPSUs granted to Executives vested in full at the end of a three-year performance period, subject to the Executive s continued employment with the Company. The performance period for Cliff RPSUs granted to Executives in fiscal 2009 will vest in full at the end of a thirty-three month

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performance period, subject to the Executive s continued employment with the Company. Cliff RPSUs are not granted until the Company s financial goals are approved by the Board of Directors. Due to the uncertainty in the economy at the beginning of fiscal 2009, the Company took additional time to establish its three year business plan for fiscal years 2009 to 2011. The Board of Directors approved the Company s three year business plan and financial goals for fiscal 2009 to 2011 on August 7, 2008 which resulted in a shorter performance period of 33 months rather than 36 months, while still maintaining deductibility of the fiscal 2009 Cliff RPSU awards under Section 162(m) of the Code. Cliff RPSUs granted in fiscal 2009 will vest after the end of fiscal 2011 based on cumulative net earnings of the Company for the performance period of the second, third and fourth quarters of fiscal 2009 and fiscal years 2010 2011. The Company believes that net earnings is an appropriate performance measure for an extended period such as a thirty-three month period since it is a comprehensive measure that assesses the overall performance of the Company over a significant period of time and is aligned with measures often used by the investment community.

The grant provides a target number of shares that will vest and be paid out subject to achievement of pre-established financial goals. Three levels of achievement are used to determine vesting, which are Threshold, Target and Maximum. The Threshold level, which is 70% of the financial goal, must be achieved in order for any shares to be provided to recipients at the end of the applicable vesting period. If performance is at the Threshold level, 75% of the target number of shares will vest and be paid out. If performance is at the Target level, which is 100% of the financial goal, then 100% of the target number of shares will vest and be paid out. If performance is at the Maximum level, which is 110% or more of the financial goal, then 150% of the target shares will vest and be paid out. For achievement between Threshold and Maximum, Cliff RPSU award payouts are interpolated to reflect the level of results achieved. Once an award is granted in any fiscal year, the prevailing performance measures, performance goals, vesting schedule or payout schedule cannot be modified for that grant, unless otherwise approved by the Compensation Committee of Board of Directors of the Company, during the applicable performance term.

In June 2009, awards granted in fiscal 2007 vested based upon the achievement of pre-established financial goals at the Maximum level. The performance target of cumulative net earnings of the Company for the three year fiscal period 2007 2009 was $1,093.1 million. For the three year fiscal period 2007 2009, the Company exceeded this performance target of cumulative net earnings at the Maximum level and as a result, 150% of the target shares which were granted in fiscal 2007 vested and were paid out. Maximum payout was achieved as a result of very strong performance in fiscal 2007 and 2008 and above target performance for fiscal 2009. In establishing the targets for the fiscal 2007 Cliff RPSUs, the Company required ongoing performance improvement based on the three year plan for fiscal 2007 2009 and believed that the targets would be difficult but achievable with significant effort.

Pro-Rata RPSUs. Pro-Rata RPSUs issued in fiscal 2009 vest one third each year over three years. All three tranches of the fiscal 2009 Pro-Rata RPSUs were earned and available for vesting based on achievement of the fiscal 2009 performance goal. The performance level that had to be achieved in order for the fiscal 2009 Pro-Rata RPSUs to be earned and available for vesting was the Threshold level of $525.7 million, which in this case was 80% of the target net income before taxes figure of $657.1 million. This performance goal and level also applied to the third and final tranche of the fiscal 2007 Pro-Rata RPSU awards. In fiscal 2009, the Company exceeded this net income before taxes performance level, after giving effect to various adjustments approved by the Compensation Committee in accordance with the terms of the awards. As a result, 100% of the target shares for the first tranche of the fiscal 2009 Pro-Rata RPSUs and 100% of the target shares for the third and final tranche of the fiscal 2007 Pro-Rata RPSUs have vested and were paid out. The second and third tranches of the fiscal 2009 Pro-Rata RPSUs will vest based solely on continuous service from the grant date to the respective vesting dates for the second and third tranches. If the performance goal had not been achieved in fiscal 2009, all three tranches of the fiscal 2009 Pro-Rata RPSU award would have been forfeited. Similar to the performance measure in the Company s EIP, the Company believes that the use of net income before taxes as a measure for the award of Pro-Rata RPSUs is a comprehensive indicator of the Company s annual performance. Unlike Cliff RPSUs, the Pro-Rata RPSUs do not provide for payouts above or below the target shares awarded. In establishing the goals in fiscal 2009 for the Pro-Rata RPSUs, the Company established specific targets that it believed incorporated an appropriate level of difficulty and required significant ongoing performance improvements on the part of the Company in order to be achieved.

Restricted Stock Units. From time to time, the Company also grants restricted stock units to certain of its senior executives. Restricted stock units entitle the holder to receive a specified number of shares of Class A Common Stock at the end of a vesting period, subject to the holder s continued employment with the Company. In addition, holders of restricted stock units may be entitled to receive cash dividends or dividend equivalent units in connection with the payments of dividends on the Company s Class A Common Stock. Typically, grants of restricted stock units vest over a five-year period of time, subject to the holder s continued employment with the Company.

Fiscal 2009 Long-Term Equity-Based Incentive Awards. In fiscal 2009, each of the named executive officers received the following long-term equity grants:

Name	Year	Restricted Stock Units(1)	Stock Options(2)	Cliff RPSUs	Pro-Rata RPSUs
Ralph Lauren	2009	75,000	100,000		
Roger N. Farah(3)	2009				
Jackwyn L. Nemerov	2009		27,921	22,239	7,905
Tracey T. Travis	2009		4,635	3,691	1,311
Mitchell A. Kosh	2009		4,635	3,691	1,311

(1) The grant of restricted stock units will cliff vest in its entirety on the fifth anniversary of the grant.

(2) The stock options for the four named executive officers who received stock options in fiscal 2009 have an exercise term of seven years. All options vest ratably on the first three anniversaries of the date of grant.

(3) Mr. Farah s employment agreement does not provide for an equity award during fiscal 2009.

Employee Benefits. The Company provides a number of benefit plans to all eligible employees, including its named executive officers. These benefits include programs such as medical, dental, life insurance, short and long-term disability coverage, and a 401(k) plan. The Company s senior management and its named executive officers are also eligible for an executive medical plan covering such executives and their eligible dependents, an annual executive physical, financial counseling, and an annual car allowance.

Other Benefits. The Company provides its named executive officers with other benefits, reflected in the All Other Compensation column in the Summary Compensation Table, that it believes are reasonable, competitive and consistent with the Company s overall executive compensation program. The Company believes that these benefits generally allow its executives to work more efficiently, promote the Company s brand and are legitimate business expenses, but it also recognizes that these costs can be viewed as personal benefits. The costs of these benefits constitute only a small percentage of each named executive officer s total compensation. The Company provides to certain of its named executive officers the use of an automobile and driver (and, for Ms. Nemerov, gross-up payments to cover tax liability with respect thereto), personal security and use of the Company s aircraft for personal travel on a limited basis. The Company also provides a merchandise discount on most Company products to all of its employees, including its named executive officers.

Deferred Compensation. The Company provides a Supplemental Executive Retirement Plan (SERP) to certain of its Executives, generally for those who had a title of Vice President and above when they were admitted to such plan. In October 2004, the Company ceased admitting new participants in the SERP. During fiscal 2009, in light of ongoing efforts to control expenses, the Board of Directors approved a recommendation of the Company to:

- suspend annual contributions to the SERP effective fiscal 2009;

allow participants to withdraw their balances as of April 1, 2009 if they no longer wish to remain a participant in the SERP under the new terms; and

continue to pay interest on SERP balances based on the mid-term Applicable Federal Rate for those participants who remain in the SERP.

Three of the five named executive officers, Mr. Farah, Ms. Nemerov and Mr. Kosh were participants in the SERP. Pursuant to the election made available to all SERP participants, Mr. Farah and Ms. Nemerov elected to withdraw their entire SERP balances and did so in early fiscal year 2010. Approximately 70% of the 112 participants in the SERP elected to withdraw their entire SERP balances and did so in early fiscal year 2010. Additionally, to comply with the final regulations under Section 409A of the Code related to deferred compensation, changes to the distribution schedule for vested balances upon termination were made effective January 1, 2009. A participant generally vests in his or her SERP account over the first five years of his or her participation in the SERP. As of March 28, 2009, all participants remaining in the SERP plan were 100% vested.

For participants who remain in the SERP, each of their account balance is payable upon termination of their employment as follows:

Amount of Vested Balance	Payment Provision
$200,000 or more	Payment is made in equal installments over 3 years
less than $200,000	Lump-Sum Payment

Other provisions consistent with IRS rules apply in the event of a participant s disability, retirement or death.

Certain Tax Matters. Section 162(m) of the Code generally disallows a tax deduction to public companies for compensation over $1,000,000 paid to a covered employee (which is defined as the Company s named executive officers, other than the Chief Financial Officer). Qualifying performance-based compensation is not subject to the deduction limit if certain requirements are met. The Company s EOAIP and 1997 Stock Incentive Plan are designed to permit the deductibility of awards payable to the Company s named executive officers for Federal income tax purposes even if the compensation paid to any such officer exceeds $1,000,000. Under Mr. Ralph Lauren s employment agreement effective as of March 30, 2008 and amended as of June 29, 2009, a portion of his annual base salary will not be deductible since it will exceed $1,000,000. See Executive Employment Agreements.

In assessing compensation proposals with respect to executive officers, the Compensation Committee considers, among other things, the deductibility of executive compensation, but reserves the right to compensate named executive officers in a manner commensurate with performance and the competitive environment for executive and creative talent. As a result, some portions of the compensation paid to a named executive officer whose compensation is subject to the deduction limits described above may not be deductible by the Company.

Accounting Matters. Each element of the compensation that the Company pays to its executives is expensed in the Company s financial statements as required by U.S. generally accepted accounting principles. The financial statement impact of various compensation awards is an important factor that the Company considers in determining the amount, form, and design of each pay component for its executives.

Adjustment or Recovery of Awards. In August 2007, the Company amended the EOAIP to include adoption of a formal policy regarding the recovery of awards granted under the EOAIP in connection with a restatement of its financial statements. Under this policy, if, as a result of a named executive officer s intentional misconduct or gross negligence, the Company is required to prepare an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, the Compensation Committee of the Company may, in its reasonable discretion, require such executive to promptly reimburse the Company for the amount of any payment previously received by the executive pursuant to the EOAIP that was earned or accrued during the twelve month period following the earlier of the first public issuance or filing with the SEC of any financial document embodying such financial reporting requirement that required such accounting restatement. In May 2009, the Company also adopted this policy with regard to awards granted to its five named executive officers under the Company s 1997 Stock Incentive Plan. The Company has not experienced any situations or occasions that could have resulted in a recovery of an award or payment under such policy. If the Company does experience a situation or occasion that could result in such a recovery in the future, the Compensation Committee would assess the circumstances relating to the potential recovery and take such legally permissible actions as it believes to be appropriate in its discretion at such time. The Company may also seek repayment, in the reasonable discretion of the Compensation Committee, of bonus payments or awards provided to executives based upon the occurrence of various events such as termination of employment for cause, a material violation of material written policies of the Company or a breach of any restrictive covenants.

Compensation Committee Report

The Compensation Committee, composed entirely of independent directors, reviewed and discussed the above Compensation Discussion and Analysis (CD&A) with the Company s management and with the other members of the Board of Directors. Based on these reviews and discussions, the Compensation Committee recommended to the Company s Board of Directors that the CD&A be included in the Company s Annual Report on Form 10-K and this Proxy Statement.

Members of the Compensation Committee:

Joel L. Fleishman (Chair)

Frank A. Bennack, Jr.

Steven P. Murphy

SUMMARY COMPENSATION TABLE

The following table sets forth a summary of all compensation awarded or paid to or earned by the Company s chief executive officer, the Company s chief financial officer and the Company s three other executive officers serving as of March 28, 2009, the end of the Company s 2009 fiscal year (the named executive officers), for services rendered in all capacities to the Company (including its subsidiaries) for the fiscal years ended March 28, 2009, March 29, 2008 and March 31, 2007.

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Salary ($)(1)	Bonus ($)(2)	Stock Awards ($)(3)	Option Awards ($)(4)	Non-Equity Incentive Plan Compensation ($)(5)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)(6)	All Other Compensation ($)(7)	Total ($)(8)
Ralph Lauren	2009	1,250,000		609,654	4,156,687	13,886,364		400,817	20,303,522
Chairman & CEO	2008	1,000,000		16,156,015	4,591,693	12,000,000		452,643	34,200,351
	2007	1,000,000		5,539,863	2,709,025	16,500,000		110,876	25,859,764
Roger Farah	2009	900,000		10,849,274	0	2,197,800		167,135	14,114,209
President & COO	2008	900,000		12,672,397	0	1,980,000		181,439	15,733,836
	2007	900,000		8,586,121	0	2,970,000		90,238	12,546,359
Jackwyn Nemerov	2009	900,000		2,569,587	498,968	1,207,800		216,979	5,393,334
Executive Vice President	2008	900,000		2,645,286	561,620	999,900		207,956	5,314,762
	2007	900,000		1,607,012	796,522	1,980,000		202,679	5,486,213
Tracey Travis	2009	725,000		459,851	153,385	486,475		41,836	1,866,547
SVP and	2008	687,308		535,604	107,385	381,754		29,194	1,741,245
Chief Financial Officer	2007	663,462		508,739	189,525	742,500		29,213	2,133,439
Mitchell Kosh	2009	625,000		345,318	76,265	419,375		48,325	1,514,283
SVP Human	2008	625,000		417,592	77,618	347,188		64,639	1,532,037
Resources and Legal	2007	619,231		367,898	94,461	687,500		44,613	1,813,703

(1) The amounts reported in this column represent base salaries paid to each of the named executive officers for the applicable fiscal year as provided for in each of their respective employment agreements. See Executive Employment Agreements .

(2) The named executive officers did not receive any discretionary bonuses, sign-on bonuses, or other annual bonus payments that are not contingent on the achievement of stipulated performance goals. Cash bonus payments that are contingent on achieving pre-established, substantially uncertain and communicated goals, including payments under the EOAIP, appear in the column headed, Non-Equity Incentive Plan Compensation .

(3) The amounts reported in this column represent the dollar amount of restricted stock, restricted stock unit (RSU) and RPSU (both Pro-Rata RPSU and Cliff RPSU) awards recognized, or expensed, for each of the named executive officers as compensation costs for financial reporting purposes (assuming no risk of forfeiture) in accordance with FAS 123(R) for the applicable fiscal year. Under FAS 123(R), restricted stock, RSU and RPSU awards are expensed based on the grant date fair value of the awards over the requisite vesting period. Assumptions used in the calculations of these amounts are included in footnote 18 of the notes to the Company s financial statements in the Company s 2007 Annual Report on Form 10-K, footnote 18 of the notes to the Company s financial statements in the Company s 2008 Annual Report on Form 10-K and footnote 19 of the notes to the Company s financial statements in the Company s 2009 Annual Report on Form 10-K. See Compensation Discussion and Analysis Components of Executive Compensation Long-Term Equity Based Awards for a description of the determination of these awards and certain material terms and conditions. In addition, all annual RSUs granted to Mr. Lauren under his amended and restated employment agreement, dated

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June 23, 2003, were subject to certain accelerated vesting provisions that resulted in the related vesting period for accounting purposes being commensurate with the term of Mr. Lauren s employment agreement. Therefore, the costs attributable to these RSUs increased incrementally throughout the term of Mr. Lauren s employment agreement (with the greatest expense recognition occurring in fiscal 2008) and were fully expensed when the term of this agreement was completed at the end of fiscal 2008. The annual RSUs granted to Mr. Lauren in fiscal 2009 under his current employment agreement, effective as of March 30, 2008, are being expensed ratably over the related five-year vesting period since such period for accounting purposes is commensurate with the contractual vesting period.

(4) The stock option compensation amounts do not reflect compensation actually received by the named executive officer. The amounts reported in this column instead represent the compensation expense, assuming no risk of forfeiture, recognized by the Company for financial statement reporting purposes related to stock options for the applicable fiscal year in accordance with FAS 123(R), as discussed above.

(5) The amounts reported in this column represent payments made under the EOAIP in June 2007 with respect to fiscal 2007, June 2008 with respect to fiscal 2008 and in June 2009 with respect to fiscal 2009.

(6) The named executive officers did not receive any above-market or preferential earnings on compensation deferred on a basis that is not tax qualified. See Non-Qualified Deferred Compensation Table .

(7) The amounts reported in this column represent the aggregate dollar amount for each named executive officer of all other compensation for the year, including perquisites and other personal benefits. Under the SEC rules, the Company is required to identify by type all perquisites and other personal benefits for a named executive officer if the total value for that individual equals or exceeds $10,000, and to report and quantify each perquisite or personal benefit that exceeds the greater of $25,000 or 10% of the total amount for that individual. In fiscal 2009, Mr. Lauren received perquisites and other personal benefits including supplemental medical expenses ($70,431), use of an automobile and driver ($58,843), reimbursement for personal travel ($271,543) and merchandise discounts. In fiscal 2009, Mr. Farah received perquisites and other personal benefits including personal use of the Company s aircraft ($123,749), an automobile allowance, financial planning services, supplemental medical expenses and merchandise discounts. The calculation of incremental cost to the Company for any executive s personal use of the Company s aircraft includes the variable costs incurred by the Company as a result thereof consisting of a portion of aircraft fuel, any flight-related fees and any travel expenses for the flight crew. In fiscal 2009, Ms. Nemerov received perquisites and other personal benefits, including use of an automobile and driver ($107,862), financial planning services, supplemental medical expenses and merchandise discounts. In addition, in fiscal 2009, Ms. Nemerov received a tax gross-up payment of ($83,731) to cover her tax liability with respect to the use of the automobile and driver. In fiscal 2009, Ms. Travis received perquisites and other personal benefits, including an automobile allowance, supplemental medical expenses, an executive medical exam, financial planning services and merchandise discounts. In fiscal 2009, Mr. Kosh received perquisites and other personal benefits including personal use of the Company s aircraft, an automobile allowance, supplemental medical expenses, financial planning services and merchandise discounts.

(8) The amounts reported in this column are the sum of columns 1 through 7 for each of the named executive officers. All compensation amounts reported in this column include amounts paid and amounts deferred.

GRANTS OF PLAN-BASED AWARDS

The following table provides information concerning the annual performance bonus and long-term incentive awards made to each of the named executive officers in fiscal 2009.

Name	Grant Date	Approval Date	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards Threshold ($)(1)	Target ($)(1)	Maximum ($)(1)	Estimated Future Payouts Under Equity Incentive Plan Awards Threshold (#)(2)	Target (#)(2)	Maximum (#)(2)	All Other Stock Awards: Number of Shares of Stock or Units (#)(3)	All Other Option Awards: Number of Securities Underlying Options (#)(4)	Exercise or Base Price of Option Awards ($/Sh)(5)	Closing Price on Date of Grant	Grant Date Fair Value of Stock and Option Awards
Ralph Lauren			$ 6,500,000	$ 13,000,000	$ 19,500,000								
	07/14/2008	07/14/2008							75,000				$ 4,332,000
	07/14/2008	07/14/2008								100,000	$ 57.755	$ 56.47	$ 2,170,000
Roger Farah			$ 900,000	$ 1,800,000	$ 2,700,000								
Jackwyn Nemerov			$ 517,500	$ 900,000	$ 1,800,000								
	07/14/2008	07/14/2008								27,921	$ 57.755	$ 56.47	$ 462,651
	07/14/2008	07/14/2008				0	7,905	7,905					$ 453,510
	08/07/2008	08/07/2008				16,679	22,239	33,359					$ 2,210,034
Tracey Travis			$ 181,250	$ 362,500	$ 725,000								
	07/14/2008	07/14/2008								4,635	$ 57.755	$ 56.47	$ 76,802
	07/14/2008	07/14/2008				0	1,311	1,311					$ 75,212
	08/07/2008	08/07/2008				2,768	3,691	5,537					$ 366,826
Mitchell Kosh			$ 156,250	$ 312,500	$ 625,000								
	07/14/2008	07/14/2008								4,635	$ 57.755	$ 56.47	$ 76,802
	07/14/2008	07/14/2008				0	1,311	1,311					$ 75,212
	08/07/2008	08/07/2008				2,768	3,691	5,537					$ 366,826

(1) Represents grants of cash incentive awards under the Company s EOAIP. See Compensation Discussion and Analysis Components of Executive Compensation Annual Cash Incentive Bonuses for a description of the material terms of these awards.

(2) Represents the amount of RPSUs, including both Cliff RPSUs and Pro-Rata RPSUs, that were granted in fiscal 2009 under the Company s 1997 Stock Incentive Plan. See Compensation Discussion and Analysis Components of Executive Compensation Long-Term Equity Based Awards for a description of the material terms of these awards.

(3) Represents restricted stock units (RSUs) granted pursuant to Mr. Lauren s employment agreement in fiscal 2009. See Executive Employment Agreements for a description of the material terms of these RSUs.

(4) Represents the number of stock options granted in fiscal 2009 under the Company s 1997 Stock Incentive Plan. These options vest and become exercisable ratably in three equal annual installments beginning one year after the grant date.

(5) Represents the exercise price for the stock options granted, which was the fair market value (calculated as the average of the high and low stock prices on the NYSE) of the Company s Class A Common Stock on the grant date.

Executive Employment Agreements

Ralph Lauren s Employment Agreement. Ralph Lauren was employed during fiscal 2009 as the Company s Chairman of the Board of Directors and CEO pursuant to an amended and restated employment agreement dated as of March 30, 2008, and amended as of June 29, 2009. The key terms of Mr. Lauren s employment agreement are:

Term: Mr. Lauren s employment agreement, which commenced on March 30, 2008 provides for a five-year term ending on March 30, 2013, the last day in the Company s 2013 fiscal year.

Salary: Under Mr. Lauren s employment agreement, he is entitled to an annual base salary of $1.25 million.

Bonus: Mr. Lauren s target bonus will be in the amount of $13 million for each of the fiscal years during the term of his employment agreement. The maximum bonus provided for under his employment agreement in any fiscal year is 150% of that year s target bonus.

Options and Restricted Stock: Under Mr. Lauren s employment agreement, he is entitled to annual grants of options to purchase 100,000 shares of the Company s Class A Common Stock. He also received a grant in fiscal 2009 of 75,000 restricted stock units under the Company s 1997 Stock Incentive Plan. The options have an exercise term of seven years and vest ratably on the first three anniversaries of the date of grant, subject to accelerated vesting upon the termination of Mr. Lauren s employment in certain circumstances as discussed below in Potential Payments Upon Termination or Change in Control . The exercise price for any such options issued to Mr. Lauren was equal to the fair market value of the Company s stock as of the date of any options grant. Each annual grant of restricted stock units will vest in its entirety on the fifth anniversary of the grant, subject to accelerated vesting upon Mr. Lauren s termination of employment (except in the event of (i) termination by the Company for cause (as defined in his employment agreement and as described below in Potential Payments Upon Termination or Change in Control Ralph Lauren), or (ii) Mr. Lauren s voluntary resignation without good reason (as defined in his employment agreement and as described below in Potential Payments Upon Termination or Change in Control Ralph Lauren) prior to the end of the term of Mr. Lauren s employment agreement and will be payable in shares of Company common stock as soon as practicable (but in no event later than 30 days) following the termination of Mr. Lauren s employment. With respect to each restricted stock unit he receives, Mr. Lauren is entitled to dividend equivalents in the form of additional restricted stock units in connection with the payment of cash dividends on the Company s common stock. Pursuant to an amendment to Mr. Lauren s employment agreement effective June 29, 2009, starting in the Company s 2010 fiscal year, Mr. Lauren will no longer receive a grant of 75,000 time-based restricted stock units and will instead receive a grant of 75,000 performance-based RPSUs. Each grant of RPSUs will vest at the end of a three-year performance period, subject to Mr. Lauren s continued employment with the Company and the Company achieving its performance goals (except in certain circumstances subject to accelerated vesting upon the termination of Mr. Lauren s employment as discussed below in Potential Payments Upon Termination or Change in Control). The grant of RPSUs will provide a target number of shares that will vest and be paid out subject to achievement of pre-established financial goals. Three levels of achievement are used to determine vesting with regard to Mr. Lauren s RPSU award: Threshold, Target and Maximum. The Threshold level, which is 70% of the financial goal, must be achieved in order for any RPSUs to vest and be provided to Mr. Lauren at the end of the applicable vesting period. If performance is at the Threshold level, 75% of Mr. Lauren s 75,000 RPSUs will vest and be paid out. If performance is at the Target level, which is 100% of the financial goal, then all of Mr. Lauren s 75,000 RPSUs will vest and be paid out. If performance is at the Maximum level, which is 110% or more of the financial goal, then 150% of the target shares will vest and be paid out. Vesting with respect to Mr. Lauren s RPSUs shall be interpolated for performance between 70% and 110% of target goal(s) and none of Mr. Lauren s RPSUs shall vest for performance below threshold goal(s). In addition, with respect to Mr. Lauren s annual grants of options and RPSUs, the Compensation Committee of the Board of Directors will have the authority, in its good faith discretion, to change the amount of Mr. Lauren s annual equity grants.

Other Benefits: Under Mr. Lauren s employment agreement, Mr. Lauren is required for security purposes to use his or other acceptable private aircraft for any travel. In addition to being entitled to reimbursement for any aircraft travel expenses he incurred which were business related, Mr. Lauren is also entitled to reimbursement for any personal aircraft travel expenses which he incurs, without any tax gross-up. Mr. Lauren is also provided with a Company paid car and driver. Mr. Lauren is eligible to participate in all employee benefit plans and arrangements of the Company for its senior executive officers.

Non-compete: Under Mr. Lauren s employment agreement, he can not compete with the Company anywhere in the world during the term of his employment and for a period of two years after the termination of his employment for any reason.

See Potential Payments Upon Termination or Change in Control for a discussion of severance and change of control payments payable to Mr. Lauren under Mr. Lauren s employment agreement.

Roger N. Farah s Employment Agreement. Roger Farah is employed as the Company s President and COO pursuant to an employment agreement, as amended and restated as of July 23, 2002 and further amended as of July 1, 2004, September 5, 2007 and December 23, 2008. The key terms of Mr. Farah s employment agreement are:

Term: Mr. Farah s employment agreement provides for his employment as President and Chief Operating Officer through April 3, 2010, the last day of the Company s 2010 fiscal year, subject to automatic, successive one year extensions thereafter unless either party gives at least 180 days prior notice that the term will not be extended.

Salary: Under Mr. Farah s employment agreement, he is entitled to an annual base salary of $900,000.

Bonus: Mr. Farah is eligible to receive an annual incentive bonus ranging from 100% to 300% of his annual salary, subject to the Company s achievement of performance goals established by the Compensation Committee under the Company s EOAIP, with a target bonus of 200% of his annual salary.

Deferred Compensation: Separate from participation in the Company s SERP, Mr. Farah receives deferred compensation of $250,000 per year for fiscal years 2003-2010, which is credited on a monthly basis to a notional deferred compensation account on the books of the Company. Each month that an amount is credited to his notional deferred compensation account, the Company contributes in cash the amount of such monthly credit to a grantor trust (whose assets remain subject to the claims of the creditors of the Company) for the benefit of Mr. Farah. The trust assets attributable to the Company contributions on behalf of Mr. Farah are invested as directed by Mr. Farah, and the actual earnings (or losses) on such investments are deemed credited (debited) to Mr. Farah s notional deferred compensation account. Mr. Farah may choose to have the trust assets invested in any one or more of the mutual funds managed by the Vanguard Group of Investment Companies. On July 23, 2007, Mr. Farah became fully vested in the notional deferred compensation account. The then-current value of the notional deferred compensation account will be payable in a cash lump sum payment to Mr. Farah (or his estate) on the earlier of January 1, 2012 or the 45th day following termination of his employment. See Non-Qualified Deferred Compensation .

Options and Restricted Stock: Under his employment agreement, Mr. Farah is entitled to receive grants of restricted stock units under the Company s 1997 Stock Incentive Plan that, subject to vesting, are payable in shares of the Company s Class A Common Stock. Mr. Farah received an initial grant of 437,500 restricted stock units on July 1, 2004. Of these, 83,334 restricted stock units (along with accrued dividend equivalent units) vested as of the end of fiscal 2008, 83,333 restricted stock units (along with accrued dividend equivalent units) vested as of the end of fiscal 2009 and the remaining 83,333 restricted stock units will vest at the end of fiscal 2010, subject to Mr. Farah s continued employment, or will vest immediately as outlined below. The remaining 187,500 restricted stock units vested, in full, in three equal installments at the end of fiscal 2005, fiscal 2006 and fiscal 2007 on the basis of the Company s achievement of performance goals established by the Compensation Committee of the Board of Directors under the Company s 1997 Stock Incentive Plan and Mr. Farah s continued employment during such period.

Mr. Farah s employment agreement also provides for certain additional grants of restricted stock units that will vest, subject to the Company s performance over multi-year performance periods ending during the term of his employment agreement. Mr. Farah received grants of 187,500 restricted stock units on each of June 15, 2005, June 8, 2006 and July 16, 2007. Each of these grants will vest, subject to the satisfaction of applicable performance criteria at the end of a three year performance period, with the first vesting at the end of fiscal 2008, the second vesting at the end of fiscal 2009, and the third vesting at the end of fiscal 2010, subject to Mr. Farah s continued employment with the Company, or will vest immediately as outlined below. The performance criteria for these awards were set by the Compensation Committee on their respective grant dates.

With respect to each restricted stock unit he receives, Mr. Farah is entitled to dividend equivalents in the form of additional restricted stock units in connection with the payment of cash dividends on the Company s Common Stock. In the event of the Company s termination of Mr. Farah s employment without cause (as defined in his employment agreement), Mr. Farah s termination of his employment for good reason (as defined in his employment agreement) or Mr. Farah s death or disability, all of the outstanding awards that are not performance-based will immediately vest and a pro rata portion of the then outstanding performance-based awards will immediately vest, based upon the elapsed portion of the performance period. Upon the termination by the Company for cause or a voluntary resignation by Mr. Farah without good reason, all outstanding unvested restricted stock units will be immediately cancelled and forfeited to the Company.

In connection with the amendment and restatement of his employment agreement on July 23, 2002, Mr. Farah was granted an additional 300,000 shares of restricted stock and stock options to purchase an additional 400,000 shares of the Company s Class A Common Stock. The shares of restricted stock vested in equal annual installments on the first five anniversaries of the date of grant. These stock options have an exercise term of ten years and vested in equal annual installments on the second, third and fourth anniversaries of the date of grant. The exercise price of the options was $18.22 per share.

Other Benefits: Mr. Farah is eligible to participate in all employee benefit plans and arrangements of the Company for its senior executive officers. For security purposes, Mr. Farah uses private aircraft for travel. Mr. Farah is also entitled to reimbursement for any business and personal aircraft travel expenses which he incurs, without any tax gross-up and a monthly car allowance of $1,500.

Non-compete: Mr. Farah may not compete with the Company during the duration of Mr. Farah s employment with the Company and for 12 months after the termination of his employment for any reason.

See Potential Payments Upon Termination or Change in Control for a discussion of severance and change of control payments payable to Mr. Farah under Mr. Farah s employment agreement.

Jackwyn L. Nemerov s Employment Agreement. Jackwyn L. Nemerov is employed as the Company s Executive Vice President pursuant to an employment agreement dated as of September 9, 2004 and further amended with an effective date of January 1, 2009. The key terms of her employment agreement are:

Term: Ms. Nemerov s employment agreement provides for her employment through September 9, 2009.

Salary: Under Ms. Nemerov s employment agreement, she is entitled to an annual base salary of not less than $900,000.

Bonus: Under Ms. Nemerov s employment agreement, she is entitled to an annual incentive bonus opportunity ranging from 57.5% to 200% of her annual base salary, subject to the achievement of performance goals established under the Company s EOAIP.

Options and Restricted Stock: Pursuant to Ms. Nemerov s employment agreement, on October 1, 2004 she was granted 75,000 restricted shares of Class A Common Stock and options to purchase an additional 200,000 shares. Fifteen thousand of these restricted shares of Class A Common Stock will vest on each of the first five anniversaries of the grant date, subject to Ms. Nemerov s continued employment. The options have a term of ten years and vest one-third each year on the first three anniversaries of the grant date, subject to Ms. Nemerov s continued employment.

Other Benefits: Ms. Nemerov is also entitled to be reimbursed for the cost of a car and driver and to participate in all other employee benefit plans that by their terms are applicable to her or that are provided to other similarly situated senior executives of the Company. If Ms. Nemerov becomes entitled to one or more payments, whether pursuant to the terms of her employment agreement or any other plan or agreement with the Company or any affiliated company, which are or become subject to the excise tax imposed by Section 4999 of the Code, Ms. Nemerov is entitled to a gross-up payment as may be necessary to place Ms. Nemerov in the same after-tax position as if no portion of the payments paid to her had been subject to such tax.

Non-compete: If her employment terminates before the end of the employment term for any reason other than death, termination by the Company without cause (as defined below in Potential Payments Upon Termination or Change in Control Jackwyn Nemerov) or voluntary termination by Ms. Nemerov for good reason (as defined below in Potential Payments Upon Termination or Change in Control Jackwyn Nemerov), Ms. Nemerov may not compete with the Company for 12 months after the termination of her employment.

See Potential Payments Upon Termination or Change in Control for a discussion of severance and change of control payments payable to Ms. Nemerov under Ms. Nemerov s employment agreement.

Tracey T. Travis Employment Agreement. Tracey T. Travis is employed as the Company s Senior Vice President and Chief Financial Officer pursuant to an employment agreement effective as of March 26, 2007 and further amended with an effective date of January 1, 2009. The key terms of her employment agreement are:

Term: Ms. Travis employment agreement provides for her employment through March 26, 2010.

Salary: Under Ms. Travis employment agreement, she is entitled to an annual base salary of not less than $675,000. On November 2007, the Compensation Committee approved an increase of $50,000 to Ms. Travis annual base salary. Ms. Travis annual base salary of $725,000 became effective on January 1, 2008.

Bonus: Ms. Travis is entitled to participate in any applicable annual bonus program that the Company maintains during the term of her employment.

Other Benefits: Ms. Travis is eligible to participate in all employee benefit plans and arrangements of the Company for its senior executive officers. If Ms. Travis becomes entitled to one or more payments, whether pursuant to the terms of her employment agreement or any other plan or agreement with the Company or any affiliated company, which are or become subject to the excise tax imposed by Section 4999 of the Code, Ms. Travis is entitled to a gross-up payment as may be necessary to place Ms. Travis in the same after-tax position as if no portion of the payments paid to her had been subject to such tax.

Non-compete: If her employment terminates before the end of the employment term for any reason other than death, termination by the Company without cause (as defined below in Potential Payments Upon Termination or Change in Control Tracey T. Travis) or voluntary termination by Ms. Travis for good reason (as defined below in Potential Payments Upon Termination or Change in Control Tracey T. Travis), Ms. Travis may not compete with the Company during the remainder of her scheduled employment term.

See Potential Payments Upon Termination or Change in Control for a discussion of severance and change of control payments payable to Ms. Travis under Ms. Travis employment agreement.

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Mitchell A. Kosh s Employment Agreement. Mitchell A. Kosh is employed as the Company s Senior Vice President, Human Resources and Legal, pursuant to an employment agreement, as amended and restated as of April 30, 2007 and further amended with an effective date of January 1, 2009. The key terms of his employment agreement are:

Term: Mr. Kosh s employment agreement provides for his employment through April 30, 2010.

Salary: Under Mr. Kosh s employment agreement, he is entitled to an annual base salary of not less than $625,000.

Bonus: Mr. Kosh is entitled to participate in any applicable annual bonus program that the Company maintains during the term of his employment.

Other Benefits: Mr. Kosh is eligible to participate in all employee benefit plans and arrangements of the Company for its senior executive officers. If Mr. Kosh becomes entitled to one or more payments, whether pursuant to the terms of his employment agreement or any other plan or agreement with the Company or any affiliated company, which are or become subject to the excise tax imposed by Section 4999 of the Code, Mr. Kosh is entitled to a gross-up payment as may be necessary to place Mr. Kosh in the same after-tax position as if no portion of the payments paid to him had been subject to such tax.

Non-compete: If his employment terminates before the end of the employment term for any reason other than death, termination by the Company without cause (as defined below in Potential Payments Upon Termination or Change in Control Mitchell A. Kosh) or voluntary termination by Mr. Kosh for good reason (as defined below in Potential Payments Upon Termination or Change in Control Mitchell A. Kosh), Mr. Kosh may not compete with the Company during the remainder of his scheduled employment term.

See Potential Payments Upon Termination or Change in Control for a discussion of severance and change of control payments payable to Mr. Kosh under Mr. Kosh s employment agreement.

OUTSTANDING EQUITY AWARDS

The following table provides information concerning the unexercised stock options outstanding and unvested stock awards for each of the named executive officers of the Company as of the end of fiscal 2009.

OUTSTANDING EQUITY AWARDS AT FISCAL 2009 YEAR-END

	Option Awards					Stock Awards			
Name	Number of Securities Underlying Unexercised Options # Exercisable(1)	Number of Securities Underlying Unexercised Options # Unexercisable(2)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options(#)	Option Exercise Price($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)(3)	Market Value of Shares or Units of Stock That Have Not Vested ($)(4)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)(5)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)(4)
Lauren, Ralph	250,000	0	0	$ 13.96875	06/13/2010				
	250,000	0	0	$ 26.70500	06/19/2011				
	250,000	0	0	$ 24.78000	06/07/2012				
	150,000	0	0	$ 25.32500	06/23/2013				