

POLO RALPH LAUREN CORP
Form DEF 14A
July 03, 2008

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

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

POLO RALPH LAUREN CORPORATION

(Name of Registrant as Specified In Its Charter)

Edgar Filing: POLO RALPH LAUREN CORP - Form DEF 14A

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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

(5) Total fee paid:

Fee paid previously with preliminary materials.

Edgar Filing: POLO RALPH LAUREN CORP - Form DEF 14A

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

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

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 2008 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 7, 2008, at 9:30 a.m.**, local time, for the following purposes:

1. To elect twelve directors to serve until the 2009 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 March 28, 2009; 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 23, 2008 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

July 1, 2008

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 7, 2008

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

Edgar Filing: POLO RALPH LAUREN CORP - Form DEF 14A

by signing, dating and returning the enclosed proxy card

PROXY STATEMENT

FOR ANNUAL MEETING OF STOCKHOLDERS

To Be Held On August 7, 2008

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 2008 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 7, 2008, 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 3, 2008. 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 23, 2008, 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 23, 2008, there were 56,699,424 outstanding shares of Class A Common Stock and 43,280,021 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 twelve. 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 nine 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 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 2009 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 March 28, 2009, 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 March 28, 2009 (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 between six and twenty. The Board has currently fixed the number of directors constituting the entire Board of Directors at twelve. 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 nine Class B Directors will be elected by the holders of Class B Common Stock, each to serve until the 2009 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 2008 Annual Meeting of Stockholders. Joel L. Fleishman, Frank A. Bennack, Jr. and Terry S. Semel 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, Judith A. McHale, Steven P. Murphy 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, 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 2009 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 75	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. He is also a member of the Board of Directors of Hearst-Argyle Television, Inc. and serves as the Chairman of Lincoln Center for the Performing Arts.
Joel L. Fleishman	Age 74	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 is also a member of the Board of Directors, as well as Chairman of the Audit Committee, of Boston Scientific Corporation, and 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.
Terry S. Semel	Age 65	Mr. Semel has been a director of the Company since September 1997. He has been Chairman and CEO of Windsor Media since January 2008. Mr. Semel served as a non-executive Chairman and a member of the Board of Directors of Yahoo! Inc. from June 2007 to January 2008 and served as the Chairman and Chief Executive Officer of Yahoo! Inc. from May 2001 to June 2007. Mr. Semel was Chairman of the Board and Co-Chief Executive Officer of the Warner Bros. Division of Time Warner Entertainment LP from March 1994 until October 1999, and of the Warner Music Group from November 1995 until October 1999. Prior to 1994, Mr. Semel served both as Vice Chairman and President and Chief Operating Officer of Warner Bros. Mr. Semel is on the Board of Emerson College, The Paley Center for Media and the Los Angeles County Museum of Art.

CLASS B DIRECTOR NOMINEES FOR ELECTION

Ralph Lauren	Age 68	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 55	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 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 56	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 60	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 Directors, Audit Committee and Compensation Committee of BNY Hamilton Funds, Inc.
Arnold H. Aronson	Age 73	Mr. Aronson has been a director of the Company since November 2001. He has been a 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 Saks Fifth Avenue, Marshall Fields, Kohls and others, 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 61	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. and Linens 'n Things, Inc.
Judith A. McHale	Age 61	Ms. McHale has been a director of the Company since February 2001. She served as the President and Chief Executive Officer of Discovery Communications, Inc., the parent company of cable television's Discovery Channel, from June 2004 to December 2006, and served as its President and Chief Operating Officer from 1995 to 2004. Ms. McHale is also a member of the Board of Directors and Audit Committee of Host Hotel & Resorts, Inc. and a member of the Board of Directors of DigitalGlobe Inc.

Steven P. Murphy	Age 54	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.
Robert C. Wright	Age 65	Mr. Wright has been a director of the Company since May 2007. He has 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 five meetings during its 2008 fiscal year, which ended on March 29, 2008. All of the members of the Company's Board of Directors attended at least 75% of the five meetings held by the Board of Directors during its 2008 fiscal year, which ended on March 29, 2008. All of the members of the Company's Board of Directors, other than Terry S. Semel, attended at least 75% of the aggregate number of 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.

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, Ms. Judith A. McHale, Mr. Steven P. Murphy, Mr. Terry S. Semel 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

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, Dr. Joyce F. Brown and Judith A. McHale. 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 five

times in fiscal 2008. The Board 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., Steven P. Murphy and Terry S. Semel. 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 six times in fiscal 2008. 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 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, develops and recommends corporate governance policies to the Board, exercises oversight of the evaluation of the Board members and committees, as well as that of senior management, and recommends to the Board policies and principles for Chief Executive Officer succession, selection and performance reviews. The Nominating & Governance Committee met twice in fiscal 2008.

Non-Management Director Meetings

The Company's non-management directors met four times in fiscal 2008 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 for its consideration. The Committee, guided by the membership criteria established by the Board 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's Board selects director nominees based upon contributions they can make to the Board and management regardless of gender or race, and seeks to maintain a majority of independent directors. The Committee solicits and receives suggestions for, as well as comments upon, director candidates from other directors, including the Chairman of the Board, 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 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. 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 2009 Annual Meeting of Stockholders, a stockholder must submit the recommendation, in writing, by March 3, 2009. 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 2009 Annual Meeting of Stockholders .

Director Communications

Stockholders and interested parties may contact any of the Company's directors, including the Chairman of the Board, the Chairs of the Board's independent Committees, any Committee of the Board, the Board's non-management directors as a group or the entire Board, 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 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 twelve directors then constituting the entire Board attended the 2007 Annual Meeting of Stockholders.

Audit Committee Report

The Audit Committee assists the Board 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. We have the sole authority and responsibility to select, evaluate and, when appropriate, replace the Company's independent registered public accounting firm. The Committee currently is composed of four independent directors and operates under a written charter adopted by the Audit Committee and ratified by the Board.

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. Deloitte & Touche LLP (Deloitte Touche), as the Company's independent registered public accounting firm for the fiscal year ending March 29, 2008, 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 Deloitte & Touche, the Company's independent registered public accounting firm for the fiscal year ended March 29, 2008. 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 Deloitte & Touche the Company's consolidated financial statements for the fiscal year ended March 29, 2008 and the Company's internal control over financial reporting. We also discussed with Deloitte & Touche the matters required to be discussed by Statement on Auditing Standards No. 61, as amended (Communication with Audit Committees). Deloitte & Touche 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 Deloitte & Touche's independence, we considered whether their provision of non-audit services to the Company was compatible with maintaining independence. We received regular updates on Deloitte & Touche'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 Deloitte & Touche and our review of the audited financial statements, including the representations of management and Deloitte & Touche 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 29, 2008 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 March 28, 2009.

Members of the Audit Committee

Frank A. Bennack, Jr. (Chair)

John R. Alchin

Dr. Joyce F. Brown

Judith A. McHale

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 23, 2008 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 23, 2008, there were 1,147 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	1,478,554(2)	2.5%	41,803,143(3)	97%	85.5%
Roger N. Farah	450,000(4)	*			*
Jackwyn L. Nemerov	330,192(5)	*			*
John R. Alchin	7,286(6)	*			*
Arnold H. Aronson	21,356(7)	*			*
Frank A. Bennack, Jr.	35,356(8)	*			*
Dr. Joyce F. Brown	5,506(9)	*			*
Joel L. Fleishman	39,356(10)	*			*
Judith A. McHale	24,356(11)	*			*
Steven P. Murphy	10,356(12)	*			*
Terry S. Semel	33,356(13)	*			*
Robert C. Wright	3,286(14)	*			*
Tracey T. Travis	85,244(15)	*			*
Mitchell A. Kosh	17,469(16)	*			*
FMR Corp.	8,737,128(17)	15.4			1.8
Select Equity Group, Inc.	5,850,722(18)	10.3			1.2
OppenheimerFunds, Inc.	5,468,176(19)	9.6			1.1
Barclays Global Investors, NA	4,310,841(20)	7.6			*
Baron Capital Group Inc.	3,459,020(21)	6.1			*
All directors and executive officers as a group (14 persons)	2,541,673(22)	4.3%	41,803,143(3)	97%	85.5%

* 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) Consists of 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 403,309 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.

- (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) 10,756,171 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) 26,272 shares of Class B Common Stock owned by RL Holding Group, Inc., (iv) 8,658,882 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 10,756,171 shares of Class B Common Stock held by RL Holding, L.P. constitute 24.9% of the total number of outstanding shares of Class B Common Stock. This amount excludes 660,740 shares of Class B Common Stock distributed on December 17, 2007 from one of Mr. Lauren's terminating grantor retained annuity trusts to a successor trust for the benefit of Mr. Lauren's issue and for various trusts of which Mr. Lauren is a grantor. Mr. Lauren was a trustee of the terminating grantor retained annuity trust. Mr. Lauren is not a trustee of the successor trust and Mr. Farah is one of the trustees of this successor trust. This amount also excludes 816,138 shares of Class B Common Stock distributed on April 15, 2008 from one of the terminating grantor retained annuity trusts held by Ms. Lauren to a successor trust for the benefit of Ms. Lauren's issue and for various trusts of which Ms. Lauren is a grantor. Ms. Lauren was a trustee of the terminating grantor retained annuity trust. 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 450,000 shares of Class A Common Stock. Does not include an aggregate of 545,748 unvested restricted stock units, 376,552 of which are performance based. Does not include an aggregate of 11,842,744 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 1,476,878 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 30,000 restricted shares of Class A Common Stock and vested options to purchase 281,270 shares of Class A Common Stock. Does not include unvested options to purchase 34,170 shares of Class A Common Stock or unvested performance based restricted stock units with respect to 39,834 shares of Class A Common Stock, subject to upward adjustment.
- (6) Includes 786 restricted shares of Class A Common Stock and vested options representing the right to purchase 2,500 shares of Class A Common Stock. Does not include unvested options representing the right to purchase 7,007 shares of Class A Common Stock.
- (7) Includes 3,000 shares owned by Mr. Aronson's spouse, 1,142 restricted shares of Class A Common Stock and vested options representing the right to purchase 14,036 shares of Class A Common Stock. Does not include unvested options to purchase 3,079 shares of Class A Common Stock.
- (8) Includes 1,142 restricted shares of Class A Common Stock and vested options representing the right to purchase 24,536 shares of Class A Common Stock. Does not include unvested options to purchase 3,079 shares of Class A Common Stock.
- (9) Includes 1,142 restricted shares of Class A Common Stock and vested options representing the right to purchase 3,536 shares of Class A Common Stock. Does not include unvested options to purchase 3,079 shares of Class A Common Stock.
- (10) Includes 4,000 shares held indirectly in a retirement account, 1,142 restricted shares of Class A Common Stock and vested options representing the right to purchase 21,536 shares of Class A Common Stock. Does not include unvested options to purchase 3,079 shares of Class A Common Stock.
- (11) Includes 1,142 restricted shares of Class A Common Stock and vested options representing the right to purchase 23,036 shares of Class A Common Stock. Does not include unvested options to purchase 3,079 shares of Class A Common Stock.

- (12) Includes 1,142 restricted shares of Class A Common Stock and vested options representing the right to purchase 8,036 shares of Class A Common Stock. Does not include unvested options to purchase 3,079 shares of Class A Common Stock.
- (13) Includes 1,142 restricted shares of Class A Common Stock and vested options representing the right to purchase 24,536 shares of Class A Common Stock. Does not include unvested options to purchase 3,079 shares of Class A Common Stock.
- (14) Includes 786 restricted shares of Class A Common Stock and vested options representing the right to purchase 2,500 shares of Class A Common Stock. Does not include unvested options to purchase 7,007 shares of Class A Common Stock.
- (15) Includes vested options representing the right to purchase 78,495 shares of Class A Common Stock. Does not include unvested options to purchase 13,469 shares of Class A Common Stock or unvested performance based restricted stock units with respect to 9,640 shares of Class A Common Stock, subject to upward adjustment.
- (16) Includes vested options representing the right to purchase 9,450 shares of Class A Common Stock. Does not include unvested options to purchase 4,504 shares of Class A Common Stock or unvested performance based restricted stock units with respect to 6,880 shares of Class A Common Stock, subject to upward adjustment.
- (17) According to a Schedule 13G dated March 7, 2008: (i) Fidelity Management & Research Company (Fidelity), a wholly-owned subsidiary of FMR Corp., is the beneficial owner of 7,928,590 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 67 shares of Class A Common Stock; (iii) FIL Limited (FIL) is the beneficial owner of 488,892 shares of Class A Common Stock; (iv) Pyramis Global Advisors, LLC (PGALLC) is the beneficial owner of 85,100 shares of Class A Common Stock; and Pyramis Global Advisors Trust Company (PGATC) is the beneficial owner of 234,479 shares of Class A Common Stock. Each of FMR Corp. and Edward C. Johnson 3d, Chairman of FMR Corp., 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 Corp., through its control of Fidelity and the Fidelity Funds, has the sole power to dispose of the 7,928,590 shares of Class A Common Stock owned by the Fidelity Funds. Each of Edward C. Johnson 3d and FMR Corp, through its control of SAI, has the sole power to vote or direct the vote of, and to dispose of, the 67 shares of Class A Common Stock owned by individuals to which they provide advisory services. FIL has sole dispositive power over 488,892 shares of Class A Common Stock and sole power to vote or direct the vote over 447,592 shares of Class A Common Stock. Each of Edward C. Johnson 3d and FMR Corp, through its control of PGALLC has the sole power to vote or direct the vote of, and to dispose of, the 85,100 shares of Class A Common Stock owned by institutional accounts managed by PGALLC. Each of Edward C. Johnson 3d and FMR Corp, through its control of PGATC, has the sole power to vote or direct the vote over 226,279 shares of Class A Common Stock and sole dispositive power over 226,279 shares of Class A Common Stock owned by institutional accounts managed by PGATC. Neither FMR Corp. 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.
- (18) According to a Schedule 13G dated February 11, 2008, Select Equity Group, Inc. (SEG), Select Offshore Advisors, LLC (SOA) and George S. Loening, by virtue of his position as President and controlling shareholder of SEG and the manager of SOA, has sole voting and dispositive power of 5,850,722 shares of Class A Common Stock. SEG is the beneficial owner of 4,425,591 shares and SOA is the beneficial owner of 1,425,131 shares. The address of SEG, SOA and George S. Loening is 380 Lafayette Street, 6th Floor, New York, New York 10003.

- (19) According to a Schedule 13G dated February 5, 2008, OppenheimerFunds, Inc. is the beneficial owner of 5,468,176 shares of Class A Common Stock with shared voting and dispositive power. The address of OppenheimerFunds, Inc. is Two World Financial Center, 225 Liberty Street, New York, New York 10281.
- (20) According to a Schedule 13G dated January 10, 2008, Barclays Global Investors (Deutschland) AG (BGID) has aggregate sole voting power over 3,720,252 shares of Class A Common Stock and aggregate sole dispositive power over 4,310,841 shares of Class A Common Stock through various investment advisors composed of (i) Barclays Global Investors, NA (BGINA) which beneficially owns 3,188,625 shares of Class A Common Stock with sole voting power over 2,701,965 shares and dispositive power over 3,188,625 shares, (ii) Barclays Global Fund Advisors (BGFA) which beneficially owns 533,176 shares of Class A Common Stock with sole voting and sole dispositive power over such shares, (iii) Barclays Global Investors, LTD (BGILTD) which beneficially owns 350,877 shares of Class A Common Stock with sole voting power over 246,948 shares and sole dispositive power over 350,877 shares, (iv) Barclays Global Investors Japan Limited (BGIJL) which beneficially owns 176,844 shares of Class A Common Stock with sole voting and sole dispositive power over such shares, and (v) Barclays Global Investors Canada Limited (BGICL) which beneficially owns 61,319 shares of Class A Common Stock with sole voting and sole dispositive power over such shares. The address for BGID is Apianstrasse 6 D-85774, Unterföhring, Germany. The address for BGINA and BGFA is 45 Fremont Street, San Francisco, CA 94105. The address for BGILTD is 1 Royal Mint Court, London EC3N 4HH, England. The address for BGIJL is Ebisu Prime Square Tower 8th Floor, 1-1-39 Hiroo Shibuya-Ku, Tokyo 150-8402, Japan. The address for BGICL is Brookfield Place, 161 Bay Street, Suite 2500, PO Box 614, Toronto, Canada, Ontario M5J 2S1.
- (21) According to a Schedule 13G dated February 14, 2008, Baron Capital Group, Inc. (BCG) and Ronald Baron by virtue of the control of the entities Bamco, Inc. (BAMCO) and Baron Capital Management, Inc. (BCM), investment advisors, may be deemed to be the beneficial owners of 3,459,020 shares of Class A Common Stock. BCG, BCM and Ronald Baron have sole voting and dispositive power over 25,000 shares of Class A Common Stock. BCG and Ronald Baron have shared voting power over 3,406,520 shares of Class A Common Stock and shared dispositive power over 3,434,020 shares of Class A Common stock. BAMCO has shared voting power over 3,265,000 shares of Class A Common Stock and shared dispositive power over 3,287,500. BCM has shared voting power over 141,250 shares of Class A Common Stock and shared dispositive power over 146,250 shares of Class A Common Stock. The address of BCG, BAMCO, BCM and Ronald Baron is 767 Fifth Avenue, New York, New York 10153.
- (22) 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 2,368,667 shares of Class A Common Stock and 39,566 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 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 287,710 shares of Class A Common Stock or 1,005,411 unvested restricted stock units 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 29, 2008 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 the Company's stock by Arnold H. Aronson and Steven P. Murphy and 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:

the annual retainer fee for each non-employee director is \$45,000;

the annual retainer fee for each Committee Chair is \$15,000; and

the annual equity award for non-employee directors is an annual award based on a target equity value of \$94,000. One-half of the target equity value will be delivered in the form of stock options 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 stock option exercise term for stock option awards granted after August 11, 2006 is seven 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 stock option 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 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 2008 and 2007. Directors who are employees of the Company receive no compensation for their services as directors and do not serve on Board Committees.

DIRECTOR COMPENSATION FISCAL YEARS 2008 and 2007

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	2008(3)	53,000		128,921				181,921
	2007(4)	6,552		24,979				31,531
Arnold H. Aronson	2008(5)	49,000	15,638	37,188				101,826
	2007(6)	43,401		20,566				63,967
Frank A. Bennack, Jr.	2008(7)	82,000	15,638	37,188				134,826
	2007(8)	73,702		20,566				94,268
Dr. Joyce F. Brown	2008(9)	70,000	15,638	37,188				122,826
	2007(10)	67,702		20,566				88,268
Joel L. Fleishman	2008(11)	76,000	15,638	37,188				128,826
	2007(12)	71,702		20,566				92,268
Judith A. McHale	2008(13)	55,000	15,638	37,188				107,826
	2007(14)	51,401		20,566				71,967
Steven P. Murphy	2008(15)	53,000	15,638	63,388				132,026
	2007(16)	49,401		74,624				124,025
Terry S. Semel	2008(17)	53,000	15,638	37,188				105,826
	2007(18)	45,401		20,566				65,967
Robert C. Wright	2008(19)	38,448		133,789				172,237
	2007(20)							

(1) Effective on August 11, 2006, the annual retainer for each non-employee director increased from \$35,000 to \$45,000 and for each Committee Chair from \$7,500 to \$15,000. The fee paid to non-employee directors for each meeting of a Committee of the Board of Directors that a director attends remained unchanged at \$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, without reduction for any risk of forfeiture, recognized by the Company for financial statement reporting purposes related to stock options awarded to directors for fiscal 2007 and for stock options and restricted stock awarded to directors for fiscal 2008. The Company recognizes compensation expense for stock options on an accelerated basis. For option awards granted prior to fiscal 2007 with a two year vesting period, this has the effect of 75% of the total compensation expense being recognized in the first year and 25% being recognized in the second year. For option awards granted in fiscal 2007 and fiscal 2008 with a three year vesting period, this has the effect of approximately 60% of the total compensation expense being recognized in the first year, 30% being recognized in the second year and 10% being

recognized in the third year. The Company recognizes compensation expense for restricted stock based on the grant date fair value expensed ratably over the three year vesting period. These amounts have been determined in accordance with Financial Accounting Standards Board Statement of Financial Accounting Standards No. 123 (revised 2004) (FAS 123(R)) and include amounts from stock option awards granted both during and prior to fiscal 2007 and fiscal 2008. 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 2008 Annual Report on Form 10-K.

- (3) John R. Alchin was appointed to the Board of Directors and as a member of the Audit Committee on February 6, 2007 during the Company's fiscal 2007 year. Fiscal 2008 compensation included:

\$45,000 in annual retainer fees;

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

\$128,921 representing compensation expense associated with an initial grant of options as of February 6, 2007 to purchase 7,500 shares of the Company's Class A Common Stock. The grant date fair value of these 7,500 options, estimated using the Black-Scholes option-pricing model in accordance with FAS 123(R), was \$229,350, based on assumptions noted in footnote 18 of the notes to the Company's financial statements in the Company's 2008 Annual Report on Form 10-K. At the end of fiscal 2008, Mr. Alchin held options to purchase 7,500 shares of the Company's Class A Common Stock.

- (4) John R. Alchin's pro-rated Fiscal 2007 compensation included:

\$6,552.20 in annual retainer fees pro-rated from the annual fee of \$45,000 per year; and

\$24,979 representing compensation expense associated with an initial grant of options as of February 6, 2007 to purchase 7,500 shares of the Company's Class A Common Stock. The grant date fair value of these 7,500 options, estimated using the Black-Scholes option-pricing model in accordance with FAS 123(R), was \$229,350, based on assumptions noted in footnote 18 of the notes to the Company's financial statements in the Company's 2007 Annual Report on Form 10-K. At the end of fiscal 2007, Mr. Alchin held options to purchase 7,500 shares of the Company's Class A Common Stock.

- (5) Arnold H. Aronson is a member of the Nominating & Governance Committee. Fiscal 2008 compensation included:

\$45,000 in annual retainer fees;

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

\$46,868 representing compensation expense associated with an annual grant as of April 1, 2007 of options to purchase 1,608 shares of the Company's Class A Common Stock and 534 shares of restricted stock and \$5,958 representing compensation expense associated with an annual grant as of April 1, 2006 of options to purchase 3,000 shares of the Company's Class A Common Stock. The grant date fair value of the 534 shares of restricted stock granted on April 1, 2007 was \$46,914, 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 \$51,197 for the 1,608 options granted on April 1, 2007 and \$60,180 for the 3,000 options granted on April 1, 2006, based on assumptions noted in footnote 18 of the notes to the Company's financial statements in the Company's 2008 Annual Report on Form 10-K. The grant date fair value of the restricted stock was based on the fair value of the Company's Class A Common Stock on the date of the grant. At the end of fiscal 2008, Mr. Aronson held

Edgar Filing: POLO RALPH LAUREN CORP - Form DEF 14A

options to purchase 15,108 shares of the Company's Class A Common Stock and 534 shares of restricted stock.

(6) Arnold H. Aronson's fiscal 2007 compensation included:

\$41,401.10 in annual retainer fees based upon a fee of \$35,000 per year from April 2, 2006 to August 10, 2006 and \$45,000 per year from August 11, 2006 to March 31, 2007;

\$2,000 for attendance at meetings of the Nominating & Governance Committee; and

\$15,948 representing compensation expense associated with an annual grant as of April 1, 2006 of options to purchase 3,000 shares of the Company's Class A Common Stock and \$4,618 representing compensation expense associated with an annual grant as of April 1, 2005 of options to purchase 3,000 shares of the Company's Class A Common Stock. The grant date fair value of these options, estimated using the Black-Scholes option-pricing model in accordance with FAS 123(R), was \$60,180 for the 3,000 options granted on April 1, 2006 and \$46,650 for the 3,000 options granted on April 1, 2005, based on assumptions noted in footnote 18 of the notes to the Company's financial statements in the Company's 2007 Annual Report on Form 10-K. At the end of fiscal 2007, Mr. Aronson held options to purchase 13,500 shares of the Company's Class A Common Stock.

- (7) Frank A. Bennack, Jr. is Chair of the Audit Committee and a member of the Compensation Committee. Fiscal 2008 compensation included:

\$45,000 in annual retainer fees;

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

\$22,000 for attendance at meetings of the Audit Committee and Compensation Committee; and

\$46,868 representing compensation expense associated with an annual grant as of April 1, 2007 of options to purchase 1,608 shares of the Company's Class A Common Stock and 534 shares of restricted stock and \$5,958 representing compensation expense associated with an annual grant as of April 1, 2006 of options to purchase 3,000 shares of the Company's Class A Common Stock. The grant date fair value of the 534 shares of restricted stock granted on April 1, 2007 was \$46,914, 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 \$51,197 for the 1,608 options granted on April 1, 2007 and \$60,180 for the 3,000 options granted on April 1, 2006, based on assumptions noted in footnote 18 of the notes to the Company's financial statements in the Company's 2008 Annual Report on Form 10-K. The grant date fair value of the restricted stock was based on the fair value of the Company's Class A Common Stock on the date of the grant. At the end of fiscal 2008, Mr. Bennack held options to purchase 25,608 shares of the Company's Class A Common Stock and 534 shares of restricted stock.

- (8) Frank A. Bennack, Jr.'s fiscal 2007 compensation included:

\$41,401.10 in annual retainer fees based upon a fee of \$35,000 per year from April 2, 2006 to August 10, 2006 and \$45,000 per year from August 11, 2006 to March 31, 2007;

\$12,300.82 for an annual retainer fee as Chair of the Audit Committee based upon a fee of \$7,500 per year from April 2, 2006 to August 10, 2006 and \$15,000 per year from August 11, 2006 to March 31, 2007;

\$20,000 for attendance at meetings of the Audit Committee and Compensation Committee; and

\$15,948 representing compensation expense associated with an annual grant as of April 1, 2006 of options to purchase 3,000 shares of the Company's Class A Common Stock and \$4,618 representing compensation expense associated with an annual grant as of April 1, 2005 of options to purchase 3,000 shares of the Company's Class A Common Stock. The grant date fair value of these options, estimated using the Black-Scholes option-pricing model in accordance with FAS 123(R), was \$60,180 for the 3,000 options granted on April 1, 2006 and \$46,650 for the 3,000 options granted on April 1, 2005, based on assumptions noted in footnote 18 of the notes to the Company's financial statements in the Company's 2007 Annual Report on Form 10-K. At the end of fiscal 2007, Mr. Bennack held options to purchase 31,500 shares of the Company's Class A Common Stock.

Edgar Filing: POLO RALPH LAUREN CORP - Form DEF 14A

- (9) Dr. Joyce F. Brown is Chair of the Nominating & Governance Committee and a member of the Audit Committee. Fiscal 2008 compensation included:

\$45,000 in annual retainer fees;

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

\$10,000 for attendance at meetings of the Nominating & Governance Committee and Audit Committee; and

\$46,868 representing compensation expense associated with an annual grant as of April 1, 2007 of options to purchase 1,608 shares of the Company's Class A Common Stock and 534 shares of restricted stock and \$5,958 representing compensation expense associated with an annual grant as of April 1, 2006 of options to purchase 3,000 shares of the Company's Class A Common Stock. The grant date fair value of the 534 shares of restricted stock granted on April 1, 2007 was \$46,914, 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 \$51,197 for the 1,608 options granted on April 1, 2007 and \$60,180 for the 3,000 options granted on April 1, 2006, based on assumptions noted in footnote 18 of the notes to the Company's financial statements in the Company's 2008 Annual Report on Form 10-K. The grant date fair value of the restricted stock was based on the fair value of the Company's Class A Common Stock on the date of the grant. At the end of fiscal 2008, Dr. Brown held options to purchase 4,608 shares of the Company's Class A Common Stock and 534 shares of restricted stock.

(10) Dr. Joyce F. Brown's fiscal 2007 compensation included:

\$41,401.10 in annual retainer fees based upon a fee of \$35,000 per year from April 2, 2006 to August 10, 2006 and \$45,000 per year from August 11, 2006 to March 31, 2007;

\$12,300.82 for an annual retainer fee as Chair of the Nominating & Governance Committee based upon a fee of \$7,500 per year from April 2, 2006 to August 10, 2006 and \$15,000 per year from August 11, 2006 to March 31, 2007;

\$14,000 for attendance at meetings of the Audit Committee and Nominating & Governance Committee; and

\$15,948 representing compensation expense associated with an annual grant as of April 1, 2006 of options to purchase 3,000 shares of the Company's Class A Common Stock and \$4,618 representing compensation expense associated with an annual grant as of April 1, 2005 of options to purchase 3,000 shares of the Company's Class A Common Stock. The grant date fair value of these options, estimated using the Black-Scholes option-pricing model in accordance with FAS 123(R), was \$60,180 for the 3,000 options granted on April 1, 2006 and \$46,650 for the 3,000 options granted on April 1, 2005, based on assumptions noted in footnote 18 of the notes to the Company's financial statements in the Company's 2007 Annual Report on Form 10-K. At the end of fiscal 2007, Dr. Brown held options to purchase 22,500 shares of the Company's Class A Common Stock.

(11) Joel L. Fleishman is Chair of the Compensation Committee and a member of the Nominating & Governance Committee. Fiscal 2008 compensation included:

\$45,000 in annual retainer fees;

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

\$16,000 for attendance at meetings of the Compensation Committee and Nominating & Governance Committee; and

\$46,868 representing compensation expense associated with an annual grant as of April 1, 2007 of options to purchase 1,608 shares of the Company's Class A Common Stock and 534 shares of restricted stock and \$5,958 representing compensation expense associated with an annual grant as of April 1, 2006 of options to purchase 3,000 shares of the Company's Class A Common Stock. The grant date fair value of the 534 shares of restricted stock granted on April 1, 2007 was \$46,914, 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

Edgar Filing: POLO RALPH LAUREN CORP - Form DEF 14A

Black-Scholes option-pricing model in accordance with FAS 123(R), was \$51,197 for the 1,608 options granted on April 1, 2007 and \$60,180 for the 3,000 options granted on April 1, 2006, based on assumptions noted in footnote 18 of the notes to the

Company's financial statements in the Company's 2008 Annual Report on Form 10-K. The grant date fair value of the restricted stock was based on the fair value of the Company's Class A Common Stock on the date of the grant. At the end of fiscal 2008, Mr. Fleishman held options to purchase 22,608 shares of the Company's Class A Common Stock and 534 shares of restricted stock.

(12) Joel L. Fleishman's fiscal 2007 compensation included:

\$41,401.10 in annual retainer fees based upon a fee of \$35,000 per year from April 2, 2006 to August 10, 2006 and \$45,000 per year from August 11, 2006 to March 31, 2007;

\$12,300.82 for an annual retainer fee as Chair of the Compensation Committee based upon a fee of \$7,500 per year from April 2, 2006 to August 10, 2006 and \$15,000 per year from August 11, 2006 to March 31, 2007;

\$18,000 for attendance at meetings of the Compensation Committee and Nominating & Governance Committee; and

\$15,948 representing compensation expense associated with an annual grant as of April 1, 2006 of options to purchase 3,000 shares of the Company's Class A Common Stock and \$4,618 representing compensation expense associated with an annual grant as of April 1, 2005 of options to purchase 3,000 shares of the Company's Class A Common Stock. The grant date fair value of these options, estimated using the Black-Scholes option-pricing model in accordance with FAS 123(R), was \$60,180 for the 3,000 options granted on April 1, 2006 and \$46,650 for the 3,000 options granted on April 1, 2005, based on assumptions noted in footnote 18 of the notes to the Company's financial statements in the Company's 2007 Annual Report on Form 10-K. At the end of fiscal 2007, Mr. Fleishman held options to purchase 28,500 shares of the Company's Class A Common Stock.

(13) Judith A. McHale is a member of the Audit Committee. Fiscal 2008 compensation included:

\$45,000 in annual retainer fees;

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

\$46,868 representing compensation expense associated with an annual grant as of April 1, 2007 of options to purchase 1,608 shares of the Company's Class A Common Stock and 534 shares of restricted stock and \$5,958 representing compensation expense associated with an annual grant as of April 1, 2006 of options to purchase 3,000 shares of the Company's Class A Common Stock. The grant date fair value of the 534 shares of restricted stock granted on April 1, 2007 was \$46,914, 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 \$51,197 for the 1,608 options granted on April 1, 2007 and \$60,180 for the 3,000 options granted on April 1, 2006, based on assumptions noted in footnote 18 of the notes to the Company's financial statements in the Company's 2008 Annual Report on Form 10-K. The grant date fair value of the restricted stock was based on the fair value of the Company's Class A Common Stock on the date of the grant. At the end of fiscal 2008, Ms. McHale held options to purchase 24,108 shares of the Company's Class A Common Stock and 534 shares of restricted stock.

(14) Judith A. McHale's fiscal 2007 compensation included:

\$41,401.10 in annual retainer fees based upon a fee of \$35,000 per year from April 2, 2006 to August 10, 2006 and \$45,000 per year from August 11, 2006 to March 31, 2007;

Edgar Filing: POLO RALPH LAUREN CORP - Form DEF 14A

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

\$15,948 representing compensation expense associated with an annual grant as of April 1, 2006 of options to purchase 3,000 shares of the Company's Class A Common Stock and \$4,618 representing compensation expense associated with an annual grant as of April 1, 2005 of options to purchase 3,000 shares of the Company's Class A Common Stock. The grant date fair value of these options, estimated using the Black-Scholes option-pricing model in accordance with FAS 123(R), was \$60,180 for the 3,000 options granted on April 1, 2006 and \$46,650 for the 3,000 options granted on April 1, 2005, based on assumptions noted in footnote 18 of the notes to the Company's financial statements in

the Company's 2007 Annual Report on Form 10-K. At the end of fiscal 2007, Ms. McHale held options to purchase 22,500 shares of the Company's Class A Common Stock.

- (15) Steven P. Murphy is a member of the Nominating & Governance Committee and was appointed a member of the Compensation Committee on August 9, 2007. Fiscal 2008 compensation included:

\$45,000 in annual retainer fees;

\$8,000 for attendance at meetings of the Compensation Committee and Nominating & Governance Committee; and

\$46,868 representing compensation expense associated with an annual grant as of April 1, 2007 of options to purchase 1,608 shares of the Company's Class A Common Stock and 534 shares of restricted stock and \$32,158 representing compensation expense associated with an initial grant of options as of November 28, 2005 to purchase 7,500 shares of the Company's Class A Common Stock. The grant date fair value of the 534 shares of restricted stock granted on April 1, 2007 was \$46,914, 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 \$51,197 for the 1,608 options granted on April 1, 2007 and \$128,625 for the 7,500 options granted on November 28, 2005, based on assumptions noted in footnote 18 of the notes to the Company's financial statements in the Company's 2008 Annual Report on Form 10-K. The grant date fair value of the restricted stock was based on the fair value of the Company's Class A Common Stock on the date of the grant. At the end of fiscal 2008, Mr. Murphy held options to purchase 9,108 shares of the Company's Class A Common Stock and 534 shares of restricted stock.

- (16) Steven P. Murphy's fiscal 2007 compensation included:

\$41,401.10 in annual retainer fees based upon a fee of \$35,000 per year from April 2, 2006 to August 10, 2006 and \$45,000 per year from August 11, 2006 to March 31, 2007;

\$8,000 for attendance at meetings of the Nominating & Governance Committee; and

\$74,624 representing compensation expense associated with an initial grant of options as of November 28, 2005 to purchase 7,500 shares of the Company's Class A Common Stock. The grant date fair value of these 7,500 options, estimated using the Black-Scholes option-pricing model in accordance with FAS 123(R), was \$128,625, based on assumptions noted in footnote 18 of the notes to the Company's financial statements in the Company's 2007 Annual Report on Form 10-K. At the end of fiscal 2007, Mr. Murphy held options to purchase 7,500 shares of the Company's Class A Common Stock.

- (17) Terry S. Semel is a member of the Compensation Committee. Fiscal 2008 compensation included:

\$45,000 in annual retainer fees;

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

\$46,868 representing compensation expense associated with an annual grant as of April 1, 2007 of options to purchase 1,608 shares of the Company's Class A Common Stock and 534 shares of restricted stock and \$5,958 representing compensation expense associated with an annual grant as of April 1, 2006 of options to purchase 3,000 shares of the Company's Class A Common Stock.

Edgar Filing: POLO RALPH LAUREN CORP - Form DEF 14A

The grant date fair value of the 534 shares of restricted stock granted on April 1, 2007 was \$46,914, 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 \$51,197 for the 1,608 options granted on April 1, 2007 and \$60,180 for the 3,000 options granted on April 1, 2006, based on assumptions noted in footnote 18 of the notes to the Company's financial statements in the Company's 2008 Annual Report on Form 10-K. The grant date fair value of the restricted stock was based on the fair value of the Company's Class A Common Stock on the date of the grant. At the end of fiscal 2008, Mr. Semel held options to purchase 25,608 shares of the Company's Class A Common Stock and 534 shares of restricted stock.

- (18) Terry S. Semel's fiscal 2007 compensation included:

\$41,401.10 in annual retainer fees based upon a fee of \$35,000 per year from April 2, 2006 to August 10, 2006 and \$45,000 per year from August 11, 2006 to March 31, 2007;

\$4,000 for attendance at meetings of the Compensation Committee; and

\$15,948 representing compensation expense associated with an annual grant as of April 1, 2006 of options to purchase 3,000 shares of the Company's Class A Common Stock and \$4,618 representing compensation expense associated with an annual grant as of April 1, 2005 of options to purchase 3,000 shares of the Company's Class A Common Stock. The grant date fair value of these options, estimated using the Black-Scholes option-pricing model in accordance with FAS 123(R), was \$60,180 for the 3,000 options granted on April 1, 2006 and \$46,650 for the 3,000 options granted on April 1, 2005, based on assumptions noted in footnote 18 of the notes to the Company's financial statements in the Company's 2007 Annual Report on Form 10-K. At the end of fiscal 2007, Mr. Semel held options to purchase 34,500 shares of the Company's Class A Common Stock.

- (19) Robert C. Wright was appointed to the Board of Directors on May 23, 2007 and as a member of the Nominating & Governance Committee on August 9, 2007. Fiscal 2008 compensation included:

\$38,447.80 in annual retainer fees pro-rated from the annual fee of \$45,000 per year;

\$133,789 representing compensation expense associated with an initial grant of options as of May 23, 2007 to purchase 7,500 shares of the Company's Class A Common Stock. The grant date fair value of these 7,500 options, estimated using the Black-Scholes option-pricing model in accordance with FAS 123(R), was \$256,584, based on assumptions noted in footnote 18 of the notes to the Company's financial statements in the Company's 2008 Annual Report on Form 10-K. At the end of fiscal 2008, Mr. Wright held options to purchase 7,500 shares of the Company's Class A Common Stock.

- (20) Robert C. Wright was appointed to the Board of Directors on May 23, 2007, after the end of the Company's 2007 fiscal year, and thus, received no compensation or options to purchase shares of the Company's Class A Common Stock in fiscal 2007.

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 that remains 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 attempt to maintain a certain target percentile within a peer group or otherwise rely exclusively 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 2008, the Compensation Committee relied on the services of Exequity LLP to provide ongoing advisory services. The Compensation Committee periodically solicits from its compensation advisor market information on compensation trends along with 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, the compensation advisor 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 program. Exequity has not provided any services to the Company other than those directly relating to its role as executive compensation advisor to the Compensation Committee during fiscal 2008.

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 consultation with the Compensation Committee's independent compensation advisor. Employment agreements for the other three named executive officers are established by Mr. Lauren and Mr. 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.

On June 12, 2007, the Company renewed Mr. Lauren's employment agreement for an additional five-year period commencing on March 30, 2008. See *Executive Employment Agreements* and *Potential Payments Upon Termination or Change in Control* for key changes between Mr. Lauren's prior employment agreement which was in place during fiscal 2008 and his new 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 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 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, the Company does not seek to maintain a certain target percentile within any 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 2008, Ms. Tracey T. Travis, the Company's Senior Vice President and Chief Financial Officer, received an annual salary increase of approximately 7% effective as of January 1, 2008. This increase was given in recognition of Ms. Travis' assumption of additional responsibilities.

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 2008, the participants in the Company's EOAIIP 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 2008, under the EIP, Executives had target bonus opportunities ranging from 15% to 50% of fiscal year salary earnings, depending on position level and responsibility, with larger bonus opportunities 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,

selling, general and administrative expenses as a percentage of net revenues, and

inventory turn rate and inventory shrinkage control.

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.

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 EOAIIP (as described below), bonuses for EIP participants are capped at 100% of their fiscal year salary earnings.

Edgar Filing: POLO RALPH LAUREN CORP - Form DEF 14A

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 2008, 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 2008, 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; and

strategic financial goals are tailored for EOAIP participants based on overall company goals.

The EOAIP incorporates the same current levels of achievement as provided in the EIP, which consist of Threshold, Target and Maximum levels. However, the employment agreement for Mr. Lauren provides for achievement levels of Minimum, Threshold, Target and Maximum. See Executive Employment Agreements Ralph Lauren's Employment Agreement. Performance measures under the EOAIP may vary from period to period and 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, 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 2008 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 eight years, the Company has successfully used this process to motivate and stretch the performance of the Company's senior management team.

For fiscal 2008, 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 factors such as 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 2008, the target net income before taxes figure for payment of awards was \$682.5 million. In fiscal 2008, the actual net income before taxes figure for payment of awards was \$683.1 million, after giving effect to various adjustments approved by the Compensation Committee in accordance with the terms of the awards. At the time the targets were set, the Company believed that the specific targets for fiscal 2008 incorporated an appropriate level of difficulty and required significant ongoing performance improvements on the part of the Company in order to be achieved. The targets for fiscal 2009 have been established with the same objectives and performance measures.

While 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 the 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 2008 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 2008 with a target of \$12,000,000 and a maximum of 150% of target, or \$18,000,000. In fiscal 2008, Mr. Lauren was eligible for a bonus once the Company reached 50% of the net income before taxes target established by the Compensation Committee. The other four named executive officers of the Company were eligible for a bonus in fiscal year 2008 when the Company reached 80% of the net income before taxes target established by the Compensation Committee. Based on the Company's achievement of performance goals relative to the net income before taxes target established by the Compensation Committee, for fiscal 2008 Mr. Lauren received an incentive bonus of \$12,000,000, representing 100% of his bonus opportunity.

In fiscal 2008, similar to past practice and in compliance with their respective employment agreements, Mr. Farah had a target bonus of 200% of his base salary, Ms. Nemerov had a target bonus of 100% of her base salary and each of Ms. Travis and Mr. Kosh had a target bonus of 50% of their respective base salaries. Based on the Company's achievement of performance goals relative to the net income before taxes target established by the Compensation Committee and the Company's 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 2008, Mr. Farah received an incentive bonus of \$1,980,000, representing 110% of his target bonus opportunity. In fiscal 2008, Ms. Nemerov received an incentive bonus of \$999,900; Ms. Travis received an incentive bonus of \$381,754; and Mr. Kosh received an incentive bonus of \$347,188, representing 111% 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. In fiscal 2008, Mr. Lauren received restricted stock units and stock options and Mr. Farah received RPSUs. Mr. Lauren and Mr. Farah recommend annual equity awards for the three other named executive officers, which are approved by the Compensation Committee. In fiscal 2008, 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 2008 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. 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 five 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. Prior to fiscal 2008, the Company granted these annual awards in conjunction with the Compensation Committee's regularly scheduled May and June meetings. To better align with other aspects of the Company's compensation administration, in February 2007, the Compensation Committee decided to 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 rather than in early June as such grants had historically been made. 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 rules 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. Cliff RPSUs granted to Executives vest in full at the end of a three-year performance period, subject to continued employment. 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 three-year 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. In June 2008, an award granted in fiscal 2006 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 2006-2008 was \$972.8 million. For the three year fiscal period 2006-2008, 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 2006 vested and were paid out. In establishing the targets for the Cliff RPSUs, the Company required ongoing performance improvement and believed that the targets would be difficult but achievable with significant effort. For performance between Threshold and Maximum, the shares vested and paid out will be determined based on interpolation to reflect the level of performance achieved. Once an award is granted in any fiscal year, the prevailing performance measures, performance goals, vesting schedule or payout schedule will not be modified for that grant, unless otherwise approved by the Compensation Committee of the Board of Directors of the Company, during the applicable three-year performance term. Cliff RPSUs granted in fiscal 2008

will vest after the end of fiscal 2010 based on cumulative net earnings of the Company for the three fiscal year period 2008 – 2010. The Company believes that net earnings is an appropriate performance measure for an extended period such as a three-year period, since it is a comprehensive measure that assesses the overall performance of the Company over a significant uninterrupted period of time and is aligned with measures often used by the investment community.

Pro-Rata RPSUs. Pro-Rata RPSUs issued in fiscal 2008 vest one third each year over three years. All three tranches of the fiscal 2008 Pro-Rata RPSUs were earned and available for vesting based on achievement of the fiscal 2008 performance goal. The performance level that had to be achieved in order for the fiscal 2008 Pro-Rata RPSUs to be earned and available for vesting was the Target level, which in this case was a target net income before taxes figure of \$682.5 million. In fiscal 2008, 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 have vested and were paid out. The second and third tranches will vest based on continuous service from the grant date to the vesting date. If the performance goal had not been achieved in fiscal 2008, all three tranches of the fiscal 2008 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 2008 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. 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. 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. Generally, grants of restricted stock units vest over a five-year period of time, subject to the holder's continuing employment with the Company.

Fiscal 2008 Long-Term Equity-Based Incentive Awards. In fiscal 2008, 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	2008	100,000	150,000		
Roger N. Farah	2008			187,500(3)	
Jackwyn L. Nemerov	2008		17,505	13,074	4,968
Tracey T. Travis	2008		11,409	2,170	3,225
Mitchell A. Kosh	2008		2,904	2,170	825

- (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 Mr. Lauren have an exercise term of ten years and the stock options for the other three named executive officers who received stock options in fiscal 2008 have an exercise term of seven years. All options vest ratably on the first three anniversaries of the date of grant.
- (3) This grant will be eligible to vest in full at the end of fiscal 2010 subject to the achievement of the performance measure goal set by the Compensation Committee. The performance measure goal of net earnings for this award is the same as that set for the Cliff RPSUs issued to all other Executives in fiscal 2008. However, unlike the Cliff RPSUs for the other Executives, Cliff RPSUs granted to Mr. Farah do not provide for payouts above or below the 100% Target level.

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, in one case, 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. For those executives still participating in the SERP, the Company provides annual contributions equal to 5% of his or her fiscal year salary earnings (as defined in the EIP). Prior to fiscal 2006, contributions were equal to 5% of fiscal year salary earnings and bonus. This contribution, together with interest at the then-current mid-term Applicable Federal Rate published by the Internal Revenue Service, is credited to a participant's account on or before September 1st of the succeeding fiscal year, effective as of the preceding April 1st. A participant generally vests in his or her SERP account over the first five years of his or her participation in the SERP. A participant's account balance is payable to the participant upon retirement at age 65, disability or termination of employment. Upon retirement or death, the normal payment period for distribution of a participant's account will be monthly installments over a 15 year period. Subject to approval by the Company, the participant or its beneficiary may request to receive payments in a lump-sum or annually over a five or ten year period instead. Upon disability, a participant may choose, subject to approval by the Company, to have his or her balance paid (i) in monthly installments over a 10 or 15 year period, (ii) in equal increments over a five year period or (iii) in a lump-sum. Upon termination of employment prior to retirement (other than for death or disability), the Company will pay the participant his or her vested balance in annual installments as follows:

Amount of Vested Balance	Number of Years
\$1 million or more	10 years
\$500,000-\$999,999	5 years
\$100,000-\$499,999	3 years
less than \$100,000	One Lump-Sum

Certain Tax Matters. Section 162(m) of the Internal Revenue 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 which commenced on March 30, 2008, 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 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. The Company has not previously adopted a formal or informal policy regarding the adjustment or recovery of awards in connection with a restatement or adjustment of its financial statements that would otherwise have resulted in a reduction in the size of the award or payment. The Company has not experienced any situations or occasions that would have resulted in an adjustment to the size of the award or payment if such policy were in place. If the Company does experience such an adjustment in the future, the Compensation Committee would assess the circumstances relating to the adjustment and take such legally permissible actions as it believes to be appropriate in its discretion at such time. The Company may seek repayment, in the reasonable discretion of the Compensation Committee, of bonuses paid 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, a breach of any restrictive covenants, or where the executive's gross negligence or intentional misconduct results in the Company having to prepare an accounting restatement due to material noncompliance with applicable SEC requirements.

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

Terry S. Semel

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 29, 2008, the end of the Company's 2008 fiscal year (the named executive officers), for services rendered in all capacities to the Company (including its subsidiaries) for the fiscal years ended 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	All Other Compensation \$(7)	Total \$(8)
							\$(6)		
Ralph Lauren 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 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 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 SVP and Chief Financial Officer	2008	687,308		535,604	107,385	381,754		29,194	1,741,245
	2007	663,462		508,739	189,525	742,500		29,213	2,133,439
Mitchell Kosh SVP Human Resources and Legal	2008	625,000		417,592	77,618	347,188		64,639	1,532,037
	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 fiscal 2007 and fiscal 2008 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 and restricted stock unit (RSU) awards recognized, or expensed, for each of the named executive officers as compensation costs for financial reporting purposes (excluding forfeiture assumptions) in accordance with FAS 123(R) for fiscal 2007 and fiscal 2008. Under FAS 123(R), the fair value of the restricted stock and RSU awards is estimated on the grant date. See footnote 18 of the notes to the Company's financial statements in the Company's 2007 Annual Report on Form 10-K and footnote 18 of the notes to the Company's financial statements in the Company's 2008 Annual Report on Form 10-K. Fiscal year 2007 was the first fiscal year in which the Company awarded Pro-Rata RSUs. See Compensation Discussion and Analysis Components of Executive Compensation Long-Term Equity Based Awards for a description of the determination of RSU awards and certain material terms and conditions of the RSUs.
- (4) The stock compensation amounts do not reflect compensation actually received by the named executive officer. The amounts reported in this column instead represent the compensation expense, without reduction for any risk of forfeiture, recognized by the Company for financial statement reporting purposes related to stock options for fiscal 2007 and fiscal 2008 in accordance with FAS 123(R).

- (5) The amounts reported in this column represent payments made under the EOAIP in June 2007 with respect to Fiscal 2007 and in June 2008 with respect to Fiscal 2008.
- (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 2008, Mr. Lauren received perquisites and other personal benefits including supplemental medical expenses (\$70,693), use of an automobile and driver (\$62,600), reimbursement for personal travel (\$311,370), personal use of the Company's aircraft, personal security and merchandise discounts. In fiscal 2008, Mr. Farah received perquisites and other personal benefits including personal use of the Company's aircraft (\$139,320), 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 2008, Ms. Nemerov received perquisites and other personal benefits, including use of an automobile and driver (\$104,289), financial planning services, supplemental medical expenses and merchandise discounts. In addition, in fiscal 2008, Ms. Nemerov received a tax gross-up payment of \$79,548 to cover her tax liability with respect to the use of the automobile and driver. In fiscal 2008, Ms. Travis received perquisites and other personal benefits, including an automobile allowance, supplemental medical expenses, an executive medical exam and merchandise discounts. In fiscal 2008, Mr. Kosh received perquisites and other personal benefits including personal use of the Company's aircraft, financial planning services, an automobile allowance, supplemental medical expenses 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 2008.

Name	Grant Date(1)	Approval Date(1)	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units (#)(4)	All Other Option Awards: Number of Underlying Options (#)(5)	Exercise or Base Price of Option Awards (\$/Sh)(6)	Closing Price on Date of Grant	Grant Date Fair Value of Stock and Option Awards
			Threshold (\$)(2)	Target (\$)(2)	Maximum (\$)(2)	Threshold (#)(3)	Target (#)(3)	Maximum (#)(3)					
Ralph Lauren			\$ 4,800,000	\$ 12,000,000	\$ 18,000,000				100,000				\$ 10,056,000
	07/16/2007	07/16/2007											
	07/16/2007	07/16/2007								150,000	\$ 100.56	\$ 99.67	\$ 7,057,500
Roger Farah			\$ 900,000	\$ 1,800,000	\$ 2,700,000								
	07/16/2007	07/16/2007				0	187,500	187,500					\$ 18,855,000
Jackwyn Nemerov			\$ 517,500	\$ 900,000	\$ 1,800,000								
	07/16/2007	07/16/2007								17,505	\$ 100.56	\$ 99.67	\$ 500,643
	07/16/2007	07/16/2007				9,806	13,074	19,611					\$ 1,307,661
	07/16/2007	07/16/2007				0	4,968	4,968					\$ 498,638
Tracey Travis			\$ 171,806	\$ 343,613	\$ 687,225								
	07/16/2007	07/16/2007								2,904	\$ 100.56	\$ 99.67	\$ 83,054
	07/16/2007	07/16/2007				1,628	2,170	3,255					\$ 217,043
	07/16/2007	07/16/2007				0	825	825					\$ 82,805
	12/28/2007	11/05/2007								8,505	\$ 61.81	\$ 61.76	\$ 139,907
12/28/2007	11/05/2007				0	2,400	2,400					\$ 147,888	
Mitchell Kosh			\$ 156,250	\$ 312,500	\$ 625,000								
	07/16/2007	07/16/2007								2,904	\$ 100.56	\$ 99.67	\$ 83,054
	07/16/2007	07/16/2007				1,628	2,170	3,255					\$ 217,043
	07/16/2007	07/16/2007				0	825	825					\$ 82,805

- (1) The Compensation Committee approved Ms. Travis's December 28, 2007 grants at the November 5, 2007 Compensation Committee meeting. These grants to Ms. Travis became effective as of the last business day of the fiscal quarter.
- (2) 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.
- (3) Represents the amount of RPSUs, including both Cliff RPSUs and Pro-Rata RPSUs, that were granted in fiscal 2008. See Compensation Discussion and Analysis Components of Executive Compensation Long-Term Equity Based Awards for a description of the material terms of these awards.
- (4) Represents restricted stock units (RSUs) granted pursuant to Mr. Lauren's employment agreement in fiscal 2008. See Executive Employment Agreements for a description of the material terms of these RSUs.
- (5) Represents the number of stock options granted in fiscal 2008 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.

Edgar Filing: POLO RALPH LAUREN CORP - Form DEF 14A

- (6) 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 2008 as the Company's Chairman of the Board and CEO pursuant to an amended and restated employment agreement dated as of June 23, 2003 (the "Prior Employment Agreement"). On June 12, 2007, the Company renewed Mr. Lauren's employment agreement for an additional five-year period commencing on March 30, 2008 (the "New Employment Agreement"). The key terms of Mr. Lauren's Prior Employment Agreement which were in effect for fiscal 2008 are indicated below. Unless otherwise noted, the key terms of Mr. Lauren's New Employment Agreement remain the same as those under his Prior Employment Agreement.

Term: Mr. Lauren's Prior Employment Agreement provided for an initial five-year term ending on March 29, 2008, the last day in the Company's 2008 fiscal year, subject to automatic, successive one-year extensions thereafter unless either party gives the other at least 90 days' notice that the term will not be extended. Mr. Lauren's New 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. His New Employment Agreement is not subject to any automatic, successive one-year extensions.

Salary: Under Mr. Lauren's Prior Employment Agreement, he was entitled to an annual base salary of \$1 million. Under Mr. Lauren's New Employment Agreement, he is entitled to an annual base salary of \$1.25 million commencing on March 30, 2008.

Bonus: The range of Mr. Lauren's bonus opportunity for each fiscal year is determined on an annual basis by the Compensation Committee but his Prior Employment Agreement provided for a target bonus in the amount of \$8 million for fiscal 2004, which target bonus increased \$1 million for each subsequent fiscal year so that his target bonus was \$12 million in fiscal 2008, subject, in each fiscal year, to achievement of financial performance goals established under the Company's EOAIIP. Under Mr. Lauren's New Employment Agreement, Mr. Lauren's target bonus will be in the amount of \$13 million for each of the fiscal years during the term of his New Employment Agreement. The maximum bonus provided for under both his Prior Employment Agreement and his New Employment Agreement in any fiscal year is 150% of that year's target bonus.

Options and Restricted Stock: Under Mr. Lauren's Prior Employment Agreement, he was entitled to annual grants of options to purchase 150,000 shares of the Company's Class A Common Stock and annual issuances of 100,000 restricted stock units under the Company's 1997 Stock Incentive Plan. The options had an exercise term of ten years and vested 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 Prior Employment Agreement and as described below in "Potential Payments Upon Termination or Change in Control - Ralph Lauren"), (ii) Mr. Lauren's voluntary resignation without good reason (as defined in his Prior 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 Prior Employment Agreement or (iii) Mr. Lauren's election not to extend the term of his Prior Employment Agreement), and will be payable in shares of Company common stock as soon as practicable following the termination of Mr. Lauren's employment. Mr. Lauren was entitled to dividend equivalents in the form of additional restricted stock units upon the issuance of a cash dividend on the Company's Class A Common Stock. Under Mr. Lauren's New Employment Agreement, Mr. Lauren will be entitled to annual grants of options to purchase 100,000 shares of the Company's Class A Common Stock and annual issuances of 75,000 restricted stock units under the Company's 1997 Stock Incentive Plan. The options will have an exercise term of seven years and will

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.

Other Benefits: Under Mr. Lauren's Prior and New Employment Agreement, Mr. Lauren is required for security purposes to use his or other acceptable private aircraft for any travel. Under an amendment to his Prior Employment Agreement and under his New Employment Agreement, in addition to being entitled to reimbursement for any aircraft travel expenses he incurred which were business related, Mr. Lauren was also entitled to reimbursement for any personal aircraft travel expenses which he incurred, without any tax gross-up. Mr. Lauren is also eligible to participate in all employee benefit plans and arrangements of the Company for its senior executive officers. Mr. Lauren was entitled under his Prior Employment Agreement to have certain employees of the Company perform services for him which were non-Company related provided that he reimbursed the Company for the full amount of salary, benefits and other expenses relating to such employees. Under his New Employment Agreement, Mr. Lauren will no longer be entitled to have certain employees of the Company perform services for him which are not related to Company business.

Non-compete: Under Mr. Lauren's Prior Employment Agreement, he could not compete with the Company anywhere in the United States during the term of his employment and for a period of two years after the termination of his employment for any reason. Under his New Employment Agreement, the non-compete was expanded to restrict Mr. Lauren from competing with the Company anywhere in the world 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 and September 5, 2007. 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 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 earliest date reasonably practicable 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 and the remaining 166,666 restricted stock units will vest in equal installments at the end of fiscal 2009 and 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.

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.

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.

Other Benefits: Mr. Farah is eligible to participate in all employee benefit plans and arrangements of the Company for its senior executive officers. Mr. Farah is also entitled to reimbursement for any personal aircraft travel expenses which he incurred, without any tax gross-up.

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. 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 Internal Revenue 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. 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 Internal Revenue 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.

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. 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 Internal Revenue 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 2008.

OUTSTANDING EQUITY AWARDS AT FISCAL 2008 YEAR-END

Name	Option Awards				Stock Awards				
	Number of Securities Underlying Unexercised Options #	Number of Securities Underlying Unexercised Options #	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised 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 Shares, Units or Other Rights That Have Not Vested (#)(5)	Equity Incentive Plan Awards: Market or Payout Value of Shares, Units or Other Rights That Have Not Vested (\$)(4)
Lauren, Ralph	187,600	0	0	\$ 19.12500	06/11/2009				
	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				
	150,000	0	0	\$ 33.12000	06/08/2014				
	100,000	50,000	0	\$ 43.03500	06/15/2015				
	50,000	100,000	0	\$ 55.42500	06/08/2016				
	0	150,000	0	\$ 100.56000	07/16/2017				
						505,097	\$ 29,103,689		
Farah, Roger	100,000	0	0	\$ 26.70500	06/19/2011				
	100,000	0	0	\$ 24.78000	06/07/2012				
	150,000	0	0	\$ 18.22000	07/23/2012				
	100,000	0	0	\$ 23.79000	05/22/2013				
						169,054	\$ 9,740,891	565,380.92	\$ 32,577,248
Nemerov, Jackwyn	200,000	0		\$ 36.96000	10/01/2014				
	40,000	20,000		\$ 43.03500	06/15/2015				
	8,625	17,250		\$ 55.42500	06/08/2013				
	4,020	8,040		\$ 65.31000	10/02/2013				
	0	17,505		\$ 100.56000	07/16/2014				
						30,000	\$ 1,728,600	70,163	\$ 4,042,792
Travis, Tracey	43,333	21,667		\$ 38.61000	04/01/2015				
	6,250	3,125		\$ 43.03500	06/15/2015				
	2,060	4,120		\$ 55.42500	06/08/2013				
	0	2,904		\$ 100.56000	07/16/2014				
	0	8,505		\$ 61.81000	12/28/2014				
								17,115	\$ 986,166
Kosh, Mitchell	5,000	0		\$ 33.12000	06/08/2014				
	3,125	3,125		\$ 43.03500	06/15/2015				
	1,600	3,200		\$ 55.42500	06/08/2013				
	0	2,904		\$ 100.56000	07/16/2014				
								13,425	\$ 773,549

(1) This column represents the number of shares of Class A Common Stock underlying exercisable options that have not been exercised at March 29, 2008.

Edgar Filing: POLO RALPH LAUREN CORP - Form DEF 14A

- (2) This column represents the number of shares of Class A Common Stock underlying unexercisable options at March 29, 2008. Except for options held by Mr. Farah, these options vest in three equal annual installments and become exercisable one year after their respective grant dates. Mr. Farah's options vest on the second, third and fourth anniversary from the date of grant.

- (3) This column represents the number of shares of Class A Common Stock represented by unvested restricted shares of Class A Common Stock and unvested restricted stock units (RSUs). See Executive Employment Agreements

and Compensation Discussion and Analysis Components of Executive Compensation Long-Term Equity-Based Incentives for a description of the material terms of these restricted shares of Class A Common Stock and RSUs.

- (4) Calculated using the NYSE closing price of \$57.62 per share of Class A Common Stock on March 28, 2008.

- (5) This column represents the number of shares of Class A Common Stock represented by unearned RPSUs. See Executive Employment Agreements and Compensation Discussion and Analysis Components of Executive Compensation Long-Term Equity-Based Incentives Restricted Performance Share Units for a description of the material terms of these RPSUs.

OPTION EXERCISES AND STOCK VESTED

The following table provides information concerning the exercises of stock options and vesting of stock awards during fiscal 2008 on an aggregated basis for each of the named executive officers of the Company.

OPTION EXERCISES AND STOCK VESTED DURING FISCAL 2008

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise(#)	Value Realized on Exercise(\$)	Number of Shares Acquired on Vesting(#)	Value Realized on Vesting(\$)
Lauren, Ralph(1)	312,400	\$ 16,300,633		
Farah, Roger(2)	100,000	\$ 4,779,770	207,791	\$ 16,844,221
Nemerov, Jackwyn(3)			18,673	\$ 1,518,996
Travis, Tracey(4)			14,400	\$ 1,363,536
Kosh, Mitchell(5)	23,125	\$ 1,507,993	14,270	\$ 1,351,226

- (1) Under a Rule 10b5-1 Purchase Plan dated as of June 1, 2007, Mr. Lauren exercised an aggregate of 250,000 stock options, approximately 35,714 stock options on each of June 1, 2007, July 2, 2007, August 1, 2007, September 4, 2007, October 1, 2007, November 12, 2007 and December 10, 2007. The exercise price for each of the stock options was \$28.21875 per share. The value realized is calculated using the difference between the sale price per share of Class A Common Stock and the option exercise price.

In addition, Mr. Lauren also entered into another Rule 10b5-1 Purchase Plan dated as of January 1, 2008, in which he may exercise an aggregate of 250,000 stock options from January 1, 2008 to December 31, 2008. In fiscal 2008, Mr. Lauren exercised under this Purchase Plan on each of January 2, 2008, February 1, 2008, February 6, 2008, March 3, 2008 and March 24, 2008. The exercise price for each of these stock options was \$19.125 per share. The value realized is calculated using the difference between the sale price per share of Class A Common Stock and the option exercise price.

- (2) Mr. Farah exercised 100,000 stock options on December 12, 2007, with an exercise price of \$18.22 per share. The value realized is calculated using the difference between the sale price per share of Class A Common Stock and the option exercise price. He acquired (a) 63,263 shares upon the lapse of RSUs, with a market price of \$94.69 on June 12, 2007, (b) 60,000 shares upon the lapse of restricted shares of Class A Common Stock, with a market price of \$99.335 on July 23, 2007 and (c) 84,528 shares upon the lapse of RSUs, with a market price of \$57.895. Market price is based upon the high and the low sale price on that day or if the day was not a trading day, the previous day.
- (3) Ms. Nemerov acquired 3,673 shares on June 12, 2007, with a market price of \$94.69 and 15,000 shares on October 1, 2007, with a market price of \$78.08. The market price is based upon the high and the low sale price on that day.
- (4) Ms. Travis acquired 14,400 shares on June 12, 2007, with a market price of \$94.69. This market price is based upon the high and the low sale price on that day.
- (5) Mr. Kosh exercised (a) 3,125 stock options on June 1, 2007, with an exercise price of \$43.035, (b) 10,000 stock options on June 1, 2007, with an exercise price of \$33.12 and (c) 10,000 stock options on June 1, 2007 with an exercise price of \$26.705. The value realized is calculated using the difference between the sale price per share of Class A Common Stock and the option exercise price. Mr. Kosh acquired 14,270 shares on June 12, 2007, with a market price of \$94.69. This market price is based upon the high and the low sale price on that day.

NON-QUALIFIED DEFERRED COMPENSATION

The following table provides information with respect to the Company's defined contribution and non-tax-qualified compensation deferral plans for each of the Company's named executive officers. For a description of the material terms of the Company's Supplemental Executive Retirement Plan (SERP), see Compensation Discussion & Analysis Components of Executive Compensation Deferred Compensation. For a description of the material terms of Mr. Roger Farah's deferred compensation, see Executive Employment Agreements.

NON-QUALIFIED DEFERRED COMPENSATION

Name	Executive Contributions in Last FY (\$)	Registrant Contributions in Last FY (\$)(1)	Aggregate Earnings in Last FY (\$)(2)	Aggregate Withdrawals/Distributions (\$)	Aggregate Balance at Last FYE (\$)(3)
Lauren, Ralph					
Farah, Roger		295,000	(167,343)		2,880,912
Nemerov, Jackwyn		45,000			215,622
Travis, Tracey					
Kosh, Mitchell		31,250			264,403

(1) Reflects annual contributions to the accounts of Mr. Farah, Ms. Nemerov and Mr. Kosh under the Company's SERP although such contributions are not technically credited until September 1, 2008, with an effective date of April 1, 2008. This amount also includes an annual contribution of \$250,000 to Mr. Farah's deferred compensation account.

(2) Does not include earnings in respect of fiscal 2008 under the SERP which will be credited on September 1, 2008, with an effective date of April 1, 2008. Such earnings are based upon the then current mid-term Applicable Federal Rate for September 2008 published by the Internal Revenue Service and are not available at this time.

During Fiscal 2008, Mr. Farah's special deferred compensation account pursuant to his employment agreement was deemed to be invested in the following Vanguard mutual funds, which had the following rates of return as of March 31, 2008 as set forth below:

Name:	Average Annual Return as of March 31, 2008:
Vanguard Mid-Cap Index Fund Admiral Shares	-9.16%
Vanguard 500 Index Fund Admiral Shares	-5.09%
Vanguard Mid-Cap Index Fund Investor Shares	-9.23%

(3) Reflects SERP contribution for fiscal 2008 although technically not credited until September 1, 2008, with an effective date of April 1, 2008. Does not reflect earnings for fiscal 2008 under SERP which will not be determined until September 2008.

Potential Payments Upon Termination or Change in Control

Ralph Lauren. Mr. Lauren's potential payments upon termination or change in control as described in this section are based upon his New Employment Agreement. As noted, on June 12, 2007, the Company and Mr. Lauren entered into a New Employment Agreement commencing on March 30, 2008. See Executive Employment Agreements. Unless otherwise noted, the key terms of Mr. Lauren's New Employment Agreement remain the same as those under his Prior Employment Agreement. Under Mr. Lauren's Prior Employment Agreement, if Mr. Lauren's employment terminated as a result of his death or disability (as defined in his Prior Employment Agreement), he or his estate would have been entitled to receive a lump sum cash payment equal to

the sum of: (i) his base salary through the date on which his death or termination due to disability occurs; (ii) any accrued and unpaid compensation for any prior fiscal year; and (iii) a pro rata portion, based on the number of days he worked in the fiscal year prior to the termination of his employment, of the annual bonus he would otherwise have received for the fiscal year in which his death or termination due to disability occurred. In addition, any unvested stock options held by Mr. Lauren would have vested immediately and remain exercisable for a period of three years from the date of termination of his employment and all of his unvested restricted stock units would have vested and been payable in shares of Class A Common Stock.

If Mr. Lauren resigned for good reason (as defined in his Prior Employment Agreement and as described below), or if the Company terminated Mr. Lauren's employment without cause (as defined in his Prior Employment Agreement and as described below), Mr. Lauren would have been entitled to receive a lump sum cash payment equal to the sum of: (i) three year's base salary; (ii) any accrued and unpaid compensation for any prior fiscal year; and (iii) three times the average annual bonus paid to Mr. Lauren for the two fiscal years immediately preceding the termination of his employment. In addition, any unvested stock options would have continued to vest on schedule, provided that Mr. Lauren complied with certain noncompete and other restrictive covenants (as described below), and all of his unvested restricted stock units would have vested and been payable in shares of Class A Common Stock. During the three-year severance period, the Company will be obligated to continue to provide Mr. Lauren with office facilities and secretarial assistance, welfare and medical plan coverage and certain other fringe benefits such as a car and driver.

Under Mr. Lauren's New Employment Agreement, if Mr. Lauren terminates his employment for any reason, other than for good reason, including his electing not to renew the term of the New Employment Agreement, or if the Company terminates Mr. Lauren's employment for cause, then Mr. Lauren will not receive a pro rata portion of his annual bonus for the fiscal year in which such termination occurred. In addition, under Mr. Lauren's New Employment Agreement, if Mr. Lauren terminates his employment for any reason, other than for good reason, including his electing not to renew the term of the New Employment Agreement, any unvested restricted stock units held by Mr. Lauren pursuant to his New Employment Agreement shall be forfeited.

Under both Mr. Lauren's Prior Employment and New Employment Agreement, the above described amounts payable to Mr. Lauren are subject to his compliance with the following restrictive covenants: (i) not to compete with the Company for two years following the termination of his employment; (ii) not to solicit any employee of the Company for three years following the termination of his employment; (iii) not to disparage the Company for three years following the termination of his employment; and (iv) not to disclose any confidential information of the Company.

Under both Mr. Lauren's Prior Employment and New Employment Agreement, cause is defined as (A) the willful and continued failure by him to substantially perform his duties after demand for substantial performance is delivered by the Company that specifically identifies the manner in which the Company believes he has not substantially performed his duties; or (B) his conviction of, or plea of nolo contendere to, a crime (whether or not involving the Company) constituting a felony; or (C) willful engaging by him in gross misconduct relating to his employment that is materially injurious to the Company or subjects the Company, monetarily or otherwise or which subjects, or if generally known, would subject the Company to public ridicule or embarrassment. Further, no act, or failure to act, shall be considered willful unless done, or omitted to be done, by Mr. Lauren not in good faith and without reasonable belief that his action or omission was in the best interest of the Company. Notwithstanding the forgoing, Mr. Lauren shall not be deemed to have been terminated for cause without (x) reasonable written notice to him setting forth the reasons for the Company's intention to terminate him for cause, (y) an opportunity for him, together with his counsel, to be heard before the Company's Board, and (z) delivery to him of a specific termination notice from the Board that states that in the good faith opinion of the Board Mr. Lauren was guilty of the conduct set forth above in clauses (A), (B) or (C) above, and specifying the particulars thereof in detail. In addition, in the event that the Board has so determined in good faith that cause exists, the Board shall have no obligation to terminate Mr. Lauren's employment if the Board determines in its sole discretion that such a decision not to terminate his employment is in the best interest of the Company.

Under both Mr. Lauren's Prior Employment and New Employment Agreement, good reason is defined to mean (A) a material diminution in Mr. Lauren's duties or the assignment to him of a title or duties inconsistent with his position as Chairman of the Board and Chief Executive Officer of the Company, (B) a reduction in his salary or, under his Prior Employment Agreement only, his annual bonus opportunity, or (C) a failure of the Company to comply with any material provision of his Prior Employment or New Employment Agreement; provided that the events described in clauses (A), (B) and (C) above will not constitute good reason unless such diminution, reduction or failure (as applicable) has not been cured within thirty (30) days after notice of such noncompliance has been given by Mr. Lauren to the Company. In addition, under Mr. Lauren's New Employment Agreement, the definition of good reason was modified to specify that the termination of employment had to be within one year following the occurrence of the basis for such good reason to terminate, and Mr. Lauren had to notify the Company of the existence of such good reason within 90 days of its occurrence.

Roger N. Farah. Under Mr. Farah's employment agreement, if Mr. Farah resigns for good reason (as defined in his employment agreement and as described below) or if the Company terminates his employment for any reason other than death, disability, cause (as defined in his employment agreement and as described below) or non-renewal, Mr. Farah will be entitled to receive a pro rata portion, based on the number of days he worked in the fiscal year prior to the date of the termination of his employment, of his target annual incentive bonus for the fiscal year during which such termination occurred plus an amount, generally payable over Mr. Farah's severance period, equal to the sum of: (i) the applicable severance multiplier times his annual base salary and (ii) the applicable severance multiplier times his target annual incentive bonus. Mr. Farah's severance multiplier is the greater of (i) the number of years (including fractions thereof), up to three, remaining in the term of his employment agreement and (ii) two. Mr. Farah's severance period is equal to the total number of months in Mr. Farah's severance multiplier. In addition, with respect to Mr. Farah's restricted stock units, 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. In addition, Mr. Farah will be entitled to continued participation in the Company's health benefit plans and continued payment of his automobile allowance during the severance period.

If either the Company or Mr. Farah elects not to extend the term of his employment agreement, Mr. Farah will be entitled to receive his salary through the date of termination plus the annual incentive bonus he would have been entitled to receive had he been employed by the Company through the end of the fiscal year during which his employment ended, prorated to the date of termination. If the Company elects not to extend the term, Mr. Farah will also be entitled to receive an amount, payable in twelve equal monthly installments, equal to the sum of (i) his annual base salary and (ii) his target annual incentive bonus. If the Company terminates Mr. Farah for cause or Mr. Farah resigns other than for good reason, he is entitled to receive only his base salary through the date of termination. In the event of Mr. Farah's termination due to his death or disability, Mr. Farah or his estate will be entitled to receive all payments due to him through the date of his death or termination due to disability, including a pro-rated target incentive bonus for the fiscal year of termination, and, with respect to Mr. Farah's restricted shares units, 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.

If the Company and Mr. Farah both determine that part or all of the payments under his employment agreement constitute parachute payments under Section 280G(b)(2) of the Internal Revenue Code, then, if the aggregate present value of such parachute payments and all other parachute payments paid to other senior executives exceeds 2.99 times Mr. Farah's base amount, as defined in Section 280G(b)(3) of the Internal Revenue Code, the payments to Mr. Farah constituting parachute payments will be reduced to the extent necessary so that the parachute payments equal 2.99 times Mr. Farah's base amount. However, such amounts will not be so reduced if Mr. Farah determines that without such reduction he would be entitled to receive and retain, on a net after tax basis, a greater amount than he would be entitled to receive and retain after such reduction.

If a change of control of the Company occurs prior to any termination of Mr. Farah's employment due to his resignation for good reason or due to death, disability, or cause, then Mr. Farah may elect within 15 days of that date of termination of employment to receive the cash severance payments described above in two equal lump sum installments, the first payable within 30 days after the date of termination and the second on the first anniversary of the date of termination, and all outstanding restricted stock units previously awarded to him, whether pursuant to his employment agreement or otherwise, will immediately vest and, in the case of outstanding stock options, remain exercisable for a period of at least one year. In addition, Mr. Farah will be entitled to continued participation in the Company's health benefit plans during the severance period and continued payment of his automobile allowance until the earlier of the end of the severance period or until he secures new employment.

Under Mr. Farah's employment agreement, the above described amounts and stock awards to be provided to Mr. Farah are subject to his compliance with the following restrictive covenants: (i) not to compete with the Company for twelve months following the termination of his employment; (ii) not to solicit any employee of the Company for two years following the termination of his employment; (iii) not to disparage the Company for two years following the termination of his employment; and (iv) not to disclose any confidential information of the Company.

Under Mr. Farah's employment agreement, cause is defined as (A) the willful and continued failure by Mr. Farah to substantially perform his duties after demand for substantial performance is delivered to him by the Company that specifically identifies the manner in which the Company believes he has not substantially performed his duties; (B) Mr. Farah's conviction of, or plea of nolo contendere to, a crime (whether or not involving the Company) constituting any felony; or (C) the willful engaging by Mr. Farah in gross misconduct relating to his employment that is materially injurious to the Company, monetarily or otherwise or which subjects, or if generally known would subject, the Company to public ridicule. Further, no act, or failure to act, on Mr. Farah's part will be considered willful unless done, or omitted to be done, by him not in good faith and without reasonable belief that his action or omission was in the best interest of the Company. Notwithstanding the foregoing, Mr. Farah's employment may be terminated for cause only by act of the Company's Board and Mr. Farah's employment will not be deemed to have been terminated for cause without (x) reasonable written notice to him setting forth the reasons for the Company's intention to terminate for cause, (y) the opportunity to cure (if curable) within 30 days of such written notice of the event(s) giving rise to such notice and (z) an opportunity for Mr. Farah, together with his counsel, to be heard by the Board.

Under Mr. Farah's employment agreement, good reason is defined as (A) a material diminution in or adverse alteration to his title or duties, (B) a reduction in his salary or annual incentive bonus opportunity or deferred compensation or the Company's electing to eliminate its bonus plan without substituting a plan which provides for a reasonably comparable annual incentive bonus opportunity or Mr. Farah ceasing to be entitled to the payment of an annual incentive bonus as a result of the failure of the Company's shareholders to approve a plan or arrangement evidencing such annual incentive bonus in a manner that complies with the requirements of section 162(m) of the Internal Revenue Code, (C) the relocation of Mr. Farah's principal office outside of the area which comprises a fifty (50) mile radius from New York City, (D) a failure of the Company to comply with any material provision of Mr. Farah's employment agreement or (E) the Company requires Mr. Farah to report to anyone other than Ralph Lauren and/or the Board; provided that the events described in clauses (A), (B), (C), (D) and (E) above shall not constitute good reason unless such diminution, change, reduction, failure or requirement (as applicable) has not been cured within thirty (30) days after notice of such noncompliance has been given by Mr. Farah to the Company.

Jackwyn L. Nemerov. Under Ms. Nemerov's employment agreement, if the Company terminates Ms. Nemerov's employment for any reason other than death, disability or cause (as defined in her employment agreement and as described below), or Ms. Nemerov terminates her employment for good reason (as defined in her employment agreement and as described below), Ms. Nemerov shall be entitled to receive, in accordance with the Company's normal payroll practices, an amount equal to her base salary for a severance period equal to

the longer of the remaining term of her employment agreement or one year, plus a lump sum amount at the end of the severance period equal to the bonus paid to Ms. Nemerov for the calendar year immediately preceding the calendar year in which her termination of employment occurs. In addition, Ms. Nemerov will be entitled to continue to participate during the severance period in any group medical, dental or life insurance plans in which she participated prior to termination.

If Ms. Nemerov voluntarily terminates her employment without good reason, or if the Company terminates her employment for cause, Ms. Nemerov will be entitled to receive only her base salary through the date of termination. In the event Ms. Nemerov's employment terminates due to her death or disability, Ms. Nemerov or her estate will be entitled to receive all payments due to her through the date of her death or termination due to disability. In the event Ms. Nemerov's employment terminates due to her death or disability, or she terminates her employment due to retirement, Ms. Nemerov will be entitled to receive a pro-rated amount, based on the percentage of time that has elapsed during the applicable performance periods, of the unvested restricted performance share units held by her, which shall vest at the end of the three-year performance period from the date of the grant, subject to the Company's achievement of pre-established financial goals. For death or disability, unvested stock options continue to vest according to their original vesting schedule.

If the Company terminates her employment without cause within 12 months following a change of control of the Company (as defined in her employment agreement), then, in lieu of the foregoing amounts, Ms. Nemerov shall be entitled to receive a lump sum amount, payable within 15 days after the termination of her employment, equal to two times the sum of her annual base salary and the bonus she was paid for the fiscal year immediately prior to her termination. In addition, any unvested options, unvested restricted shares and unvested restricted performance share units held by Ms. Nemerov will immediately vest, and all of her vested options will remain exercisable for six months.

Under Ms. Nemerov's employment agreement, the above described amounts and stock awards to be provided to her are subject to her compliance with the following restrictive covenants: (i) in the event her employment is terminated by the Company due to disability, for cause or the termination by her of her employment without good reason, not to compete with the Company for one year following the termination of her employment; (ii) not to solicit any employee of the Company for two years following the termination of her employment; (iii) not to disparage the Company following the termination of her employment; and (iv) not to disclose any confidential information of the Company.

Under Ms. Nemerov's employment agreement, cause is defined as: (A) the willful and continued failure by Ms. Nemerov to substantially perform the duties of her employment agreement after demand for substantial performance is delivered to her by the Company that specifically identifies the manner in which the Company believes that she has not substantially performed her duties, (B) her conviction of, or plea of nolo contendere to, a crime (whether or not involving the Company) constituting any felony or (3) the willful engaging by her in gross misconduct relating to her employment that is materially injurious to the Company, monetarily or otherwise or which subjects, or if generally known would subject, the Company to public ridicule. Further, no act, or failure to act, on Ms. Nemerov's part shall be considered willful unless done, or omitted to be done, by her not in good faith and without reasonable belief that her action or omission was in the best interest of the Company. Notwithstanding the foregoing, Ms. Nemerov's employment may be terminated for cause only by act of the Company's Board and, in any event, her employment shall not be deemed to have been terminated for cause without (x) reasonable written notice to Ms. Nemerov setting forth the reasons for the Company's intention to terminate for cause, (y) the opportunity to cure (if curable) within 30 days of such written notice of the event(s) giving rise to such notice and (z) an opportunity for Ms. Nemerov, together with her counsel, to be heard by the Board of the Company.

Under Ms. Nemerov's employment agreement, good reason is defined as: (A) a material diminution in or adverse alteration to Ms. Nemerov's title, base salary, benefits, position, status, or duties, (B) the relocation of her principal office outside the area which comprises a fifty (50) mile radius from New York City, (C) a failure

of the Company to comply with any material provision of her employment agreement or (D) the Company requires her to report to anyone other than Ralph Lauren or Roger Farah, provided that the events described in clauses (A), (B), and (C) above shall not constitute good reason unless and until such diminution, change, reduction or failure (as applicable) has not been cured within thirty (30) days after notice of such noncompliance has been given by Ms. Nemerov to the Company.

Tracey T. Travis. Under Ms. Travis' employment agreement, if the Company terminates Ms. Travis' employment for any reason other than death, disability or cause (as defined in her employment agreement and as described below), or Ms. Travis voluntarily terminates her employment for good reason (as defined in her employment agreement and as described below), Ms. Travis will be entitled to continue to receive, in accordance with the Company's normal payroll practices, an amount equal to her base salary for a severance period equal to the longer of the remaining term of her employment agreement or one year, plus an amount, payable at the end of the severance period, equal to the bonus that Ms. Travis received for the fiscal year immediately preceding the fiscal year in which her employment terminates. In addition, Ms. Travis will be entitled to continue her participation during the severance period in any group medical or dental plans in which she participated prior to termination.

If Ms. Travis voluntarily terminates her employment without good reason, or if the Company terminates her employment for cause, Ms. Travis will be entitled to receive only her base salary through the date of termination. In the event Ms. Travis' employment terminates due to her death or disability, Ms. Travis or her estate will be entitled to receive all payments due to her through the date of her death or termination due to disability. In the event Ms. Travis' employment terminates due to her death or disability, or she terminates her employment due to retirement, Ms. Travis will be entitled to receive a pro-rated amount, based on the percentage of time that has elapsed during the applicable performance periods, of the unvested restricted performance share units held by her, which shall vest at the end of the three-year performance period from the date of the grant, subject to the Company's achievement of pre-established financial goals. For death or disability, unvested stock options continue to vest according to their original vesting schedule.

If the Company terminates her employment without cause within 12 months following a change in control of the Company (as defined in her employment agreement), then in lieu of the foregoing amounts, Ms. Travis will be entitled to receive a lump sum amount, payable within 15 days after the termination of her employment, equal to twice the sum of her annual base salary and the bonus she received for the fiscal year immediately preceding the fiscal year in which her employment terminates. In addition, any unvested options and unvested restricted performance share units held by Ms. Travis will immediately vest, and all vested options held by Ms. Travis will remain exercisable for six months.

Under Ms. Travis' employment agreement, the above described amounts and stock awards to be provided to her are subject to her compliance with the following restrictive covenants: (i) in the event her employment is terminated by the Company due to disability, for cause or the termination by her of her employment without good reason, not to compete with the Company for the remainder of her scheduled employment term; (ii) not to solicit any employee of the Company for the remainder of her scheduled employment term; (iii) not to disparage the Company following the termination of her employment; and (iv) not to disclose any confidential information of the Company.

Under Ms. Travis' employment agreement, cause is defined as: (i) deliberate or intentional failure by Ms. Travis to substantially perform the material duties of her employment agreement (other than due to disability); or (ii) an act of fraud, embezzlement, theft, breach of fiduciary duty, dishonesty, or any other misconduct or any violation of law (other than a traffic violation) committed by Ms. Travis; or (iii) intentional wrongful damage to material assets of the Company; or (iv) her intentional wrongful disclosure of the Company's confidential information; or (v) her intentional wrongful engagement in any competitive activity which would constitute a breach of her employment agreement and/or of her duty of loyalty; or (vi) her intentional breach of any material employment policy of the Company; or (vii) performance by Ms. Travis of her

employment duties in a manner deemed by the Company, in its sole discretion, to be grossly negligent; or (viii) the commission of any act by her, whether or not performed in the workplace, which subjects or, if publicly known, would be likely to subject the Company to public ridicule or embarrassment, or would likely be detrimental or damaging to the Company's reputation, goodwill, or relationships with its customers, suppliers, vendors, or employees. Further, no act, or failure to act, on the part of Ms. Travis shall be deemed intentional if it was due primarily to an error in judgment or negligence, but shall be deemed intentional only if done, or omitted to be done, by her not in good faith and without reasonable belief that her action or omission was in, or not opposed to, the best interest of the Company. The definition of cause in Ms. Travis employment agreement explicitly excludes failure to meet performance standards or objectives of the Company.

Under Ms. Travis' employment agreement, good reason is defined as (A) a material diminution in or adverse alteration to Ms. Travis' title, base salary, position or duties, including no longer reporting to Ralph Lauren, Chief Executive Officer, or Roger Farah, Chief Operating Officer, (B) the relocation of her principal office outside the area which comprises a fifty (50) mile radius from New York City, or (C) a failure of the Company to comply with any material provision of her employment agreement provided that the events described in clauses (A), (B), and (C) shall not constitute good reason unless and until such diminution, change, reduction or failure (as applicable) has not been cured within thirty (30) days after written notice of such noncompliance has been given by Ms. Travis to the Company.

Mitchell A. Kosh. Under Mr. Kosh's employment agreement, if the Company terminates his employment for any reason other than death, disability or cause (as defined in his employment agreement and as described below), or Mr. Kosh voluntarily terminates his employment for good reason (as defined in his employment agreement and as described below), Mr. Kosh will be entitled to continue to receive, in accordance with the Company's normal payroll practices, an amount equal to his base salary for a severance period equal to the longer of the remaining term of his employment agreement or one year, plus an amount, payable at the end of the severance period, equal to the bonus that Mr. Kosh received for the fiscal year immediately preceding the fiscal year in which his employment terminates. In addition, Mr. Kosh will be entitled to continue his participation during the severance period in any group medical or dental insurance plans in which he participated prior to termination.

If Mr. Kosh voluntarily terminates his employment without good reason, or if the Company terminates his employment for cause, Mr. Kosh will be entitled to receive only his base salary through the date of termination. In the event of Mr. Kosh's termination due to his death or disability, Mr. Kosh or his estate will be entitled to receive all payments due to him through the date of his death or termination due to disability. In the event Mr. Kosh's employment terminates due to his death or disability, or he terminates his employment due to retirement, Mr. Kosh will be entitled to receive a pro-rated amount, based on the percentage of time that has elapsed during the applicable performance periods, of the unvested restricted performance share units held by him, which shall vest at the end of the three-year performance period from the date of the grant, subject to the Company's achievement of pre-established financial goals. For death or disability, unvested stock options continue to vest according to their original vesting schedule.

If the Company terminates Mr. Kosh's employment without cause within 12 months following a change of control of the Company (as defined in his employment agreement), Mr. Kosh will be entitled to receive a lump sum amount, payable within 15 days after the termination of his employment, equal to twice the sum of his annual base salary and the bonus paid to him for the fiscal year immediately preceding the fiscal year in which his employment terminates. In addition, any unvested options and unvested restricted performance share units held by Mr. Kosh will immediately vest, and all options held by him will remain exercisable for six months.

Under Mr. Kosh's employment agreement, the above described amounts and stock awards to be provided to him are subject to his compliance with the following restrictive covenants: (i) in the event his employment is terminated by the Company due to disability, for cause or the termination by him of his employment without good reason, not to compete with the Company for the remainder of his scheduled employment term; (ii) not to

solicit any employee of the Company for the remainder of his scheduled employment term; (iii) not to disparage the Company following the termination of his employment; and (iv) not to disclose any confidential information of the Company.

Under Mr. Kosh's employment agreement, cause is defined as: (i) failure by Mr. Kosh to perform the duties of his employment agreement (other than due to disability), provided that the conduct shall not constitute cause unless such failure by him to perform his duties has not been cured to the satisfaction of the Company, in its sole discretion, within fifteen (15) days after notice of such failure has been given by the Company to Mr. Kosh; or (ii) an act of fraud, embezzlement, theft, breach of fiduciary duty, dishonesty, or any other misconduct or any violation of law (other than a traffic violation) committed by Mr. Kosh; or (iii) any action by him causing damage to or misappropriation of Company assets; or (iv) his wrongful disclosure of the Company's confidential information; or (v) his engagement in any competitive activity which would constitute a breach of his employment agreement and/or of his duty of loyalty; or (vi) his breach of any employment policy of the Company; or (vii) performance by him of his employment duties in a manner deemed by the Company, in its sole discretion, to be grossly negligent; or (viii) the commission of any act by him, whether or not performed in the workplace, which subjects or, if publicly known, would be likely to subject the Company to public ridicule or embarrassment, or would likely be detrimental or damaging to the Company's reputation, goodwill, or relationships with its customers, suppliers, vendors, licensees or employees.

Under Mr. Kosh's employment agreement, good reason is defined as: (A) a material diminution in or adverse alteration to his title, base salary, position or duties, including no longer reporting to Ralph Lauren, Chief Executive Officer, or Roger Farah, Chief Operating Officer, (B) the relocation of his principal office outside the area which comprises a fifty (50) mile radius from New York City, or (C) a failure of the Company to comply with any material provision of his employment agreement provided that the events described in clauses (A), (B), and (C) above shall not constitute good reason unless such diminution, change, reduction or failure (as applicable) has not been cured within thirty (30) days after written notice of such noncompliance has been given by Mr. Kosh to the Company.

The following tables summarize the amounts payable to the Company's named executive officers upon termination of their employment under certain circumstances or in the event of a change in control, assuming that:

the named executive officer's employment terminated or, in the event of a change in control, such change of control occurred on March 29, 2008;

the named executive officer's salary continues as it existed on March 29, 2008 except in the case of Ralph Lauren whose salary under his new employment agreement as of March 30, 2008 applies;

the named executive officer's employment agreement and term as of March 29, 2008 applies, except in the case of Ralph Lauren whose new employment agreement and term as of March 30, 2008 applies; and

the stock price for the Company's Class A Common Stock is \$57.62 per share (the NYSE closing price of the Company's Class A Common Stock on March 29, 2008, the last business day of fiscal 2008).

Chief Executive Officer Ralph Lauren

Payments Upon Various Termination Events	By the Company for Cause/by the Executive Without Good Reason(1)	By the Company Without Cause/by the Executive for Good Reason	Death or Disability	Retirement(2)	Change in Control with Termination	Change in Control Without Termination
Compensation:						
Cash Severance Base Salary	\$ 0	\$ 3,750,000	\$ 0	N/A	N/A(3)	\$ 0
Cash Severance Bonus	\$ 0	\$ 47,250,000	\$ 12,000,000(4)	N/A	N/A(3)	\$ 0
Stock Options	\$ 0(5)	\$ 948,750(6)	\$ 948,750(7)	N/A	\$ 948,750(7)	\$ 948,750(7)
Restricted Stock Units	\$ 0	\$ 29,103,689(8)	\$ 29,103,689(8)	N/A	\$ 29,103,689(8)	\$ 29,103,689(8)
Benefits and Perquisites:						
Health and Welfare Benefits	\$ 0	\$ 252,978(9)	\$ 0	N/A	N/A	N/A
Office Facilities/Support	\$ 0	\$ 623,700(10)	\$ 0	N/A	N/A	N/A
Automobile and Driver	\$ 0	\$ 519,477(10)	\$ 0	N/A	N/A	N/A
Total	\$ 0	\$ 82,448,594	\$ 42,052,439	N/A	\$ 30,052,439	\$ 30,052,439

- (1) On June 12, 2007, the Company renewed Mr. Lauren's employment agreement for an additional five-year period commencing on March 30, 2008. See Executive Employment Agreements Ralph Lauren.
- (2) Mr. Lauren's employment agreement does not address retirement.
- (3) No special change in control severance payment is payable to Mr. Lauren. If Mr. Lauren were to be terminated by the Company without cause or if he terminates his employment for good reason following a change in control, Mr. Lauren would be entitled to the amounts reflected under the above column By the Company without Cause/By the Executive for Good Reason.
- (4) Mr. Lauren is entitled to a pro-rata portion of his bonus based upon time served during the termination year. The amount in this column reflects the actual bonus amount that Mr. Lauren received for fiscal 2008.
- (5) If Mr. Lauren were terminated by the Company for cause or if he terminates his employment without good reason, he would forfeit any outstanding vested, but not yet exercised, stock options.
- (6) Represents in-the-money value of unvested stock options held by Mr. Lauren at termination that will continue to vest on their scheduled vesting dates. In addition, any vested options and any options that continue to vest following such termination will remain exercisable until the later of (a) one year from the date of Mr. Lauren's termination of employment or (b) 30 days from the date such options vest.
- (7) Represents the in-the-money value of unvested stock options whose vesting accelerates on termination.
- (8) This amount includes the value of associated dividend equivalent units whose vesting accelerates upon termination.

- (9) The amounts presented are estimates based on historical costs plus an assumed percentage increase to cover the cost over the severance period. Actual amounts will be known only at the time that the executive becomes eligible for benefits.

- (10) The amounts presented are estimates only based on annual historical costs associated with providing such perquisites to Mr. Lauren.

President and Chief Operating Officer Roger N. Farah

Payments Upon Various Termination Events	By the Company for Cause/by the Executive Without Good Reason		By the Company Without Cause/by the Executive for Good Reason		Death or Disability	Retirement(1)	Change in Control with Termination(2)	Change in Control Without Termination	By the Company's Election Not to Extend the Contract Term
	Base Salary	Bonus	Stock Options	Restricted Stock/Units					
Compensation:									
Cash Severance	\$ 0	\$ 1,800,000(3)	\$ 0	\$ 1,800,000(3)	\$ 0	N/A	\$ 1,800,000	\$ 0	\$ 900,000
Cash Severance	\$ 0	\$ 5,400,000(4)	\$ 1,800,000(5)	\$ 1,800,000(5)	\$ 1,800,000(5)	N/A	\$ 5,400,000	\$ 0	\$ 3,780,000(6)
Stock Options	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	N/A	\$ 0	\$ 0	\$ 0
Restricted Stock/Units	\$ 0	\$ 31,484,951(7)	\$ 31,484,951(7)	\$ 31,484,951(7)	\$ 31,484,951(7)	N/A	\$ 42,318,140(8)	\$ 42,318,140(8)	\$ 0
Benefits and Perquisites:									
Health and Welfare Benefits	\$ 0	\$ 45,134	\$ 0	\$ 45,134	\$ 0	N/A	\$ 45,134	\$ 0	\$ 0
Automobile Allowance	\$ 0	\$ 36,000	\$ 0	\$ 36,000	\$ 0	N/A	\$ 36,000	\$ 0	\$ 0
Deferred Compensation	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	N/A	\$ 0	\$ 0	\$ 0
Total	\$ 0	\$ 38,766,085	\$ 33,284,951	\$ 33,284,951	\$ 33,284,951	N/A	\$ 49,599,274	\$ 42,318,140	\$ 4,680,000

- (1) Mr. Farah's employment agreement does not address retirement.
- (2) In the event that a change in control occurs which results in Mr. Farah's termination and entitles him to severance payments exceeding 2.99 times his base amount (as such term is defined in the Internal Revenue Code), then the total payments due to Mr. Farah would be reduced to such amount as equals 2.99 times his base amount, unless the after-tax value of the payments otherwise due to Mr. Farah will exceed such reduced amount.
- (3) Under Mr. Farah's employment agreement, the Company would continue to pay his base salary for the longer of (a) the balance of the term of his employment agreement (24 months) or (b) two years.
- (4) Mr. Farah is entitled to receive a bonus equal to a pro-rata portion of his target annual incentive bonus for the fiscal year plus two times his target annual incentive bonus.
- (5) Mr. Farah is entitled to a pro-rata target bonus based upon time served during the termination year.
- (6) Represents the sum of his annual incentive bonus he would have been entitled to receive if he remained employed through the end of the fiscal year plus his target annual incentive bonus. Additionally, if Mr. Farah does not extend his contract, he would only be entitled to receive a pro-rated portion of his incentive bonus, if any, had he remained employed through the end of such fiscal year.
- (7) Represents the value of outstanding time-based RSUs and a pro-rata portion based on the percentage of time that has elapsed during the applicable performance period of performance-based RSUs, including the associated dividend equivalent units, whose vesting is accelerated upon termination.

- (8) Represents the value of outstanding time-based RSUs and performance-based RSUs, including the associated dividend equivalent units, whose vesting is accelerated upon a change in control.

Executive Vice President Jackwyn L. Nemerov

Payments Upon Various Termination Events	By the Company for Cause/by the Executive Without Good Reason	By the Company Without Cause/by the Executive for Good Reason	Death or Disability	Retirement(1)	Change in Control with Termination	Change in Control Without Termination
Compensation:						
Cash Severance Base Salary	\$ 0	\$ 1,293,750(2)	\$ 0	\$ 0	\$ 1,800,000(3)	\$ 0
Cash Severance Bonus	\$ 0	\$ 999,900(4)	\$ 0	\$ 0	\$ 3,960,000(5)	\$ 0
Stock Options	\$ 0	\$ 0	\$ 329,564(6)	\$ 0	\$ 329,564(7)	\$ 329,564(7)
Restricted Stock/RPSUs	\$ 0	\$ 0	\$ 2,758,289(8)	\$ 2,758,289(8)	\$ 5,771,392(9)	\$ 5,771,392(9)
Additional Cliff RPSUs if Maximum Performance is Reached	\$ 0	\$ 0	\$ 1,225,616	\$ 1,225,616	\$ 0	\$ 0
Benefits and Perquisites:						
401(k) matching contribution	\$ 0	\$ 0	\$ 3,935(10)	\$ 0	\$ 0	\$ 0
Health and Welfare Benefits	\$ 0	\$ 16,737	\$ 0	\$ 0	\$ 0	\$ 0
SERP	\$ 0	\$ 0	\$ 93,842(11)	\$ 0	\$ 0	\$ 0
Excise Tax Gross-Up	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,962,420(12)	\$ 0(13)
Total	\$ 0	\$ 2,310,387	\$ 4,411,246	\$ 3,983,905	\$ 16,823,376	\$ 6,100,956

- (1) Retirement is calculated commencing at age 55.
- (2) Under Ms. Nemerov's employment agreement, the Company would continue to pay her base salary for the longer of (a) the balance of the term of her employment agreement (17.25 months) or (b) one year.
- (3) This lump sum amount is equal to two times Ms. Nemerov's base salary.
- (4) Ms. Nemerov would receive a bonus equal to the bonus paid for the calendar year prior to the calendar year of termination.
- (5) This lump sum amount is equal to two times the bonus paid during the calendar year prior to the calendar year of termination.
- (6) Reflects unvested stock options that continue to vest. To determine this amount, the closing price of the Company's Class A Common Stock on the last business day of fiscal 2008 of \$57.62 per share was used. The actual value would depend upon the stock price on the date of exercise.
- (7) Unvested stock options become vested and Ms. Nemerov would have up to 6 months to exercise.
- (8) For Cliff RPSUs, a pro-rata portion of the original grant will be determined. For Pro-Rata RPSUs, a pro-rata portion of the number of shares scheduled to vest for that fiscal year will vest. Vesting for both Cliff RPSUs and Pro-Rata RPSUs occurs only if the applicable

Edgar Filing: POLO RALPH LAUREN CORP - Form DEF 14A

performance goal is achieved. In both cases, vesting occurs at the original vesting date. To determine this amount, the NYSE closing price on the last business day of fiscal 2008 of \$57.62 per share was used. The actual value would not be known until the vesting date.

- (9) Upon a change in control, the restricted stock and RPSUs will vest.
- (10) Represents the value of the unvested portion of Ms. Nemerov's 401(k) matching contribution that vests upon termination.
- (11) Represents the value of the unvested portion of Ms. Nemerov's SERP account that vests upon termination.
- (12) Reflects the estimate of gross-up payment to place Ms. Nemerov in the same after-tax position she would have been in had the excise tax pursuant to Section 4999 of the Internal Revenue Code not been imposed.
- (13) Projected payments fall below the threshold which would trigger an excise tax. Therefore, no gross-up payment is necessary to place Ms. Nemerov in the same after tax position had the excise tax been imposed.

Senior Vice President and Chief Financial Officer Tracey T. Travis

Payments Upon Various Termination Events	By the Company for Cause/by the Executive Without Good Reason	By the Company Without Cause/by the Executive for Good Reason	Death or Disability	Retirement(1)	Change in Control with Termination	Change in Control Without Termination
Compensation:						
Cash Severance Base Salary	\$ 0	\$ 1,450,000(2)	\$ 0	N/A	\$ 1,450,000(3)	\$ 0
Cash Severance Bonus	\$ 0	\$ 742,500(4)	\$ 0	N/A	\$ 1,485,000(5)	\$ 0
Stock Options	\$ 0	\$ 0	\$ 466,511(6)	N/A	\$ 466,511(7)	\$ 466,511(7)
RPSUs	\$ 0	\$ 0	\$ 653,699(8)	N/A	\$ 986,166(9)	\$ 986,166(9)
Additional Cliff RPSUs if Maximum Performance is Reached	\$ 0	\$ 0	\$ 278,593	N/A	\$ 0	\$ 0
Benefits and Perquisites:						
401(k) matching contribution	\$ 0	\$ 0	\$ 5,392(10)	N/A	\$ 0	\$ 0
Health and Welfare Benefits	\$ 0	\$ 21,604	\$ 0	N/A	\$ 0	\$ 0
Excise Tax Gross-Up	\$ 0	\$ 0	\$ 0	N/A	\$ 0(11)	\$ 0(11)
Total	\$ 0	\$ 2,214,104	\$ 1,404,195	N/A	\$ 4,387,677	\$ 1,452,677

- (1) Retirement is calculated commencing at age 55. Ms. Travis is not currently eligible for retirement.
- (2) Under Ms. Travis' s employment agreement, the Company would continue to pay her base salary for the longer of (a) the balance of the term of her employment agreement (24 months) or (b) one year.
- (3) This lump sum amount is equal to two times Ms. Travis' s base salary.
- (4) Ms. Travis would receive a bonus equal to the bonus paid for the fiscal year prior to the fiscal year of termination.
- (5) This lump sum amount is equal to two times the bonus paid for the fiscal year prior to the fiscal year of termination.
- (6) Reflects unvested stock options that continue to vest. To determine this amount, the NYSE closing price of the Company' s Class A Common Stock on the last business day of fiscal 2008 of \$57.62 per share was used. The actual value would depend upon the stock price on the date of exercise.
- (7) Unvested stock options become vested and Ms. Travis would have up to 6 months to exercise.
- (8) For Cliff RPSUs, a pro-rata portion of the original grant will be determined. For Pro-Rata RPSUs, a pro-rata portion of the number of shares scheduled to vest for that fiscal year will vest. Vesting for both Cliff RPSUs and Pro-Rata RPSUs occurs only if the applicable performance goal is achieved. In both cases, vesting occurs at the original vesting date. To determine this amount, the NYSE closing price

Edgar Filing: POLO RALPH LAUREN CORP - Form DEF 14A

on the last business day of fiscal 2008 of \$57.62 per share was used. The actual value would not be known until the vesting date.

- (9) Upon a change in control, the RPSUs will vest.
- (10) Represents the value of the unvested portion of Ms. Travis's 401(k) matching contribution that vests upon termination.
- (11) Projected payments fall below the threshold which would trigger an excise tax pursuant to Section 4999 of the Internal Revenue Code. Therefore, no gross-up payment is necessary to place Ms. Travis in the same after tax position had the excise tax been imposed.

Senior Vice President Human Resources & Legal Mitchell A. Kosh

Payments Upon Various Termination Events	By the Company for Cause/by the Executive Without Good Reason	By the Company Without Cause/by the Executive for Good Reason	Death or Disability	Retirement(1)	Change in Control with Termination	Change in Control Without Termination
Compensation:						
Cash Severance Base Salary	\$ 0	\$ 1,302,083(2)	\$ 0	\$ 0	\$ 1,250,000(3)	\$ 0
Cash Severance Bonus	\$ 0	\$ 687,500(4)	\$ 0	\$ 0	\$ 1,375,000(5)	\$ 0
Stock Options	\$ 0	\$ 0	\$ 52,602(6)	\$ 0	\$ 52,602(7)	\$ 52,602(7)
RPSUs	\$ 0	\$ 0	\$ 560,547(8)	\$ 560,547(8)	\$ 773,549(9)	\$ 773,549(9)
Additional Cliff RPSUs if Maximum Performance is Reached	\$ 0	\$ 0	\$ 258,810	\$ 258,810	\$ 0	\$ 0
Benefits and Perquisites:						
Health and Welfare Benefits	\$ 0	\$ 22,504	\$ 0	\$ 0	\$ 0	\$ 0
SERP	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Excise Tax Gross-Up	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0(10)	\$ 0(10)
Total	\$ 0	\$ 2,012,087	\$ 871,959	\$ 819,357	\$ 3,451,151	\$ 826,151

- (1) Retirement is calculated commencing at age 55.
- (2) Under Mr. Kosh's employment agreement, the Company would continue to pay his base salary for the longer of (a) the balance of the term of his employment agreement (25 months) or (b) one year.
- (3) This lump sum amount is equal to two times Mr. Kosh's base salary.
- (4) Mr. Kosh would receive a bonus equal to the bonus paid for the fiscal year prior to the fiscal year of termination.
- (5) This lump sum amount is equal to two times the bonus paid for the fiscal year prior to fiscal year of termination.
- (6) Reflects unvested stock options that continue to vest. To determine this amount, the NYSE closing price of \$57.62 per share of the Company's Class A Common Stock on the last business day of fiscal 2008 was used. The actual value would depend upon the stock price on the date of exercise.
- (7) Unvested stock options become vested and Mr. Kosh would have up to 6 months to exercise.
- (8) For Cliff RPSUs, a pro-rata portion of the original grant will be determined. For Pro-Rata RPSUs, a pro-rata portion of the number of shares scheduled to vest for that fiscal year will vest. Vesting for both Cliff RPSUs and Pro-Rata RPSUs occurs only if the applicable performance goal is achieved. In both cases, vesting occurs at the original vesting date. To determine this amount, the NYSE closing price

Edgar Filing: POLO RALPH LAUREN CORP - Form DEF 14A

of \$57.62 per share of the Company's Class A Common Stock on the last business day of fiscal 2008 was used. The actual value would not be known until the vesting date.

- (9) Upon a change of control, the RPSUs will vest.

- (10) Projected payments fall below the threshold which would trigger an excise tax pursuant to Section 4999 of the Internal Revenue Code. Therefore, no gross-up payment is necessary to place Mr. Kosh in the same after tax position had the excise tax been imposed.

CERTAIN RELATIONSHIPS AND TRANSACTIONS

Registration Rights Agreements

Certain of the Lauren Family Members (as defined below) and the Company are parties to a Registration Rights Agreement (the "Registration Rights Agreement") pursuant to which the Lauren Family Members have certain demand registration rights in respect of shares of the Company's Class A Common Stock (including the shares of Class A Common Stock issuable upon conversion of the shares of Class B Common Stock held by them). The Lauren Family Members may make a demand to register their shares once every nine months. The Lauren Family Members also have an unlimited number of piggyback registration rights in respect of their shares. The piggyback registration rights allow the holders to include all or a portion of the shares of Class A Common Stock issuable upon conversion of their shares of Class B Common Stock under any registration statement filed by the Company, subject to certain limitations.

The Company is required to pay all expenses (other than underwriting discounts and commissions of the Lauren Family Members and taxes payable by the Lauren Family Members) in connection with any demand registration, as well as any registration pursuant to the exercise of piggyback rights. The Company must also indemnify the Lauren Family Members and any underwriters against certain liabilities, including liabilities arising under the Securities Act of 1933, as amended (the "Securities Act").

As used in this proxy statement, the term "Lauren Family Members" includes only the following persons: (i) Ralph Lauren and his estate, guardian, conservator or committee; (ii) the spouse of Ralph Lauren and her estate, guardian, conservator or committee; (iii) each descendant of Ralph Lauren (a "Lauren Descendant") and their respective estates, guardians, conservators or committees; (iv) each Family Controlled Entity (as defined below); and (v) the trustees, in their respective capacities as such, of each Lauren Family Trust (as defined below). The term "Family Controlled Entity" means (i) any not-for-profit corporation if at least a majority of its board of directors is composed of Ralph Lauren, Mr. Lauren's spouse and/or Lauren Descendants; (ii) any other corporation if at least a majority of the value of its outstanding equity is owned by Lauren Family Members; (iii) any partnership if at least a majority of the economic interest of its partnership interests are owned by Lauren Family Members; and (iv) any limited liability or similar company if at least a majority of the economic interest in the company is owned by Lauren Family Members. The term "Lauren Family Trust" includes trusts, the primary beneficiaries of which are Mr. Lauren, Mr. Lauren's spouse, Lauren Descendants, Mr. Lauren's siblings, spouses of Lauren Descendants and their respective estates, guardians, conservator or committees and/or charitable organizations, provided that if the trust is a wholly charitable trust, at least a majority of the trustees of such trust consist of Mr. Lauren, the spouse of Mr. Lauren and/or Lauren Family Members.

Other Agreements, Transactions and Relationships

In connection with the reorganization that preceded the Company's initial public offering in June 1997, the Company and its stockholders entered into a stockholders' agreement (the "Stockholders' Agreement") which sets forth certain voting and other agreements for the period prior to completion of the initial public offering. All of the provisions of the Stockholders' Agreement terminated upon completion of the initial public offering, except for certain provisions relating to certain tax matters with respect to the Company's predecessor entities, certain restrictions on transfers of shares of Common Stock and indemnification and exculpation provisions.

The Company has entered into indemnification agreements with each of its directors and certain executives. The indemnification agreements require, among other things, that the Company indemnify its directors and executives against certain liabilities and associated expenses arising from their service as directors and executives of the Company and reimburse certain related legal and other expenses. In the event of a change of control (as defined therein), the Company will, upon request by an indemnitee under the agreements, create and fund a trust for the benefit of such indemnitee sufficient to satisfy reasonably anticipated claims for indemnification.

Under the Company's Code of Business Conduct and Ethics, all employees and officers of the Company are required to promptly report any potential relationships, actions or transactions, including those involving immediate family members, that reasonably could be expected to give rise to a conflict of interest to their manager and the Company's legal department. In addition, employees who intend to seek additional employment of any kind while remaining a Company employee are required to notify their managers of their interest and obtain approval from both before accepting such other employment. Directors of the Company are required to disclose any actual or potential conflicts of interest to the Chairman of the Board and the Company's General Counsel. All directors are required to recuse themselves from any Board discussion or decision affecting their personal, business or professional interests.

From time to time, both Mr. Lauren (who is required, under his employment agreement, to use a private aircraft for security purposes) and other executives use Mr. Lauren's personal aircraft on Company business. The Company reimburses Mr. Lauren for such use at market rates for the private aircraft. The Company reimbursed Mr. Lauren approximately \$1,014,910 for the use of his aircraft by executives of the Company in fiscal 2008.

In connection with the adoption of the RRL trademarks by the Company, pursuant to an agreement with the Company, Mr. Lauren retained the royalty-free right to use as trademarks Ralph Lauren, Double RL and RRL in perpetuity in connection with, among other things, beef and living animals. The trademarks Double RL and RRL are currently used by the Double RL Company, an entity wholly owned by Mr. Lauren. In addition, Mr. Lauren has reserved the right to engage in personal projects involving non-Company related film or theatrical productions through RRL Productions, Inc., a Company wholly-owned by Mr. Lauren.

Jerome Lauren, the Company's Executive Vice President of Menswear Design, is the brother of Ralph Lauren, the Company's Chairman and Chief Executive Officer, and David Lauren, the Company's Senior Vice President of Advertising, Marketing and Corporate Communications, is Ralph Lauren's son. In fiscal 2008, Jerome Lauren received an aggregate of \$2,125,000 in base salary and bonus payments from the Company. He also received during such fiscal year equity awards with a grant date fair value of \$382,903 computed under SFAS 123R. In fiscal 2008, David Lauren received an aggregate of \$659,704 in base salary and bonus payments from the Company. He also received during such fiscal year equity awards with a grant date fair value of \$382,903 computed under SFAS 123R.

(PROPOSAL 2)

RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee of the Board of Directors has appointed Ernst & Young as the Company's independent registered public accounting firm to audit the financial statements of the Company and its subsidiaries for the fiscal year ending March 28, 2009. A resolution will be presented at the meeting to ratify their appointment.

All services provided by Deloitte & Touche, the Company's independent registered public accounting firm for the fiscal year ending March 29, 2008, have been reviewed with the Audit Committee to confirm that the performance of such services was consistent with the regulatory requirements for auditor independence.

Change in Accountants

On March 7, 2008, the Audit Committee notified Deloitte & Touche that it had determined to dismiss them as the Company's independent registered public accounting firm, effective as of the date of the completion of the audit services conducted by Deloitte & Touche for the fiscal year ending March 29, 2008. The dismissal of Deloitte & Touche became effective on May 28, 2008. During the Company's two fiscal years ended March 29, 2008 and March 31, 2007, and through May 28, 2008, the date of Deloitte & Touche's audit report in respect of the Company's financial statements for the fiscal year ended March 29, 2008, there were no disagreements between the Company and Deloitte & Touche on any matter of accounting principle or practice, financial statement disclosure, or auditing scope or procedure that, if not resolved to Deloitte & Touche's satisfaction, would have caused it to make reference to the matter in conjunction with its report on the Company's consolidated financial statements for the relevant year and there were no reportable events as defined in Item 304(a)(1)(v) of Regulation S-K under the Securities Act (Regulation S-K).

Deloitte & Touche's audit report dated May 28, 2008 (which was included in the Company's Annual Report on Form 10-K filed on May 28, 2008) on the Company's consolidated financial statements as of and for the two fiscal years ended March 29, 2008 and March 31, 2007, did not contain an adverse opinion or disclaimer of opinion, nor was it qualified or modified as to uncertainty, audit scope, or accounting principles except that the audit report included an explanatory paragraph related to the Company's adoption of Financial Accounting Standards Board Interpretation No. 48, Accounting for Uncertainty in Income Taxes, effective April 1, 2007, the Company's elected application of Staff Accounting Bulletin No. 108, Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements effective April 2, 2006 and the Company's adoption of Statement of Financial Accounting Standards No. 123(R), Share-Based Payment, as revised, effective April 2, 2006.

The Company furnished a copy of the above disclosures to Deloitte & Touche and requested that Deloitte & Touche provide a letter addressed to the SEC stating whether or not it agrees with the statements made above. A copy of such letter is filed as Exhibit 16.1 to the Company's Form 8-K dated March 7, 2008, as amended on Form 8-K/A (File No. 001-13057).

Also on March 7, 2008, the Audit Committee notified Ernst & Young that it would engage them as the Company's independent registered public accounting firm for the fiscal year ending March 28, 2009. During the Company's two fiscal years ended March 29, 2008 and March 31, 2007, neither the Company, nor anyone acting on its behalf, consulted with Ernst & Young with respect to either (i) the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on the Company's consolidated financial statements, and no written report or oral advice was provided by Ernst & Young to the Company that Ernst & Young concluded was an important factor considered by the Company in reaching a decision as to the accounting, auditing, or financial reporting issue or (ii) any matter that was the subject of either a disagreement as defined in Item 304(a)(1)(iv) of Regulation S-K or a reportable event as described in Item 304(a)(1)(v) of Regulation S-K.

Independent Auditor Fees

The Audit Committee has adopted a policy governing the pre-approval by the Audit Committee of all services, audit and non-audit, to be provided to the Company by its independent registered public accounting firm. Under the policy, the Audit Committee has generally pre-approved the provision by the Company's independent registered public accounting firm of specific audit, audit related, tax and other non-audit services, subject to the fee limits established from time to time by the Audit Committee, as being consistent with auditor independence. The provision of all other services, and all generally pre-approved services in excess of the applicable fee limits, by the independent registered public accounting firm must be specifically pre-approved by the Audit Committee on a case-by-case basis. The Company's Chief Financial Officer is required to determine if any request or application for services proposed to be performed by the independent registered public accounting firm has the general pre-approval of the Audit Committee, and the Audit Committee must be updated at each regularly scheduled meeting of the generally pre-approved services performed by the independent registered public accounting firm since the Committee's last regularly scheduled meeting. Requests or applications to provide services that require the specific pre-approval of the Audit Committee must be submitted to the Audit Committee by both the independent registered public accounting firm and the Company's Chief Financial Officer, and both must advise the Audit Committee as to whether, in their view, the request or application is consistent with the SEC's rules on auditor independence. The Audit Committee may delegate either type of pre-approval authority to one or more of its members, and has currently delegated such authority to the Audit Committee's Chair. All pre-approved decisions made by the delegated member or members must be reported to the full Audit Committee at its next scheduled meeting.

For fiscal 2008, the Audit Committee established fee limits on generally pre-approved services outside the scope of the pre-approved annual audit engagement of \$500,000 for tax services, \$500,000 for due diligence services in connection with acquisitions or dispositions, and \$250,000 for all other generally pre-approved non-audit services.

Aggregate fees, including expenses, for professional services rendered for the Company by Deloitte & Touche for fiscal 2008 and fiscal 2007 were:

	Fiscal 2008	Fiscal 2007
Audit fees	\$ 4,364,800	\$ 4,264,900
Audit-related fees	977,500	785,600
Tax fees	1,699,900	1,398,800
All other fees		
Total	\$ 7,042,200	\$ 6,449,300

Audit Fees. Audit fees are fees billed for professional services for the audit of the Company's annual financial statements and internal control over financial reporting. Audit fees also include fees billed for professional services for the review of financial statements included in the Company's Form 10-Qs and for services that are normally provided in connection with statutory and regulatory filings or engagements.

Audit-related Fees. Audit related fees are fees billed for assurance and related services that are related to the performance of the audit or review of the Company's financial statements. These services include employee benefit plan audits, contractually agreed upon audits, accounting consultations and due diligence services.

Tax Fees. Tax fees are fees billed for tax consulting and compliance services and tax acquisition and tax due diligence services, including tax consulting in connection with the operational consolidation of the Company's European and Japanese businesses.

All Other Fees. All other fees are fees billed for any services that did not constitute audit fees, audit-related fees or tax fees. No such services were provided to the Company in fiscal 2008 or fiscal 2007.

Representatives from Deloitte & Touche and Ernst & Young will be present at the meeting, will have the opportunity to make a statement and will be available to respond to appropriate questions by stockholders.

The affirmative vote of a majority of the total votes cast at the annual meeting of stockholders and entitled to vote is needed to ratify Ernst & Young's appointment. If the stockholders do not ratify the appointment of Ernst & Young, the selection of the independent auditor will be reconsidered by the Audit Committee of the Board of Directors.

THE BOARD OF DIRECTORS OF THE COMPANY RECOMMENDS A VOTE FOR THE PROPOSAL TO RATIFY THE APPOINTMENT OF ERNST & YOUNG LLP AS THE COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE FISCAL YEAR ENDING MARCH 28, 2009. PROXIES RECEIVED BY THE BOARD OF DIRECTORS WILL BE SO VOTED UNLESS STOCKHOLDERS SPECIFY A CONTRARY CHOICE IN THEIR PROXIES.

PROXY PROCEDURE AND EXPENSES OF SOLICITATION

The Company will retain an independent tabulator to receive and tabulate the proxies and independent inspectors of election to certify the results.

All expenses incurred in connection with the solicitation of proxies will be borne by the Company. The Company will reimburse brokers, fiduciaries, custodians and other nominees for their costs in forwarding proxy materials to beneficial owners of Common Stock held in their names.

Solicitation may be undertaken by mail, telephone, personal contact or other similar means by directors, officers and employees of the Company without additional compensation.

ADDITIONAL MATTERS

Stockholder Proposals for the 2009 Annual Meeting

Stockholders intending to present a proposal at the 2009 annual meeting of stockholders and have it included in the Company's proxy statement for that meeting must submit the proposal in writing to Polo Ralph Lauren Corporation, Attention: Secretary, 625 Madison Avenue, New York 10022. The Company must receive such proposals no later than March 3, 2009. It is suggested that proposals be submitted by certified mail, return receipt requested.

Stockholders intending to present a proposal at the 2009 annual meeting of stockholders without inclusion of the proposal in the Company's proxy statement, or to nominate a person for election as a director, must comply with the requirements set forth in the Company's By-laws. The By-laws require, among other things, that the Company receive written notice from the stockholder of the intent to present such proposal or nomination no more than 90 days and no less than 60 days prior to the scheduled date of the meeting (or, if less than 70 days' notice or prior public disclosure of the date of the meeting is given, by the tenth day following the earlier of (i) the day such notice was mailed or (ii) the day such public disclosure was made).

A stockholder's notice to the Company must include a full description of such proposal (including all information that would be required in connection with such proposal under the SEC's proxy rules if such proposal were the subject of a proxy solicitation and the written consent of each nominee for election to the Board of Directors named therein (if any) to serve if elected) and the name, address and number of shares of Common Stock held of record or beneficially as of the record date for such meeting by the person proposing to bring such proposal before the meeting.

Nothing in this section shall be interpreted or construed to require the inclusion of information about any stockholder proposal in the Company's proxy statement.

Electronic Access to Annual Meeting Materials

This proxy statement, the Company's annual report to stockholders and the Company's Form 10-K annual report are available on the Company's website at <http://investor.ralphlauren.com>. You can save your postage and printing expense by consenting to access these documents over the internet. If you consent, you will receive notice next year when these documents are available with instructions on how to view them and submit voting instructions. If you are a stockholder of record, you may sign up for this service by checking the appropriate box on the accompanying proxy card. If you hold your shares through a bank, broker or other holder of record, contact the record holder for information regarding electronic access of materials. Your consent to electronic access will remain in effect until you revoke it. If you choose electronic access, you may incur costs, such as telephone and internet access charges, for which you will be responsible.

Other Business

As of the mailing date of this proxy statement, the Board of Directors knows of no matters other than those referred to in the accompanying Notice of Annual Meeting of Stockholders that may properly come before the meeting. If any stockholder proposal or other matter were to properly come before the meeting, including voting for the election of any person as a director in place of a nominee named herein who becomes unable to serve or for good cause will not serve or voting on a proposal omitted from this proxy statement pursuant to the rules of the SEC, all proxies received will be voted in accordance with the discretion of the proxy holders, unless a stockholder specifies otherwise in his or her proxy.

The form of proxy and the proxy statement have been approved by the Board of Directors and are being mailed and delivered to stockholders by its authority.

Ralph Lauren

Chairman & Chief Executive Officer

New York, New York

July 1, 2008

APPENDIX A

Polo Ralph Lauren Corporation

Definition of Independent Directors

The Board of Directors has established these guidelines to assist it in determining whether or not directors have a material relationship with the Company for purposes of determining independence under the New York Stock Exchange's Corporate Governance Rules. In each case, the Board will broadly consider all relevant facts and circumstances and shall apply the following standards (in accordance with the guidance, and subject to the exceptions provided by, the New York Stock Exchange in its Commentary to its Corporate Governance Rules where applicable).

1. Employment and Commercial Relationships Affecting Independence.

A director will not be independent if: (i) the director is, or has been within the last three years, an employee of the Company or any member of the Lauren Group; (ii) an immediate family member of the director is, or has been within the last three years, an executive officer of the Company; (iii) (A) the director or an immediate family member is a current partner of a firm that is the Company's internal or external auditor; (B) the director is a current employee of such a firm; (C) the director has an immediate family member who is a current employee of such a firm and who participates in the firm's audit, assurance or tax compliance (but not tax planning) practice; or (D) the director or an immediate family member was within the last three years (but is no longer) a partner or employee of such a firm and personally worked on the listed Company's audit within that time; (iv) the director has received, or has an immediate family member who has received, during any twelve-month period within the last three years, more than \$100,000 in direct compensation from the Company or any member of the Lauren Group, other than (x) director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service) and (y) compensation received by an immediate family member for service as an employee of the Company (other than as an executive officer); (v) the director or an immediate family member of the director is, or has been within the last three years, employed as an executive officer of another company where any of the Company's present executive officers at the same time serves or served on that company's compensation committee; or (vi) the director is a current employee, or an immediate family member of the director is a current executive officer, of a company that makes payments to, or receives payments from, the Company for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million or 2% of such other company's consolidated gross revenues.

In addition, a director will not be independent if his or her spouse, parent, sibling or child is employed by the Company.

2. Relationships Not Deemed to Impair Independence.

Subject to Section (a) above, the following relationships are not deemed to be material relationships that would impair a director's independence.

Non-management Directors. The director is a non-management director of another company that does business with the Company.

Commercial Relationships. The director is an employee or executive officer, or an immediate family member of the director is an executive officer, of another company that does business with the Company; provided in either case that

(i) such business was entered into in the ordinary course of the Company's business and on substantially the same terms as those prevailing at the time for comparable business with unaffiliated third parties; and

(ii) termination of the relationship in the normal course of business would not reasonably be expected to have a material adverse effect on the financial condition, results of operations or business of the other company.

Tax-Exempt Organization Relationships. The director (or an immediate family member of the director) serves as a director, officer or trustee of a tax-exempt organization, and the Company's discretionary charitable contributions to the organization and the charitable contributions of the Lauren Group to the organization do not, in the aggregate, exceed the greater of \$100,000 or 1% of the organization's aggregate annual charitable receipts during the organization's preceding fiscal year. (Any automatic matching by the Company of employee charitable contributions are not included in the Company's contributions for this purpose.)

3. Disclosure.

For relationships that are either not covered by, or do not satisfy, these guidelines, the determination of whether the relationship is material or not, and therefore whether the director would be independent or not, shall be made by the directors satisfying all the independence guidelines set forth above. The Company will explain in its next proxy statement thereafter the basis for any board determination that any such relationship was immaterial.

4. Definitions.

For purposes of these guidelines, the (i) term "immediate family member" shall have the meaning ascribed to it by the New York Stock Exchange Corporate Governance Rules (including the Commentary thereto), (ii) the term "the Company" includes any entity in the Company's consolidated group, (iii) the "Lauren Group" consists of Ralph Lauren, any member of his immediate family or any entity controlled by Ralph Lauren or members of his immediate family, and (iv) the term "executive officer" has the same meaning specified for the term "officer" in Rule 16a-1(f) under the Securities Exchange Act of 1934, as amended.

X **VOTES MUST BE INDICATED (X) IN BLACK OR BLUE INK.** **(PLEASE SIGN, DATE AND RETURN THIS PROXY IN THE ENCLOSED POSTAGE PREPAID ENVELOPE.)** Please **..**
 Mark Here
 for Address
 Change or
 Comments
SEE REVERSE SIDE

	FOR all	WITHHOLD	*EXCEPTIONS		FOR	AGAINST	ABSTAIN
	nominees	AUTHORITY		
		to vote for all					
Item 1. Election of three (3) Class A Director	listed below	nominees		Item 2. Ratification of appointment of Ernst & Young LLP as the Company's independent registered public accounting firm to serve for the fiscal year ending March 28, 2009.			
Nominees as Class A Directors:		listed below					
Nominees:				
01 Frank A. Bennack, Jr.,							
02 Joel L. Fleishman							
03 Terry S. Semel							

(INSTRUCTIONS: TO WITHHOLD AUTHORITY TO VOTE FOR ANY INDIVIDUAL NOMINEE, MARK THE EXCEPTIONS BOX AND WRITE THE NOMINEE'S NAME IN THE SPACE PROVIDED BELOW.)

IF YOU PLAN ON ATTENDING THE 2008 ANNUAL MEETING, PLEASE CHECK THIS BOX. ELECTRONIC ACCESS **..**

*Exceptions _____

If you consent to use the Company's Internet site to access all future Annual Reports and Proxy Statements, please mark this box. **..**

Date _____ Share Owner sign here/Title **Co-Owner sign here/Title**
Please mark, date and sign exactly as your name appears hereon and return in the enclosed envelope. If acting as executor, administrator, trustee, guardian, etc., you should so indicate when signing. If the signer is a corporation, please write in the full corporate name and sign by a duly authorized officer. If shares are held jointly, each stockholder named should sign.

FOLD AND DETACH HERE

POLO RALPH LAUREN CORPORATION

CLASS A COMMON STOCK

PROXY

ANNUAL MEETING OF STOCKHOLDERS

THIS PROXY IS SOLICITED BY THE BOARD OF DIRECTORS

The undersigned, revoking all previous proxies, hereby constitutes and appoints Roger N. Farah, Tracey T. Travis and Jonathan D. Drucker, and each of them, proxies with full power of substitution to vote for the undersigned all shares of Class A Common Stock of Polo Ralph Lauren Corporation that the undersigned would be entitled to vote if personally present at the Annual Meeting of the Stockholders to be held on August 7, 2008 at the St. Regis Hotel, 20th Floor Penthouse, 2 East 55th Street, New York, New York, at 9:30 a.m. (local time), and at any adjournment or postponement thereof, upon the matters described in the accompanying Proxy Statement and, in such proxies' discretion, upon any other business that may properly come before the meeting or any adjournment or postponement thereof.

THIS PROXY WHEN PROPERLY EXECUTED, WILL BE VOTED AS DIRECTED HEREIN. IF NO DIRECTION IS GIVEN, THIS PROXY WILL BE VOTED FOR THE NOMINEES FOR ELECTION AS DIRECTORS AND FOR THE RATIFICATION OF THE APPOINTMENT OF ERNST & YOUNG LLP AS THE COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM.

This proxy is continued on the reverse side. Please sign on the reverse side and return promptly.

**(Continued and to be marked, dated and signed, on the other side)
Address Change/Comments (Mark the corresponding box on the reverse side)**

FOLD AND DETACH HERE